

Spermosens AB (publ)

INTERIM REPORT JANUARY - SEPTEMBER 2024

Strong progress in clinical study

1 JANUARY – 30 SEPTEMBER 2024

SIGNIFICANT EVENTS DURING THE QUARTER

- Spermosens next-generation male fertility diagnostic product ready for clinical study
- Spermosens has entered into an agreement with US based ScanMed Partners to identify and attract strategic and commercial partners in North America with special focus on the US market
- Spermosens passes an important milestone receiving approval for significant clinical study

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

- Kallelse till extra bolagsstämma i Spermosens AB (publ) för beslut om emission
- Spermosens recruits first couple for clinical study on next-generation male fertility diagnostic product
- Spermosens receives notice of allowance for broad US patent covering JUNO-*Checked* technology
- Spermosens signs memorandum of understanding for commercial partnership in Japan
- Spermosens reports strong progress in clinical study

FINANCIAL INFORMATION

Amounts in SEK thousand	2024	2023	2024	2023	2023	Rolling
	Q3	Q3	Q1-Q3	Q1-Q3	Full-Year	12 mth
Net sales	–	–	–	–	–	–
Operating profit/loss	-2 131	-2 809	-6 790	-9 457	-10 873	-8 206
- Whereof activated work for own account	787	3 527	3 712	9 549	11 742	5 905
Cash and cash equivalents	129	8 639	129	8 639	4 492	129
Total Cash flow	-2 830	1 916	-4 363	8 087	3 940	-8 510
Equity end of period	21 970	14 731	21 970	14 731	12 692	21 970
Balance sheet total	24 995	27 224	24 995	27 224	26 105	24 995
Equity/assets ratio,%	88	54	88	54	49	88
Liquidity ratio,%	25	78	25	78	43	25
No. of shares	283 607 120	41 193 676	283 607 120	41 193 676	283 607 120	283 607 120
Weighted average number of shares, adjusted for dilution effect (thousands)	283 607 120	41 193 676	155 322 633	37 039 692	41 193 676	126 868 564
Earnings per share, SEK	-0,01	-0,08	-0,05	-0,28	-0,32	-0,08
Number of employees at end of period	3	6	3	6	7	3

CEO COMMENTS

Infertility is a global challenge, with millions of couples struggling to conceive. Male infertility represents growing problem and is often overlooked due to inadequate diagnostic tools. Traditional assessments focus on sperm count, motility and morphology, but fail to evaluate critical functional aspects such as the sperm's ability to bind to the egg, a key factor in fertilization. Spermosens' JUNO-Checked technology addresses this unmet need by measuring the sperm's capacity to bind to the egg, providing fertility specialists with valuable insights that allow for more personalized treatments and increased chance of success.

In addition to its relevance for fertility clinics, JUNO-Checked also holds significant potential for sperm banks by helping ensure donors meet the highest quality standards. Moreover, it could become a valuable tool for couples seeking natural conception by identifying when sperm quality is optimal, thus aiding in determining the best time for conception.

Since the launch of our revised strategy in June this year, we have achieved notable progress. Key developments include the initiation of our clinical study at the Reproductive Medicine Center (RMC) in Malmö, the next generation Juno-Checked technology, the signing of a Memorandum of Understanding (MoU) with a well-established Japanese partner, the receipt of a Notice of Allowance for our broader US patent and significant cost reductions.

In August, we received ethical approval to commence the clinical study at RMC, which is designed to demonstrate the diagnostic value of our JUNO-Checked technology. By October, the first couple had been recruited, and recruitment is since then progressing steadily. Additionally, we have successfully implemented the next-generation JUNO-Checked sensor in the study, which offers enhanced performance and reduced readout time. With the current recruitment pace, we aim to present interim results already by year-end.

In line with our strategy of pursuing commercialization through partnerships and license agreements, we have initiated a collaboration with US-based Scan MedPartners to identify the right partners in North America. We have also made significant progress in our dialogue with an established Japanese company, recently signing an MoU

with the goal of formalizing a commercial agreement for Japan. This underscores our focus on entering key markets by leveraging regional expertise, allowing us to scale efficiently while managing costs.

A further significant milestone is the Notice of Allowance we received from the United States Patent and Trademark Office (USPTO) for our second US patent. This patent broadens our intellectual property coverage for the JUNO-Checked technology, positioning us even stronger for future partnerships and licensing opportunities in the assisted reproductive technology (ART) sector.

