



WORLD-LEADING CANCER DIAGNOSTICS FOR EVERYONE

# Inify Laboratories Annual Report 2023



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This is a translation of the original in Swedish. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

## What we do

Inify Laboratories provides cancer diagnostics in histopathology, initially for diagnosis of prostate cancer. We have built an ultramodern laboratory, offering diagnostic services to both public and private healthcare providers. The business model and technical structure allow for scalability in volume, diagnosis and geographical expansion.

## How we do it

We have built an ultramodern laboratory and developed a unique structure of systems and processes that enable a fully digital, standardized and AI-assisted workflow, in order to optimize quality and shorten response times. We offer services for selected cancer types, where 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 parts of the world. An aging population, increasing cancer incidence and more frequent examinations and screening programs further increase the workload. Solving the problem through labor alone is not an option, due to the acute shortage of medical staff in pathology. It is quite simply necessary to work in new ways.

## 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.

# Highlights 2023



## Q1

- Our team in place, the laboratory ready for validation
- Agreement with logistics partner Loomis

## Q2

- The lab opens, our services are launched, and the first samples are received for clinical processing. From now on, clinical diagnostics is performed regularly

## Q3

- Accreditation audit performed by Swedac

## Q4

- Showcasing of our services at the National Urologist Meeting in Sweden
- Accreditation as a medical laboratory issued by Swedac
- More customers connecting to our services
- Responsible for diagnostics during Capio's course in modern biopsy technology for urologists from all over Sweden

# From development to delivery of groundbreaking cancer diagnostics



**The goal in 2023 was to launch Inify's laboratory operations and deliver the highest quality prostate cancer diagnostics with short, predictable response times. We certainly succeeded in achieving this, largely thanks to our team's drive and goal focus, as well as our close customer collaboration.**

Since the laboratory's opening day in mid-June, we have been receiving patient samples for diagnostics. All test results have been delivered to customers within the promised time. With accreditation as a medical laboratory received in late autumn, a larger part of the market became accessible, and we saw an incipient growth in sample volume towards the end of the year, fully in line with our expectations.

## The first part of the year

Early in 2023, we further expanded the team with experienced laboratory staff. The laboratory's equipment was validated in parallel with the further development of our IT system, which includes world-class AI-based decision support for our diagnosticians.

One of the great advantages of having an in-house developed IT system is that we can work with continuous development and improvement without external dependencies or delays. Our laboratory information system

(LIS) follows each patient sample throughout the entire process with full traceability at every step, from registered referral at the urology clinics to delivery of test results.

We are proud of our collaboration with Loomis, a well-known player in the value transport industry with operations in many countries. The collaboration is a good example of one of our innovative partnerships that enable efficient and safe transport solutions for patient samples, in Sweden as well as internationally.

## Quality in focus

Our system and work processes have been documented in accordance with the quality requirements set for a medical laboratory. At the end of May, our application for accreditation was sent to Swedac, the accreditation body for medical laboratories. It entails an independent review that includes a complete assessment of operative routines and processes for quality control, competency requirements and documentation, in accordance with applicable requirements and standards. We were accredited in an incredibly short time – clear proof of the high level of competence we possess within the organization.

**The second half of the year – establishment**  
Mid June, laboratory operations opened, and our market establishment phase began. Our accreditation was pivotal in enabling us to expand our customer base and thus increase volume growth.

## “Customers confirm that our short, predictable response times create significant improvements for urology clinics, while minimizing patients’ wait times for results.”

The need to improve conditions to enable effective and safe diagnostics in prostate cancer is evident. The response from our customers has been highly positive; at the same time, we have received important feedback as to how we can create even more value going forward. Customers confirm that our short, predictable response times lead to significant improvements for urology clinics, while minimizing patients’ wait times for results.

While focused on our establishment in Sweden, we have also worked with market mapping in Europe in preparation for an international expansion. The challenges in pathological cancer diagnostics with lack of resources, variations in quality, and long response times are similar in large parts of the world, bolstering our confidence in our planned internationalization.

### Success factors

Our inaugural year’s great success can be attributed to a combination of factors. One is

our interdisciplinary team that includes each individual employee as well as the Board of Directors. It is our team and our company culture, characterized by an entrepreneurial spirit, and a constant drive to learn from each other and our customers, that have brought us here.

We have a close dialogue with existing and prospective customers and are genuinely committed to seeking knowledge and understanding of what creates value for urology clinics and their patients. During the year, we have expanded our network of contacts, with both customers and key opinion leaders within academia. System improvements and new features can be tested and implemented in a short time thanks to our breadth of competence, combined with in-house development. This enables us to work with continuous development of both customer offerings and internal efficiency with short cycles. Several system updates with improvements have been carried out during the year. Such



improvements are complex and time-consuming for most other laboratories.

### Summary

Our business is unique, and in a short time we have gone from a construction phase to clinical operation. Together, we have created a solid foundation from which to grow further. Our team, system, and the hundreds of diagnoses successfully delivered to satis-

fied customers fill me with great optimism going forward. This is just the beginning, and we are well prepared for growth and further development, with the goal of setting a new standard in cancer diagnostics.

Fredrik Palm  
CEO



## The society and Inify



As we live longer, the incidence of cancer around the world increases accordingly. Initiatives such as screening and organized testing further increase biopsy specimen volumes. There is already a shortage of pathologists today, and those who are active work under great pressure.



## The society and Inify

# Healthcare challenges call for new ways of working

**Waiting for diagnosis means living with anxiety – not just for the patient, but for their relatives as well. In Sweden, the national goal is for men to receive their test results within 11 days after a prostate biopsy. In 2022, this was achieved in only 11 percent of the cases. 39 percent of the patients had to wait more than 3 weeks.<sup>1</sup>**

**This is also** problematic for clinics. To accommodate adequate margins for test result wait times, patients are scheduled for return visits after a long time. Despite this, many departments report spending great resources on rescheduling patients.

This means a waste of nurses' valuable time, doctors' appointments that are not used to their full potential, and additional worry and

inconvenience for patients who have planned for their return visits, only to have these plans changed at short notice.

Put simply, to address these challenges, we need to find smarter ways of working.

### AI – part of our DNA

2023 was the year when AI really started to take center stage in the general conversation. It appeared in headlines and on political agendas, but also became a popular topic at dinners and over coffee. Above all, AI made its entrance as a tool in the everyday lives of a larger group of individuals, not just among early adopters.

At Inify, AI is in our DNA. ContextVision, from which Inify Laboratories is a spin-off, used machine learning and AI in its image-enhancing solutions for radiology as early as the 1990s.

1. <https://statistik.icanet.se/npcr/>



At Inify, too, 2023 marked a milestone in AI. It was the year when the algorithms we worked with could finally take their rightful place – as part of a standardized workflow, with nothing left to chance. Our predictions have aided pathologists since summer 2023 and have played a crucial role in shortening diagnosis times significantly.

#### From concept to reality

The first part of 2023 was characterized by customer meetings that sparked ideas about how a collaboration with Inify could work. From the launch of our service in June until

after our accreditation in November, we have accelerated our establishment in the market.

At Inify, we work closely with our customers, allowing us to continuously develop our service in a value-driven manner. This is further reinforced by the fact that all roles – sales and marketing, laboratory operations, diagnostics and the technical team – are involved at an early stage, and can get to know the customers and their needs.

#### The number of cancer diagnosis is increasing

The number of cancer cases in the western world is estimated to increase by almost 2 million by the year 2040<sup>1</sup>.

##### North America

2020 2.7 million

2040 3.6 million

##### Europe

2020 4.5 million

2040 5.3 million

#### Prostate cancer

Prostate cancer is Sweden's most common form of cancer and accounts for 31 percent of cancer cases in men. Every year, more than 10,000 new cases of prostate cancer are discovered in Sweden alone<sup>2</sup> and 1.41 million cases worldwide<sup>3</sup>. In Sweden, approximately 2,000 men per year die from prostate cancer. Prostate cancer means that a malignant tumor forms in the prostate, usually in the outer part of the gland. It mainly affects older men and is rare before the age of 50.

1. Source: [https://gco.iarc.fr/tomorrow/en/dataviz/bars?mode=population&populations=905\\_908](https://gco.iarc.fr/tomorrow/en/dataviz/bars?mode=population&populations=905_908)

2. Source: <https://www.cancerfonden.se/om-cancer/cancersjukdomar/prostatacancer>

3. Source: <https://www.who.int/news-room/fact-sheets/detail/cancer>

4. Source: <https://statistik.incanet.se/npcr/>

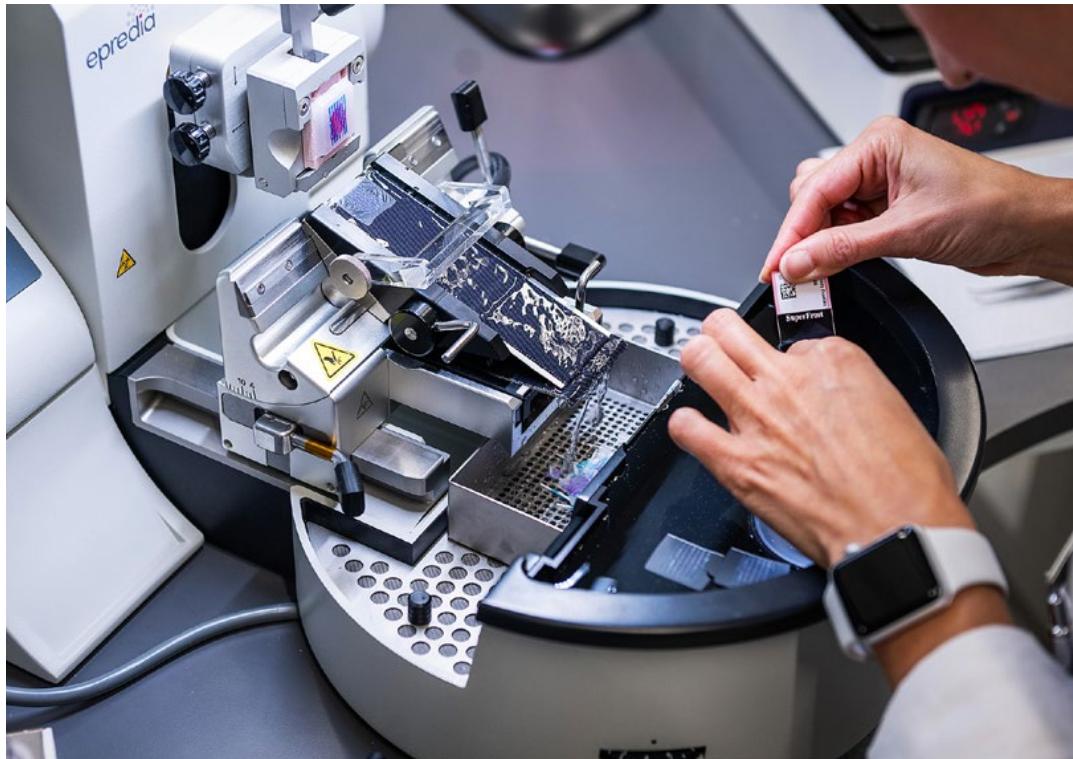
11%

39%

In 2022, only 11 percent of all men that were tested received results within 11 days.

of all men that were tested had to wait more than 3 weeks<sup>4</sup>.

