

## Devyser Diagnostics AB (publ) Year end report, January to December 2021

### Another record quarter

#### Quarter from October to December 2021

- Net sales amounted to SEK 24.5 million (17.7), corresponding to a 38.1 percent increase. Adjusted for exchange rate fluctuations, net sales increased by 39.7 percent.
- Gross profit totaled SEK 18.5 million (13.2), corresponding to a gross margin of 75.3 percent (74.3).
- Operating profit/loss (EBIT) amounted to SEK -13.9 million (-10.1). The amount includes listing costs of SEK 4.8 million (0.0).
- The loss after tax totaled SEK -10.6 million (-8.2).
- Earnings per share before and after dilution amounted to SEK -0.87 (-0.94).
- Cash flow from operating activities amounted to SEK -5.7 million (4.9).

#### Important events during the quarter

##### *Listing and raising of capital*

On December 10, the Parent Company was listed on the Nasdaq First North Premier Growth Market in Stockholm. A capital increase of SEK 300 million was completed in connection with the listing, comprising 3,750,000 newly issued shares. New share issue- and listing expenses amounted to SEK 24.6 million, of which SEK 4.8 million was expensed in the income statement and SEK 19.8 million was capitalized against equity. The shares issued were subscribed for primarily by new institutional shareholders. Following the listing, the number of Devyser shares amounted to 15,188,100.

##### *Continued building up of the organization*

The building-up of the company's organization, begun in 2021, mainly in marketing and sales, continued and intensified during the period. The number of employees increased by eight during the quarter.

#### Important events after the end of the quarter

##### *Exercising of the over-allotment option*

There was a great deal of interest in the December 2021 issue and the over-allotment option was therefore exercised. A total of 610,886 additional shares were issued at the beginning of January 2022, bringing the company a further SEK 48.9 million before issue costs. Following the issue, the number of Devyser shares totaled 15,798,986.

##### *Acquisition of SmartSeq S.r.l.*

In early February, Devyser acquired all the outstanding shares in the associated company SmartSeq S.r.l. The acquisition covers 70 percent of SmartSeq's shares, at a purchase price of EUR 835,000, of which 23 percent in cash and 71 percent in newly issued Devyser shares. The acquisition strengthens Devyser's diagnostic analysis customer offering and is expected to have a positive impact

#### The period from January to December 2021

- Net sales amounted to SEK 93.5 million (65.7), corresponding to a 42.3 percent increase. Adjusted for exchange rate fluctuations, net sales increased by 46.9 percent.
- Gross profit totaled SEK 71.9 million (47.0), corresponding to a gross margin of 76.9 percent (71.6).
- Operating profit/loss (EBIT) amounted to SEK -21.2 million (-10.9). The amount includes listing costs of SEK 4.8 million (0.0).
- The loss after tax totaled SEK -20.7 million (-10.9).
- Earnings per share before and after dilution amounted to SEK -1.85 (-1.25).
- Cash flow from operating activities amounted to SEK -16.3 million (0.6).
- The Board is not proposing a dividend for 2021.

on Devyser's gross profit and gross margin. A total of 81,083 new shares were issued in payment, corresponding to a 0.5 percent dilution. Following the issue, the number of Devyser shares totaled 15,880,069. See note 6 at page 16.

#### Important events during January to December 2021

In January, Devyser was granted funding of SEK 5.0 million under the Eurostars-2 program. The funding will be used to further develop NGS-based testing for monitoring transplant status and early rejection in kidney transplant recipients.

In May, the company secured an Italian contract for genetic diagnosis of cystic fibrosis with Devyser's NGS-based product for complete DNA sequencing. The contract has an estimated value of SEK 20 million.

At the Annual General Meeting in May, Mia Arnhult was elected to the Board of Directors, and Chair of the Board. Lars Höckenström, Ulf Klangby, and Fredrik Dahl were elected to the Board. At an Extra General Meeting in September, Pia Gideon was elected as a new member to the Board.

