

Dear shareholders,

As stated in the notice to the extra general meeting in December, shareholders will be voting on the issue to authorize the board to sell NeoDynamics' operations. This item has come up due to low sales and the lack of external interest to partner with or acquire the company, resulting in an unsustainable financial position. I would like to take the opportunity to further elaborate on the proceedings that have led to the current situation in this letter.

During this year NeoDynamics has done its best to deliver on the vision we have set; lead the way in precision biopsy to support the diagnosis and care for patients with cancer through our Pulse technology. Your patience with providing the company with capital over the years has been admirable, and we would like to thank you again for your continued faith. However, despite your support, we once again find ourselves in a difficult financial position.

As you know there has been complications with product development over the past few years, and the full NeoNavia system was therefore not ready to launch until the end of 2023. Despite many leading doctors showing a lot of enthusiasm about the benefits of NeoNavia and the Pulse technology, adoption has been slow. The initial sales cycle has been longer than anticipated, as clinicians are not in a rush in the same way we have been. Additionally, we are competing against already well-established companies, with a broad product offering including cheaper, albeit less sophisticated, alternatives. Simply having a better product has not been enough to effectively contend with these incumbents; we have not secured enough orders to sustain the business in either the short or long term.

Realizing that succeeding on our own may be unlikely, we started exploring all possible options earlier year, including partnerships or divestment. We have approached several different companies since June, and as negotiations have been ongoing and in various stages, we chose not to announce anything to avoid interfering with negotiations. Despite this, due to the restrictive capital markets most investors and incumbents are looking for companies that are further along in their sales cycle, that would require less work to increase sales than NeoDynamics would require. As such, we have not succeeded in closing any partnership or acquisition agreements.

Given this we have few options that would not risk the survival of the company. We have received a proposal from NeoDynamics management team, to purchase parts of the current organization and focus on the German market. Although the purchase price would be a symbolic figure, a management buyout would reduce the company's current debt significantly, and as such be key to avoid the worst-case scenario of bankruptcy. The company has therefore signed a declaration of intent with them, meaning they will be able to purchase parts of the company provided that the general meeting approves this. This alternative will not only help ensure that we survive, but also give the NeoNavia system an opportunity to do so.

As a final note, we have tried for more than a decade to develop and sell the NeoNavia system. Unfortunately, we have not succeeded, and the total debt combined with the running cost makes it unsustainable to continue. We recognize that the situation is disappointing and wish the circumstances would have been different.

Thank you again for your support in NeoDynamics and NeoNavia.

Best regards,
Matilda Salén