I am pleased that we have implemented our revised strategy and to see that we are making good progress in unlocking the potential of our technology. Positive results from our ongoing activities present a significant opportunity for value creation. While we have successfully reduced our capital requirements through reprioritization and cost reductions, the need for capital remains critical to continue advancing our journey. We therefore recently announced a rights issue, inviting both new and existing shareholders to participate. This funding will enable us to advance our clinical study, drive business development and seek valuable commercial opportunities.

As we continue to advance our clinical study and business development, we stay focused on realizing the full potential of JUNO-Checked and unlocking value for our stakeholders. We remain confident in our ability to execute our strategy and build value.

I wish to express my sincere gratitude to our shareholders, partners and team members for the strong progress and continued support.



A handwritten signature in blue ink that reads "Tore Duvold".

Tore Duvold, CEO of Spermosens AB
Lund, October 2024

ABOUT SPERMOSENS

The Problem: Current diagnostics fall short in assessing sperm quality in men. Several studies have reported a decline in sperm quality and other markers of male reproductive health. The WHO estimates that over 48 million couples are affected by infertility worldwide. More than 25 million people in Europe suffer from infertility. The male factor alone is responsible for approximately 30% of infertility cases and contributes to another 20%. Significant focus has been placed on diagnosing female infertility, leading to the neglect of male infertility—its research, diagnosis, and treatment. Globally, 3-4 million IVF treatments are performed annually, of which unfortunately less than 1 in 5 are successful.

Our Breakthrough Technology: Spermosens has developed a method that measures the interaction between sperm and egg cell proteins. For the first time, the binding ability of sperm can be determined. This will help doctors choose the appropriate IVF treatment, increasing success rates and leading to fewer IVF cycles to achieve pregnancy.

Patent Protection: Spermosens' patent portfolio currently includes a patent that provides protection for its medical device product, including the biosensor and its use for selecting suitable sperm for In Vitro Fertilization (IVF). Spermosens has obtained patent protection for its technology until 2039 in all key European markets, as well as in the USA and Japan, among others. Patent applications are ongoing in additional key markets. For more information, see <https://spermosens.com/technology/ip-status/>.

Spermosens' First Product: The JUNO-*Checked* system consists of an instrument and disposable cartridges. The cartridges contain biosensors on which sperm samples are applied to measure binding capacity. Standard IVF (StIVF) is recommended for sperm with a high score, thereby benefiting from the natural fertilization process. If a low score is observed, the alternative treatment Intra Cytoplasmic Sperm Injection (ICSI) is recommended.

Technical Pipeline: Spermosens' product portfolio is at the forefront of innovation in male reproduction and includes medical devices for diagnostics as a "best practice" treatment method. While JUNO-*Checked* helps to choose between StIVF and ICSI, JUNO-*Picked* assists the IVF clinic in selecting suitable sperm for ICSI. The launch and use of Spermosens' products are expected to shape and promote the global IVF market, providing a better and improved experience for both IVF clinics and couples facing infertility.

Market: The global market for IVF is estimated to be worth approximately USD 25 billion in 2023, with an annual growth rate of about 6% projected until 2030. With over 3 million annual treatments and a sales price of over 200 dollars per cartridge, we estimate the sales potential for our first product to be many hundreds of millions of dollars. The US market is one of the world's three largest markets for IVF. Based on the CDC's 2021 Fertility Clinic Success Rates Report, there were 413,776 ART cycles performed at 453 reporting clinics in the USA in 2021. In Scandinavia, nearly 50,000 treatments were performed in 2018. About 25,000 treatments were started in Sweden in 2021. In Scandinavia, there are about 50 clinics.

Our Location: The company has its headquarters and laboratory at Medicon Village in Lund, Sweden, and collaborates with development partners across Europe. Medicon Village, together with the Biomedical Center at Lund University, the European Spallation Source (ESS), MAX IV, and other entities in the region, forms a unique concentration of research and development related to Life Science. These operations have a clear mission to change and improve. Spermosens is part of the innovative and expansive Life Science sector in the Öresund region.

FINANCIAL COMMENTS

NET SALES AND OPERATING PROFIT/LOSS

Net sales during the quarter totalled 0 KSEK (0). Operating expenses for the quarter totalled -2 131 KSEK (-2 809). Implemented cost reductions are gradually taking effect. Reductions are related to both cost of administration and Research and Development. Operating expenses for Research and Development totalled -1 364 KSEK (-1 570). Expenses are primarily related to sourcing from external suppliers. Research and Development includes cost for depreciation of material assets, of -45 KSEK (-43). Depreciation is primarily related to laboratory equipment. Development cost for own account of 787 KSEK (3 527) has been activated in the balance sheet. Administrative expenses totalled -790 KSEK (-1 244). Costs are primarily related to cost of personnel. Other income and expenses relate to grants and currency 40 KSEK (5). The operating profit/loss for the quarter totalled -2 131 KSEK (-2 809).