##### *The share and listing*

During 2021, three share issues were completed, of which one was connected to the exercise of warrants, and one was connected to the listing. A total of SEK 433.3 million was added to the company before issue costs. In July, a share split was implemented, dividing each existing share into 300, 300:1.

During 2021, a resolution was taken to adopt a warrant program and an employee option program. In December, the share was admitted to trading at Nasdaq First North Premier Growth Market.

<b>Key figures</b>	<b>Oct - Dec 2021</b>	<b>Oct - Dec 2020</b>	<b>Jan - Dec 2021</b>	<b>Jan - Dec 2020</b>
Net sales, SEK million	24.5	17.7	93.5	65.7
Sales growth, %	38.1	-0.1	42.3	2.2
Gross margin, %	75.3	74.3	76.9	71.6
EBITDA, SEK million	-12.3	-3.6	-15.2	1.7
EBITDA margin, %	Neg	Neg	Neg	2.6
Operating profit/loss (EBIT), SEK million	-13.9	-10.1	-21.2	-10.9
Operating margin (EBIT-margin), %	Neg	Neg	Neg	Neg
Profit/loss after tax, SEK million	-10.6	-8.2	-20.7	-10.9
Cash flow from operating activities, SEK million	-5.7	-4.9	-16.3	0.6
Available liquidity, SEK million	383.6	12.3	383.6	12.3
Net cash (-)/Net debt (+), SEK million	-364.7	13.2	-364.7	13.2
Equity ratio, %	91.2	41.4	91.2	41.4
Return on equity, %	Neg	Neg	Neg	Neg

See page 17 for definitions of the performance measures.

## Comments from the CEO

On December 10, 2021, Devyser was listed on the Nasdaq First North Premier Growth Market in Stockholm. Investor interest was high and we are both pleased and proud to have attracted a number of high-profile institutions, both specialists and generalists, as new shareholders. This is our first financial report as a listed company and I would like to start by thanking all our shareholders, both new and current, for the trust and confidence that you have shown in Devyser and our prospects going forward.

By listing, Devyser raised SEK 348 million before issue costs from the share issue and the subsequent over-allotment option. This capital gives us great scope to further accelerate the strong growth that the company has experienced in recent years. We will step up our marketing efforts, strengthening our presence in selected key markets and expanding into new geographic regions, while continuing our transition from distributor sales to direct sales in some markets in order to shore up our gross margin and get closer to our customers.

I look forward to continuing to develop Devyser into a world leader in genetic DNA diagnostics, together with new and existing shareholders.

As previously communicated, our primary goals for 2022 are sales growth and the continued development of our marketing and sales organization, since we are aware that this strategy will create the most value moving forward. Profit maximization is not the priority 2022.

Devyser's sales were also strong in the fourth quarter 2021, as well as in the other quarters of the year. We have continued to feel the impact of the pandemic, however, with new lockdowns in some countries during the quarter, particularly in Asia. We are therefore pleased to have maintained a good level of growth despite this. In the fourth quarter of the year, sales grew by 38 percent compared with the same period last year. Adjusted for exchange rate fluctuations, net sales increased by 40 percent.

Sales growth for the full-year 2021 amounted to 42 percent compared with 2020. Currency-adjusted growth was 47 percent. For any comparisons with 2020, and the first half of 2020 particularly, it should nevertheless be noted that the market was very sluggish due to the pandemic. We are hopeful, however, that over the long term we will be able to maintain our previous successful organic sales growth, which, historically, has been more than 30 percent per year.

It was good to see strong sales growth in virtually every region. It was also gratifying that growth was strong both in markets where we sell directly to customers and where we sell through distributors.

Europe accounts for a large share of our sales, and will continue to do so for the foreseeable future, making up more than 90 percent of our total sales during the quarter. Our sales growth is highly dependent on how successful we are in Europe. Growth is above all affected by how strong our sales are in countries where we are moving from distributor sales to direct sales.

