



Inify
Laboratories

Inify Laboratories

Year-end report for the fourth quarter and full year 2023

This is Inify Laboratories

What we do

Inify Laboratories provides cancer diagnostics in histopathology, initially to diagnose prostate cancer. We have built an ultra-modern laboratory where diagnostic services are offered to both public and private healthcare providers. The business model and technical structure enable scalability in terms of volume, diagnostics and geographical expansion.

How we do it

We have built an ultra-modern laboratory and developed a unique structure of systems and processes that enable a fully digital, standardized and AI-supported workflow to optimize quality and shorten response times. The services are offered for selected cancer types where the specialization contributes to high and reliable quality.

Why we do it

Clinical pathology is currently under great pressure, with high workloads and limited – even declining – resources in many regions. An ageing population, increasing cancer incidence, and more frequent examinations and screening programmes further increase the workload. Solving the problem with manpower alone is not possible, as there is an acute shortage of medical personnel in pathology. It is simply necessary to work in a new way.

Who we are

Inify Laboratories is based in Sweden and became independent in 2022 through a spin-off from ContextVision, which has 40 years of experience in digital images for medical diagnostics. The company is listed on Euronext Growth Oslo.

Our vision:
World leading cancer
diagnostics for everyone!

Fourth quarter highlights

- Attainment of accreditation as a medical laboratory
- Continued customer on-boarding
- Cash position period-end of SEK 70.9 millions

Full year 2023 highlights

- The laboratory launches its services
- Revenues of SEK 1.2 million
- Important supplier agreements signed during the year

Key figures	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Average number of shares	45 236 750	45 236 750	45 236 750	34 519 438
Earnings per share (SEK)	-0.32	-0.19	-1.18	-0.98
Solidity	91.4%	91.0%	91.4%	91.0%
Net sales (TSEK)	784	0	1 193	0
EBITDA (TSEK)	-13 907	-8 131	-51 401	-42 274

The company use some figures that are considered as Alternative Performance Measures. Please see description under section Alternative Performance Measures and Definitions.

Letter from the CEO

Following accreditation and positive customer feedback, we enter a growth phase

Important pieces fell into place during the fourth quarter, the foremost being our attainment of accreditation as a medical laboratory. This paved the way for making our diagnostic service fully available to both private and public healthcare providers. In the second half of 2023, hundreds of patients were diagnosed through our service, most in the fourth quarter.

We close the year strong, with a sales growth of 176% compared to the previous quarter. This, paired with a forecasted increase in the number of customers and volume going forward, shows that we are entering a phase of growth. The cash balance at the end of the year was SEK 70.9 million, which is in line with our financial plan.

Accreditation

Our accreditation certificate was issued in November, after confirmation that our operations fully comply with the rigorous standards set for a medical laboratory. Accreditation is an international system with common legislation within the EU. In Sweden, the independent review is conducted by Swedac, and includes assessment of operational routines as well as processes for quality management, competence requirements and documentation. The high level of expertise in our organization was fundamental to the swiftness of our accreditation – attained just five months after the opening of our first laboratory.

Customer feedback

The value we provide is clearly confirmed by our customers. All diagnoses have been delivered within our promised response time of 5 days, shortening the patient's wait for a diagnosis by several weeks. Swedish guidelines for prostate cancer investigations state that a patient should receive their test results within 11 days from sampling. For many years, this has only been achieved with a small percentage of patients. Now, our customers are able to give their patients their results within the 11-day window in about 80% of cases. This immediately benefits the patient, avoiding an unnecessarily lengthy period of uncertainty and worry. More predictable response times allow clinics to plan patients' follow-up visits with a whole new efficiency, and avoid allocating unnecessary resources to rescheduling – an everyday issue for clinics until now.

Marketing activities

The beginning of the quarter saw us participating in Urologidagarna, Sweden's largest national conference for doctors,

“I dare to claim that our operations are unique – in Sweden, and internationally. Our ambition is to stay at the forefront in terms of response times, quality and user-friendliness.”