# Pathology – the study of disease



**Pathology is the study of disease. In histopathology, tissue samples (biopsies) and surgical preparations are examined microscopically in order to diagnose and map pathological changes, mainly cancer or pre-cancer stages.**

**Biopsies taken for investigation of suspected cancer** are transported to histopathology laboratories where the tissue is processed in several steps, and then cut into thin slices. These sections are placed on glass slides and stained to visualize the tissue as well as the appearance and organization of the cells. The stained sections are then examined by specialized doctors, pathologists, who look for cell and tissue changes such as cancer. The doctors then assess the cancer type and how aggressive and widespread it is. These assessments are critical in order for patients with suspected cancer to receive correct

diagnosis and treatment. Before a pathologist can make a diagnosis independently, long experience is required.

## Quality through specialization

Historically, tissue samples were assessed at the patient's nearest local hospital, and pathologists analyzed samples from all body organs. Nowadays, to achieve higher diagnostic precision, pathologists often specialize in a few selected organs. This specialization, combined with the shortage of pathologists throughout the entire western world, makes it difficult, not least in smaller local hospitals,

# 4µm

The thickness of a section sliced from a biopsy sample that is then placed on a glass slide.

# >15 years

A pathologist has completed medical school, internship and five years' specialist training in clinical pathology and cytology.

Following this, it's typical to pursue additional specialization in specific areas of pathology. The title of senior consultant can be obtained after another five years.

to provide specialized pathological diagnostics with short response times. In Sweden, as well as in many other countries, this has led to differences in patient wait times for care and treatment, depending on where in the country they live.

# Operations

New challenges require new solutions. At Inify Laboratories, we have developed a ground-breaking laboratory concept where we can handle biopsy specimen for clinical cancer diagnostics in a standardized, highly efficient way.



## Business model

# A scalable concept

**Inify's business concept is to offer world-class diagnostics within selected cancer types. This specialization allows us to achieve the highest quality paired with efficient workflows, and in turn short, reliable response times. This benefits both patients and their doctors.**

Our offering, which includes tissue preparation, diagnosis, sampling material and logistics, is a complete solution for urology and pathology clinics.

According to established practice, compensation is based on the number of patients cases and how extensive the examination is.

### Focus on high-volume diagnostics

Inify targets high-volume diagnostic types with a large proportion of benign samples,

as this is where we can make the greatest difference. Our offer is currently aimed at urology clinics, alternatively at pathology clinics experiencing heavy workloads in prostate cancer diagnostics.

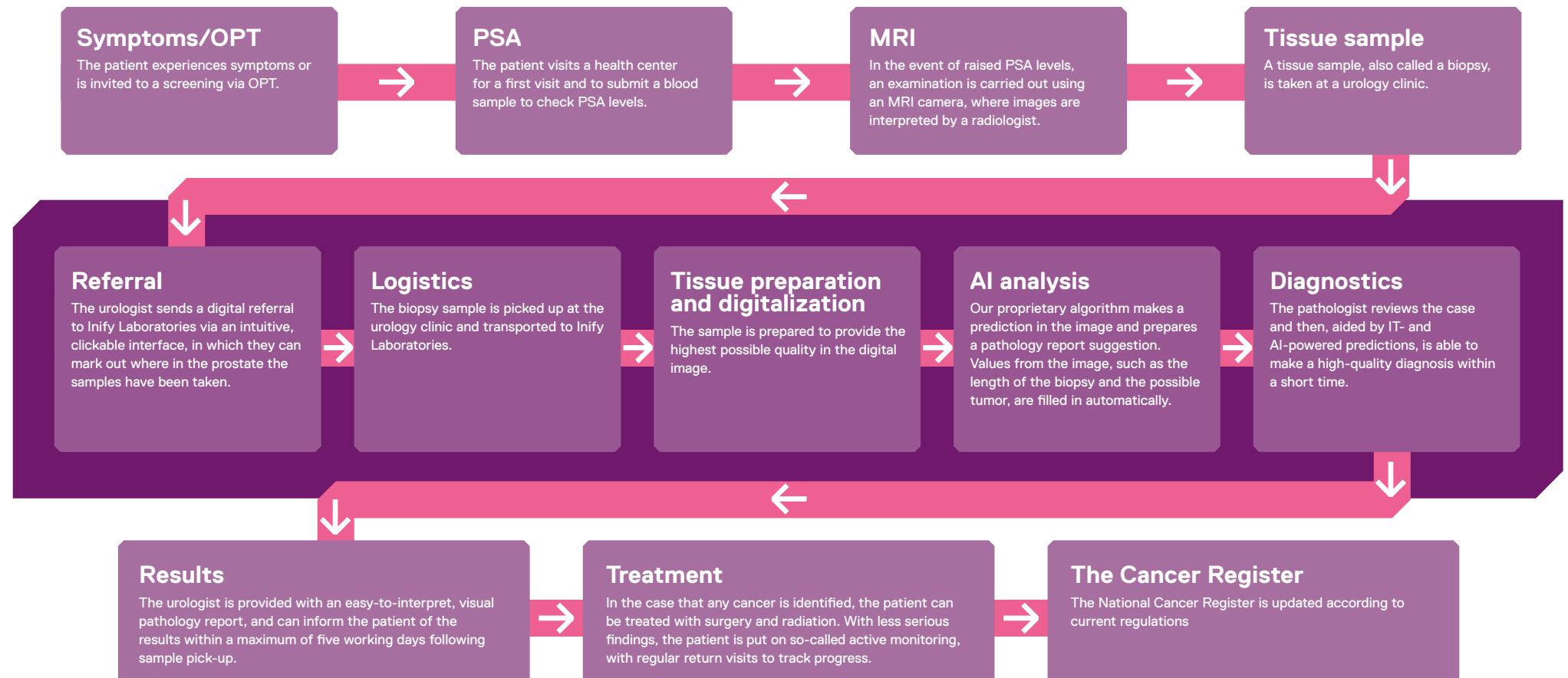
We have also published promising results in colorectal cancer diagnostics. This, too, is one of the most common cancers with a large proportion of benign samples, lending itself well to a standardized and AI-assisted flow. These samples are highly time-consuming in traditional cancer diagnostics. Unburdening the hospital-based pathology departments would improve the flow and work environment for those working with less common or more time-critical diagnoses.

Inify's offering is also scalable to other cancer types, with great opportunities for international expansion.



# How our service works

Through a workflow designed to run smoothly in every step, the clinic can receive high-quality diagnostics within a short time and without unnecessary hassle.



# Diagnostics at Inify

**Every day, Inify Laboratories' pathologists and laboratory staff are involved in creating the digital infrastructure that is the cornerstone of our efficiency and precision. By considering all points of view on the system's practical application and patient safety, we can, together with our experienced software developers, create a system tailored for optimal and safe diagnostics.**

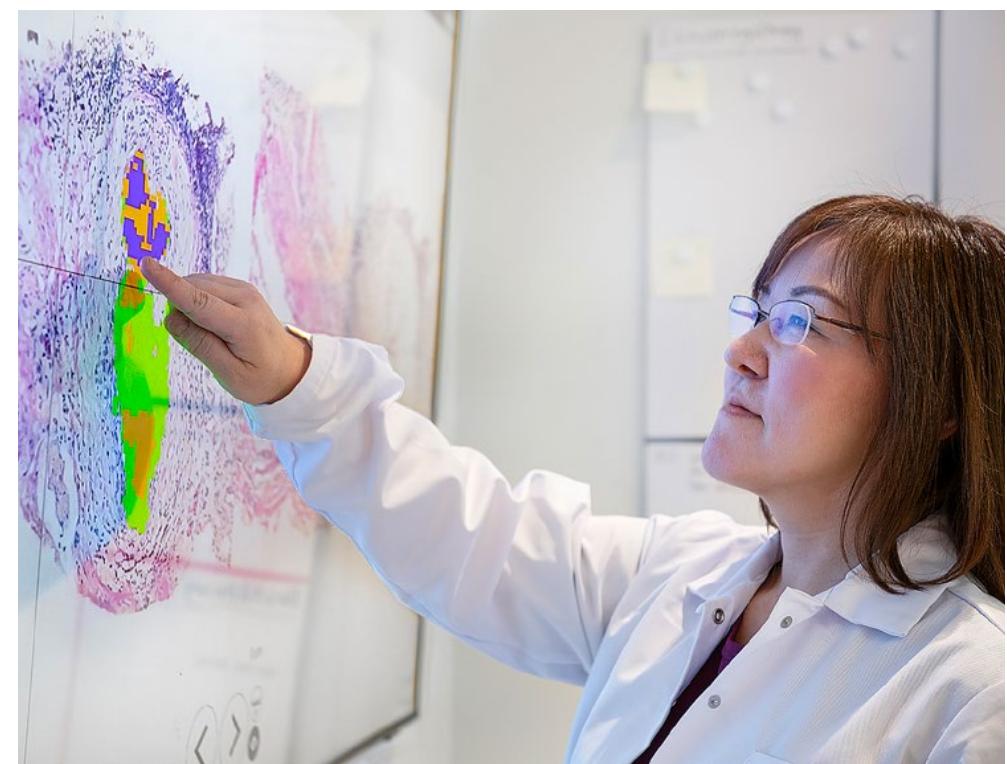
Any views and ideas previously briefly floated during coffee breaks in the country's hospitals are brought up for discussion and implementation. I dare to say that these continuous improvements – and the resulting culture of commitment to quality development and patient safety – are unique in Swedish healthcare.

As pathologists working at Inify, we are able to make twice as many diagnoses in the same time as in a traditional workflow. This is possible precisely because the systems are created and adapted to our specific needs, instead of us having to adapt to them.

Predictions made with the help of our proprietary AI highlights cancer cells with incredible precision, providing valuable support for making diagnoses with minimal variation and high certainty.

Claes Lindh, Chief Medical Officer

Claes Lindh,  
Chief Medical Officer



Customer case:

# From 21 to 7 days for biopsy results

“Since we started sending our samples to Inify Laboratories, we have gone from a median time of 21 days between biopsy procedure and presenting results to the patient, to being able to schedule follow-ups after just 7 calendar days. Inify’s short, reliable response times also allow us to work more efficiently, as we no longer need to allocate resources to rescheduling of patients whose test results have not arrived in time. In 100 percent of the cases, Inify Laboratories has delivered test results within 5 working days.

A sneak peek at the National Prostate Cancer Registry, NPCR, shows that our own fulfillment of the national goal of 11 days for delivery of patient results has improved dramatically, and is now in a league of its own. In 2022, we gave patients their results on time in 2 percent of cases while the Swedish average was 11 percent. Today, we are at 79 percent, a fantastic number considering that there are always cancellations and re-schedulings due to illness or other commitments on the patient’s part.

We have had a dialogue with Inify Laboratories from the start, and appreciate their responsiveness to our needs. We have developed the pathology request and report together with them, and we are incredibly satisfied with the result. The report’s graphic overview clearly shows where positive findings are located, accompanied by a table providing more details. As an operator, you quickly get a complete decision basis for surgical planning.

We are happy and proud of what we have accomplished through our partnership with Inify, which has truly improved our clinical work. Above all, patients now benefit from a planned process with minimized waiting times, which in turn reduces worry and anxiety about test results.”

Thomas Hopfgarten, Urologist and Department Manager, Capio Urologcentrum Liljeholmen

**“Since the start of the project, Inify Laboratories has delivered test results within 5 working days in 100 percent of the cases.”**



# Sustainability from three perspectives



## Patients

For patients, waiting for a diagnosis is an anxious time. Inify's promise to customers and patients is to provide a diagnosis within 5 working days of sample pick-up. Wait time has in some cases been shortened from 21 to 7 days.

