

Interim report

January - September 2021

Continued focus on increased direct sales

Third quarter, July - September 2021

- Net sales amounted to SEK 24.3 million (16.5) corresponding to an increase by 47.4 percent. Adjusted for exchange rate changes, net sales increased by 49.7 percent.
- Gross profit totaled SEK 19.1 million (11.1), corresponding to a gross margin of 78.5 percent (67.5).
- Operating loss (EBIT) amounted to SEK -2.5 million (-0.1).
- Loss after tax totaled SEK -3.6 million (-0.8).
- Earnings per share before and after dilution amounted to SEK -0.32 (-0.09).
- Cash flow from operating activities amounted to -3.2 million (0.2).

Period January - September 2021

- Net sales amounted to SEK 69.0 million (47.9), corresponding to an increase by 43.9 percent. Adjusted for exchange rate changes, net sales increased by 49.5 percent.
- Gross profit totaled SEK 53.5 million (33.8), corresponding to a gross margin of 77.5 percent (70.6).
- Operating loss (EBIT) amounted to SEK -7.3 million (-0.8).
- Loss after tax totaled SEK -10.1 million (-2.7).
- Earnings per share before and after dilution amounted to SEK -0.92 (-0.31).
- Cash flow from operating activities amounted to -10.6 million (5.6).

Important events during the quarter

Extraordinary General Meeting, September 30

At an Extraordinary General Meeting on September 30, Pia Gideon was elected as a new member of the Board. Pia Gideon has long experience from different senior positions in Sweden and internationally within marketing, communication and leadership development. She is since 20 years active as Chair of the Board and Board of Directors in both listed companies as well as government-owned companies, with a speciality towards technology and health/healthcare.

Strengthening of the management

In July, the management group was strengthened by the recruitment of Sabina Berlin as CFO and Göran Rydin as COO. Sabina Berlin has solid experience from listed growth companies with associated financial reporting, process development and regulatory compliance. Göran Rydin has over 25 years of experience from leading positions within medtech with focus on research, development, project management, QA/Reg and production.

Ulf Klangby, the founder of Devyser and former CEO, was appointed deputy CEO in July.

Share split and new share issue

July 19 was the record date from the share split decided at the AGM, meaning that each existing share in the company was divided into 300 shares of the same class of shares. Before the share split, the number of shares in the company amounted to 37,516 and after the share split the number of shares amounted to 11,254,800. In September, a new share issue was carried out in connection with the exercise of warrants which added SEK 3.3 million to the company.

Building a sales organization in North America

Planning and preparations for building a small sales organization in North America has been ongoing during the summer. A head of North American operations was recruited and began his employment August 1, in the newly started US based subsidiary.

Important events after the end of the quarter

No important events has occurred after the end of the quarter.

Key figures	Jul - Sep 2021	Jul - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Dec 2020
Net sales, SEK million	24.3	16.5	69.0	47.9	65.7
Sales growth, %	47.4	13.6	43.9	3.1	2.2
Gross margin, %	78.5	67.5	77.5	70.6	71.6
EBITDA, SEK million	-1.0	1.9	-2.9	5.2	1.7
EBITDA margin, %	Neg	11.5	Neg	10.9	2.6
Operating profit/loss (EBIT), SEK million	-2.5	-0.1	-7.3	-0.8	-10.9
Operating margin (EBIT margin), %	Neg	Neg	Neg	Neg	Neg
Profit/loss after tax, SEK million	-3.6	-0.8	-10.1	-2.7	-10.9
Cash flow from operating activities, SEK million	-3.2	0.2	-10.6	5.6	0.6
Available liquidity, SEK million	111.6	15.7	111.6	15.7	12.3
Net cash (-)/Net debt (+), SEK million	-92.2	11.2	-92.2	11.2	13.2
Equity ratio, %	79.1	49.7	79.1	49.7	41.4
Return on equity, %	Neg	Neg	Neg	Neg	Neg

Comments from the CEO

The second half of the year started off very well for Devyser. Sales remained strong during the quarter, and operations continued to develop in accordance with plans, with a continued focus on increasing the share of direct sales in Europe and building a presence in the US. The effects of the pandemic are decreasing with every passing month, even though we continue to see some limitations in access to current and new customers in certain parts of Asia.

Sales during the third quarter grew by 47 percent compared with the year-earlier period and amounted to SEK 24 million, which is the best quarterly sales in the company's history. Adjusted for exchange-rate fluctuations, net sales for the quarter increases by 50 percent. Sales growth for the first nine months of the year was 44 percent (currency-adjusted 50 percent) compared with the year-earlier period. We are seeing continued strong growth in nearly all of our regions. We saw the strongest growth in the markets where we have direct sales, but distributor sales also noted a strong quarter.

Our largest market, Italy, continues to report positive growth. The new sales organization in Germany, the largest IVD market in Europe, is working well and there is a robust growth in sales, though from low levels. The work on transitioning to direct sales in many of the European countries where we currently have distributor sales is progressing in accordance with plans.

As a result of our efforts to increase the share of direct sales, I can see that our gross margin is continuing to improve. During the quarter, the gross margin was 78.5 percent, and from January to September it was 77.5 percent. It is certain that we will see minor variations in the future, but the trend is clear - increased sales volumes and a growing share of direct sales are leading to improved gross margins. In addition to higher margins, direct sales will allow us to increase focus on our own products while we come closer to the market and our customers.