“All diagnoses have been delivered within our promised response time of five days, shortening the patient’s wait for a diagnosis by several weeks.”

nurses, and other staff within urology. Our participation drew great interest, with the large number of visitors in our booth helping to boost awareness of our services and expand our network of potential customers.

An important step in our establishment was our involvement in a course in modern biopsy technology for urologists. In addition to our lectures about our specialized diagnostics service, we performed diagnoses on the eleven patients who underwent sampling during the course. We completed the sample preparation and diagnostics in 48 hours, allowing the cases to be discussed during the course’s concluding doctor’s round. The participants were highly impressed by the speed of our modern diagnostics, as well as by the quality and structure of the reports we presented.

Internationally, we continue to map the market, focusing on Europe. This will lay the groundwork for future international expansion, following a strong establish-

ment in our home market. The challenges we see in Sweden – long waiting times and varying quality – can also be seen in many other markets, which strengthens our confidence in a successful international establishment.

System development

Our multidisciplinary teams continue to work systematically on optimizing our system, with a focus on customer needs and efficiency – from improved workflows to advanced AI development as a support to our pathologists in their diagnostic work. Everything has run smoothly from the start, and we have performed several major system upgrades during the year.

I dare to claim that our operations are unique – in Sweden, and internationally. Our ambition is to stay at the forefront in terms of response times, quality and user-friendliness for both customers and employees. Our goal of setting a new standard in cancer diagnostics remains unchanged.

Outlook

The solid work carried out by our team, in close dialogue with our customers and other stakeholders, has laid the foundation for a continued successful establishment. We foresee a noticeable increase in the number of customers, volume, and sales in 2024.

We close a fantastic year – full of progress and promise – and look forward to an even more exciting year of further development and growth.

I’ve said it before – we’re just getting started.



Fredrik Palm
Chief Executive Officer

A woman with blonde hair, wearing a teal blazer and black top, stands in an office environment. She is smiling slightly and has her hands clasped in front of her. The background shows office furniture and windows.

Words from Sales & Marketing

“The end of the quarter saw the onboarding of several customers, who started sending us samples on a regular basis.”

It has been amazing to see how well everything has functioned for Inify Laboratories and our service since the launch. In 100% of cases, we have been able to keep our promise of delivering pathology reports within a maximum of five working days. This has enabled our customers to schedule patient follow-ups in just over a week after examination, compared to a previous average of three weeks.

It is not unusual for customers of a newly launched company to encounter initial flaws in their product or service. For a complex service such as Inify's, where logistics, IT, laboratory operations and diagnostics must work together, it is almost inevitable. I am therefore particularly proud of how smoothly everything went from the start.

This is primarily the result of two key factors. The first is our close collaboration with our target group, the urology clinics, from Inify's very start. This has allowed us to produce referrals with a "wow" factor, tailored to their reality and needs. Similarly, reports are clear, with both graphic and textual overviews and details. Many have expressed how the visual representations aid in explaining results to patients.

The second factor behind these immediate results is our cross-functional collaboration, spanning from laboratory development to sales, which has allowed us to foresee many situations and needs. It has also created an understanding of our entire service within the organization, which in turn has led to innovative, swift implementation of proposed improvements.

For me, it is important that we adopt a strategic, value-based approach toward our customers, to ensure high customer satisfaction among not only urologists, but also nurses, assistant nurses, and administrative staff. Everything we do is a

team effort, so it's not just the sales and marketing department who are out meeting customers, but colleagues across the entire company, from laboratory and diagnostics to algorithm and software development. This helps reinforce the team spirit within the company and underscores our professionalism towards customers.

Our accreditation at the beginning of November 2023 was an important milestone that enabled us to start actualizing business deals with full force. The end of the quarter saw the onboarding of several customers, who started sending us samples on a regular basis.