It is well known that diagnoses in histopathology vary greatly between both hospitals and pathologists. This can potentially lead to incorrect treatment, and unnecessary interventions with side effects that affect the quality of life, or – even worse – that a serious case of cancer is not treated in time, with devastating consequences.

Inify's pathologists are among Sweden's leading experts in prostate cancer diagnostics. With the help of high image quality and AI, they can further reduce the variation in diagnoses, thus creating the best conditions for correct patient interventions.



## Healthcare

Specialization and high diagnosis quality can contribute to a more efficient use of healthcare resources. An operating theater and its team should only perform surgery on patients who need it, and radiation therapy must not be used unnecessarily.

Many clinics testify to spending valuable nursing time on rescheduling patients, due to delayed pathology reports. This leads to unused medical appointments. Inify's short and reliable response times both eliminate this time-consuming task and optimize the use of doctors' precious time. Furthermore, treatment decisions are facilitated thanks to our clear, visual and easy-to-interpret reports.

Reducing the workload of hospital based pathology departments can potentially improve the workflow and work environment for those involved in more unusual or time-critical diagnoses.



## Society

Correct diagnoses lead to correct treatments. In this field, significant gains can be made in the healthcare economy. A reduction in sick leave related to unnecessary interventions and their side effects would have major socio-economic benefits, while also reducing the insurance companies' expenses.

In 2022, the total unnecessary wait time for prostate cancer patients amounted to 300,000 days.<sup>1</sup> Many of these men were still of working age and the loss of production was of course significant.

At Inify, we have been able to significantly shorten wait times for diagnosis, allowing treatment efforts to be deployed at an earlier stage.

1. <https://prostatacancerförbundet.se/aktuellt/nyheter/853-ar-till-forsta-behandling/>.

# Proud employees

With the right conditions, a workplace culture can grow strong in a short time. At Inify, we believe it all starts with recruiting the right individuals. At the same time, we also believe in employee influence and a management that leads by example.

**“I am proud to work in a world-class lab. I can’t imagine working in a traditional lab again. The work environment is not comparable, and I just can’t go back.”**

Zandyan Saleem, Biomedical Analyst



# Happy customers through happy employees

In June 2023, it was time to move from theory and testing to practice. Our service was launched, and we began receiving and diagnosing samples in our state-of-the-art laboratory. The results speak for themselves. Short response times and satisfied customers – as well as a great atmosphere among employees – show that our journey has only just begun.

Inify has, since its inception, conducted employee surveys, and the results have been nothing short of exceptional.

Our employees describe great enthusiasm and loyalty in a workplace characterized by quick decision-making and continuous improvements. It's also clear that many team members value working on something meaningful that contributes to a better society, and where AI has a positive impact on the world.

## A diversified team

Our team features a wide range of professions, including pathologists, biomedical analysts, engineers, AI researchers, salespeople, process experts and programmers. Experience from the public sector is mixed with previous roles at both large companies and start-ups, within a variety of fields. What they all share is curiosity, thirst for knowledge and the cutting-edge skills needed to build our company. We are glad to have been able to hand-pick candidates with both experience and drive.

**“The best thing about working at Inify is the collaboration between different professions. All of them are important in different ways. We have a perfect collaboration with our technical team, who listens and provides support. Here at Inify, I also get to meet customers – and I love it!”**

Sabina Botic, Operations Manager





**“When I first came into contact with Inify, it felt like a serious startup, combining the innovative thinking of a new player with the professionalism of an established company. With AI, a brand-new lab and a highly skilled team in many different fields, I felt ‘wow, what a company!’ – and it’s only been positive ever since.”**

Fredrik Blom, IT architect

#### Hi-tech meets craftsmanship

Although the laboratory is high-tech, the work performed there still requires a high level of craftsmanship, and we are pleased to have a team of skilled, licensed biomedical analysts who create the best possible conditions for our experienced pathologists to make diagnoses. For them, working at Inify has been a huge leap into the future compared to traditional laboratories. Our modern equipment and smooth interaction with our efficient IT systems support every step of the lab process. Moreover, the streamlined workflow minimizes the need for manual labor. For example, they don't need to sort samples manually, thus saving time and minimizing the risk of sample mix-ups.

#### A sustainable work environment

Chemicals are pumped up and into the laboratory from barrels in the basement, which more or less eliminates the otherwise strenuous work of lifting and carrying heavy containers. Thanks to dedicated drains, used

chemicals can be recycled, and no hazardous waste is released into the regular drain or the air. Our employees appreciate our quiet, noise-free work environment, as well as the fact that the laboratory is designed to minimize odors from xylene and formaldehyde.

For the pathologists, the efficient workflow means that they can constantly diagnose newly-received cases, saving them the stress of having to handle samples that are weeks overdue.

#### Reliable, cutting-edge technology

A key factor in Inify's success is our efficient, secure IT environment, as well as the digital tools developed and maintained by our tech team. They ensure a robust and future-proof architecture and place a strong focus on operational and cyber security. In a constantly changing, uneasy world, monitoring threats and new developments within cyber security is an important part of our work.

#### Employee surveys

We use the Winningtemp platform to help gauge and monitor the work atmosphere and company culture. Every two weeks, employees are asked five short questions within different areas, to help us keep track of their overall satisfaction and how team collaboration works.

#### Equipped for the future

With a strong corporate culture, sustainable work environment, future-proof technology and satisfied customers, all the pieces are in place for Inify Laboratories to grow and offer top-class diagnostics – to even more patients.

ENPS

**86**  
Index: 14

TEAM SPIRIT

**9.1**  
Index: 8.1

SATISFACTION

**9.0**  
Index: 7.2

MEANINGFULNESS

**9.2**  
Index: 7.7

LEADERSHIP

**9.1**  
Index: 7.9

# The share

Inify Laboratories AB's (publ) share has been listed on Euronext Growth Oslo since June 20, 2022 under the ticker INIFY and with ISIN code SE0017486103. As of December 31, 2023, Inify had a total of 1,136 shareholders, of which 2 held more than 10 percent of the shares: Gallivant S.á.r.l. (60.09%) and Tauri AS (10.37%). See the table of the 20 largest shareholders below.

## Share price development and turnover

The share price on the last trading day of the period, was NOK 12.40. The highest price during the period, NOK 17.00, was noted in July and the lowest share price during the period, NOK 7.00, was noted in March. A total of 2,180,336 shares were traded during the period.

## Shares and share capital

Inify's registered share capital as of December 31, 2023 amounted to SEK 2,923,498.24 distributed over 45,236,750 shares with a par value of approximately SEK 0.0646. All shares are issued in accordance with Swedish law and are validly issued and fully paid. None of the company's shares are held by or on behalf of the company. The shares are registered in book-entry form according to the Act

(1998:1479) on central securities depositories and financial instruments accounts.

## Stock option program and warrants

An extraordinary general meeting on May 9, 2022 resolved to implement a long-term qualified employee stock-option program for management, employees, and board members excluding major shareholders. The total number of qualified employee stock options is 3,935,599 and each option gives the option holder a right (but not an obligation) to acquire one share in the company at a pre-determined price.

The exercise period for the options runs from the date starting three years from the date on which a stock option agreement has been entered into up to and including

## Share development 2023



ten years from the date when a stock option agreement has been entered into. Exercise of the qualified employee stock options is conditional upon the option holder being engaged by the company as an employee or board member for a period of three years, starting from the date when a stock option agreement has been entered into. The price to be paid for each share acquired by way of exercise of an option is NOK 4.80. In order to ensure delivery of shares to the option holder upon exercise of the options, the company has issued warrants to be held by the company and exercised in connection with the options holder's exercise of the options.

#### Right to vote

Each share in the company entitles the shareholder to one (1) vote at the general meeting, and every shareholder has the right to vote for all shares he/she holds in the company.

#### Freely transferable shares

The shares are freely transferable. The Articles of Association contain no restrictions regarding voting rights or trading of the company's shares.

#### Equity

The company is to have an equity capital at a level that is consistent with its objectives, strategy and risk profile. The Board receives regular information regarding the development of equity from the company's management.

#### Share information

Ticker	INIFY
Trading platform	Euronext Growth, Oslo
Year of listing	2022
Market capitalization at December 31, 2022	560.9 MNOK
Number of shares	45,236,750
Trading currency	NOK
Sector	Health care
ISIN	SE0017486103
LEI-code	549300306YYJ3BX3VB98

Name of shareholder	Number of shares	Share in %
Gallivant S.Á.R.L.	27,181,386	60.09
Tauri As	4,691,412	10.37
Sven Günther-Hanssen	1,964,768	4.34
Danske Bank A/S	1,876,409	4.15
MP Pensjon Pk	1,372,243	3.03
Bras Kapital AS	1,000,151	2.21
Monsun AS	986,950	2.18
Stavland, Bernt	703,304	1.55
Stavland, Anders	648,167	1.43
Stavland, Per	425,800	0.94
Avanza Bank AB	410,271	0.91
Sveen, Kristian	284,690	0.63
Olsen, Lars Ejnar	266,076	0.59
Skandinaviska Enskilda Banken AB	185,408	0.41
Danske Bank A/S	172,697	0.38
Skjelbred, Rune	166,231	0.37
B Stavland Holding AS	141,039	0.31
Swedbank AB	120,399	0.27
Nordnet Bank AB	99,589	0.22
Mæland, Edmund	95,225	0.21
Others	2,444,535	5.40
<b>Total number of shares</b>	<b>45,236,750</b>	<b>100.00</b>



#### Financial information

Financial information regarding Inify Laboratories is available on the website ([www.inify.com](http://www.inify.com)) and is distributed through the stock exchange ([www.newsweb.no](http://www.newsweb.no)) and via press releases. Questions can be sent by email to: [ir@inify.com](mailto:ir@inify.com).

# Corporate Governance

**Inify Laboratories AB (publ) is a Swedish company, registered in Sweden, and is governed by its Articles of Association in accordance with the Swedish Companies Act. The company's share was listed on Euronext Growth in June 2022 with the ticker INIFY, and complies with Euronext Growth's regulations. The company complies in general with the applicable rules and recommendations stipulated in the Norwegian Code of Corporate Governance, last revised on October 14, 2021. Any deviations from the code are described below.**

This Corporate Governance describes the policies and practices that the company has implemented to effectively control and manage Inify's operations. The Board of Directors and executive management have a clear focus on managing the demands of shareholders and other stakeholders for efficient business operations. The Board of Directors and executive management must work for the company's best interests, regardless of their own interests.

## Business

The company shall engage in healthcare services with a special focus on laboratory medical business activities and other business activities compatible therewith. The company's core values and ethical guidelines are documented and communicated to the organization. Since the company offers services to the healthcare sector, it is ultimately motivated by concern for the patient's best interests. Should there be reason to suspect that any action

may violate the company's core values or ethical guidelines, procedures have been implemented to handle such situations. Inify's business is designed to be sustainable for patients, medical professionals, investors and employees.

## Equity and dividends

The company is to have an equity capital at a level that is consistent with its objectives, strategy and risk profile. The company's liquidity level corresponds to its needs during the establishment period. The Board of Directors regularly receives information from executive management regarding the development of equity capital to ensure that it is maintained at an appropriate level. The Board of Directors of Inify has not adopted a dividend policy since the company is in a growth phase, and therefore does not foresee that it will pay dividends in the near future. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will consider

legal restrictions as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

#### Equal treatment of shareholders and related-party transactions

Inify has only one share class, whereby all shares have equal voting rights. Transactions in own shares are managed through the stock exchange.