We remain optimistic about the potential of the US market, the world's largest in vitro diagnostics market. A locally stationed regional director for North America began working for the company on August 1 and after the country began opening up after the pandemic, we had our first customer demonstrations and took part in US trade exhibitions. Here as well, our sales model will be direct sales and the work on recruit-

ing a small sales force has commenced.

Intensive efforts in preparation for growth are under way internally in the company as a whole, and I am extremely pleased that we strengthened both our Board of Directors and corporate management during the quarter. At an Extraordinary General Meeting on September 30, Pia Gideon was elected as a new member of the Board. With a broad international background in marketing, communication and leadership development, and as a board member in listed Life Science companies, she is an important addition to Devyser's Board of Directors.

As previously communicated, our primary goals for 2021 and 2022 are sales growth and the continued development of our marketing and sales organization, since we see that this strategy will create the most value moving forward.

With positive sales growth, a strengthened organization and a robust financial position, and with the pandemic soon behind us, we are feeling optimistic about the remainder of 2021 and beyond.

Stockholm, November 8, 2021

Fredrik Alpsten, CEO



Group development January - September 2021

Net sales

Net sales for the period January - September 2021 amounted to SEK 69.0 million (47.9), corresponding to an increase of 43.9 percent. Adjusted for exchange rate changes, net sales increased by 49.5 percent. The increase was driven both by higher direct sales and distributor sales. Net sales for the third quarter 2021 amounted to SEK 24.3 million (16.5) corresponding to an increase of 47.4 percent. Adjusted for exchange rate changes, net sales increased by 49.7 percent.

There are no major seasonal variations in the company's sales.

Gross profit

Gross profit for the period January - September 2021 totaled SEK 53.5 million (33.8). Gross profit for the third quarter 2021 totaled SEK 19.1 million (11.1).

The gross margin for the period January - September 2021 amounted to 77.5 percent compared to 70.6 percent for the same period last year. For the third quarter the gross margin amounted to 78.5 percent compared to 67.5 percent for the year-earlier quarter. The increase was mainly attributable to a higher net sales in proportion to fixed cost.

Cost of goods sold includes the direct costs of producing the sold products, amortization of capitalized development expenses, overhead expenses for the production department and salaries for the department's employees.

Amortization of capitalized developmental expenses amounted to SEK 2.1 million (3.8) for the period January - September 2021 and SEK 0.7 million (1.3) during the third quarter 2021.

Operating expenses

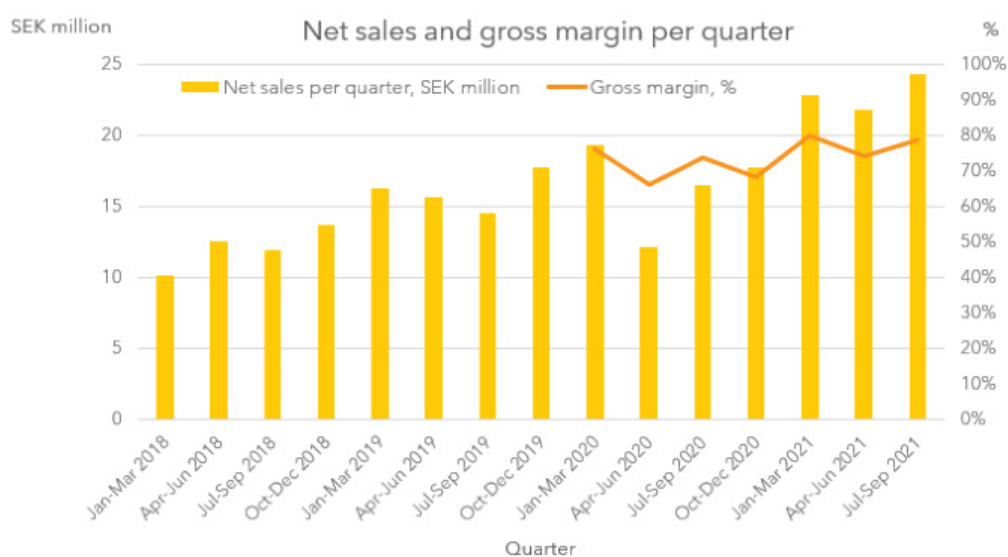
Operating expenses for the period January - September 2021 amounted to SEK 61.1 million (35.3) and for the third quarter to SEK 21.7 million (11.8). The increased expenses were mainly attributable to new recruitments within all departments as part of Devyser's growth strategy, and expenses for a future listing.

Total costs for research and development during the period January - September 2021 amounted to SEK 18.2 million (11.0), of which SEK 4.3 million (2.5) was capitalized and SEK 13.9 million (8.5) was expensed. During the third quarter the costs amounted to SEK 6.5 million (3.2), of which SEK 1.8 million (0.8) was capitalized and SEK 4.8 million (2.4) was expensed. The expensed research and developmental costs mainly comprise employee and consultant-related costs attributable to the R&D department's non capitalizable project phases. The capitalized expenses include costs for development projects related to products not yet completed.

During the period January - September 2021, the net amount of other operating income and expenses was SEK 0.3 million (1.8) and for the third quarter SEK 0.1 million (0.5).