Inify Laboratories has sparked a lot of positive discussion among urologists, who are now reaching out to us with inquiries about making our service available for their clinics – further proof that our offering adds great value. The interaction between AI, streamlined processes, dedicated employees, and enthusiastic customers has thus initiated a paradigm shift in prostate cancer diagnostics – to the benefit of many patients so far, and many more to come.

Maria Holmberg
Sales and marketing manager

Fourth quarter and full year 2023

Company history and development

Inify Laboratories AB (publ) is a Swedish company with its registered office in Stockholm, Sweden. The company was incorporated in November 2021 as a subsidiary to ContextVision AB. After a resolution at an extraordinary general meeting in December 2021, Inify Laboratories was spun-off by a dividend of shares that was carried out in February 2022. During 2022 the company built its first laboratory and office facilities, and moved in at the end of 2022. During January 2023 a wholly owned subsidiary was formed, to support the business structure with a suitable organization. The laboratory launched its pathology services for healthcare providers in mid June 2023, focusing on prostate cancer for a start.

Inify Laboratories Group

The group consists of Inify Laboratories AB (publ), company registration number 559345-4431 as parent company, and Inify Laboratories Nordics AB, company registration number 559416-6828 as a wholly owned subsidiary, formed in January 2023.

The subsidiary's business primarily consists of running the daily laboratory and diagnostics operations in the group's first laboratory in Solna, Sweden. The parent company's business consists of conducting research and development, managing the intangible assets, group management and other administrative services at the group level.

Transactions which are eliminated on consolidation

Internal group receivables and liabilities, income or expense and unrealised gains or losses which arise from intra-Group transactions among group companies, are eliminated in the preparation of the consolidated financial statements. As of the balance sheet date 31 December 2023, there were group receivables in the parent company of a total of SEK 2.9 million relating to the subsidiary.

Financial development

The number of diagnosed patient samples increased significantly in the fourth quarter, compared to previous quarters. The quality assurance in the form of accreditation as a medical laboratory was most likely the driver to on-boarding more customers. In the fourth quarter revenues amounted to SEK 784 thousands (0) and for the full year to SEK 1 193 thousands (0). All sales refer to diagnostic services within Sweden and were

invoiced in SEK.

The groups costs mainly consist of personnel costs and other external costs, but whilst the revenues start to increase the cost of goods is expected to increase proportionally.

Operating results

Inify's consolidated operating result for the fourth quarter 2023 was SEK -15.0 million (-9.0) and for the full year the operating result was SEK -55.8 million (-44.6) The results after financial items was SEK -14.5 million (-8.5) in the fourth quarter and SEK -53.3 million (-44.2) for the full year 2023.

Cash-flow and financing

Prior to the spin-off from the former parent company (ContextVision) in February 2022, assets were transferred from the parent company to Inify Laboratories with a total value of SEK 31.3 million. The assets transferred included tangible assets amounting to SEK 0.7 million, intangible assets amounting to SEK 10.1 million and bank funds of SEK 20.5 million. Following a general meeting resolution from 9 May 2022 a private placement and a subsequent offering of NOK 150 million was carried out, to secure long term funding for the company. The raised capital was paid to the company during July 2022. Cash and bank assets for the group at 31 December 2023 amounted to SEK 70.9 millions (128.5). Cash flow for the fourth quarter was SEK -13.0 millions (-16.0) and for the full year 2023 SEK -57.7 millions (128.0). Equity at period end amounted to SEK 85.0 millions (138.4), resulting in an equity ratio of 91.4% (91.0%).

Tangible and intangible assets

Tangible assets at period end amounted to SEK 9.1 millions (9.3).

The intangible assets consist of the product Inify Prostate™, a decision support tool for prostate cancer diagnosis. It was initially developed by ContextVision, and was acquired and further developed by Inify Laboratories. It now serves as a fully integrated component in the internally developed laboratory information system. Intangible assets at period end amounted to SEK 6.2 millions (8.2).

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is calculated through the application of the first in, first out method (FIFO). Inventories at period end amounted to SEK 272 thousands (1 094).