Net sales during the period totalled 0 KSEK (0). Operating expenses for the period totalled -6 790 KSEK (-9 457). Cost reductions are related to cost of administration and Research and Development. Operating expenses for Research and Development totalled -3 787 KSEK (-4 927). Expenses are primarily related to sourcing from external suppliers. Research and Development includes cost for depreciation of material assets, of -134 KSEK (-125). Depreciation is primarily related to laboratory equipment. Development cost for own account of 3 712 KSEK (9 549) has been activated in the balance sheet. Administrative expenses totalled -3 149 KSEK (-4 437). Costs are primarily related to cost of personnel. Other income and expenses relate to grants and currency 146 KSEK (-93). The operating profit/loss for the period totalled -6 790 KSEK (-9 457).

NET FINANCIAL ITEMS AND TAX

Net financial items for the quarter totalled -31 KSEK (-696). Reduction through that interest-bearing debt was amortized. Profit/Loss for the quarter totalled -2 162 KSEK (-3 505). Earnings per share for the quarter totalled SEK -0,01 SEK (-0,08).

Net financial items for the period totalled -955 KSEK (-752). Profit/Loss for the period totalled -7 745 KSEK (-10 209). Earnings per share for the period totalled SEK -0,05 SEK (-0,28).

CASH FLOW

The cash flow from operating activities for the quarter totalled -1 780 KSEK (-3 090), whereof 336 KSEK (329) are related to changes in working capital. ALMI loans raised during 2020, respectively 2022 were amortized with 147 KSEK (142).

The cash flow from operating activities for the period totalled -7 844 KSEK (-9 546), whereof -885 KSEK (413) are related to changes in working capital. During the month of April 2024, a rights issue was carried out amounting to SEK 24.2 million (of which an increase in the share capital by SEK 24,2 million) before issue costs of SEK 7.0 million. During the month of January 2023, a rights issue was carried out amounting to SEK 24.4 million (of which an increase in the share capital by SEK 2,908 thousand) before issue costs of SEK 5.4 million. During the period 8 891 KSEK of interest-bearing debt was amortized.

FINANCIAL POSITION AND LIQUIDITY

Cash and cash equivalents at the end of the period totalled 2 959 KSEK (8 639). On the balance sheet date, the company has a total interest-bearing debt of KSEK 627 (9 664). The company's available cash and cash equivalents as of September 30 do not cover the liquidity needed to conduct the planned operations for the next 12 months. The board of directors has, subject to approval by the extraordinary general meeting on 4 November 2024, resolved to carry out an issue with preferential rights for the Company's existing shareholders. Provided that the Rights Issue is fully subscribed, the Company will receive initial proceeds of approximately SEK 22.7 million before deduction of issue costs.

EQUITY

The total equity at the end of the period totalled 21 970 KSEK (18 192) and equity per share was SEK 0,08 SEK (0,36).

ORGANIZATION AND STAFF

At the end of the quarter the company had 3 (6) employees. Out of the employees 2 (3) were women.

OTHER INFORMATION

COMPANY

Spermosens AB is a Swedish public limited liability company with corporate identity number 559179-0380. The company was founded in 2018 in connection with the filing of a patent application to use the JUNO protein as an indicator of male fertility.

BOARD OF DIRECTORS

At the 2024 Annual General Meeting, it was unanimously resolved to re-elect Søren Melsing Frederiksen, Ingela Liljeqvist Soltic, Kushagr Punyani and Christina Östberg Lloyd and to elect Ulrik Spork as new members of the Company's Board of Directors for the period until the end of the 2025 Annual General Meeting.

Ulrik Spork was, in accordance with the Nomination Committee's proposal in the notice, unanimously elected as Chairman of the Board.

ACCOUNTING PRINCIPLES

Spermosens applies the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 (K3) in the preparation of its financial statements. The company has switched from a cost-type-based income statement to a function-based income statement to provide a better description of the company's operations. The comparative figures have been recalculated. Accounting and valuation principles are unchanged compared with the previous year. For further information, please refer to the company's annual report for 2023.