Operating loss

Operating loss for the period January - September 2021 totaled SEK -7.3 million (-0.8) and SEK -2.5 million (-0.1) for the third quarter. The reduction in operating loss was mainly due to increased investments in sales through recruitments and higher administrative expenses.



Net financial items

Net financial expense amounted to SEK -0.8 million (-0.7).

Earnings

Loss before tax for the period January - September 2021 was SEK -8.1 million (-1.5) and loss after tax was SEK -10.1 million (-2.7). For the third quarter 2021 loss before tax was SEK -2.6 million (-0.4) and loss after tax was SEK -3.6 million (-0.8).

Cash flow and liquidity

For the period January - September 2021, cash flow from operating activities after changes in working capital was SEK -10.6 million (5.6), and SEK -3.2 million (0.2) for the third quarter. A directed new share issue was completed in February, generating proceeds of SEK 130 million for the company before issuance costs. A total of 7,465 new shares were subscribed for, at a per-share price of SEK 17,413 before the split. At the end of the period, available liquidity amounted to SEK 111.6 million (15.7) including unutilized overdraft facility of SEK 6.0 million (6.0).

Investments

Net investments totaled SEK 6.9 million (3.6), including capitalized development expenses of SEK 4.3 million (2.5) and a shareholder contribution of SEK 1.5 million (1.1) to the associated company SmartSeq s.r.l. The Group has no investment commitments.

Assets

As of September 30, 2021, intangible assets amounted to SEK 16.7 million (19.2). At the end of 2020, an impairment loss of SEK 4.6 million was recognized for capitalized development expenses. Intangible assets consists of capitalized development expenses and an acquired goodwill in the subsidiary, TrenDx AB amounting SEK 0.2 million (0.0). Capitalized development expenses are amortized on a straight-line basis over their estimated useful life, which varies from five to seven years.

Amortization of development expenses is presented in the line item of cost of goods sold in the Group and in the line item research and development expenses in the Parent Company.

Equity and liabilities

As of September 30, 2021, the Group's equity amounted to SEK 145.5 million (34.9) and the equity ratio was 79.1 percent (49.7).

As of September 30, 2021, interest-bearing liabilities (lease liabilities) amounted to SEK 13.4 million (20.8). The decline was due to repayment of all the Group's external loans after the new share issue. Current non-interest-bearing liabilities amounted to SEK 24.5 million (14.0).

Changes in the Parent Company

Decreased earnings in the Parent Company were mainly due to higher administrative costs to support the company's growth and an impairment loss of a shareholder contribution of SEK 45.0 million to the subsidiary Devyser AB amounting to SEK 16.0 million. In 2020, the Parent Company recognized an impairment loss for a shareholder contribution of SEK 1.1 million to the associated company SmartSeq s.r.l.

	Jul - Sep 2021	Jul - Sep 2020	Change, %	Jan - Sep 2021	Jan - Sep 2020	Change, %	Jan - Dec 2020
Sales per region, SEK million							
EMEA	22.5	15.7	42.7	63.8	45.7	39.7	62.5
Asia-Pacific	1.7	0.7	145.6	4.3	1.8	136.9	2.6
North and South America	0.2	0.1	112.4	0.8	0.4	87.2	0.6
Total	24.3	16.5	47.1	69.0	47.9	43.9	65.7

	Jul - Sep 2021	Jul - Sep 2020	Change, %	Jan - Sep 2021	Jan - Sep 2020	Change, %	Jan - Dec 2020
Sales per sales channel, SEK million							
Direct sales	17.7	12.1	47.2	50.2	34.1	47.4	40.5
Distributor sales	6.6	4.4	47.5	18.7	13.9	34.8	25.2
Total	24.3	16.5	47.3	69.0	47.9	43.8	65.7

	Jul - Sep 2021	Apr - Jun 2021	Jan - Mar 2021	Oct - Dec 2020	Jul - Sep 2020	Apr - Jun 2020
Key figures per quarter						
Net sales, SEK million	24.3	21.8	22.8	17.7	16.5	12.2
Gross profit, SEK million	19.1	16.2	18.2	12.1	12.2	8.0
Gross margin, %	78.5	74.0	79.7	68.4	73.9	66.1
EBITDA, SEK million	-1.0	-4.4	2.1	-4.6	2.9	-1.4
EBITDA, margin, %	Neg	Neg	9.4	Neg	17.9	Neg
Operating profit/loss (EBIT), SEK million	-2.5	-5.5	0.7	-11.2	1.0	-3.4
Operating margin(EBIT-margin), %	Neg	Neg	3.1	Neg	5.8	Neg
Profit/loss after tax, SEK million	-3.6	-6.2	-0.3	-9.2	0.2	-3.8
Cash flow from operating activities, SEK million	-3.2	-12.4	5.1	-4.9	0.2	4.0
Average no. of employees	50	44	41	38	40	40

Parent Company

Devyser Diagnostics AB (publ), Corporate Registration Number 556669-7834, is a Swedish limited company based in Stockholm. The address of the head office is Instrumentvägen 19, 126 53 Hägersten, Sverige.

Receivables from Group companies primarily pertain to receivables from the Swedish subsidiary Devyser AB, and the Italian subsidiary Devyser Italia s.r.l. The Parent Company's risks and uncertainties indirectly coincide with those of the Group.

