Neola Medical

Q2 report 2026

Published August 20, 2026

"During the second quarter, Neola Medical advanced into the next development phase with positive clinical safety results, strengthened financing, and a sharpened focus on lung collapse detection as we continue preparing for the U.S. market."

CEO Hanna Sjöström

Clinical Progress, Secured Financing and Sharpened Focus

Second quarter, April-June 2026

- Neola Medical reported positive safety results from its first clinical pilot study with Neola® in preterm born babies in Sweden, confirming a favorable safety profile and providing important insights for continued development.
- Neola Medical announced the outcome of the rights issue, which was subscribed to approximately 70 percent and provided the company with approximately SEK 32.5 million before issue costs.
- Neola Medical was granted a U.S. patent for reducing optical noise in lung monitoring measurements, strengthening the company's intellectual property protection in a key market.

Summary
Operating income: SEK 0k (0)
Operating result: SEK –3 716k (-3 028)
The period's cash flow: SEK –5 924k (-6 152)
Result per share: -0,05 SEK (-0,04)

Half year report, January-June 2026

- In March, Neola Medical completed enrollment in the Swedish clinical pilot study with Neola® in preterm born babies.
- In April, Neola Medical reported positive safety results from the clinical pilot study, supporting the continued development plan toward future market introduction.
- In June, Neola Medical was granted a U.S. patent for reducing optical noise in lung monitoring measurements.
- Neola Medical completed a rights issue that provided approximately SEK 32.5 million before issue costs. The rights issue was registered in Q3 2026.

Summary
Operating income: SEK 0k (0)
Operating result: SEK -7 322k (-5 740)
The period's cash flow: SEK -12 092k (6 958)
Result per share: -0,09 SEK (-0,07)

CEO comments

Hanna Sjöström, CEO

Advancing the next phase with strengthened focus and financing

During the second quarter of 2026, Neola Medical continued to advance an important next phase in the development of Neola®. Following the final results from our first clinical pilot study in preterm born babies, we have strengthened our clinical and regulatory understanding, sharpened our strategic focus, and secured financing to support the continued path toward future market introduction in the U.S. and Europe.

In April, we reported final results from our clinical pilot study in Sweden, confirming a favorable safety profile of Neola® across the studied patient population, including very low birth weight preterm born babies. This was an important milestone for Neola Medical, as the study represented the first real-world use of Neola® in its intended patient population within neonatal intensive care.

Based on the study results and preclinical findings, we have sharpened our product offering by introducing lung collapse detection as a key capability. We believe this is where Neola® can provide significant clinical value by enabling continuous monitoring and decision support for timely intervention in potentially life-threatening lung complications in preterm born babies.

During the quarter, we also continued our preparations for the U.S. regulatory pathway. Our next steps include continued preclinical validation, regulatory interactions with the U.S. Food and Drug Administration, and preparations for a clinical study in preterm born babies in the U.S. targeted for mid-2027, subject to regulatory feedback and final study design.

Rights issue supports continued development

To support this next phase, Neola Medical completed a rights issue in June. The rights issue was subscribed to approximately 70 percent and provided the company with approximately SEK 32.5 million before issue costs. I would like to thank our shareholders and new investors for their continued support. The proceeds are intended to finance the continued development of Neola®, including preclinical and clinical validation studies, regulatory activities, and commercial preparations ahead of future market introduction.

Focused on long-term value creation

We also continued to strengthen our intellectual property portfolio during the quarter. In June, Neola Medical was granted a U.S. patent for reducing optical noise in lung monitoring measurements. With this patent approved in the U.S. and China, and with an application pending in Europe, we continue to build protection around important parts of our technology platform.

The first half of 2026 has been an important period for Neola Medical. We have moved from our first clinical use in preterm born babies into a more focused development phase, supported by clinical insights, strengthened financing, and continued IP progress. We remain committed to disciplined execution and to advancing Neola® toward becoming an important tool in neonatal intensive care, supporting earlier intervention and improved outcomes for some of the most vulnerable patients.

Hanna Sjöström

The Company

Neola Medical, founded in 2016, is based on years of research at Lund University. The Company addresses the global market for neonatal intensive care with an innovative medical device, Neola®, the Neonatal Lung Analyzer, built on patented technology for near-infrared light measurements in the lungs.