Transactions with related parties

Company owned by board member Kushagr Punyani has invoiced a total of KSEK 0 (368) during the quarter, KSEK 301 (972) for the interim period, which includes consulting fees for the role of CSO. The company agreed with a few financiers and the company's CFO, Ulrik Nilsson, for a loan of a total of SEK 8.7 million, out of which SEK 8,5 was repaid during April 2024 through shares and/or cash in conjunction with rights-issue. The loan was taken out on market terms, where Ulrik Nilsson's share of the loan amounted to SEK 3 million, for which no arrangement fee was paid.

RISKS AND UNCERTAINTIES

The company's risks and uncertainty factors exist described in detail in the annual report for 2023. No events of significant importance have occurred since then that affect or change these descriptions of the company's risks and their management.

THE GLOBAL GOALS – SDG 3 AND SDG 5ⁱ

Infertility often affects millions of people worldwide with devastating consequences. Addressing infertility is central to achieving Sustainable Development Goal (SDG) 3 – Ensure healthy lives and promote well-being for all at all ages – and SDG 5 – Achieve gender equality and empower all women and girls. Addressing infertility is also central to achieving the human rights to the enjoyment of the highest attainable standard of physical and mental health and to determining the number, timing and spacing of children.

ENVIRONMENTAL RISK

In the consequences of Russia's war of invasion in Ukraine and Middle Eastern conflicts, we see a risk of impact regarding component shortages and extended lead times. The impact of higher inflation cannot be ruled out.

ESTIMATION AND ASSESSMENTS

To be able to prepare the financial reports, the board and company management make assessments and assumptions that affect the company's results and position, as well as the information provided in general.

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations about future events that are expected to be reasonable under prevailing conditions. Actual results may differ from assessments made. The areas where estimates and assumptions could entail a significant risk of adjustments in reported values for earnings and financial position in future reporting periods are primarily assessments of market conditions and thus the value of the company's fixed assets.

AUDIT

This interim report has not been audited by the company's auditor.

The undersigned certify that the interim report provides a true and fair view of the company's financial position and financial results and describes the significant risks and uncertainty factors faced by the company.

Lund October 24, 2024

Ulrik Spork

Chairman of the Board

Ingela Liljeqvist Soltic

Board member

Søren Melsing Frederiksen

Board member

Christina Östberg-Lloyd

Board member

Kushagr Punyani

Board member

Tore Duvold

CEO

FINANCIAL REPORTS - IN SUMMARY

INCOME STATEMENT

Amounts in SEK thousand	Note	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Full-Year	Rolling 12 mth
Net sales		–	–	–	–	–	–
Total Income		–	–	–	–	–	–
Operating expenses							
Research and development	2	-1 364	-1 570	-3 787	-4 927	-5 266	-4 126
General and administration		-790	-1 244	-3 149	-4 437	-5 628	-4 340
Other revenues and expenses		23	5	146	-93	21	260
Operating expenses		-2 131	-2 809	-6 790	-9 457	-10 873	-8 206
Operating profit/loss		-2 131	-2 809	-6 790	-9 457	-10 873	-8 206
Financial income and expenses							
Financial net		-31	-696	-955	-752	-1 329	-1 532
Profit/loss before tax		-2 162	-3 505	-7 745	-10 209	-12 202	-9 738
Tax		–	–	–	–	–	–
Profit/loss for the period		-2 162	-3 505	-7 745	-10 209	-12 202	-9 738
Results per Share (SEK)							
Earnings per share before and after dillution		-0,01	-0,08	-0,05	-0,28	-0,32	-0,08
Average number of shares before/after dillution		283 607 120	41 193 676	155 322 633	37 039 692	41 193 676	126 868 564

BALANCE SHEET

		2024	2023	2023
Amounts in SEK thousands	Note	30-Sep	30-Sep	31-Dec
Assets				
Immaterial assets	1	23 739	17 130	19 738
Material assets	2	518	697	652
Accounts receivables		126	122	–
Other current receivables		483	636	1 223
Cash and cash equivalents		129	8 639	4 492
TOTAL ASSETS		24 995	27 224	26 105
EQUITY AND LIABILITIES				
EQUITY		21 970	14 731	12 692
Long-term debt interest bearing		31	377	230
Short-term debt interest bearing		595	9 287	9 287
Accounts payable		549	1 622	1 339
Other payables		1 849	1 207	2 557
TOTAL EQUITY AND LIABILITIES		24 994	27 224	26 105