Employees

From January to September 2021, the average number of employees in the Group was 45 (38), of whom 1 (0) were in the Parent Company. Broken down per country, the average number was 38 (33) in Sweden, 5 (4) in Italy and 2 (1) in Germany. The average number of women in the Group was 30 (28) and the average number of men was 15 (11).

Market

Devyser sells products for genetic testing to laboratories in more than 45 countries. The products include both a reagent kit and software. Sales are conducted to routine diagnostic laboratories via own sales teams in selected markets and via distributors.

The products are used for complex DNA testing within hereditary diseases, oncology and transplantation monitoring to enable personalized cancer therapy, the diagnosis of a wide range of genetic disorders and follow-up care for transplant patients.

The market size for the company's products is large and is estimated by external sources to amount to EUR 5.6 billion in 2026.

Related-party transactions

Refer to Note 3 on page 13 for a description of related-party transactions.

Significant risks and uncertainties

The Group's activities are associated with a number of risks and uncertainties. For a detailed description of the risks, refer to the 2020 Annual Report, pages 7-8, and Note 3 on pages 37-41. No changes are considered to have occurred since the Annual Report was published.

The share and shareholders

As of September 30, 2021, the number of shares and votes in Devyser Diagnostics

AB was 11,254,800 (29,020). During the period January to September 2021, two new share issues and a share split were completed.

On the submission date of this report, the company has four outstanding incentive programs for employees and key collaborators.

The new and existing incentive programs may increase the number of shares by, at present, 905,700 (refer to Note 2 on page 13).

Owner	No. of shares,	Ownership,
	Sep 30, 2021	%
Rutger Arnhult via company	3,347,100	29.7
Swedbank Robur	1,378,200	12.2
Anders Hedrum, privately and via company	937,200	8.3
Fourth Swedish National Pension Fund	861,300	7.7
Ulf Klangby, privately and via company	842,400	7.5
Dan Hauzenberger, privately and via company	685,800	6.1
Nord Fondkommission AB	390,000	3.5
Ernst Westman	270,000	2.4
Åsa Riisberg via company	258,300	2.3
Other shareholders	2,284,500	20.3
Total	11,254,800	100.0

Financial calendar

Year-end report 2021	February 24, 2022
Interim report Q1 2022	May 11, 2022
Annual General Meeting	May 11, 2022
Interim report Q2 2022	August 24, 2022
Interim report Q3 2022	November 10, 2022

Auditors review

This report has been reviewed by the company's auditors.

The Board of Directors and CEO certify that the interim report provides a true and fair overview of the operations, financial position and earnings of the Group and the Parent Company and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm November 8, 2021
Devyser Diagnostics AB (publ)

Mia Arnhult
Chair of the Board

Lars Höckenström
Board member

Fredrik Dahl
Board member

Ulf Klangby
Board member

Fredrik Alpsten
Chief Executive Officer

Pia Gideon
Board member

Condensed consolidated statement of income and other comprehensive income

SEK million	Jul - Sep 2021	Jul - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Dec 2020
Net sales	24.3	16.5	69.0	47.9	65.7
Cost of goods sold	-5.2	-5.4	-15.5	-14.1	-18.7
Gross profit	19.1	11.1	53.5	33.8	47.0
Other operating income	0.6	0.5	2.2	1.8	2.4
Selling expenses	-11.1	-7.2	-31.8	-20.6	-30.1
Administrative expenses	-5.9	-2.2	-15.4	-6.2	-11.7
Research and development expenses	-4.8	-2.4	-13.9	-8.5	-16.7
Result from participations in associates	0.1	-	0.0	-1.1	-1.1
Other operating expenses	-0.6	-0.0	-1.9	0.0	-0.7
Operating profit/loss	-2.5	-0.1	-7.3	-0.8	-10.9
Net financial items	-0.1	-0.3	-0.8	-0.7	-1.0
Profit/loss before tax	-2.6	-0.4	-8.1	-1.5	-11.9
Tax	-1.0	-0.5	-1.9	-1.3	1.0
Profit/loss for the period	-3.6	-0.8	-10.1	-2.7	-10.9
Other comprehensive income					
Items that might be recognized in profit or loss					
Exchange rate differences for the period when translating foreign subsidiaries	0.1	0.0	0.1	0.0	-0.2
Total other comprehensive income	0.1	0.0	0.1	0.0	-0.2
Total comprehensive income for the period	-3.5	-0.8	-10.0	-2.7	-11.1
Earnings per share, before dilution, SEK	-0.32	-0.09	-0.92	-0.31	-1.25
Earnings per share, after dilution, SEK	-0.32	-0.09	-0.92	-0.31	-1.25
Average no. of shares, before dilution	11,254,800	8,706,000	10,910,404	8,706,000	8,706,863
Average no. of shares, after dilution	12,160,500	9,441,652	11,816,104	9,333,813	9,405,937

Since there are no minority interest in the Group, all earnings are wholly attributable to the owners of the Parent Company.

