

## **A Lund city-based company is supported by Stanford**

Stanford University opens the doors to the American market for Neola Medical in Lund. Just over three years ago, Nasdaq's listing bell rang at Medicon Village and Neola Medical entered the stock exchange as a spin-off from Lundabolaget Gasporox. Now the company, as the only European player, has been selected to receive support from Stanford University's program, Impact 1, for technological innovation in child and maternity care. Neola Medical is developing a system for continuous monitoring of the lungs of preterm born babies. The company's medical equipment with the same name, Neola®, is judged to be a promising innovation with the potential to improve neonatal intensive care from day one. Stanford is one of the world's leading universities in research in preterm born babies, and the Impact1 program is backed by the US Food and Drug Administration, FDA.



- Through the program, we get access to broad expertise with experts from Stanford and Silicon Valley in the development of, among other things, medical technology products and the opportunity to practically work closely with leading doctors in neonatal intensive care and regulatory experts. At the same time, we get access to experts who have knowledge of how to get to the market so that we can get to FDA approval as quickly as possible and start selling our product to American hospitals, says Neola Medical's CEO Hanna Sjöström, on the left in the picture along with Janene H. Fuerch, co-director of Impact 1 and PhD in neonatology at Stanford University.

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Neola Medical has its headquarters in Lund and recently the company opened an office in Palo Alto in Silicon Valley to get closer to the American market, which with the Stanford support is now opening up in earnest.

- We have finished developing our first medical technology product and are in the middle of the regulatory process to get FDA approval. Next year we will conduct a clinical study in the U.S. of preterm born babies and at the end of 2024 we will submit our FDA application, says Hanna Sjöström.

According to her, the U.S. market for neonatal respiratory medical technology is estimated to be worth \$3 billion by 2032, with an annual growth rate of 5.8 percent. Neola Medical works with a so-called razor blade model, which means that you make money both from selling the Neola® system and from disposable items that are connected to the device.

- We anticipate good profitability on the American market. The U.S. is characterized by high pricing, high willingness to pay and a market where you can get high margins. It will be very favorable for us, says Hanna Sjöström.

While the full focus is on the USA, Neola Medical is working in parallel to get an approval in Europe, with its sights set mainly on France. There, the company has already developed contacts with key opinion leaders in large hospitals. The latest available figures from Neola Medical show that the cash flow during the second quarter of this year amounted to SEK -4.5 million, which can be compared with SEK -5.8 million for the corresponding quarter last year. The company ended the period with cash of around SEK 30 million. According to Hanna Sjöström, funding is currently available for twelve months ahead.

**Martin Linderoth**