Executive management and the Board of Directors are instructed and obliged to notify the Board if they have any material interest in any transactions entered by the company. Two individual shareholders represent more than 10 percent each of the company, please see the table on page 22 for details.

#### Shares and negotiability

There are no restrictions in the Articles of Association regarding voting rights or trading in the company's shares.

#### General meetings

The Annual General Meeting (AGM) is regulated by the Articles of Association, the Swedish Companies Act and the Norwegian code of Corporate Governance.

Notices of AGMs shall be distributed 4–6 weeks before the meeting by means of advertising in Post- och Inrikes Tidningar, through the stock exchange and by making the notice available on the company's website. At the time of the notice, an announcement with information that the notice has

been issued shall be published in Swedish press. The notice shall be accompanied by instructions regarding the measures the shareholder must take in order to be able to participate and be entitled to vote at the AGM. All information about the meeting is also published on the company's website.

The auditor must attend the AGM if a shareholder who intends to attend so requests and provides justification for this request. The chairman of the AGM is elected at the meeting, which is considered sufficient to ensure the chairman's independence. Each board member is elected individually by the shareholders at the general meeting.

There are no special rules in the Articles of Association regarding the election or removal of board members or regarding amendments to the Articles of Association. In these cases, the company complies with the Swedish Companies Act.

There are no restrictions on individual shareholders regarding the right to vote for the full number of shares held.

#### Nomination committee

The Norwegian Code of Corporate Governance recommends the appointment of a nomination committee, which the Board of Directors of Inify has chosen not to do. With respect to the Board's size, the need for specialist expertise and the current shareholder representation in the Board of Direc-

tors, a nomination committee is deemed to be ineffective. Instead, the chairman of the Board handles nomination of board members for decisions at the AGM.

#### Board of Directors: composition and independence

Inify's Articles of Association stipulate that the Board of Directors must have a minimum of three and a maximum of ten members, but no deputies. The Board of Directors currently consists of three members. The board members are elected for one year at a time at the AGM.

The Norwegian Code of Corporate Governance stipulates that at least two of the board members should be independent of the company's main shareholder(s) and that a majority of the board members must be independent from the company's executive management and main business contacts. The Board of Directors currently consists of one large shareholder, together with the chairman of the Board and another board member, who are both independent. All board members are independent of the company's executive management and main business contacts.

#### The work of the Board of Directors

The Board's main duties are to provide the company with strategic guidance, monitor operations, ensure that the company's organization is structured in a reassuring way, continuously assess the company's financial position, ensure the company's credibility

toward its shareholders and ensure correct and reliable information to shareholders and other stakeholders. The Board of Directors is also responsible for appointing and dismissing the chief executive officer, as well as ensuring that taxes and fees are paid and that the company prepares an Annual Report.

The rules of procedure for the Board of Directors determine the scope and proceedings of its obligations. According to the Board's rules of procedure, a plan for the coming year's Board work must be formulated annually, usually at the last Board meeting of the fiscal year. The same meeting shall also include an evaluation of the work performed by the Board of Directors during the past fiscal year. The rules of procedure are reviewed annually at the constituent Board meeting, which is held directly after the AGM. At the same time, the rules of procedure for the CEO, which establishes the CEO's commitments and authorizations, shall be reviewed. The rules of procedure emphasize the importance of a clear internal allocation of responsibilities and duties. The company has a system for internal control, with descriptions of internal work processes and procedures, which is published in the company's quality system. The Board of Directors ensures its internal control through regular written and oral reporting from the company's executive management. The CEO is present at all Board meetings and provides regular reports on the past period as well as other current issues.

Normally, one or two board meetings are held per quarter.

There are no specific committees within the Board of Directors, such as an audit committee or remuneration committee. Such committees are not considered necessary or efficient, considering the size of the company. To comply with the Swedish Companies Act, the company has chosen to let the Board as a whole form and fulfill the requirements of the audit committee.

#### Risk management and internal control

The aim of Inify's risk management and internal control is to identify and manage, but not necessarily to eliminate, the risks associated with the company's operations. Working methods have been established to manage risks associated not only with the company's business operations, but also with factors in the environment in which the company operates, such as commercial and financial risks and the risk of violations of applicable laws and regulations. The company has a procedure for internal control, with a description of internal processes and working methods, which is published in the company's quality system. The Board ensures its internal control through regular written and oral reporting on significant events and potential risks from the company's management. Internal control also includes ensuring the quality and reliability of the financial reporting.

#### Remuneration of the Board of Directors

The Board's remuneration is determined by the AGM. Information on remuneration is provided in the Annual Report. The results of operations shall not be reflected in the level of the Board's remuneration. As of December 31, 2023, the members of the Board jointly own approximately 62.7 percent of the company's shares. At an extraordinary general meeting held on May 9, 2022, the meeting resolved to implement a long-term incentive program for both employees and board members. The long-term incentive program consists of a maximum of 3,935,599 options, divided between incentive program for employees and the board member's incentive program. Assuming that all options are exercised, this will correspond to a total dilution of approximately 8 percent based on the number of outstanding shares at the date of this Annual Report.

#### Remuneration of executive personnel

At Inify "executive personnel" is defined as the company's CEO. Inify shall offer its executive personnel competitive remuneration based on current market standards as well as on the performance of the company and the individual. The remuneration program must be easy to understand and shall ensure that the executive personnel and the shareholders share common interests and shall contribute to the company's business strategy, long-term objectives and financial stability. Remuneration shall consist of a basic fixed salary and a performance-based

variable salary. For further details regarding remuneration of executive personnel, please see note 5.

#### Information and communications

Inify's Board of Directors endeavors to provide continuous, regular and accurate information to all shareholders. The main information channels are the Annual Report, quarterly reports, press releases and presentations for shareholders and investors.

Official information is published on Euronext Growth Oslo's website [www.euronext.com](http://www.euronext.com), as well as on the company's own website, [www.inify.com](http://www.inify.com).

A financial calendar with dates for publication of financial reports is available on the company's website and at the stock exchange. The company has appointed a spokesperson who handles contact with investors and the media.

#### Take-overs

The Board of Directors shall not hinder or obstruct take-over bids for the company's activities or shares, unless there are particular reasons for doing so. In the event of a take-over bid for the company's shares, the company's Board of Directors shall not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following the announcement of the bid.

#### Auditor

Auditors are elected by the AGM and serve for a period of one year at a time. The Board of Directors must ensure that the auditor annually submits a plan and the main features of the audit. Each year the auditor is invited to a Board meeting regarding the annual accounts, normally at the beginning of the year. On this occasion, a review is made of significant changes in the company's accounting principles, main aspects regarding the audit and a report of any disagreements between the auditor and executive management. The meeting must also include a review of the company's internal control routines and give the auditor the opportunity to discuss with the Board without any of the company's executive management being present. Any services in addition to the audit and payments for these shall be followed up by the Board of Directors.

# Board of Directors



## Olof Sandén

**Chairman of the Board since 2021**

**Born:** 1962

**Education:** Master's degree from Chalmers, Gothenburg and ETH Zurich, Executive MBA Columbia, New York.

**Other directorships:** Micropos, ContextVision and Unisport OY.

**Previous positions:** Boston Consulting Group in Munich and Stockholm, Trade Commissioner and Regional Manager at Business Sweden, Vice President of Elekta, CEO of RISE (Research Institutes of Sweden), focusing on merging the Swedish research institutes into a national organization. Several M&A projects with subsequent integration work.

**Current position:** Partner at Transearch, an international executive search company.

**Shareholding as at December 31, 2023:**  
100,300 shares and 98,390 options.

## Martin Ingvar

**Member of the Board since 2021**

**Born:** 1955

**Education:** MD, Specialist in Clinical Neurophysiology, PhD.

**Other directorships:** International Consortium for Health Outcome Measurement and ContextVision AB.

**Previous positions:** Dean of Research, Karolinska Institutet, 2009–2012. Managed Karolinska MR Research Centre for 25 years, published about 250 research papers and contributed to 15 books.

**Current position:** Senior Professor, Karolinska Institutet.

**Shareholding as at December 31, 2023:**  
101,200 shares and 295,170 options.

## Magne Jordanger

**Member of the Board since May 2022**

**Born:** 1953

**Education:** BA degree from IMD, Lausanne, Switzerland.

**Other directorships:** Monsun AS (Chair), Konsmo Fabrikker AS (Chair), Creditsafe Group S.A (Chair), Nordic Car Logistic AB.

**Shareholding as at December 31, 2023:**  
28,168,336 shares.

# Executive management



## Fredrik Palm

Chief Executive Officer  
since 2022

Born: 1975

**Education:** Studies in engineering at Stockholm Institute of Technology (STI) and studies in business management and strategic marketing at Stockholm School of Economics and IHM Business School.

**Previous positions:** CEO of ContextVision 2019–2022 and Vice President of the Medical Imaging business area prior to that. Over 20 years of experience in international commercial operations and business development within medtech and life science at companies such as Bactiguard and Waters Corporation.

**Shareholding as at December 31, 2023:**  
53,070 shares and 688,729 options.

## Ann-Charlotte Linderoth

Chief Financial Officer  
since 2022

Born: 1972

**Education:** Bachelor of Science in Business Administration and Economics from Stockholm University.

**Previous positions:** Ten years at ContextVision, including as CFO since 2015. Thirty years of experience in economics and accounting, mainly from companies operating in the medtech field.

**Shareholding as at December 31, 2023:**  
50,740 shares and 318,784 options.

## Magnus Aurell

Commercial Director  
since 2022

Born: 1964

**Education:** Master of Science in Biophysics from Uppsala University.

**Previous positions:** Vice President at ContextVision, Digital Pathology 2020–2022. Business Area Manager, AMRA Medical. CEO at EXINI Diagnostics. Aurell has over thirty years of experience in the medtech and pharmaceuticals industries. His main focus has been on international commercialization and business development.

**Shareholding as at December 31, 2023:**  
5,000 shares and 318,784 options.

## Emelie Edvigsson

Chief Laboratory Manager  
since 2022

Born: 1983

**Education:** Biomedical scientist degree from Umeå University.

**Previous positions:** Synlab-Medilab, 2017–2021, Head of Clinical Histopathology and Cytology. Fifteen years' experience in laboratory operations and management, has worked as a biomedical scientist in both public healthcare and the private sector.

**Shareholding as at December 31, 2023:**  
0 shares and 318,784 options.

## Claes Lindh

Medical Director  
since 2022

Born: 1979

**Education:** Physician, pathologist, PhD in prostate cancer pathology from Karolinska Institutet.

**Previous positions:** Fourteen years of experience in diagnostic pathology. Region Stockholm, Karolinska University Hospital: Expert pathologist in clinical diagnostics, senior consultant pathologist in urological and gynecological pathology.

**Shareholding as at December 31, 2023:**  
0 shares and 318,784 options.

## Arto Järvinen

Technical Director  
since 2022

Born: 1959

**Education:** MSc in Electrical Engineering and Applied Physics from Linköping Institute of Technology

**Previous positions:** ContextVision, 2011–2022, R&D, most recently as CTO (Chief Technology Officer); DNV (Det Norske Veritas), management consultant; Sectra Pronosco A/S, CEO. Järvinen's expertise includes machine learning, image processing, systems development, operational excellence, medtech regulations and management of high-tech companies in general.