CHANGE IN EQUITY

	2024	2023	2024	2023	2023	Rolling
Amounts in SEK thousands	Q3	Q3	Q1-Q3	Q1-Q3	Full-Year	12 mth
Equity at start of period	24 132	18 192	12 692	5 829	5 829	14 731
Profit/loss for the period	-2 162	-3 505	-7 745	-10 209	-12 202	-9 738
Qualified stock options	–	44	-234	126	137	-223
Transactions with shareholders	–	–	17 257	18 985	18 928	17 200
Equity end of period	21 970	14 731	21 970	14 731	12 692	21 970

CASH FLOW STATEMENT

	2024	2023	2024	2023	2023	Rolling
Amounts in SEK thousands	Q3	Q3	Q1-Q3	Q1-Q3	Full-Year	12 mth
Cash flow from operating activities						
Operating profit/loss	-2 131	-2 809	-6 790	-9 457	-10 873	-8 206
Depreciations	44	43	134	125	169	178
Adjustments for items not included in cash flow	1	-220	-233	-138	-658	-753
Interest payments, net	-31	-433	-955	-489	-591	-1 057
Cash flow from operating activities before changes in working capital	-2 116	-3 419	-7 844	-9 959	-11 953	-9 838
Cash flow from changes in working capital	336	329	-885	413	1 016	-282
Cash flow from operating activities	-1 780	-3 090	-8 729	-9 546	-10 937	-10 120
Cash flow from investments in fixed assets and intangible assets	-903	-3 588	-4 001	-9 656	-12 265	-6 610
Cash flow from financing activities	-147	8 559	8 366	27 289	27 142	8 219
Total Cash flow	-2 830	1 881	-4 363	8 087	3 940	-8 510
Cash and Cash equivalents at the beginning of the period	2 959	6 758	4 492	552	552	8 639
Cash and cash equivalents at end of the period	129	8 639	129	8 639	4 492	129

NOTES

NOTE 1 – INTANGIBLE ASSETS

Amounts in SEK thousands	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Full-Year	Rolling 12 mth
Opening acquisition value	22 836	13 603	19 738	7 581	7 581	17 130
Acquisitions during the period	903	3 527	4 001	9 549	12 157	6 609
Closing acquisition value	23 739	17 130	23 739	17 130	19 738	23 739

NOTE 2-TANGIBLE ASSETS

Amounts in SEK thousands	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Full-Year	Rolling 12 mth
Opening acquisition value	885	823	885	777	777	885
Acquisitions during the period	–	62	–	108	108	–
Closing acquisition value	885	885	885	885	885	885
Opening accumulated amortization	-323	-145	-232	-367	-367	-188
Depreciations of the period	-44	-43	-134	-125	135	-179
Closing accumulated amortization	-367	-188	-367	-188	-232	-367
Book value	518	697	518	697	653	518

Share capital, the share and ownership relationships

The company's share capital amounts to SEK 28,360,712 distributed over 283,607,120 outstanding shares. The company has only one class of shares and all shares have the same right to dividends. Trading in the share takes place on the Spotlight Stock Market under the trading name SPERM and ISIN code SE0015346424.

Incentive program

There are currently no active programs

Ownership statistics 2024-09-30

Shareholders who are not registered as owners, but whose shares are invested in insurance policies and custody accounts are not included in this list.

Aktieägare	Antal aktier	Procent
Avanza Pension		12,34%
Ulrik Nilsson		8,96%
Nordnet Pensionsförsäkring		6,40%
Jonas Winberg		3,53%
Michael Kantor		3,08%
Rune Löderup		2,99%
Henrik Ruö Jensen		2,75%
Jony Demir		2,41%
Peter Nilsson		1,76%
Michael Skovgaard Larsen		1,38%
Övriga aktieägare		54,40%
Total		100,00%

Other convertibles, warrants and other share-related instruments

In accordance with the memorandum for listing at Spotlight Stock, the company entered into a contract with Gemstone Capital A/S ("Gemstone") which gave Gemstone the right to receive 156,500 warrants as partial compensation for financial services. The warrants give Gemstone the opportunity to acquire shares in the Company at any time during five (5) years from the first day of listing. The redemption price for subscribing to the share's amounts to the lowest of the share price at the listing issue and any future new issue in the Company. On the balance sheet date, Gemstone has 78,251 warrants.

Financial calendar

Year-end report	February 12, 2025
Interim report Q1, 2025	May 7, 2025
Interim report Q2, 2025	August 20, 2025
Interim report Q3, 2025	November 12, 2025

The company's financial reports are available at: www.spermosens.com

For further information, please contact:

Tore Duvold, VD

info@spermosens.com

ⁱ<https://www.who.int/publications/i/item/978920068315>