Condensed consolidated statement of financial position

SEK million	Sep 30 2021	Sep 30 2020	Dec 31 2020
ASSETS			
Non-current assets			
Goodwill	0.2	-	0.2
Capitalized development expenses	16.5	19.2	14.2
Tangible assets	2.4	1.9	1.8
Right-of-use assets	13.8	14.4	13.8
Deferred tax assets	4.8	2.5	4.6
Investment in companies where the equity method is used	1.7	0.1	0.2
Total non-current assets	39.5	38.1	34.7
Current assets			
Inventories	4.7	4.5	5.5
Accounts receivable	23.9	16.7	16.5
Other receivables	5.4	0.4	8.7
Prepaid expenses and accrued income	5.0	0.7	0.8
Cash and cash equivalents ¹	105.6	9.7	8.3
Total current assets	144.6	32.7	39.7
TOTAL ASSETS	184.1	70.1	74.4
EQUITY AND LIABILITIES			
Equity			
Share capital	0.6	0.3	0.5
Other paid-in capital	167.7	38.1	43.1
Translation reserve	-0.4	-0.3	-0.5
Retained earnings, including profit/loss for the period	-22.4	-3.3	-12.4
Total equity	145.5	34.9	30.8
Liabilities			
Non-current liabilities			
Borrowing	-	6.0	4.2
Lease liabilities, non-current	10.4	11.4	10.8
Provisions	0.3	-	-
Other non-current liabilities	0.4	0.4	0.5
Total non-current liabilities	11.1	17.8	15.6
Current liabilities			
Borrowing from credit institutions	-	0.8	1.8
Overdraft facility	-	-	2.0
Lease liabilities, current	3.0	2.7	2.6
Accounts payable	6.4	3.5	6.3
Current tax liability	2.2	3.3	2.0
Other liabilities	5.3	1.7	5.5
Accrued expenses and prepaid income	10.6	5.5	7.7
Total current liabilities	27.5	17.5	28.0
TOTAL EQUITY AND LIABILITIES	184.1	70.1	74.4

Condensed consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total equity
Opening equity Jan 1, 2020	0.3	38.4	-0.3	-1.4	37.0
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-2.7	-2.7
Other comprehensive income for the period	-	-	0.0	-	0.0
<i>Total comprehensive income</i>	-	-	0.0	-2.7	-2.7
<i>Shareholder transactions</i>					
Warrants	-	-0.3	-	0.8	0.5
Closing equity, Sep 30, 2020	0.3	38.1	-0.3	-3.3	34.9
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-8.2	-8.2
Other comprehensive income for the period	-	-	-0.2	-	-0.2
<i>Total comprehensive income</i>	-	-	-0.2	-8.2	-8.4
<i>Shareholder transactions</i>					
Bonus issue	0.2	-0.2	-	-	-
Ongoing share issue	0.0	4.2	-	-	4.2
Warrants	-	1.0	-	-0.9	0.1
Closing equity, Dec 31, 2020	0.5	43.1	-0.5	-12.4	30.8
Opening equity, Jan 1, 2021	0.5	43.1	-0.5	-12.4	30.8
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-10.1	-10.1
Other comprehensive income for the period	-	-	0.1	-	0.1
<i>Total comprehensive income</i>	-	-	0.1	-10.1	-10.0
<i>Shareholder transactions</i>					
New share issue	0.1	133.1	-	0.0	133.2
New share issue expenses	-	-8.4	-	-	-8.4
Ongoing share issue	0.0	0.0	-	-	0.0
Warrants	-	-0.2	-	-	-0.2
Closing equity, Sep 30, 2021	0.6	167.7	-0.4	-22.4	145.5

Condensed consolidated cash flow statement

SEK million	Jul - Sep 2021	Jul - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Dec 2020
Cash flow from operating activities					
Operating profit/loss	-2.5	-0.1	-7.3	-0.8	-10.9
Adjustment for non-cash items					
-Depreciation/amortization and impairment	1.5	2.0	4.4	6.0	12.6
-Other non-cash items	0.1	-	0,3	-	-
Interest received	-	-	0.0	-	0.0
Interest paid	-0.1	-0.3	-0.8	-0.7	-0.9
Income tax paid	-0.4	-1.1	-2.0	-1.3	0.1
Cash flow from operating activities before changes in working capital	-1.4	0.5	-5.4	3.3	0.9
Cash flow from changes in working capital					
Increase(-)/Decrease(+) in inventory	1.0	0.8	0.8	-0.7	-1.6
Increase(-)/Decrease(+) in operating receivables	-4.7	-2.1	-8.3	0.4	-8.2
Increase(+)/Decrease(-) in operating payables	1.9	1.0	2.3	2.6	9.5
Cash flow from operating activities	-3.2	0.2	-10.6	5.6	0.6
Cash flow from investing activities					
Investment in intangible assets	-1.8	-0.8	-4.3	-2.5	-3.3
Investment in tangible assets	-0.1	0.0	-1.0	-0.0	-0.1
Investment in subsidiaries	-	-	-	-	-0.2
Investment in associates	-1.5	-	-1.5	-1.1	-1.1
Cash flow from investing activities	-3.4	-0.8	-6.9	-3.6	-4.7
Cash flow from financing activities					
New share issue	3.3	-	133.3	-	4.2
New share issue expenses	-	-	-8.4	-	-
Warrant program	-	0,6	-	0,6	0.7
Change in overdraft facility	-	-	-2.0	-	2.0
Repayment of loans	-0.1	-0.4	-6.2	-1.5	-2.3
Repayment of lease liabilities	-0.7	-0.6	-2.0	-1.8	-2.4
Cash flow from financing activities	2.5	-0.4	114.7	-2.7	2.3
Cash flow for the period	-4.1	-1.0	97.2	-0.7	-1.8
Cash and cash equivalents at the beginning of the period	109.7	10.7	8.3	10.4	10.4
Exchange-rate differences in cash and cash equivalents	0.1	0.0	0.1	0.0	-0.2
Cash and cash equivalents at the end of the period	105.6	9.7	105.6	9.7	8.3