This transition began as planned in the UK, Belgium, Spain and France at the end of the quarter, and will gradually continue during the first half of 2022.

"Devyser's sales were also strong in the fourth quarter 2021, as well as in the other quarters of the year"

In early February, we acquired the remaining shares of our Italian associate SmartSeq S.r.l. SmartSeq has a high degree of expertise in the development of data analysis software, which is an important component of our product offering. This acquisition strengthens our gross margin, as we can now supply the software ourselves instead of buying it from SmartSeq. This will improve our gross margin. We see several other interesting acquisition opportunities as well but are selective in our choices.

With positive sales growth, a strengthened organization and a very strong financial position, and the pandemic soon behind us, we are feeling optimistic about 2022 and beyond in spite of the current geopolitical situation.

Stockholm, February 24, 2022

Fredrik Alpsten, CEO



# Group development, January to December 2021

## Net sales

Net sales for the period from January to December 2021 amounted to SEK 93.5 million (65.7), corresponding to an increase of 42.3 percent. Adjusted for exchange rate fluctuations, net sales increased by 46.9 percent. The increase was driven by both higher direct sales and distributor sales.

Net sales for the fourth quarter 2021 amounted to SEK 24.5 million (17.7), corresponding to an increase of 38.1 percent. Adjusted for exchange rate fluctuations, net sales increased by 39.7 percent.

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

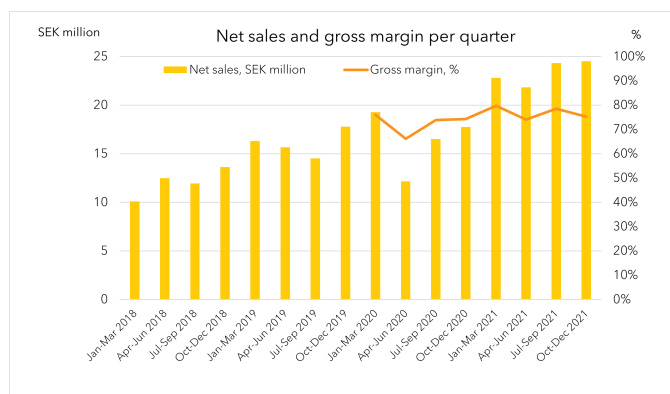
## Gross profit

Gross profit for the period from January to December 2021 totaled SEK 71.9 million (47.0). Gross profit for the fourth quarter 2021 totaled SEK 18.5 million (13.2).

The gross margin for the period from January to December 2021 amounted to 76.9 percent, compared with 71.6 percent for the same period last year. For the fourth quarter, the gross margin amounted to 75.3 percent, compared with 74.3 percent for the same prior-year quarter. The increase was mainly attributable to higher net sales as a proportion of fixed costs.

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

The amortization of capitalized development expenses amounted to SEK 2.8 million (5.0) for the period from January to December 2021, and SEK 0.7 million (1.3) during the fourth quarter 2021.



## Operating expenses

Operating expenses for the period from January to December 2021 amounted to SEK 93.3 million (58.6), and for the fourth quarter to SEK 32.3 million (23.3). The increased expenses were mainly attributable to new hires in every department as part of Devyser's growth strategy and expenses for a listing. Direct listing costs of SEK 4.8 million (0.0) is included in the operating expenses.

Total research and development costs during the period from January to December 2021 amounted to SEK 24.6 million (20.0), of which SEK 6.5 million (3.3) was capitalized and SEK 18.1 million (16.7) was expensed. During the fourth quarter, costs amounted to SEK 6.4 million (9.1), of which SEK 2.2 million (0.8) was capitalized and SEK 4.2 million (8.2) was expensed. The expensed research and development 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 from January to December 2021, other operating income and expenses came to a net amount of SEK 0.2 million (1.7), and SEK -0.1 million (-0.1) for the fourth quarter.

