



INVESTOR LETTER WINTER 2023

The frost has settled over the rapeseed fields of Skåne as we approach a wintry cold Lund. An eventful year is coming to an end, and it's time to summarize the milestones achieved this year.

We began the year on American soil, participating in the J.P. Morgan Healthcare Conference in San Francisco in January. Our participation has been significant for the company's visibility in an international investor context. Throughout the year, we focused on preparatory marketing work and continued to visit several conferences and neonatology departments in both the U.S. and Europe. Particularly, our participation in the Pediatric Academic Societies (PAS) conference in Washington, DC, and the jENS conference in Rome has been valuable opportunities for us to meet neonatologists, pediatricians, and key opinion leaders from around the world in neonatology. The Irish research team also presented important and successful final results from a large independent clinical study involving 100 newborn babies using Neola Medical's medical device at University Hospital Cork, Ireland. The results show that Neola® measured oxygen in the lungs of all 100 newborn babies and the technology is safe and recommended even for preterm born infants.



We have expanded our presence in the U.S by opening a new office at Nordic Innovation House in Palo Alto, Silicon Valley and establishing the subsidiary Neola Medical Inc. in Delaware, along with a close collaboration with Stanford University and their neonatologists. This strengthens our positioning in the American market and provides a strong foundation to build on our American network of key opinion leaders for a successful launch of Neola® in the U.S. It is especially encouraging that we concluded the year with a strong patent for our disposables, which is a significant protection for a substantial part of our upcoming profitability model, and that through a directed share issue of 20 million SEK, for decision at the extraordinary general meeting on December 29, can secure the company's funding for 2024, with a focus on our upcoming clinical studies and market launch of Neola® in the U.S.

Warm thanks to all our shareholders for their trust and support throughout the year.

I wish you all a Merry Christmas and a Happy New Year!

Hanna Sjöström

NEWS NEOLA MEDICAL

Neola Medical receives The Arvind Hundal Scale-up Award during the NOME Annual Meeting and Startup Competition 2023. Read more below.



Neola Medical has initiated the subsidiary Neola Medical, Inc. in Delaware for market establishment in the U.S. Read more below and the press release [here](#).



Neola Medical has been granted a new patent in Europe for the company's disposables in the medical device, Neola®. Read more below and the press release [here](#).



Neola Medical has carried out a new directed share issue of 20 MSEK and secures financing for 2024. Read more below and the press release [here](#).



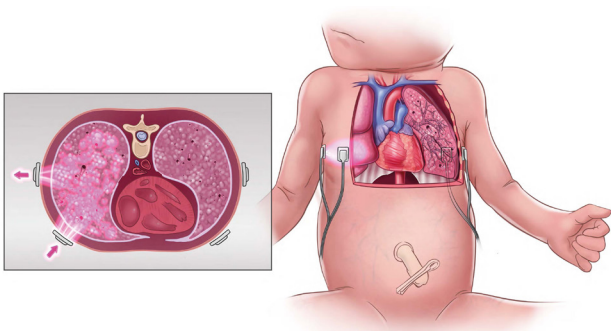
After an eventful year for Neola Medical, marked by several steps in the right direction, the milestones of 2023 are summarized. Read more below.



Patent approval for disposables

The patent provides strong protection for Neola Medical's disposables, the advanced light and detector probes, that are attached to the babies's skin for continuous lung monitoring in preterm born infants.

The patent is particularly significant as the disposables feature a unique optical design developed by Neola Medical's team, providing a significant leverage in the company's future profitability model through recurring revenues from the disposables.



To monitor the left and right lung, two probe sets are required, which are replaced daily.

Neola Medical, Inc.

Neola Medical AB (publ) has initiated a subsidiary in the U.S as part of the efforts to launch Neola® in the American market. The company's U.S. operations will be led by Neola Medical, Inc., based in Delaware, with offices in Palo Alto, California, USA.

Establishing a company in the U.S. is a crucial step for the launch of Neola® in the U.S., as it facilitates better positioning and growth in the American market. This allows for easier collaborations with American key opinion leaders and the establishment of on-site operations.

For the time being, the day-to-day operations of Neola Medical, Inc. are being managed by the team at the headquarters in Lund, in collaboration with American consultants. Eventually, Neola Medical will evaluate the establishment of a local U.S. team with support from key personnel at the Lund headquarters.

Directed new share issue of 20 MSEK

The board of directors of Neola Medical AB has decided to carry out a directed share issue, subject to approval by an extraordinary general meeting and with deviation from the shareholders' preferential rights. The directed share issue has been subscribed for by the existing shareholders Anmiro AB, Pär Josefsson, and LMK Forward AB, as well as the external investor Brodsvik AB.

