



NANO ECHO
next level diagnostics

Interim Report - in short

Second quarter, April - June 2021

NanoEcho AB (publ)



[Link to the complete report in Swedish.](#)

Financial overview of the second quarter and the half year

Second quarter 2021, April 1 - June 30

- Net sales amounted to KSEK 0 (0).
- Result after taxes amounted to KSEK -4,315 (-1,028).
- Basic and diluted earnings per share amounted to SEK -0.01 (-0.00).
- Cash flow from operating activities amounted to KSEK -4,278 (-1,028).

First half year 2021, January 1 - June 30

- Net sales amounted to KSEK 0 (0).
- Result after taxes amounted to KSEK -7,881 (-3,386).
- Basic and diluted earnings per share amounted to SEK -0.03 (-0.01).
- Cash flow from operating activities amounted to KSEK -7,838 (-3,386).
- Cash and cash equivalents amounted to KSEK 35,543 (14,612) on the balance sheet date.

Significant events during the second quarter of 2021

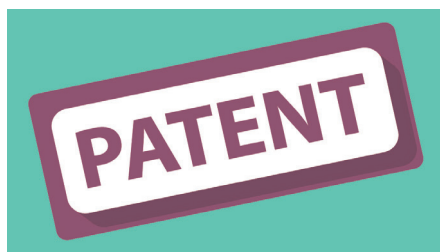
- The ethics application for a clinical study at Skåne University Hospital was approved. The study will be led by Henrik Thorlacius, Professor of Surgery at Lund University and Chief Physician at Skåne University Hospital in Malmö.
- NanoEcho completed several strategic recruitments, strengthening the team with a Senior Compliance Engineer and a Hardware Lead Engineer.
- The Annual General Meeting of NanoEcho was held on May 12, 2021. Due to COVID-19, the general meeting was conducted by postal vote and without physical attendance.
- NanoEcho made an additional strategic recruitment, of a Quality Assurance and Regulatory Affairs (QA/RA) Manager.
- NanoEcho was given the go-ahead to commence with clinical studies on surgically removed rectal cancer tissue in Sahlgrenska University Hospital and Skåne University Hospital. The first patient was recruited in Sahlgrenska University Hospital.
- The clinical trial in Sahlgrenska University Hospital was initiated, marking, as far as we know, the first application of NanoEcho's method magnetomotive ultrasound on human tissue.



NanoEcho's portable system at Sahlgrenska University Hospital.

Significant events after the end of the period

- The basic patent for NanoEcho's method was granted in Japan. Positive feedback on the same patent was received from the European Patent Office (EPO), which informed of its intention to grant the patent.



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To the best of our knowledge, on that day we became the first in the world to apply the magnetomotive ultrasound method on surgically removed human tissue.

Linda Persson, CEO of NanoEcho

CEO comments

Several highlights, two of which really stand out

I am immensely pleased and proud as we close the books on the second quarter 2021.

Last year, our ethics application concerning clinical development studies on surgically removed rectal cancer tissue at Skåne University Hospital was approved. A few months ago, this was followed by the approval to conduct studies at Skåne University Hospital as well. Due to the COVID-19-related restrictions, we were, however, unable to start the studies at the time. It was a breakthrough for us when the hospitals later cleared us to start. Patient recruitment is now underway in both hospitals, and our ambition is to examine surgically removed tissue from approximately 60 patients in total. This will take approximately 18 months.

Spring was characterized by a thorough effort to prepare for the initiation of the studies, and on June 17, the time had come – our first patient at Sahlgrenska University Hospital was recruited. To the best of our knowledge, on that day we became the first in the world to apply the magnetomotive ultrasound method on surgically removed human tissue. The examination was carried out successfully with our first-generation portable system. We had managed to detect the distribution of nanoparticles in human tissue. Quite a breakthrough!

The combined results from these development studies will provide a comprehensive analysis of the performance of the existing system, as the included patients differ with regard both to the positioning of the tumour in the rectum and the progression of the cancer. The results will be used to guide the design and development of our next system, the second generation. We are engaged in valuable dialogue with potential end users, such as surgeons, which gives us relevant feedback for the future design of our system and our product. This will be the product intended for commercialization, and it will thus be CE marked.

A digital Annual General Meeting was held in May, which, among other things, resolved to re-elect Stefan Andersson-Engels (Chairman of the Board), Tomas Jansson, BG Svensson and Johannes Swartling to the Board of Directors.



During the quarter, we have secured several strategic key recruitments, and we continue to build an organization with a results-oriented company culture that values competent individuals with industry experience, in particular of bringing products to market. We are also pleased that we are able to take in three students as summer interns, tasked to develop our software tool for data mining further.

I have presented the company at Aktieportföljen LIVE and God morgon Lund and given a number of presentations to interested potential investors. I see intense interest in our product and in the fact that we have the potential to fill a global void in the market for rectal cancer patients. We are now planning the activities for the fall as we continue to spread awareness of the company among investors and end customers alike.

We are working towards a forthcoming IPO, and as soon as we have more information about that we will disclose it to the market.

I want to thank all of our shareholders, the team, the board and our advisors for a well accomplished first half year. I now look forward to an eventful summer and fall, potentially at least as momentous as the months behind us!

Lund, July 2021

Linda Persson
CEO of NanoEcho AB