By providing neonatal intensive care units with continuous, non-invasive lung monitoring and early detection of pneumothorax (lung collapse) in preterm born babies, the Company aims to enhance the care of these vulnerable babies and support earlier intervention.

Neola Medical's headquarters is located at IDEON Gateway, Scheelevägen 27 in Lund, Sweden. In addition to the headquarters in Lund, the Company has a U.S. office at Nordic Innovation House in Palo Alto, Silicon Valley, USA.

Vision

The Company's vision is to improve the care of preterm born babies by making serious lung complications such as pneumothorax easier to detect early and for healthcare providers to act upon this information.

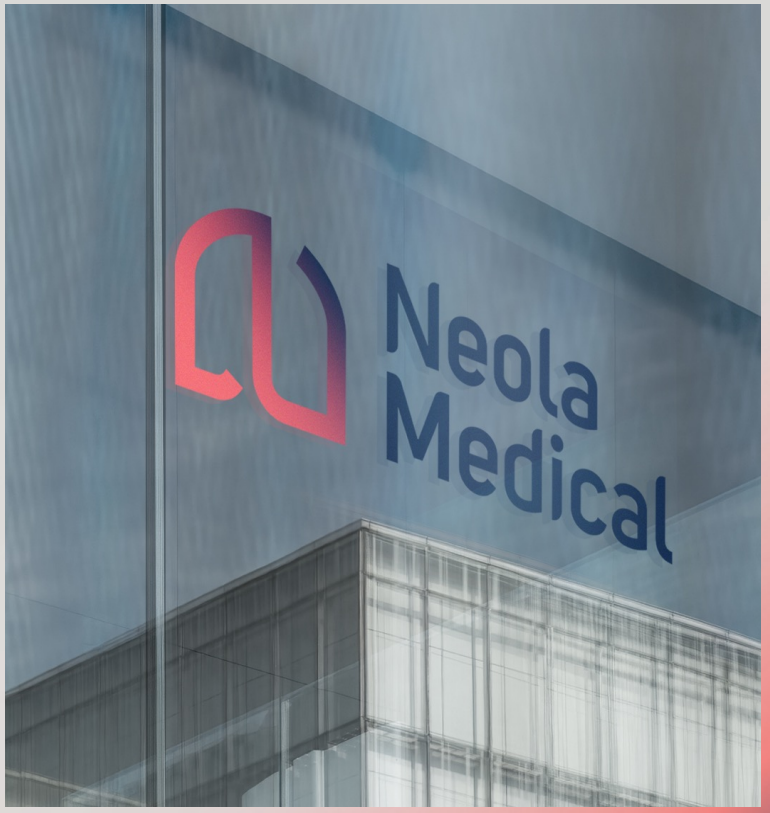
Goal

The Company's objective is to establish optical lung monitoring as a new standard of care in neonatal intensive care units and to be present in leading hospitals globally. The Company's financial goal is to achieve a positive operating profit three years after commercial launch.

Business concept and model

Neola Medical's business concept is to commercialize Neola® in neonatal intensive care units globally, with a primary focus on the U.S. market.

The Company's business model is based on recurring revenue: each Neola® device uses disposable monitoring probes that are designed to be replaced daily, generating ongoing consumable sales alongside the device.