The purpose is to strengthen the company's ownership base and secure financing for 2024 in a cost-effective manner, with a focus on the company's clinical study in the USA. For Neola Medical, attracting a new strategic investor and gaining additional support from existing shareholders at a premium on the share price is a significant step.

The board of directors carefully considered alternative financing solutions and found that a directed issue is the most favourable for the company and its shareholders.

FROM STARTUP TO SCALEUP

At this year's NOME Annual Meeting and Startup Competition 2023 in Copenhagen on November 9th, Neola Medical received The Arvind Hundal Scaleup Award for the company's exceptional growth, serving as inspiration for other startups in life science.

Nordic Mentor Network for Entrepreneurship (NOME), a mentor program for promising life science projects and startups, awarded Neola Medical for its outstanding growth. The program aims to transform Nordic life science startups into internationally recognized commercial successes. The NOME Annual Meeting and Startup Competition bring together leading experts in life science for networking and a startup competition.



NORDIC MENTOR NETWORK
for **ENTREPRENEURSHIP**

Two years ago, Neola Medical was one of the five selected Nordic startups presenting its pitch during the Startup Competition 2021. Today, having completed the program, Neola Medical is the first-ever company to receive The Arvind Hundal Scaleup Award, recognizing exceptional growth from a startup to a scaleup. The award is created in memory of Arvind Hundal, a mentor in the NOME program who passed away in March 2023 after a prolonged illness.



"It is a humble experience to stand here today and receive this very important award from a person who I know meant a lot to many of you, and I do it on behalf of the entire team at Neola Medical. We have worked relentlessly for many years now to build a completely new medical technology product to monitor the lungs of premature infants, so that we can save more children and truly improve the health of children worldwide."
– Hanna Sjöström, CEO Neola Medical



Arvind Hundal, a mentor in the NOME program and Senior Vice President Business Development at BioNTech SE since 2019, was a prominent figure known for guiding many startups to success. She had a special ability to identify the most exceptional companies that she believed would make a significant difference in the world of life science. Arvind also played a crucial role in academic and commercial negotiations with partners, licenses, and acquisitions. In addition, Arvind held leadership positions in pharmaceutical and biotechnological companies such as PPI, Zealand Albireo, and Ziarco.



CEO Hanna Sjöström receives The Arvind Hundal Scaleup Award.



Peter Birk (Accelerace, NOME Partner) and Rebecca Guacan (Accelerace, NOME Partner)



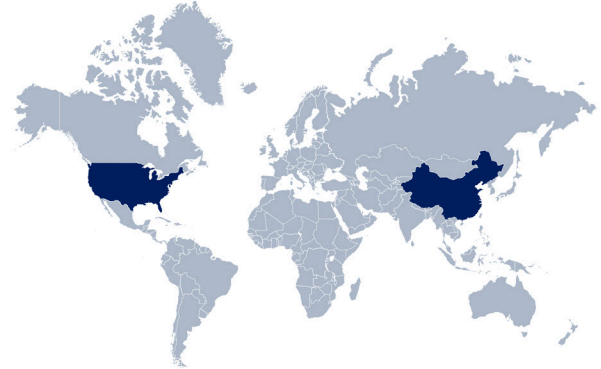
CEO Hanna Sjöström, Martin Hundal (husband of Arvind) and Kristopher D Brown (Tech Law Partner at Goodwin Procter LLP)

MORE MILESTONES 2023

The company's trademark, Neola®, has been registered in China for class 10 (Medical device) and class 42 (Science and technology services, R&D services). Read more [here](#).



Neola® trademarked in China and in the U.S.



Important milestone achieved when receiving certification according to ISO 13485 presented at Q4 report of 2022. Read more [here](#).



Neola Medical granted a new patent in the U.S. for an invention, which open opportunities for lung monitoring of more patient groups. Read more [here](#).



Neola Medical initiates market preparation work in the U.S. with an office in Palo Alto, Silicon Valley. Read more [here](#).



The company's trademark, Neola®, has been registered in the U.S. for class 10 (Medical device) and class 42 (Science and technology services, R&D services). Read more [here](#).



New successful results from clinical study on 100 newborn babies with Neola Medical's medical device. Read more [here](#).



Stanford selects Neola Medical's medical technology product as an important innovation and gives the company support through Impact1. Read more [here](#).

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Reports, annual reports and press releases can be downloaded from www.neolamedical.se

Next investor letter is coming in spring 2024!

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