Leasing

The company signed a leasing agreement for a combined office and laboratory facility at Campus Solna in June 2022. During 2022 the premises were rebuilt and adapted to suit the business, and the company moved in at the end of the year. The premises houses both the first laboratory as well as the head office for the group. In connection with signing the leasing agreement a deposit of SEK 875 thousand was paid.

During the fourth quarter 2022 another leasing agreement for offices in Linköping were signed, mainly intended for R&D activities. The newly built premises was completed in January 2023, and the company moved in during the month.

Employees

At December 31st, 2023 the group had 22 (17) employees in total, all located in Sweden. Of these, 18 (17) were employed by the parent company and 4 (0) by the subsidiary.

Incentive program

The Company's general meeting resolved on 9 May 2022 to implement a long-term incentive program for employees (the "Employee Incentive Program") and a long-term incentive program for board members (the "Board Member Incentive Program"). The long-term incentive program consists of a maximum of 3,935,599 options, divided between the Employee Incentive Program and the Board Member Incentive Program. Assuming that all options are exercised, this will correspond to a total dilution of approximately 8% based on the number of outstanding shares at the date of this report. Each option entitles the holder to acquire a new share or a warrant entitling to one share in the Company at an exercise price of NOK 4.80. The granted options vests over a 36-month period and may, as a general rule, only be exercised for the acquisition of new shares if the participant is still employed and the other conditions for qualified employee stock options under the Income Tax Act are met. The holder of options may exercise granted and vested options during the period from the end of the vesting period up to and including the tenth year from the date of grant.

Risks and uncertainties

The major risk factors and uncertainties for the company comprise, but are not limited to, risks related to the business and industry in which the Company operates, legal and regulatory risks, risks related to the Issuer's financial situation and risks relating to the shares and the listing of the shares on Euronext Growth Oslo. In addition to above, the manage-

ment closely monitor and regularly evaluates any risk that could arise from inflation, increasing energy prices or international instability. For further details on the company's major risk factors, please see the Information Document that was published in connection with the listing on Euronext Growth in June 2022 and the Annual Report 2022 that was published on April 12, 2023. The risks and uncertainties have not changed significantly since then.

Related party transactions

Transactions between the parent company and its subsidiary arise naturally in the operations when, for example, premises and certain resources are shared between the companies. During the fourth quarter, total intra-group revenues of SEK 557 thousands were reported in the parent company and corresponding costs in the subsidiary. During the full year 2023 the intra-group revenues amounted to SEK 946 thousands. Except from above, there has been no other significant transactions with related parties during the period.

Basis of preparation

The condensed financial statements for the fourth quarter 2023, ending December 31st 2023 have been prepared in accordance with the Swedish Accounting Board's general advice BFNAR 2012:1 Annual accounts and consolidated accounts ("K3"). The condensed financial statements do not include all the information and disclosures required in the annual financial statements.

The functional and reporting currency of the group is Swedish krona (SEK). All amounts, unless otherwise stated, are presented in SEK thousand.

The parent company was incorporated on 10 November 2021 and its first financial year was extended to cover the period from establishment until 31 December 2022.

The subsidiary was formed in January 2023 and therefore all comparative consolidated figures comprise the parent company only.

New and changed accounting principles

No new or changed accounting principles have had effect on the accounting for the period.

Subsequent events

During the period between period-end and the issuance of this report no significant events have occurred.

Proposed dividend

For the full year 2023, the board of directors proposes no ordinary dividend.