Neola®

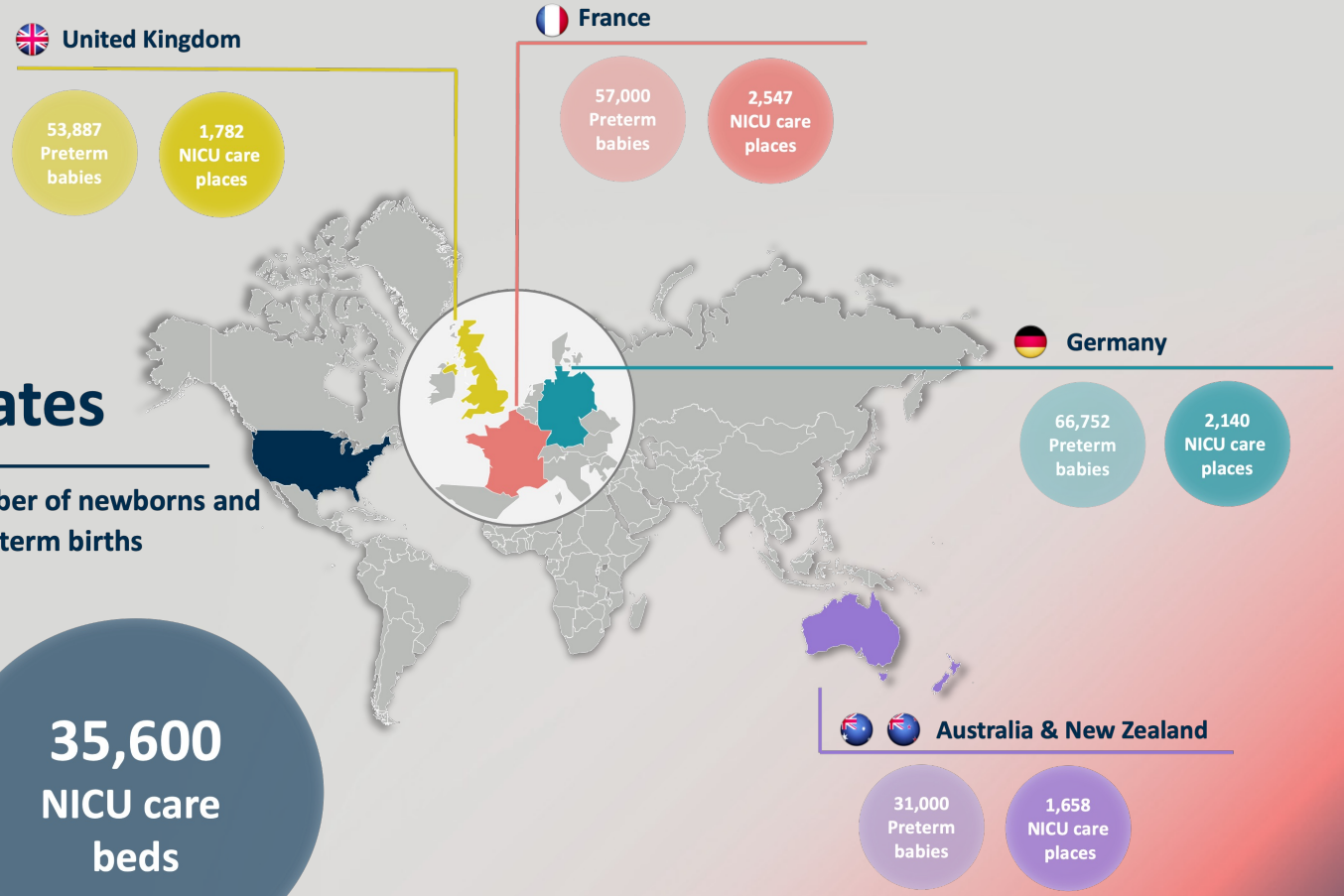
Designed to enable continuous, non-invasive lung monitoring and the early detection of lung collapse in preterm born babies.

Lung collapse is a potentially life-threatening complication, and earlier detection can support timely intervention.

Market

A specialized market with significant potential

Neola® aims to be introduced to the global market for respiratory equipment focused on neonatal intensive care, which was valued above USD 1.5 billion in 2025. The market is projected to expand with a compound annual growth rate (CAGR) of 4.9% from 2025 to 2032.



United States

- **Focus market due to large number of newborns and the particularly high rate of preterm births**

400,000 Preterm babies

35,600 NICU care beds

- Pineda, Roberta et al. "NICUs in the US: levels of acuity, number of beds, and relationships to population factors." Journal of perinatology vol. 43,6 (2023): 796-805. doi:10.1038/s41372-023-01693-6

The patients

Today, one in ten babies is born preterm, many of whom require intensive care to survive the first days due to underdeveloped lungs. Current methods for monitoring preterm born babies only provide a snapshot of their condition, and complications are often detected only after severe physical symptoms have appeared. Neola® addresses a clear and significant clinical need for a continuous monitoring method to detect pneumothorax (lung collapse). By enabling earlier detection, Neola® is designed to support timely intervention in the care of preterm born babies.