Condensed Parent Company income statement

SEK million	Jul - Sep 2021	Jul - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Dec 2020
Net sales	4.1	2.5	11.8	7.9	10.8
Cost of goods sold*	-	-	-	-	-0.4
Gross profit	4.1	2.5	11.8	7.9	10.5
Other operating income	-	-	-	-	-
Selling expenses	-	-	-	-	-
Administrative expenses	-3.8	-0.3	-7.3	-0.8	-3.6
Research and development expenses*	-0.7	-1.3	-2.1	-3.8	-9.3
Other operating expenses	-0.0	-	0.0	0.0	0.0
Operating profit/loss	-0.5	1.1	2.5	3.3	-2.4
Impairment of investments in subsidiaries	-16.0	-	-16.0	-	-
Impairment of investments in associates	-	-	-	-1.1	-1.1
Interest expenses and similar items	-0.0	-0.1	-0.2	-0.2	-0.3
Profit/loss from financial items	-16.0	-0.1	-16.2	-1.3	-1.4
Profit/loss after financial items	-16.5	0.9	-13.7	2.1	-3.8
Year-end appropriations	-	-	-	-	-12.6
Profit/loss before tax	-16.5	0.9	-13.7	2.1	-16.3
Tax	0.1	-	0.3	-	2.1
Profit/loss for the period	-16.4	0.9	-13.5	2.1	-14.2

Since no items are reported as other comprehensive income, the Parent Company's income corresponds with comprehensive income.

* Amortization of capitalized development expenses previously reported in the line item cost of goods sold has been reclassified to the line item research and development expenses.

Condensed Parent Company balance sheet

SEK	Sep 30 2021	Sep 30 2020	Dec 31 2020
Subscribed capital unpaid	-	-	3,9
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenses	16.5	19.2	14.2
Total intangible assets	16.5	19.2	14.2
Financial assets			
Participation in Group companies	31.7	2.4	2.7
Investments in associates and joint ventures	1.7	0.1	0.1
Receivables from Group companies	1.5	11.6	1.4
Deferred tax assets	4.7	2.4	4.5
Total financial assets	39.5	16.4	8.7
Total non-current assets	56.0	35.6	22.9
Current assets			
Other receivables	0.4	0.0	4.5
Prepaid expenses and accrued income	3.8	-	0.0
Cash and bank balances	92.7	0.8	0.2
Total current assets	96.9	0.8	4.7
TOTAL ASSETS	152.9	36.4	31.5
EQUITY AND LIABILITIES			
EQUITY			
Share capital	0.6	0.3	0.5
Statutory reserve	3.7	4.0	3.7
Fund for development expenditure	16.5	19.4	14.2
Ongoing share issue	0.0	-	0.0
Total restricted equity	20.9	23.6	18.4
Share premium reserve	163.1	34.2	38.3
Retained earnings	-37.4	-26.1	-20.8
Profit/loss for the period	-13.5	2.1	-14.2
Total non-restricted equity	112.2	10.1	3.4
Total equity	133.1	33.7	21.8
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	-	2.0	2.0
Provisions	0.3	-	-
Total non-current liabilities	0.3	2.0	2.0
Current liabilities			
Accounts payable	0.5	0.1	0.6
Liabilities to Group companies	14.2	-	5.9
Current tax liabilities	0.1	0.5	0.5
Other liabilities	3.4	0.0	0.1
Accrued expenses and deferred income	1.4	0.1	0.7
Total current liabilities	19.5	0.7	7.8
TOTAL EQUITY AND LIABILITIES	152.9	36.4	31.5

Condensed Parent Company cash flow

SEK million	Jul - Sep 2021	Jul - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Dec 2020
Cash flow from operating activities					
Operating profit/loss	-0.5	1.1	2.5	3.3	-2.4
Adjustment for non-cash items					
-Depreciation, amortization and impairment	0.7	1.3	2.1	3.8	9.6
-Other non-cash items	0.1	-	0.3	-	-
Interest received	-	-	-	-	-
Interest paid	-0.0	-0.1	-0.2	-0.2	-0.2
Income tax paid	-	-	-0.5	-	-
Cash flow from operating activities before changes in working capital	0.3	2.2	4.1	6.9	7.0
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	1.3	0.0	0.4	0.3	-9.2
Increase (+)/Decrease (-) in operating payables	2.3	-0.0	-2.3	-0.2	2.0
Cash flow from operating activities	3.9	2.2	2.2	7.0	-0.2
Cash flow from investing activities					
Aquisition of subsidiaries, less acquired cash and cash equivalents	-	-	-	-	-0.3
Investment in intangible assets	-1.8	-0.8	-4.3	-2.5	-3.3
Increase/decrease in financial assets	-10.0	-1.2	-26.7	-3.3	0.1
Investment in associates	-1.5	-	-1.5	-1.1	-1.1
Cash flow from investing activities	-13.3	-2.1	-32.6	-6.9	-4.6
Cash flow from financing activities					
New share issue	3.3	-	133.3	-	4.2
New share issue expenses	-	-	-8.4	-	-
Warrant program	-	0.6	0.0	0.6	0.7
Repayment of loans	-	-	-2.0	-	-
Cash flow from financing activities	3.3	0.6	122.9	0.6	4.9
Cash flow for the period	-6.1	0.7	92.5	0.7	0.1
Cash and cash equivalents at the beginning of the period	98.8	0.1	0.2	0.1	0.1
Exchange-rate differences in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the period	92.7	0.8	92.7	0.8	0.2