**Shareholding as at December 31, 2023:**  
11,500 shares and 318,784 options.

## Johanna Karlung

Head of Quality and Regulatory Affairs since 2022

Born: 1963

**Education:** MSc in chemical engineering, biotechnology, KTH Royal Institute of Technology in Stockholm.

**Previous positions:** Head of Quality and Regulatory Affairs: ContextVision AB 2018–2022, Bactiguard AB 2010–2014, Aerocrine AB 1999–2010.

**Shareholding as at December 31, 2023:**  
6,400 shares.

# Administration report

**The Board of Directors and the CEO of Inify Laboratories AB (publ), with company registration number 559345-4431, hereby presents the consolidated financial statements and Annual Report for the period January 1, 2023–December 31, 2023.**  
**Inify Laboratories AB (publ) is a Swedish company with its registered office in Stockholm and operates as Parent Company of the Inify Laboratories Group. The company has been listed on Euronext Growth Oslo since June 2022. All amounts are stated in thousands of SEK, unless otherwise stated. Amounts in parentheses refer to the previous financial year.**

## Business

Inify Laboratories provides cancer diagnostics in histopathology, initially focusing on diagnosis of prostate cancer. This is done through a newly built, ultra-modern laboratory with a proprietary, unique structure of systems and processes. This enables a fully digital, standardized and AI-powered workflow that optimizes quality and shortens response times to both clinics and patients. The services are offered to both public and private healthcare providers. The business model enables scalability in terms of volume, diagnostics and geographical expansion. The company was formed at the end of 2021 as a wholly-owned subsidiary of ContextVision, which has 40 years of experience in digital images for medical diagnostics. At the beginning of 2022, Inify became independent through a spin-off, and during the following year, built up its premises, organization and operations.

## Significant events during the year

The past year has been eventful for Inify Laboratories from several perspectives. 2023 was the company's second year of operation and the year when its services were launched to the market and the organization went from the build-up to the establishment phase.

In January 2023, a wholly owned subsidiary, Inify Laboratories Nordics AB, was formed to support the business structure with a suitable organization. The company moved into newly renovated premises in Solna, which house both a laboratory and offices, at the end of 2022. At the beginning of 2023, the company also moved into newly built premises in Linköping, where research and development activities for the Group are primarily conducted. In 2022 and early 2023, major investments were made in machinery, equipment and furnishings for the laboratory and the two offices. During the first half of 2023, the laboratory equipment was installed, tested and verified in preparation

for the launch of the services. In parallel, several important agreements were signed with external partners and suppliers, including a distribution agreement with Loomis for logistics of sample materials and patient samples. This agreement enables fast, secure, and traceable deliveries throughout Sweden, while also opening corresponding opportunities internationally.

In June, the company's pathology services for healthcare providers, with a focus on the diagnosis of prostate cancer, were launched, thus initiating the market entry. Already from the day of opening, patient samples were received for preparation and diagnosis, and in connection with that, the company's first revenue was recorded. During the second half of 2023, patient samples have been received continuously and revenues have gradually increased. In June, the company applied for accreditation as a medical laboratory and received notice of approval already in November, thereby confirming the quality of the business. The accreditation was most likely the trigger for additional customers to join in the fourth quarter, which in turn led to an even higher increase in revenues at the end of the year.

Through the recruitment of additional employees in 2023, Inify has secured its need for resources and expertise in line with the development of the business. Shortly after the opening of the laboratory, a minor internal reorganization was also carried out

where the laboratory staff was transferred to the subsidiary.

#### Inify Laboratories Group

The Group consists of the Parent Company Inify Laboratories AB (publ) and the wholly owned subsidiary Inify Laboratories Nordics AB with company registration number 559416-6828. The subsidiary was formed in January 2023 and its business primarily consists of running the daily laboratory and diagnostics operations in the Group's first laboratory in Solna. The Parent Company's business consists of conducting research and development, managing the intangible assets, group management and other administrative services at Group level.

Intra-group receivables and liabilities, income, or expenses, as well as unrealized gains or losses arising from intra-group transactions between group companies, are eliminated in the preparation of the consolidated financial statements. As of the balance sheet date December 31, 2023, the Parent Company had receivables amounting to SEK 2.9 million relating to the subsidiary.

#### Related party transactions

Transactions between the Parent Company and its subsidiaries have taken place on an ongoing basis during the year, as a natural part of its operations. The group transactions mainly relate to invoicing of rents and services shared between the companies. In 2023, intra-group revenue in the

Parent Company amounted to a total of SEK 946,000. All the above-mentioned transactions with related parties are considered to have been carried out on market terms. Except for the above, there have been no other significant related-party transactions during the year.

#### Board of Directors and Management

At the AGM held in May 2023, Olof Sandén, Martin Ingvar and Magne Jordanger were re-elected as Board members, with Olof Sandén as Chairman of the Board. During the year, the Board of Directors has consisted of three members, all men. The Board of Directors is normally elected for the period until the next AGM. In total ten Board meetings were held during the year.

Fredrik Palm has been the CEO of the company since it was formed in November 2021. Palm has been present at all Board meetings that were held and has continuously informed the Board of the company's operations. As of the balance sheet date December 31, 2023, Palm held 53,070 shares in Inify and 688,729 employee stock options.

#### AGM

On May 16, 2023, Inify held its first ordinary Shareholders' AGM in Stockholm. The AGM resolved, with the required majority, on all matters in accordance with the Board of Directors' proposal. In summary, the main resolutions were:

- To approve the financial accounts for 2022
- To distribute the financial results for the year as proposed
- To discharge the Board of Directors and the CEO from liability
- To adopt new Articles of Association in accordance with the proposal
- Remuneration to the Board of Directors was determined
- Remuneration to the auditors shall be paid against invoice
- Board members Olof Sandén, Martin Ingvar and Magne Jordanger were re-elected as members of the Board
- Grant Thornton Sweden AB was re-elected as audit firm, with Joakim Söderin as acting auditor

Board members	Number of meetings	Shares held on December 31, 2023	Options held on December 31, 2023
Olof Sandén (chairman)	10	100,300	98,390
Martin Ingvar	10	101,200	295,170
Magne Jordanger	10	28,168,336	0

Detailed documentation regarding the resolutions adopted at the AGM is available on the company's website.

#### Legal proceedings

Inify Laboratories was not involved in any legal processes in 2023.

#### Development of the company's operations, results, and financial position

##### Revenue

In June 2023, the Group's first sales were recorded in connection with the launch of its services. Total external revenue for 2023 amounted to SEK 1,193 (0) thousand. All sales derive from Swedish customers and relate to sales of diagnostic services in histopathology.

##### Operating result

The Group's consolidated operating result for 2023 was SEK -55.8 million (-44.6) and the result after financial items was SEK -53.3 million (-44.2). EBITDA for the year was SEK -51.4 million (-42.3).

##### Cash flow and exchange rate effects

Inify's cash flow for 2023 was negative at SEK -57.7 million (128.0) and cash and bank assets for the Group amounted to SEK 70.9 million (128.5) at the end of the year. A smaller part of the Parent Company's bank accounts consisted of NOK. Total results from exchange rate fluctuations during the year amounted to SEK -228 (-50) thousand.

#### Current receivables

Current receivables amounted to SEK 5,633 (4,057) thousand and consisted mainly of VAT and tax receivables as well as prepaid expenses. Accounts receivable as of December 31, 2023 amounted to SEK 590 (0) thousand. No write-downs of accounts receivables were made during the year.

#### Intangible assets

The intangible assets consist of the product Inify Prostate™, a decision support tool for the diagnosis of prostate cancer. It was initially developed by ContextVision and was acquired and further developed by Inify Laboratories. The tool now functions as a fully integrated component in the in-house developed laboratory information system. The intangible asset is depreciated over a period of five years and the residual value at the end of the period amounted to SEK 6.2 million (8.2).

#### Property, plant, and equipment

During the construction year 2022 and the beginning of 2023, major investments were made in tangible assets, including furnishings, equipment and machinery for the newly built laboratory and office. In 2023, new investments amounting to SEK 2.1 million (9.2) were made. Property, plant, and equipment are depreciated over a period of five years, and at the balance sheet date the residual value amounted to SEK 9.1 million (9.3).

#### Personnel

During the past year, Inify has continuously recruited personnel within different areas of expertise, and at year-end, the Group had a total of 22 (17) employees, all located in Sweden. Out of these, 18 (17) were employed by the Parent Company and 4 (0) by the subsidiary. The average number of employees in the Group during the year was 21. At the end of the year, 45 percent of the employees were women and 55 percent men, and 43 percent of management were women and 57 percent men.

#### Incentive program

At the Extraordinary General Meeting held on May 9, 2022, it was resolved 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 percent based on the number of outstanding shares at the date of this report. Each option entitles the holder to acquire one new share or one warrant entitling to one share in the company at an exercise price of NOK 4.80. The exercise price and the number of new shares to which each option entitles holders may be subject to recalculation. The granted

options vest over a 36-month period and may, as a 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

Through its operations, Inify Laboratories is exposed to various operational risks, market developments in general, legal and regulatory risks, and financial risks. The Group's overall risk management strategy intends to raise awareness of risks, as well as to identify and handle them in a way that minimizes their possible negative impact on the Group's earnings and financial position. The main risks are described below.

#### Operational and market risks

The company is in the establishment phase and although the launch of its services has been positively received in the market, there is still some uncertainty about future developments. The company's ability to attract new customers will be crucial for its further development and establishment. Furthermore, the company's ability to commercialize the business in accordance with the current strategy will be of great importance. New technology could make the company's customer offering less

competitive and new competitors could appear. Inify is dependent on its employees, and the company's ability to recruit, further develop and retain qualified personnel is therefore a risk factor. Risks may also arise as a result of inflation, increasing energy prices and international instability. Seasonal and production variances could have an impact on the company's sales, e.g. in the form of reduced sample volumes during the summer period when the number of patient examinations naturally decreases.

#### Legal and regulatory risks

Since the company handles and processes patient data and biological material in its operations, there are risks related to its ability to maintain adequate data protection and patient safety. The company operates in a market where changes in current laws and regulations could have a negative impact on the company's business.

#### Financial risks

The Group's ability to raise capital in the future to finance its continued expansion could pose a risk. Management assesses that financing for at least the next twelve-month period is secured through the current cash position and an expected increase in sales. Credit risks related to bad debt losses may arise as the customer base grows. The interest rate risks that exist are currently only associated with bank balances, as the company has no loans. Changes in interest

rates could have an impact on the company's earnings and cash flow.

#### Significant events after the balance sheet date

No significant events have occurred since the end of the financial year and the issuance of this report.

#### Outlook for 2024 and onward

2023 was the year when Inify launched its services and began its establishment in the market, with the aim of offering world-leading cancer diagnostics for everyone. The focus for 2024 will be to continue market establishment with the intention of growing the customer base and thereby increasing the volumes of patient samples, which in turn will lead to increased revenues. Organizationally, a slight growth in employees can be expected in 2024 also, as increasing sample volumes will lead to additional resource needs, primarily within laboratory operations. In connection with the build-up of diagnostic activities, production costs will also increase. In parallel with the establishment in Sweden, the mapping of selected international markets will continue, with the intention of expanding the business to other countries as well.

The Board of Directors and management look forward to the company's continued establishment with great confidence and will closely monitor both the development of the business and the response from the market.

The vision of offering cancer diagnostics for everyone is now clearer than ever.