New precision care upgrading current standard of care

Neola® aims to offer:

1. Faster detection of lung collapse supporting timely intervention
2. Potential to reduce time spent in the expensive neonatal intensive care unit
3. Potential to reduce time spent on manual observation by nurses

Financial information

Financial summary

Neola Medical, summary	2026-04-01 -2026-06-30 3 mos	2025-04-01 -2025-06-30 3 mos	2026-01-01 -2026-06-30 6 mos	2025-01-01 -2025-06-30 6 mos	2025-01-01 2025-12-31 12 mos
Operating revenue (SEK k)	3 346	2 219	6 193	4 381	8 328
EBIT (SEK k)	-3 716	-3 028	-7 322	-5 740	-11 093
Cashflow for the period (SEK k)	-5 924	-6 152	-12 092	6 958	-3 432
Cash and cash equivalents (SEK k)	4 031	26 513	4 031	26 513	16 123
Equity per share before dilution (SEK)	1,25	1,04	1,25	1,04	0,97
Equity ratio (%)	93	95	93	95	96
Total assets (SEK k)	104 445	85 298	104 445	85 298	78 802
Quick ratio (%)	542	681	542	681	575
Average amount of shares before dilution (no.)*	77 950 234	77 950 234	77 950 234	75 350 234	76 650 234
Result per share before dilution (SEK)	-0,05	-0,04	-0,09	-0,07	-0,13
Amount of shares by the end of the period (no.)	77 950 234	77 950 234	77 950 234	77 950 234	77 950 234

* 14 270 000 warrants in ongoing programs may give a total dilution of 12,9%

Financial progress January – June 2026

Revenues and results of operations

For the period January to June operating revenues amounted to SEK 6.193 thousand (SEK 4.381 thousand). As in previous periods, the Company's revenues primarily consisted of capitalized own work. Neola Medical capitalizes expenses for its development projects, as well as for patents, licenses, and similar intangible assets. The capitalization of development work amounted to SEK 6.193 thousand (SEK 4.346 thousand).

Operating expenses for the period January to June amounted to SEK 12.807 thousand (SEK 9.431 thousand). In addition to costs directly attributable to the Company's product development, expenses also included financial and legal advisory services related to legal agreements, stock exchange costs, public reporting, as well as investor relations activities and communication.

The operating result amounted to SEK –7.322 thousand (SEK –5.740 thousand). The Company maintains stability on the cost side with a burn rate according to plan. Neola Medical continues its work focusing on preparation for further clinical studies, and other activities aimed at the certification and market approval of Neola®.
The Company's burn rate averaged SEK –2.015 thousand (SEK –1.817 thousand) per month during the period and is expected to increase with the acceleration of clinical validation over the coming years.

Preparations for a commercial structure are also expected to impact the cost base going forward. The result after tax amounted to SEK –7.279 thousand (SEK –5.602 thousand), and the result per share was SEK -0,09 (SEK -0,07) for the period January to June.

Cash flow and investments

The total cash flow for the period January to June amounted to SEK –12.092 thousand (SEK 6.958 thousand). The cash flow from investing activities alone amounted to SEK –6.437 thousand (SEK –5.300 thousand) and consisted of investments in intangible assets such as capitalized development work, concessions, patents, and similar rights. Cash and cash equivalents at the end of the period amounted to SEK 4.031 thousand (SEK 26.513 thousand).

Financial position and balance sheet

As of June 30, 2026, the equity ratio was 93% (95%), and own capital amounted to SEK 97.589 thousand (SEK 81.222 thousand). The Company was free from interest-bearing debt as of the balance sheet date. Intangible assets amounted to SEK 66.962 thousand (SEK 56.947 thousand).

Risks and uncertainties

Macroeconomic and Geopolitical Risks

The geopolitical developments currently have no direct impact on the Company's operations. However, the Company closely monitors the global situation and continuously analyzes potential risks and consequences that may affect the operations.

Clinical trials and regulatory approvals

All medical devices developed for market release must undergo a comprehensive registration process with the relevant authority in each individual market. This process includes, where applicable, requirements for preclinical development, clinical trials, registration, approval, marketing, manufacturing, and distribution of new medical devices. Changes in the regulatory landscape for each individual market may affect the company’s regulatory process. Clinical studies may necessitate further optimization, refinement or development of Neola®, which could impact the overall timeline. Failure to meet existing or future requirements may necessitate additional clinical studies, product recalls, and may prevent registration approval.

Neola Medical plans to submit documentation for FDA approval and CE marking for Neola®. The Company relies on these approvals for commercial launch. Therefore, the Company needs a functioning capital market to finance product development until this milestone is reached.