Notes

Note 1 Accounting policies

This interim report for the Devyser Group has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Swedish Annual Accounts Act and RFR 1, Supplementary Accounting Rules for Groups, have also been applied.

The interim report for the Group has been prepared in accordance with IAS 34 - Interim Financial Reporting. The Parent Company applies the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. Under RFR 2, the Parent Company is required to apply the same accounting policies as the Group, which means that IFRS should be applied as far as possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Protection Act and tax considerations.

New or amended IFRS standards or other IFRIC interpretations came into effect on January 1, 2021. None of the new standards affected the reporting of the Group or the Parent Company at September 30, 2021.

For more information about the accounting policies, refer to the 2020 Annual Report.

Segment reporting

Devyser applies IFRS 8 - Operating segments. Devyser's activities are currently focused on development and sales within a niche and uniform category of goods of a similar nature in the product area of diagnostic reagents, which is why only one segment is reported, and which is fully reflected in the Group's financial statements. All development activities are focused on the same common base product. The Group's strategic steering committee and highest decision-makers, consisting of the CEO and a number of other senior executives who together form senior management, evaluate the Group's activities as an operating segment based on product and product development. Sales are monitored by geographic region, currently Europe, the Middle East and Africa (EMEA), Asia-Pacific, North and South America and other regions. Refer to the table on page 4.

Note 2 Incentive programs

Devyser has four outstanding incentive programs for employees and key collaborators, of which two were adopted at the AGM on May 27, 2021.

Warrant program 2019/2022

The total program comprises 970 warrants. The warrants were acquired at market value. Each warrant entitles the holder to subscribe for 300 new shares at SEK 12.99 per share until June 23, 2022.

At September 30, 2021, a total of 859 warrants had been granted. Ulf Klangby, Board member and deputy CEO, as well as member of senior management, has 135 warrants and six members of senior management have a total of 490 warrants.

Warrant program 2020/2023

The total program comprises 1,160 warrants. The warrants were acquired at market value. Each warrant entitles the holder to subscribe for 300 new shares at SEK 34.48 per share until September 19, 2023. The warrants are vested with one-third annually provided that the holder remains as an employee.

At September 30, 2021, a total of 1,160 warrants had been granted. Fredrik Alpsten, CEO, and Ulf Klangby, Board member and deputy CEO, as well as member of senior management, hold 580 and 78 warrants, respectively. Six members of senior management hold a total of 238 warrants.

Warrant program 2021/2024

The total program, adopted by the AGM on May 27, comprises 198,000 warrants. The warrants were acquired at market value. Each warrant entitles the holder

to subscribe for one new share at SEK 87.06 per share until June 2024. The warrants are vested with one-third annually provided that the holder remains as an employee.

At September 30, 2021, a total of 197,300 warrants had been granted. Payment was received after the end of the quarter. Fredrik Alpsten, CEO, and Ulf Klangby, Board member and deputy CEO, as well as member of senior management, hold 51,000 and 3,000 warrants respectively. Eight members of senior management hold a total of 107,000 warrants.

Personnel option program 2021/2026

The total program, adopted by the AGM on May 27, comprises 102,000 personnel options. The options are issued free of charge. Each option entitles the holder to subscribe for one new share at SEK 87.06 per share until June 2026. The options are vested with one-third annually starting from grant date provided that the holder remains as an employee.

At September 30, 2021, no options had yet been granted. After the balance sheet date, 13,700 options have been granted to employees in the Group. No member of senior management holds any options.

Note 3 Related-party transactions

Related parties are defined as senior management, the Board of Directors of the Parent Company, the owners of Devyser Diagnostics AB and the Group's subsidiaries. Shares in subsidiaries and transactions between Group companies are eliminated in the consolidated financial statements and not, therefore, disclosed.

The following related-party transactions took place during the period: The company obtained financing via M2 Asset Management AB, which is one of its largest owners. The loan was re-paid in full during the first quarter of 2021. During the period January - September 2021, interest expense amounted to SEK 112.3 thousand (180.0).

The Group also purchased marketing services from a person defined as a related party to Board member and deputy CEO, Ulf Klangby. During the period January - September, 2021, the expense amounted to SEK 1,012.9 thousand (184.8). The consultancy agreement ended September 30, 2021.

The transactions are considered to meet market term requirements.

Note 4 Financial assets and liabilities

Financial assets and liabilities on the balance sheet, mainly accounts receivable and payable, are measured at amortized cost, which is considered the best estimate of their fair value.