#### Proposed appropriation of earnings

At the disposal of  
the Annual General Meeting, (SEK) 2023

Unrestricted equity according to the balance sheet	
Shareholder contributions	31,253,090
Fair value reserve	148,352,252
Retained earnings	-44,156,565
Loss for the year	-53,325,493
<b>Total</b>	<b>82,123,284</b>

The Board of Directors proposes that SEK 82,123,284 be carried forward to 2024.

With respect to the company's financial performance and position in general, please refer to subsequent financial statements and related year-end comments.

# Consolidated financial summary / Key figures

	2023	2022
Net sales	1,193	0
Operating loss (SEK thousand)	-55,760	-44,619
Loss after financial items (SEK thousand)	-53,325	-44,157
EBITDA (SEK thousand)	-51,401	-42,274
Balance sheet (SEK thousand)	93,000	152,128
Equity ratio (percent)	91.4	91.0
Number of shares at period end	45,236,750	45,236,750
Average number of shares	45,236,750	34,519,438
Earnings per share	-1.18	-0.98
Share price (NOK) as of December 31	12.4	7.2

All amounts are stated in SEK thousands,  
unless otherwise stated.

## Consolidated income statement

	Note	Nov 10, 2021- 2023	Dec 31, 2022*
<b>Operating income</b>			
Net sales	3	1,193	0
Cost of goods		-341	0
<b>Total operating income</b>		<b>852</b>	<b>0</b>
<b>Operating expenses</b>			
Other external costs	4,6	-22,911	-21,974
Personnel costs	5	-29,342	-20,299
Depreciation of tangible and intangible assets	8,9	-4,359	-2,345
<b>Total operating expenses</b>		<b>-56,612</b>	<b>-44,619</b>
<b>Operating result</b>		<b>-55,760</b>	<b>-44,619</b>
<b>Results from financial items</b>			
Interest income and similar items		2,435	784
Interest cost and similar items		0	-322
<b>Total financial items</b>		<b>2,435</b>	<b>462</b>
<b>Loss after financial items</b>		<b>-53,325</b>	<b>-44,157</b>
Tax on profit/loss for the year	7	0	0
<b>Net loss</b>		<b>-53,325</b>	<b>-44,157</b>
Of which attributable to the Parent Company's shareholders		<b>-53,325</b>	<b>-44,157</b>

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

	Note	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Acquired intangible assets	8	6,223	8,241
<b>Total intangible assets</b>		<b>6,223</b>	<b>8,241</b>
<b>Equipment and installations</b>			
Equipment and installations	9	9,144	9,341
<b>Total equipment and installations</b>		<b>9,144</b>	<b>9,341</b>
<b>Financial and other non-current assets</b>			
Other long-term receivables	10, 15	875	875
<b>Total financial assets</b>		<b>875</b>	<b>875</b>
<b>Current assets</b>			
<b>Inventories and other current assets</b>			
Raw materials and consumables	11	272	88
Pre-payments to suppliers		0	1,005
<b>Total inventories and pre-payments</b>		<b>272</b>	<b>1,094</b>
<b>Current receivables</b>			
Accounts receivable		590	0
Tax receivables		700	110
Other receivables		2,400	2,997
Prepaid expenses and accrued income	12	1,943	950
<b>Total current receivables</b>		<b>5,633</b>	<b>4,057</b>
<b>Cash and bank balances</b>			
Cash and bank		70,853	128,521
<b>Total cash and bank balances</b>		<b>70,853</b>	<b>128,521</b>
<b>TOTAL ASSETS</b>		<b>93,000</b>	<b>152,128</b>

	Note	Dec 31, 2023	Dec 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	13	2,923	2,923
<b>Total restricted equity</b>		<b>2,923</b>	<b>2,923</b>
<b>Unrestricted equity</b>			
Fair value reserve		148,352	148,352
Retained losses		-12,903	31,253
Comprehensive income for the period		-53,325	-44,157
<b>Total unrestricted equity</b>	16	<b>82,123</b>	<b>135,448</b>
<b>Total equity</b>		<b>85,046</b>	<b>138,372</b>
<b>Current liabilities</b>			
Accounts payable		2,961	10,272
Other current liabilities		2,527	819
Accrued expenses	14	2,466	2,665
<b>Total current liabilities</b>		<b>7,954</b>	<b>13,756</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,000</b>	<b>152,128</b>

## Consolidated statement of changes in equity

	Share capital	Fair value reserve	Contributed capital and retained losses	Comprehensive income for the period	Total equity
<b>Opening balances November 10, 2021</b>	0	0	0	0	0
<b>Changes</b>					
Company forming	500				500
Share issue	2,423	153,197			155,620
Costs relating to share issue		-4,844			-4,844
Contributed capital			31,253		31,253
Total comprehensive income for the period				-44,157	-44,157
<b>Closing balances December 31, 2022</b>	<b>2,923</b>	<b>148,352</b>	<b>31,253</b>	<b>-44,157</b>	<b>138,372</b>

	Share capital	Fair value reserve	Contributed capital and retained losses	Comprehensive income for the period	Total equity
<b>Opening balances January 01, 2023</b>	<b>2,923</b>	<b>148,352</b>	<b>31,253</b>	<b>-44,157</b>	<b>138,372</b>
<b>Changes</b>					
Allocation of previous year's results			-44,157	44,157	0
Total comprehensive income for the period				-53,325	-53,325
<b>Closing balances December 31, 2023</b>	<b>2,923</b>	<b>148,352</b>	<b>-12,904</b>	<b>-53,325</b>	<b>85,046</b>

At year-end, the company's share capital amounted to SEK 2,923,498 divided over 45,236,750 shares, all with a quota value of SEK 0.06.

Unconditional shareholder contributions amount to SEK 31,253,090 as of the balance sheet date.

All share capital is attributable to the Parent Company's shareholders.

## Parent Company income statement

	Note	2023	Nov 10, 2021– Dec 31, 2022
<b>Operating income</b>			
Net sales	3	946	0
Cost of goods		-102	0
<b>Total operating income</b>		<b>844</b>	<b>0</b>
<b>Operating expenses</b>			
Other external costs	4, 6	-21,859	-21,974
Personnel costs	5	-28,091	-20,299
Depreciation of tangible and intangible assets	8,9	-4,333	-2,345
<b>Total operating expenses</b>		<b>-54,283</b>	<b>-44,619</b>
<b>Operating result</b>		<b>-53,439</b>	<b>-44,619</b>
<b>Results from financial items</b>			
Interest income and similar items		2,915	784
Impairment of financial fixed assets	17	-2,321	0
Interest cost and similar items		-481	-322
<b>Total financial items</b>		<b>113</b>	<b>462</b>
<b>Loss after financial items</b>		<b>-53,326</b>	<b>-44,157</b>
Tax on profit/loss for the year	7	0	0
<b>Net loss</b>		<b>-53,326</b>	<b>-44,157</b>

## Parent Company balance sheet

	Note	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Acquired intangible assets	8	6,223	8,241
<b>Total intangible assets</b>		<b>6,223</b>	<b>8,241</b>
<b>Equipment and installations</b>			
Equipment and installations	9	9,016	9,341
<b>Total equipment and installations</b>		<b>9,016</b>	<b>9,341</b>
<b>Financial and other non-current assets</b>			
Shares in group companies	17	50	0
Other long-term receivables	10, 15	875	875
<b>Total financial assets</b>		<b>925</b>	<b>875</b>
<b>Current assets</b>			
<b>Inventories and other current assets</b>			
Raw materials and consumables	11	0	88
Pre-payments to suppliers		0	1,005
<b>Total inventories and pre-payments</b>		<b>0</b>	<b>1,094</b>
<b>Current receivables</b>			
Accounts receivable		700	110
Tax receivables		2,862	0
Other receivables		2,283	2,997
Prepaid expenses and accrued income	12	1,877	950
<b>Total current receivables</b>		<b>7,721</b>	<b>4,057</b>
<b>Cash and bank balances</b>			
Cash and bank		68,527	128,521
<b>Total cash and bank balances</b>		<b>68,527</b>	<b>128,521</b>
<b>TOTAL ASSETS</b>		<b>92,412</b>	<b>152,128</b>

	Note	Dec 31, 2023	Dec 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	13	2,923	2,923
<b>Total restricted equity</b>		<b>2,923</b>	<b>2,923</b>
<b>Unrestricted equity</b>			
Fair value reserve		148,352	148,352
Retained losses		-12,903	31,253
Comprehensive income for the period	16	-53,326	-44,157
<b>Total unrestricted equity</b>		<b>82,123</b>	<b>135,448</b>
<b>Total equity</b>		<b>85,046</b>	<b>138,372</b>
<b>Current liabilities</b>			
Accounts payable		2,671	10,272
Other current liabilities		2,393	819
Accrued expenses	14	2,302	2,665
<b>Total current liabilities</b>		<b>7,366</b>	<b>13,756</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>92,412</b>	<b>152,128</b>

## Parent Company statement of changes in equity

	Share capital	Fair value reserve	Contributed capital and retained losses	Comprehensive income for the period	Total equity
<b>Opening balances November 10, 2021</b>	0	0	0	0	0
<b>Changes</b>					
Company forming	500				500
Share issue	2,423	153,197			155,620
Costs relating to share issue		-4,844			-4,844
Contributed capital			31,253		31,253
Total comprehensive income for the period				-44,157	-44,157
<b>Closing balances December 31, 2022</b>	<b>2,923</b>	<b>148,353</b>	<b>31,253</b>	<b>-44,157</b>	<b>138,372</b>

	Share capital	Fair value reserve	Contributed capital and retained losses	Comprehensive income for the period	Total equity
<b>Opening balances January 01, 2023</b>	<b>2,923</b>	<b>148,353</b>	<b>31,253</b>	<b>-44,157</b>	<b>138,372</b>
<b>Changes</b>					
Allocation of previous year's results			-44,157	44,157	0
Total comprehensive income for the period				-53,326	-53,326
<b>Closing balances December 31, 2023</b>	<b>2,923</b>	<b>148,353</b>	<b>-12,903</b>	<b>-53,326</b>	<b>85,046</b>

At year-end, the company's share capital amounted to SEK 2,923,498 divided over 45,236,750 shares, all with a quota value of SEK 0.06.

Unconditional shareholder contributions amount to SEK 31,256,090 as of the balance sheet date.

All share capital is attributable to the Parent Company's shareholders.

# Notes

## Note 1 Accounting and valuation principles

The Annual Report for Inify Laboratories AB (publ) has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and consolidated accounts (K3). Assets, provisions and liabilities have been measured at cost and nominal amounts, respectively, unless otherwise stated below. The Parent Company was formed on November 10, 2021 and its first financial year has been extended to include the period from its formation until December 31, 2022. The subsidiary was formed on January 2, 2023, and therefore all comparative figures for the Group only include the Parent Company's earnings.

The Annual Report has been approved for publication by the Board of Directors and the CEO on April 10, 2024. The Annual Report will be presented to the AGM for adoption on May 14, 2024.

### Acquisition method

The consolidated financial statements have been prepared in accordance with the acquisition method.

### Principles for consolidated financial statements

The consolidated financial statements include the Parent Company and its subsidiaries. The financial statements for the Parent Company and the subsidiary included in the consolidated financial statements refer to the same period and have been prepared in accordance with the accounting principles applicable to the Group.

Group companies are consolidated from the date on which the Group has control or significant

influence over the company and divested Group companies are included in the Group's financial statements up to and including the date on which the Group still controls or has significant influence over the company. Normally, control over a subsidiary is obtained through the holding of more than 50 percent of voting shares, but can also be obtained in other ways, e.g. through agreements.