Shareholder information

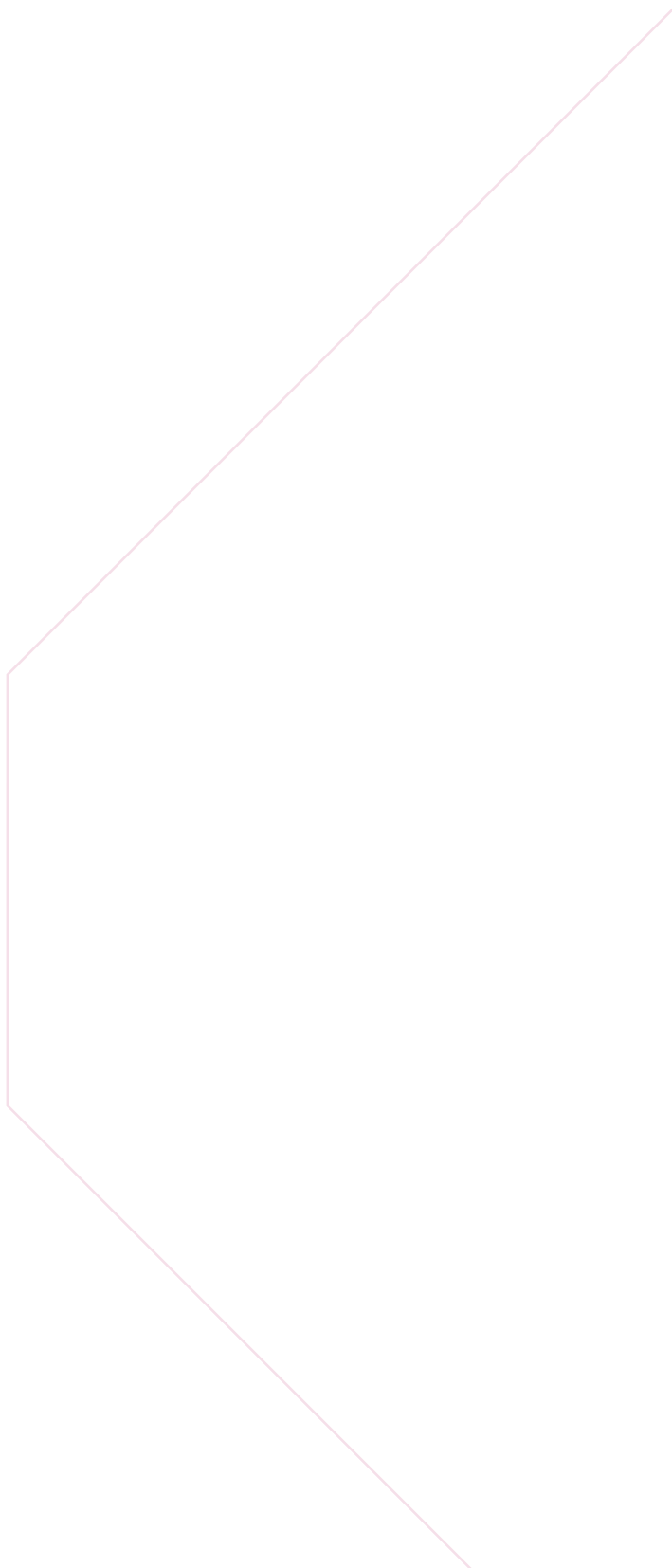
- Inify Laboratories AB is listed on Euronext Growth Oslo under the ticker INIFY (ISIN SE0017486103).
- The company has a total of 45,236,750 shares outstanding. All shares have equal rights and are freely transferable.
- At December 31st, Inify had a total of 1,136 share holders, whereof 2 share holders held more than 10% each of the shares.
- Detailed information on major shareholders can be found on the company's website www.inify.com.
- The 5 largest shareholders as of December 31st, 2023 are listed below.

	No of shares	%	Shareholder
1	27,181,386	60.09	Gallivant S.á.r.l.
2	4,691,412	10.37	Tauri AS
3	1,964,768	4.34	Günther-Hanssen, Sven
4	1.876.409	4.15	Danske Bank A/S
5	1,372,243	3.03	MP Pensjon AS

Financial calendar

This interim report was published on the company's website on the 29th of February 2024. For further information, please visit www.inify.com.