Note 5 Revenue recognition

Devyser applies IFRS 15 Revenues from agreements with customers. The majority of Devyser's revenue relates to the sale of goods that are sold primarily to clinical labs at university hospitals and other players. Devyser's performance obligations in the agreements consist of providing the goods specified in the agreements. Performance obligations are met and revenue is reported when control of the products is transferred to the customer. For most delivery agreements, control is transferred when the goods have been delivered to the customer's warehouse and the customer can thus control the use and receive benefits from the goods. Invoicing normally takes place in connection with delivery. Devyser has chosen to apply the practical solution in IFRS 15 not to disclose remaining performance obligations where the term is less than one year.

Use of non-IFRS measures

The Devyser Group prepares its consolidated financial statements in accordance with IFRS. Only a few performance measures are defined in IFRS standards. Devyser applies the Guidelines on Alternative Performance Measures (APMs) issued by the European Securities and Markets Authority (ESMA). To support the assessment of the Group's performance made by senior management and other stakeholders, Devyser uses some non-IFRS measures. Senior management believes that these measures make it easier to evaluate the performance of the Group.

Definitions of non-IFRS measures that are not provided elsewhere in this report are presented in the following table. The measures have been calculated using the actual financial statements, including IFRS 16.

	Jul - Sep 2021	Jul - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Dec 2020
Gross margin (Gross profit/Net sales)					
Gross profit, SEK million	19.1	11.1	53.5	33.8	47.0
Net sales, SEK million	24.3	16.5	69.0	47.9	65.7
Gross margin, %	78.5	67.5	77.5	70.6	71.6
EBITDA-margin (EBITDA/Net sales)					
Operating profit/loss, SEK million	-2.5	-0.1	-7.3	-0.8	-10.9
Depreciation/amortization, SEK million	-1.5	-2.0	-4.4	-6.0	-12.6
Net sales, SEK million	24.3	16.5	69.0	47.9	65.7
EBITDA-margin, %	Neg	11.5	Neg	10.9	2.6
Operating margin (Operating profit/loss/Net sales)					
Operating profit/loss, SEK million	-2.5	-0.1	-7.3	-0.8	-10.9
Net sales, SEK million	24.3	16.5	69.0	47.9	65.7
Operating margin, %	Neg	Neg	Neg	Neg	Neg
Return on equity (Profit/loss for the period/Average equity)					
Profit/loss for the period, SEK million	-3.6	-0.8	-10.1	-2.7	-10.9
Average equity, SEK million	145.7	35.0	88.2	35.9	33.9
Return on equity, %	Neg	Neg	Neg	Neg	Neg
Available liquidity (Cash and cash equivalents + unutilized overdraft facility)					
Cash and cash equivalents, SEK million	105.6	9.7	105.6	9.7	8.3
Overdraft facility, SEK million	6.0	6.0	6.0	6.0	6.0
Utilized overdraft facility, SEK million	-	-	-	-	-2.0
Available liquidity, SEK million	111.6	15.7	111.6	15.7	12.3
Net cash/Net debt (Interest-bearing liabilities - Interest-bearing assets)					
Interest-bearing liabilities, SEK million	13.4	20.8	13.4	20.8	21.5
Interest-bearing assets, SEK million	-105.6	-9.7	-105.6	-9.7	-8.3
Net cash (-)/Net debt (+), SEK million	-92.2	11.2	-92.2	11.2	13.2
Equity ratio (Closing equity/closing total assets)					
Closing equity, SEK million	145.5	34.9	145.5	34.9	30.8
Closing total assets, SEK million	184.1	70.1	184.1	70.1	74.4
Equity ratio, %	79.1	49.7	79.1	49.7	41.4
Sales growth adjusted for exchange rate changes (((Sales in currency for the period * (last periods average exchange rate-period average exchange rate) + net sales)) - last periods net sales)/last periods net sales					
Net sales in EUR	2.1		5.9		
Net sales in USD	0.1		0.3		
Net sales, SEK million	24.3	16.5	69.0	47.9	
Average exchange rate EUR	10.1951	10.3644	10.1509	10.5561	
Average exchange rate USD	8.6481	8.8724	8.4876	9.3947	
Sales growth adjusted for exchange rate changes, %	49.7		49.5		

Report on Review of Interim Financial Information

OFFICE TRANSLATION

To the board of directors of Devyser Diagnostics AB (publ)
Org nr 556669-7834

Introduction

We have reviewed the accompanying balance sheet of Devyser Diagnostics AB (publ) as of September 30, 2021 and the related statements of income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Board of Directors and the Managing director is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as at September 30, 2021, and of its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34 and the Annual Accounts Act for the group and in accordance with the Annual Accounts Act for the parent company.

Stockholm November 8, 2021

Grant Thornton Sweden AB

Mikael Östblom
Authorized Public Accountant

About Devyser

Devyser is specialized in the development, manufacture, and sales of diagnostic kits. The products are sold in more than 45 countries . The products are used for complex DNA testing within hereditary diseases, oncology and transplantation, and to guide targeted cancer therapies, to enable a wide array of genetic tests, as well as in post-transplant follow-up. Devyser's products focuses on simplifying and streamlining complex testing processes to improve throughput, reduce hands-on time and produce accurate and trusted results. Devyser was founded in 2004 and is based in Stockholm, Sweden.

For further information, visit www.devyser.com

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