Subsidiaries are reported in the consolidated financial statements using the acquisition method. The acquisition method means, among other things, that the cost of the shares is allocated to acquired assets, assumed commitments and liabilities at the date of acquisition on the basis of the fair value of these at that date. If the cost exceeds the fair value of the acquired company's net assets, the difference is classified as goodwill. If the cost is less than the fair value of the acquired company's net assets, the difference is recognized directly in the income statement.

### Accounting currency

The company's accounting currency is Swedish kronor (SEK). All amounts are expressed in thousands of Swedish kronor unless otherwise stated.

### Standards, amendments and interpretations

For the first time in the Annual Report for 2023, the Company has applied the changes to standards, amendments and interpretations to be applied for financial year commencing on or after January 1, 2023. No new or changed accounting principles are considered to have had any major effect on the accounting for the period.

### Revenue

Inify's revenue consists of sales of diagnostic services in histopathology. The service includes, among other things, collection of patient samples from the company's customers, sample preparation, analysis, diagnosis and reporting to treating physicians and to the national cancer registry. The customers are Swedish urology clinics. Revenue is recognized in the period in which the service is completed, i.e. when the diagnosis has been reported back to the customer. As the need for the company's services depends on the number of patients, the company's revenues vary over time and some seasonal variations may occur. Revenue is recognised at fair value, less any discounts. The credit period is normally 30 days, which is in line with Swedish practice.

### Intangible fixed assets

Expenses for research, i.e. planned and systematic search to obtain new scientific or technical knowledge and insight, are recognized as an expense when incurred.

Development expenses are recognized in accordance with the capitalization model. This means that expenses incurred during the development phase are recognized as an asset when all of the following conditions are met:

- It is technically feasible to complete the intangible asset so that it can be used or sold.
- The intention is to complete the intangible asset and to use or sell it.

- There are adequate conditions for using or selling the asset.
- It is likely that the asset will generate future economic benefits.
- There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the asset.
- The costs attributable to the development of the asset can be reliably calculated.

The carrying amount of intangible assets is continuously reviewed for impairment when events or changes in circumstances indicate that the residual value may not be recoverable. If such indications appear and the residual value simultaneously exceeds the expected recoverable amount, the assets will be written down to the expected recoverable amount. The recoverable amount for fixed assets corresponds to the greater of the net fair market value and its value in use. The value in use is calculated by discounting expected future cash flows to their present value, using a discount factor prior to taxes that reflects the market's current estimate of the time value of money and the risks associated with the asset.

### Acquired intangible assets

Intangible assets acquired by the company are valued at their cost less accumulated depreciation and amortization. For intangible fixed assets, a depreciation period of five years is applied.

**Depreciation**

Straight-line depreciation is applied to property, plant, equipment and intangible assets. Depreciation is recognized as an expense in the income statement.

**Property, plant and equipment**

Property, plant and equipment are valued at their cost less accumulated depreciation and amortization. For equipment, a depreciation period of five years is applied.

**Inventory**

Inventory is measured at the lower of cost and fair value. Cost of inventory is determined by applying the "first in, first out" (FIFO) method. Risk of obsolescence is valued by calculating the future customer demand and technical changes.

**Provisions**

Provisions are recognized in the balance sheet when the company has an obligation due to an event that has occurred and when it is likely that it will result in a future outflow of economic resources.

**Leases**

Lease agreements essentially consists of operating lease agreements and are expensed on a straight-line basis over the lease term.

**Foreign currency**

Monetary items in foreign currency are translated at the exchange rate of the balance sheet date. Non-monetary items are not translated but are reported at the exchange rate at the time of acquisition.

**Remuneration to employees**

The company's short-term compensation to employees consist of salary, social security contributions, paid vacation, paid sick leave and certain personnel insurances. Short-term remuneration is recognized as an expense and a liability when there is a legal or informal obligation to pay remuneration. Individual, defined contribution pension plans can occur. In line with these, the company pays fixed fees to a pension company and has no other legal or informal obligation to pay anything further after termination of an employment. Pension costs are recognized in the company's income statement as employees' services are performed.

**Remuneration at termination**

Severance pay, to the extent that the remuneration does not provide the company with any future financial benefits, is only recognized as a liability and an expense when the company has a legal or informal obligation to either terminate the employment of an employee or a group of employees before the normal time for termination of employment, or provides termination benefits through an offer to encourage voluntary resignation.

**Share-based compensation**

Warrant programs offered to senior management and other employees are acquired by the holder through premiums calculated as the market value at the time of the offering, and do not have any effect on personnel costs or social security contributions during the term or exercise of the options.

**Taxes**

Income taxes consist of current tax and deferred tax. Receivables or liabilities relating to current tax for current or previous periods are valued at the amount expected to be received from or paid to the tax authority. Income taxes are reported in profit or loss for the year except when the underlying transaction is recognized in other comprehensive income or in equity, whereby the associated tax effect is reported in other comprehensive income or equity. Current tax is tax that is to be paid or received in the current year, with the application of the applicable tax rates at the balance sheet date. Current tax also includes adjustment of current tax attributable to previous periods.

**Financial instruments**

Financial instruments are reported in accordance with the regulations in K3, chapter 11, meaning that valuation is determined from cost. Financial instruments that are recognized in the balance sheet include other receivables, current receivables and accounts payable. The instruments are recognized in the balance sheet when the company becomes a party to the contractual terms of the instrument.

## Note 2 Estimates and assessments

Preparing financial statements in accordance with current laws and standards requires the management to make judgments and estimates, as well as to make assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Assessments and estimates are evaluated and reassessed continuously. The actual outcome may deviate from its estimates and judgments. The Board of Directors and management also make ongoing assessments of the risks that may affect the valuation of the company's assets. As the company's operations mainly concern commercializing new technology, development is associated with technical, financial and regulatory risks.

## Note 3 Income

The group recognized its first income in June 2023 when the laboratory opened and the first customers sent patient samples for diagnosis. All income for the Group is related to sales of diagnostic services in Sweden. The Group's management views the result of the Group as a whole, with one operating segment. Sales between Group companies arise as a natural part of the business. For further details, see Note 18 Related party transactions.

	Group		Parent Company	
	2023	2022	2023	2022
External sales	1,193	0	0	0
Intra-group sales	0	0	946	0
<b>Total</b>	<b>1,193</b>	<b>0</b>	<b>946</b>	<b>0</b>

## Note 4 Auditor's fees

Audit fees refer to the audit of the financial accounting and Annual Report, the administration by the Board of Directors and the CEO, as well as other tasks that fall within the auditors' area of responsibility.

	Group		Parent Company	
	2023	2022	2023	2022
<b>Ernst &amp; Young</b>				
Tax advisory services	0	199	0	199
Other services	0	151	0	151
<b>Total</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>350</b>
<b>Grant Thornton</b>				
Audit fees	222	150	97	150
Tax advisory services	2	0	2	0
Other services	7	0	7	0
<b>Total</b>	<b>231</b>	<b>150</b>	<b>106</b>	<b>150</b>

## Note 5 Personnel

Average number of employees	Group		Parent Company	
	2023	2022	2023	2022
Men	11	8	11	8
Women	10	5	8	5
<b>Total</b>	<b>21</b>	<b>13</b>	<b>19</b>	<b>13</b>
Gender distribution among management and Board of Directors	Group		Parent Company	
	2023	2022	2023	2022
Share of women on the Board of Directors (%)	0	0	0	0
Share of women among management (%)	43	43	43	43
Salaries and other remuneration, social security expenses and pension costs	Group		Parent Company	
	2023	2022	2023	2022
Board members and CEO	2,657	2,523	2,657	2,523
Other employees	15,571	10,311	14,700	10,311
Pension costs for Board members and CEO	582	453	582	453
Pension costs for other employees	2,826	1,751	2,751	1,751
Statutory and contractual social security expenses	6,321	4,480	6,030	4,480
<b>Total</b>	<b>27,957</b>	<b>19,518</b>	<b>26,720</b>	<b>19,518</b>

All pension benefits are premium-based, which means that there are no outstanding pension liabilities to either management or employees.

### Salary and other remuneration to Board of Directors and CEO

2023	Directors' remuneration	Directors' remuneration		
		Fixed salary	Pension	Total
Fredrik Palm, CEO <sup>1</sup>	0	2,157	582	2,739
Olof Sandén, Chairman of the Board <sup>2</sup>	300	0	0	300
Martin Ingvar, Board member <sup>2</sup>	200	0	0	200
Magne Jordanger, Board member <sup>2</sup>	0	0	0	0
<b>Total</b>	<b>500</b>	<b>2,157</b>	<b>582</b>	<b>3,239</b>

2022	Directors' remuneration	Directors' remuneration		
		Fixed salary	Pension	Total
Fredrik Palm, CEO <sup>1</sup>	0	2,023	453	2,476
Olof Sandén, Chairman of the Board <sup>2</sup>	300	0	0	300
Martin Ingvar, Board member <sup>2</sup>	200	0	0	200
Magne Jordanger, Board member <sup>2</sup>	0	0	0	0
<b>Total</b>	<b>500</b>	<b>2,023</b>	<b>453</b>	<b>2,976</b>

<sup>1)</sup> CEO Fredrik Palm took office when the company was formed in November 2021. Palm is entitled to a mutual notice period of 6 months. Palm has a fixed salary and an individual, performance-based bonus. No bonus was paid in 2023. In 2023, the company paid pension premiums of SEK 582 thousand as a benefit for Palm, which is in line with the company's pension policy for all employees. The CEO's retirement age is 65 years.

<sup>2)</sup> At the AGM on May 16, 2023 it was resolved that the chairman's remuneration shall be SEK 300 thousand for the period until the next AGM. Remuneration to other board members, with the exception of major shareholders, was resolved at the same meeting to SEK 200 thousand for the period until the next AGM. In 2023, the Board of Directors consisted of 3 (3) members, including 3 men and 0 women.

### Employee incentive program

At an Extraordinary General Meeting on May 9, 2022, it was resolved 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 percent 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 the holder to one share in the Company at an exercise price of NOK 4.80. In 2022, the EGM resolved to issue a maximum of 3,935,599 warrants to enable the delivery of new shares to the participants in the programs.

## Note 6 Operating leases – Lessee

Lease expenses	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Lease costs during the year	3,955	2,032	3,955	2,032
<b>Total</b>	<b>3,955</b>	<b>2,032</b>	<b>3,955</b>	<b>2,032</b>
Leases		Parent Company		
		Group	2023-12-31	2023-12-31
Fees due in 2024		4,266	4,266	
Fees due in the period 2025–2028		10,625	10,625	
Fees due 2029 or later		0	0	
<b>Total</b>		<b>14,891</b>	<b>14,891</b>	

Inify's lease commitments mainly comprise leases for premises and to some extent leases for vehicles and office equipment. The agreements normally have maturities between 3 and 5 years, with an option for the company to extend the term of the agreements. Management continuously evaluates whether it is likely that the extension or termination terms in the agreements will be exercised.

## Note 7 Tax on result for the year

Tax	Group		Parent Company	
	2023	2022	2023	2022
Results before tax	-53,325	-44,157	-53,326	-44,157
Other deductible costs	0	-4,844	0	-4,844
Non-deductible costs	64	107	2,385	107
Non-taxable income	-17	-1	-16	-1
Losses from previous periods	-48,895	0	-48,895	0
<b>Total (Basis for tax calculation)</b>	<b>-102,173</b>	<b>-48,895</b>	<b>-99,852</b>	<b>-48,895</b>

Total deferred tax amounts to -102,173.