29 February 2024	Publication of Q4 and full year 2023 Financial report
11 April 2024	Publication of Annual Report 2023
24 April 2024	Publication of Q1 2024 Financial report
14 May 2024	Annual General Meeting
21 August 2024	Publication of Q2 2024 Financial report
23 October 2024	Publication of Q3 2024 Financial report
26 February 2025	Publication of Q4 and full year 2024 Financial report



Key figures SEK 1000

	Q4 2023	Q4 2022	Full year 2023 [*]	Nov 2021 – Dec 2022 [*]
Number of shares at period end	45 236 750	45 236 750	45 236 750	45 236 750
Average number of shares	45 236 750	45 236 750	45 236 750	34 519 438
Earnings per share	-0.32	-0.19	-1.18	-0.98
Solidity (percent)	91.4%	91.0%	91.4%	91.0%
EBITDA	-13 907	-8 131	-51 401	-42 274

The company use some figures that are considered as Alternative Performance Measures.
Please see description under section Alternative Performance Measures and Definitions.

The subsidiary was formed in January 2023, all comparative consolidated figures therefore comprise the parent company only.

^{*} The parent company's first financial year was extended and covers 14 months.

Consolidated income statement in summary SEK 1000

	Q4 2023	Q4 2022	Full year 2023 [*]	Nov 2021 – Dec 2022 [*]
Net sales	784	0	1 193	0
Total sales	784	0	1 193	0
Cost of goods	-157	0	-341	0
Other external costs	-6 328	-1 570	-22 911	-21 974
Personnel costs	-8 206	-6 561	-29 342	-20 299
Depreciation	-1 104	-849	-4 359	-2 345
Operating results	-15 011	-8 980	-55 760	-44 619
Interest income	554	562	2 435	784
Interest cost	0	-36	0	-322
Results after financial items	-14 457	-8 455	-53 326	-44 157
Tax	0	0	0	0
Net results	-14 457	-8 455	-53 326	-44 157

The subsidiary was formed in January 2023, all comparative consolidated figures therefore comprise the parent company only.

^{*} The parent company's first financial year was extended and covers 14 months

Consolidated statement of comprehensive income SEK 1000

	Q4 2023	Q4 2022	Full year 2023 [*]	Nov 2021 – Dec 2022 [*]
Net result for the period	-14 457	-8 455	- 53 326	-44 157
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	0	0	0	0
Total comprehensive income	-14 457	- 8455	-53 326	-44 157

The subsidiary was formed in January 2023, all comparative consolidated figures therefore comprise the parent company only.

^{*} The parent company's first financial year was extended and covers 14 months

Consolidated balance sheet in summary SEK 1000

	December 31, 2023	December 31, 2022
Assets		
Intangible fixed assets	6 223	8 241
Tangible assets	9 144	9 341
Other financial assets	875	875
Inventories and other current assets	272	1 094
Current receivables	5 633	4 057
Cash and bank	70 853	128 521
Total assets	93 000	152 128
Equity and liabilities		
Equity	85 047	138 372
Current liabilities	7 953	13 756
Total equity and liabilities	93 000	152 128

Consolidated change in equity in summary SEK 1000

	Q4 2023	Q4 2022	Full year 2023	Nov 2021 – Dec 2022*
Opening balance	99 503	151 672	138 372	500
Total comprehensive income for the period	-14 457	-8 455	-53 326	-44 157
Contributed Capital	0	0	0	31 253
New shares issue	0	-4 845	0	150 776
Total	85 047	138 372	85 047	138 372

The subsidiary was formed in January 2023, all comparative consolidated figures therefore comprise the parent company only.
*The parent company's first financial year was extended and covers 14 months

Parent company income statement in summary SEK 1000

	Q4 2023	Q4 2022	Full year 2023	Nov 2021 – Dec 2022*
Net sales	557	0	946	0
Total sales	557	0	946	0
Cost of goods	-21	0	-102	0
Other external costs	-5 622	-1 570	-21 858	-21 974
Personnell costs	-7 252	-6 561	-28 092	-20 299
Depreciation	-1 096	-849	-4 333	-2 345
Operating results	-13 434	-8 980	-53 439	-44 619
Interest income	554	562	2 434	784
Interest cost	0	-36	0	-322
Other financial items	-2 321	0	-2 321	0
Results after financial items	-15 201	-8 455	-53 326	-44 157
Tax	0	0	0	0
Net results	-15 201	-8 455	-53 326	-44 157