## Operating profit/loss

The operating loss for the period from January to December 2021 totaled SEK -21.2 million (-10.9). For the fourth quarter 2021, the operating loss stood at SEK -13.9 million (-10.1). The main reasons for the fall in operating profit were increased sales expenses in the form of new hires, increased administrative costs, and listing costs, although they were partly offset by increased sales.

## Net financial items

The net financial expenses amounted to SEK -0.7 million (-1.0) for the period January to December 2021. For the fourth quarter, net financial items totaled SEK 0.1 million (-0.3).

## Profit/loss

The loss before tax for the period from January to December 2021 was SEK -21.9 million (-11.9), and the loss after tax was SEK -20.7 million (-10.9). For the fourth quarter 2021, the loss before tax was SEK -13.8 million (-10.4), and the loss after tax was SEK -10.6 million (-8.2).

	Oct - Dec 2021	Oct - Dec 2020	Change, %	Jan - Dec 2021	Jan - Dec 2020	Change, %
<b>Sales per region, SEK million</b>						
EMEA	22.9	16.8	36.4	86.7	62.5	38.8
Asia-Pacific	1.3	0.7	68.2	5.6	2.6	117.0
North and South America	0.3	0.2	69.1	1.2	0.6	81.4
<b>Total</b>	<b>24.5</b>	<b>17.7</b>	<b>38.1</b>	<b>93.5</b>	<b>65.7</b>	<b>42.3</b>
<b>Sales per sales channel, SEK million</b>						
Direct sales	16.6	12.8	30.0	66.8	46.8	42.7
Distributor sales	8.0	5.0	59.8	26.7	18.9	41.4
<b>Total</b>	<b>24.5</b>	<b>17.7</b>	<b>38.1</b>	<b>93.5</b>	<b>65.7</b>	<b>42.3</b>

## Cash flow and cash position

For the period from January to December 2021, the cash flow from operating activities after changes in working capital was SEK -16.3 million (0.6). For the fourth quarter 2021, the cash flow from operating activities amounted to SEK -5.7 million (-4.9). A directed new share issue was completed in February 2021, raising SEK 130 million for the company before issue costs. A total of 7,465 new shares were subscribed for, at a price per share of SEK 17,413 before the split. On December 10, the company was listed and a new share issue was carried out, raising SEK 300 million before issue costs. A total of 3,750,000 new shares were subscribed for, at a price per share of SEK 80. At the end of the period, available cash amounted to SEK 383.6 million (12.3), including an unused SEK 6.0 million (4.0) overdraft facility. An over-allotment option including 610,886 shares, was exercised after period-end, which brought the company a further SEK 48.9 million.

## Investments

Net investments totaled SEK 10.3 million (4.7), including capitalized development expenses of SEK 6.6 million (3.3), 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 December 31, 2021, intangible assets amounted to SEK 18.2 million (14.4). The intangible assets consist of capitalized development expenses, license fees and goodwill acquired in the subsidiary TrenDx AB, totaling SEK 0.2 million (0.2). Capitalized development expenses are amortized on a straight-line basis over their estimated useful life, which varies from five to seven years.

The amortization of development expenses is recognized in the Group cost of goods sold and in the Parent Company's research and development costs.

## Equity and liabilities

As of December 31, 2021, the Group's equity amounted to SEK 416.7 million (30.8), and the equity ratio was 91.2 percent (41.4).

As of December 31, 2021, interest-bearing liabilities (lease liabilities) totaled SEK 13.0 million (21.5). The fall was due to the repayment of all the Group's external loans after the new share issue in the first quarter 2021. Current non-interest-bearing liabilities stood at SEK 26.4 million (21.5).

## Significant events in the Parent Company

The fall in the Parent Company's profit/loss is mainly due to higher administrative costs intended to support the company's growth, including listing costs of SEK 4.8 million (0.0). A Group contribution of SEK 19.5 million (12.6) and a conditional shareholder contribution of SEK 45.0 million (0.0) have been made to the subsidiary Devyser AB.