The applicable tax rate for the income year 2023 is 20.6 percent.

## Note 8 Acquired intangible assets

Accumulated cost	Group		Parent Company	
	2023	2022	2023	2022
Opening balance at the beginning of the year	10,091	0	10,091	0
Acquisitions for the year	0	10,091	0	10,091
<b>Closing balance accumulated cost</b>	<b>10,091</b>	<b>10,091</b>	<b>10,091</b>	<b>10,091</b>
<b>Accumulated depreciation</b>				
Opening balance at the beginning of the year	-1,850	0	-1,850	0
Depreciation for the year	-2,018	-1,850	-2,018	-1,850
<b>Closing balance accumulated depreciation</b>	<b>-3,868</b>	<b>-1,850</b>	<b>-3,868</b>	<b>-1,850</b>
<b>Closing balance at year-end</b>	<b>6,223</b>	<b>8,241</b>	<b>6,223</b>	<b>8,241</b>

Inify's cost for acquired intangible assets relates to the net value of the decision support tool that was transferred to the company in connection with the spin-off from ContextVision in February 2022.

## Note 9 Equipment and installations

Equipment and installations	Group		Parent Company	
	2023	2022	2023	2022
Opening balance at the beginning of the year	9,836	0	9,836	0
Investments for the year	2,143	9,836	1,990	9,836
<b>Closing balance accumulated cost</b>	<b>11,979</b>	<b>9,836</b>	<b>11,826</b>	<b>9,836</b>
<b>Accumulated depreciation</b>				
Opening balance at the beginning of the year	-495	0	-495	0
Depreciation for the year	-2,340	-495	-2,315	-495
<b>Closing balance accumulated depreciation</b>	<b>-2,835</b>	<b>-495</b>	<b>-2,810</b>	<b>-495</b>
<b>Closing balance at year-end</b>	<b>9,144</b>	<b>9,341</b>	<b>9,016</b>	<b>9,341</b>

The depreciation period for machinery, equipment and installations is 5 years. The company applies straight-line depreciation.

## Note 10 Other non-current receivables

	Group		Parent Company	
	2023	2022	2023	2022
Opening balance at the beginning of the year	875	0	875	0
Deposits	0	875	0	875
<b>Closing balance at year-end</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>875</b>

Refers to a deposit to the landlord as security for rental payments for the premises in Solna (Stockholm).

## Note 11 Inventories

Inventories	Group		Parent Company	
	2023	2022	2023	2022
Raw materials and consumables	272	88	0	88
<b>Total</b>	<b>272</b>	<b>88</b>	<b>0</b>	<b>88</b>

## Note 12 Prepaid expenses and accrued income

	Group		Parent Company	
	2023	2022	2023	2022
Prepaid rent	782	506	782	506
Other prepaid expenses	812	444	744	444
Accrued income	350	0	350	0
<b>Total</b>	<b>1,943</b>	<b>950</b>	<b>1,877</b>	<b>950</b>

## Note 13 Equity

Group	Total number of shares and share capital	Total number of shares	Total share capital, SEK	Quota value
As of closing date Dec 31, 2023	45,236,750	2,923,498	0.06	
<b>Total</b>	<b>45,236,750</b>	<b>2,923,498</b>	<b>0.06</b>	

Parent Company	Total number of shares and share capital	Total number of shares	Total share capital, SEK	Quota value
As of closing date Dec 31, 2023	45,236,750	2,923,498	0.06	
<b>Total</b>	<b>45,236,750</b>	<b>2,923,498</b>	<b>0.06</b>	

The company's share has been listed on Euronext Growth Oslo since June 20, 2022, and all shares are of the same share class. Each share carries one vote each and is entitled to an equal share of the company's assets and dividends, without any restrictions.

## Note 14 Accrued expenses and deferred income

	Group		Parent Company	
	2023	2022	2023	2022
Salaries, vacation pay and social security fees	1,379	1,235	1,262	1,235
Other accrued expenses	1,087	1,430	1,040	1,430
<b>Total</b>	<b>2,466</b>	<b>2,665</b>	<b>2,302</b>	<b>2,665</b>

## Note 15 Pledged assets and contingent liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Pledged assets and contingent liabilities	None	None	None	None
Deposits	875	875	875	875
Contingent liabilities, cash and bank balances	50	50	50	50
Contingent liabilities, capital adequacy guarantee	None	None	Unlimited	None

Deposits refer to amounts deposited as security for lease commitments. Contingent liabilities refer to a bank guarantee for the benefit of external parties upon entry in the public register.

The capital adequacy guarantee is issued between the Parent Company and the subsidiary.

## Note 16 Proposed appropriation of earnings

The Board of Directors proposes that SEK 82,123,284, be carried forward.

## Note 17 Shares in group companies

Subsidiary	Organization number	Share capital/ Voting rights	Number of shares
Inify Laboratories Nordics AB	559416-6828	50/100	50,000
Parent Company			
	2023	2022	
Opening balance at the beginning of the year	0	0	
Acquisitions for the year	50	0	
Capital adequacy guarantee	2,321	0	
Impairment	-2,321	0	
<b>Closing balance accumulated cost</b>	<b>50</b>	<b>0</b>	
<b>Closing balance net value</b>	<b>50</b>	<b>0</b>	

## Note 18 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. In 2023, intra-group revenues amounted to SEK 946 thousand.

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.

The subsidiary's business primarily consists of running the daily laboratory and diagnostics operations in the group's first laboratory in Solna, Sweden. With the exception of the above, there have been no other significant related party transactions during the period.

## Note 19 Significant events after the balance sheet date

No significant events have occurred since the end of the financial year and the issuance of this report.

# Signatures

The Board of Directors and the CEO assure that the Annual Report for the period January 1, 2023 – December 31, 2023 gives a true and fair view of the company's financial position and results, and that the administration report gives a true and fair view of the development of the company's operations, its financial position and results and the significant risks and uncertainties that the company faces.

Stockholm, according to the date shown by the electronic signature

Olof Sandén  
Chairman of the Board

Fredrik Palm  
CEO

Martin Ingvar  
Member of the Board

Magne Jordanger  
Member of the Board

Our audit report was issued according  
to the date shown by the electronic signature

Grant Thornton Sweden AB  
(signature on original document)

Authorized public accountant

# Auditor's Report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

**To the general meeting  
of the shareholders of  
INIFY Laboratories AB  
Corporate  
identity number  
559345-4431**

## Report on the annual accounts

### Opinions

We have audited the annual accounts of INIFY Laboratories AB for the financial year 2023-01-01 – 2023-12-31. The annual accounts of the company are included on pages 27–47 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of INIFY Laboratories AB as of 31 December 2023 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of INIFY Laboratories AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1–26 and 48–52. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

→ Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

→ Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the company's internal control.

→ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

→ Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

→ Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of INIFY Laboratories AB for the financial year 2023-01-01–2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of INIFY Laboratories AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member

of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Addi-

tional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, according to the date indicated by the electronic signature.

Grant Thornton Sweden AB  
Joakim Söderin  
Authorized Public Accountant

# Alternative performance measures and definitions

## Alternative performance measures

In its financial reports, the company presents certain financial measures, including Key Figures, which are considered 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 financial figures the same way, these are not always comparable to measures used by other companies.

Key figure	Definition	Motivation for usage
EBITDA	Earnings before interest, taxes, depreciation and amortization.	EBITDA shows the company's underlying development, which is valuable as an indication of the company's underlying cash-generating capacity.
Equity ratio	Equity at period end as a percentage of total assets.	The equity ratio shows the company's longterm ability to pay its debts and is a complement to other key figures. It helps assess the possibility of dividends.
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.

## Definitions

Term	Definition
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.
CMO	Chief Medical Officer
Digital Pathology	Digital pathology refers to the digital images of histopathology samples. 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. (RISE)
LIS	Laboratory Information System
Machine Learning	Machine learning is the study of computer algorithms that automatically improve through experience.
MTM	Multidisciplinary Team Meeting is a meeting of the group of professionals from one or more clinical disciplines who together make decisions regarding recommended treatment of individual patients.
Pathology report	A medical report provided to the referring physician that describes the characteristics of a piece of tissue, blood, or body organ that has been removed from the body
Referral/request	Order from a physician for a diagnostic examination of a specimen of tissue or other samples from a patient.
Specimen	Part of a human body (e.g., Biopsy Specimen) or organ that is to be examined by the laboratory.

# AGM and financial calendar

## Notice of the AGM

The AGM will be held on Tuesday May 14th, 2024 at the company's premises at Scheelles väg 3, Solna.

Notice to attend the general meeting will be published 4 to 6 weeks before the meeting. Notice will be given through advertising in Post and Inrikes Tidningar, through publication on the company's website ([www.inify.com](http://www.inify.com)) and via the Oslo Stock Exchange (<https://newsweb.oslobors.no>). There will also be a notification in Svenska Dagbladet that notice to attend the AGM has been published.

## Dividend

The Board of Directors proposes that no dividend will be paid.

## Participation and notification

Shareholders who wish to participate in the AGM with the right to vote must:

→ be registered as a shareholder in the share register kept by Euroclear Sweden AB as of May 3, 2024. Shareholders who are registered at Norska Verdipapirsentralen (VPS) need to temporarily re-register their shares through DNB Bank ASA, see instructions below.

→ notify the company in writing no later than May 7, 2024 via e-mail: [ir@inify.com](mailto:ir@inify.com) or mail to Inify Laboratories AB, Scheelles väg 3, 171 65 Solna, Sweden.

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution in Sweden must temporarily re-register the shares in their own name in order to have the right to participate and vote at the AGM. Such registration must be effected with Euroclear Sweden AB no later than on May 7, 2024 in order to be taken into account when preparing the share register, which means that the trustee must receive requests for re-registration well in advance of that date. Please note that re-registration requirements and deadlines may vary between trustees.

## Specifically for shareholders registered at Norska Verdipapirsentralen (VPS)

→ Shareholders registered at Norska Verdipapirsentralen (VPS) who are not registered at Euroclear Sweden AB, Sweden, and who wish to be entitled to vote at the AGM must give notice of attendance to DNB Bank ASA no later than April 25, 2024 at 12:00 noon local time. Notice of

attendance shall be made on a separate application form that will be sent by e-mail to shareholders who so wish, and is also available on the company's website. The completed form should be sent to DNB Bank ASA, Verdipapirservice, PB 1600 Sentrum, N-0021 Oslo, or via e-mail: [vote@dnb.no](mailto:vote@dnb.no).

→ DNB Bank ASA will temporarily register the shares with Euroclear Sweden AB in the name of the shareholder. Shareholders who are registered with VPS must also give notice of attendance to the company as set out above in order to obtain the right to vote at the AGM.

## Ordering financial information

The Annual Report and other financial reports are published through the stock exchange (<https://newsweb.oslobors.no>) and can also be downloaded from the company's website ([www.inify.com](http://www.inify.com)), or be ordered via e-mail: [ir@inify.com](mailto:ir@inify.com).

## Contact person for investor relations

Fredrik Palm, CEO  
 E-mail: [fredrik.palm@inify.com](mailto:fredrik.palm@inify.com) or [ir@inify.com](mailto:ir@inify.com)

## Financial calendar 2024

Interim report Q1 2024	April 24, 2024
Annual General Meeting (ordinary general meeting)	May 14, 2024
Interim report Q2 2024	August 21, 2024
Interim report Q3 2024	October 23, 2024
Year-end report 2024	February 26, 2025



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