* The company's first financial year was extended and covers 14 months

Parent company balance sheet in summary SEK 1000

	December 31, 2023	December 31, 2022
Assets		
Intangible fixed assets	6 223	8 241
Tangible assets	9 016	9 341
Other financial assets	925	875
Inventories and other current assets	0	1 094
Current receivables	7 721	4 057
Cash and bank	68 527	128 521
Total assets	92 412	152 128
Equity and liabilities		
Equity	85 046	138 372
Current liabilities	7 366	13 756
Total equity and liabilities	92 412	152 128

Parent company change in equity in summary SEK 1000

	Q4 2023	Q4 2022	Full year 2023	Nov 2021 – Dec 2022 [*]
Opening balance	100 247	151 672	138 372	500
Total comprehensive income for the period	-15 201	-8 455	-53 326	-44 157
Contributed Capital	0	0	0	31 253
New shares issue	0	-4 845	0	150 776
Total	85 046	138 372	85 046	138 372

^{*} The parent company's first financial year was extended and covers 14 months

Signatures

The board and the CEO certify that this interim report for the period 1 October – 31 December 2023 to the best of our knowledge, includes a fair and true review of the company's significant events, operations, financial position, results and related party transactions, and also describes the significant risks and uncertainties that the company faces. This report has not been reviewed by the company's auditors.

Stockholm, 29 February, 2024

Olof Sandén
Chairman of the board

Fredrik Palm
CEO

Martin Ingvar
Boardmember

Magne Jordanger
Boardmember

Alternative performance measures and definitions

In its financial reports, the company presents certain financial measures, including Key Figures, which are considered as Alternative Performance Measures (APM). The company believes that these figures provide useful supplementary information to investors and the company's board and management as they enable a better evaluation of the company's financial performance. Because not all companies calculate the financial figures in the same way, these are not always comparable to measures used by other companies.

Key figure	Definition	Motivation for usage
Earnings per share after tax (Return on equity)	Net result for the period divided by the number of outstanding shares at period end.	Earnings per share shows the company's results in relation to shares, and provides additional information regarding the company's profitability.
Solidity (Equity ratio)	Equity at period end as a percentage of total assets.	The equity ratio shows the company's long term ability to pay its debts and is a complement to other key figures. It helps assess the possibility of dividends.
EBITDA	Earnings before interest, taxes, depreciation and amortization. Operating profit/loss before interest, taxes, impairment and depreciation/amortization.	EBITDA shows the company's underlying development, which is valuable as an indication of the company's underlying cash-generating capacity.

Definitions

Accreditation

Accreditation is a formal recognition that an organization is competent to perform specified tasks in testing, inspection and certification.

Artificial Intelligence (AI)

Artificial Intelligence is the intelligence exhibited by machines or software.

Biopsy

A small tissue sample taken with a hollow needle.

Digital Pathology

Digital pathology refers to the digital images of histopathology samples. The digitalization is achieved by scanning the prepared samples.

Histopathology

Examination of tissue specimens to study the visible manifestations of disease.

Image analysis

Processing a digital image in order to describe/classify its contents or to extract quantitative measurements.

Machine Learning

Machine learning is the study of computer algorithms that improve automatically through experience.

Specimen

Part of a human body (e.g., Biopsy Specimen) or organ that is to be examined by the laboratory.



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Inify Laboratories provides cancer diagnostics through ultra-modern laboratory services within histopathology. Fully digital, standardized and AI-supported workflow is applied to optimize quality and response times, initially for prostate cancer. The concept is scalable and extendable to other diagnosis. The company origins from ContextVision and became independent in February 2022. The company is based in Sweden and listed on Euronext Growth Oslo under the ticker INIFY.