Dependence on expertise and key personnel

The Company depends on specialist expertise and key personnel. Loss of such expertise and key individuals could impede the Company's development. During the quarter, the Company implemented an organizational restructuring affecting the CTO position and two non-management positions.

Intellectual property rights

The Company's intellectual property rights are protected through patents, patent applications, agreements, and legislation safeguarding trade secrets. Infringement of the Company's intellectual property rights could harm its operations. Furthermore, patent protection for biomedical and biotechnological companies is uncertain and involves complex legal and technical issues. There is a risk that patents will not be granted for patent-pending inventions and that granted patents will not provide sufficient protection. Additionally, not all developments and technologies can be patented.

Financing and conditions for continued operations

The Company conducts capital-intensive research and development activities. To date, the Company has financed its operations through equity via new share issues and shareholder contributions. The Company's activities may require additional external financing before generating revenue, and it cannot be guaranteed that the Company will secure the necessary capital. If, for any reason, the Company is unable to continue its operations, this could affect the Company's ability to realize the reported values of its assets, particularly concerning capitalized development costs and patents, which are based on and dependent upon the conditions for continued operations.

Accounting principles and judgements

Accounting Principles

Neola Medical applies the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 (K3) in the preparation of its financial reports. The applied accounting principles remain unchanged from those used in the Annual report of 2025. For further information, refer to the Group's Annual report of 2025.

Estimates and Judgments

In preparing the financial reports, the Board of Directors and management make judgments and assumptions that affect the Group's results and financial position, as well as the information provided otherwise. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events deemed reasonable under current circumstances. Actual outcomes may differ from these estimates. The areas where estimates and assumptions could involve significant risks of adjustments to the reported values of results and financial positions in future reporting periods mainly pertain to judgments about market conditions and, consequently, the value of the Group's fixed assets.

Since the operations of the subsidiary Neola Medical, Inc. in Delaware USA, is considered to be insignificant in scope, no consolidated financial statements are prepared.

Financial reports in summary

Profit and loss statement, (SEK k)	2026-04-01 -2026-06-30 3 mos	2025-04-01 -2025-06-30 3 mos	2026-01-01 -2026-06-30 6 mos	2025-01-01 -2025-06-30 6 mos	2025-01-01 2025-12-31 12 mos
Operating income	0	0	0	0	0
Capitalized own work	3 346	2 199	6 193	4 346	8 283
Other operating income	0	20	0	35	45
Operating revenue	**3 346**	**2 219**	**6 193**	**4 381**	**8 328**
Raw materials and consumables	-32	-56	-52	-154	-274
Other external costs	-3 319	-1 975	-6 076	-3 934	-7 707
Personnel costs	-3 377	-2 870	-6 679	-5 343	-10 055
Depreciation	-334	-346	-708	-690	-1 385
Other operating expenses	0	0	0	0	0
Operating result	**-3 716**	**-3 028**	**-7 322**	**-5 740**	**-11 093**
Financial income and expenses	8	67	43	138	71
Result before tax	**-3 708**	**-2 961**	**-7 279**	**-5 602**	**-11 022**
Tax on result for the period	0	0	0	0	0
Result for the period	**-3 708**	**-2 961**	**-7 279**	**-5 602**	**-11 022**

Financial reports in summary

Balance sheet, (SEK k) Assets Non-current assets	2026-06-30	2025-06-30	2025-12-31
Intangible assets	66 962	56 947	61 216
Tangible assets	187	241	215
Financial assets	145	336	134
Sum non-current assets	**67 294**	**57 524**	**61 565**
Current assets			
Inventory	0	0	0
Short-term receivables	33 120	1 261	1 114
Cash and bank balances	4 031	26 513	16 123
Sum current assets	**37 151**	**27 774**	**17 237**
Sum assets	**104 445**	**85 298**	**78 802**

Balance sheet, (SEK k) Equity and liabilities Equity	2026-06-30	2025-06-30	2025-12-31
Equity	97 589	81 222	75 803
Sum equity	**97 589**	**81 222**	**75 803**
Liabilities			
Long-term liabilities	0	0	0
Accrued expenses and deferred income	4 382	2 081	1 556
Other current liabilities	2 474	1 995	1 443
Sum liabilities	**6 856**	**4 076**	**2 999**
Sum equity and liabilities	**104 445**	**85 298**	**78 802**

Financial reports in summary

Changes in own capital, (SEK k)	2026-04-01 -2026-06-30 3 mos	2025-04-01 -2025-06-30 3 mos	2026-01-01 -2026-06-30 6 mos	2025-01-01 -2025-06-30 6 mos	2025-01-01 2025-12-31 12 mos
Own capital at beginning of period	72 232	84 207	75 803	68 963	68 963
New share issues and subscribed share capital	32 526	0	32 526	19 500	19 500
Issuance costs	-3 461	-68	-3 461	-1 684	-1 683
Issued subscription warrants	0	44	0	44	44
Other adjustments and provisions	0	0	0	0	0
Result for the period	-3 708	-2 961	-7 279	-5 602	-11 022
Own capital at end of period	**97 589**	**81 222**	**97 589**	**81 222**	**75 803**

Cash flow, (SEK k)	2026-04-01 -2026-06-30 3 mos	2025-04-01 -2025-06-30 3 mos	2026-01-01 -2026-06-30 6 mos	2025-01-01 -2025-06-30 6 mos	2025-04-01 2025-12-31 12 mos
Cash flow from operating activities before changes in working capital	-3 374	-2 959	-6 571	-5 256	-10 675
Changes in working capital	890	-539	916	-347	-1 277
Cash flow from operating activities	**-2 484**	**-3 498**	**-5 655**	**-5 603**	**-11 952**
Cash flow from investing activities	-3 440	-2 629	-6 437	-5 300	-9 342
Cash flow from financing activities	0	-25	0	17 861	17 862
Cash flow for the period	**-5 924**	**-6 152**	**-12 092**	**6 958**	**-3 432**
Cash and cash equivalents at the beginning of the period	9 955	32 665	16 123	19 555	19 555
Cash and cash equivalents at the end of the period	**4 031**	**26 513**	**4 031**	**26 513**	**16 123**

About the share

Share capital, shareholders and the share 2026-06-30

As of June 30th, 2026, Neola Medical's share capital amounted to 5 567 896,30 SEK with a total of 77 950 234 shares. All shares are of the same type, have an equal right to a share in the Company's assets and profits and have the same voting value. Neola Medical had 1,460 shareholders at the end of the quarter. The updated shareholder structure following the latest rights issue is available on the company's website, neolamedical.com.

Neola Medical's share is listed at Nasdaq First North Growth Market Stockholm under the name NEOLA since October 2, 2020.

Shareholders 2026-06-30 (Top 10)	Amount of shares	Percentage of capital	Percentage of votes
ANMIRO AB	18 447 246	23,67%	23,67%
Pär Josefsson	16 737 411	21,47%	17,55%
Brodvik AB	8 576 566	11,00%	11,00%
LMK-bolagen & Stiftelse	8 300 360	10,65%	10,65%
Cicero Fonder (Aktiespararna småbolag Edge)	3 700 000	4,75%	4,75%
Bengt Nevsten	2 362 914	3,03%	3,03%
Avanza Pension	1 267 654	1,63%	1,63%
Nordnet Pensionsförsäkring	999 339	1,28%	1,28%
Adrigo Small & Midcap	928 401	1,19%	1,19%
Hans Ove Sven Åhlén	878 831	1,13%	1,13%
Other shareholders	15 751 512	20,21%	24,13%
Total	**77 950 234**	**100,0%**	**100,0%**

* SEB Life International has 3,9% voting rights through Pär Josefssons shares

Financial calendar and contact

18 Nov 2026
Q3 report 2026

16 Feb 2027
Q4 report 2026

19 May 2027
Q1 report 2027

27 May 2027
Annual General Assembly in Lund

Financial reports
Financial reports are available at www.neolamedical.com

Certified Adviser
FNCA AB is Neola Medical's Certified Adviser.
E-mail: info@fnca.se

Questions about the report are answered by:
Hanna Sjöström, CEO
E-mail: hanna.sjostrom@neolamedical.com

David Folkesson, CFO
E-mail: david.folkesson@neolamedical.com

Lund August 20, 2026
The Board


Märta Lewander Xu


Tommy Hedberg


Urban Ottosson


Monica Alfaro Welling


Mattias Lundin

This report has not been subject to review by the company's auditors.

Investment highlights

1. Unmet clinical need
2. Innovative technology
3. Strong market potential
4. Scalable business model
5. Proven team and network

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