Key figures per quarter	Oct - Dec 2021	Jul - Sep 2021	Apr - Jun 2021	Jan - Mar 2021	Oct - Dec 2020	Jul - Sep 2020	Apr - Jun 2020
Net sales, SEK million	24.5	24.3	21.8	22.8	17.7	16.5	12.2
Gross profit, SEK million	18.5	19.1	16.2	18.2	13.2	11.1	8.0
Gross margin, %	75.3	78.5	74.0	79.7	74.3	67.5	66.1
EBITDA, SEK million	-12.3	-1.0	-4.1	2.1	-3.6	1.9	-1.4
EBITDA margin, %	Neg	Neg	Neg	9.4	Neg	11.5	Neg
Operating profit/loss (EBIT) SEK million	-13.9	-2.5	-5.5	0.7	-10.1	-0.1	-3.4
Operating margin (EBIT-margin), %	Neg	Neg	Neg	3.1	Neg	Neg	Neg
Profit/loss after tax, SEK million	-10.6	-3.6	-6.2	-0.3	-8.2	-0.8	-3.8
Cash flow from operating activities, SEK million	-5.7	-3.2	-12.4	5.1	-4.9	0.2	4.0
Average no. of employees	55	50	44	41	38	40	40

See page 17 for definitions of the performance measures.

## 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, Sweden.

Loans to Group companies mainly consist of loans to the Italian subsidiary Devyser Italia S.r.l., and the Swedish subsidiary Devyser AB. The Parent Company's risks and uncertainties indirectly coincide with those of the Group.

## Employees

From January to December 2021, the average number of Group employees was 47 (38), including 1 (0) Parent Company employee. The average number broken down by country was 39 (33) in Sweden, 5 (4) in Italy, 2 (1) in Germany and 1 (0) in the US. The average number of women employed by the Group was 30 (27) and the average number of men was 17 (11).

## Market

Devyser sells genetic testing products 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 a market study conducted in 2021, to amount to EUR 5.6 billion in 2026.

## Related-party transactions

Refer to Note 3 on page 15 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 December 31, 2021, Devyser Diagnostics AB had a total of 15,188,100 (8,712,300) shares and voting rights. During the period from January to December 2021, three 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 personnel.

The new and existing incentive programs may increase the number of shares by, at present, 715,400 (refer to Note 2 on page 15).

The largest shareholders as of 31 December 2021:

Owner	No. of shares, Dec 31, 2021	Ownership, %
Rutger Arnhult via company	3,850,907	25.4
Swedbank Robur	1,378,200	9.1
Fourth Swedish National Pension Fund	1,361,300	9.0
Ferd	1,000,000	6.6
Berenberg Asset Management acting on behalf of Universal Investment funds	1,000,000	6.6
Anders Hedrum, privately and via company	775,020	5.1
Ulf Klangby, privately and via company	706,200	4.6
Dan Hauzenberger, privately and via company	547,680	3.6
Deka	420,000	2.8
Other shareholders, about 1,000	4,148,793	27.3
<b>Total</b>	<b>15,188,100</b>	<b>100.0</b>

After balance sheet date, two new share issues have been implemented and on the submission date of this report, the number of shares totaled 15,880,069.

## Analysts covering the company

Ulrik Trattner, Carnegie

## Auditors' review

This report has not been reviewed by the company's auditors.

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

Stockholm 24 February 2022  
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

# Consolidated statement of income and other comprehensive income

SEK Million	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
Net sales	24.5	17.7	93.5	65.7
Cost of goods sold	-6.1	-4.6	-21.6	-18.7
<b>Gross profit</b>	<b>18.5</b>	<b>13.2</b>	<b>71.9</b>	<b>47.0</b>
Other operating income	1.2	0.6	3.4	2.4
Selling expenses	-15.0	-9.6	-46.9	-30.2
Administrative expenses	-13.4	-5.5	-28.8	-11.7
Research and development expenses	-4.2	-8.2	-18.1	-16.7
Result from participations in associates	0.3	0.0	0.4	-1.0
Other operating expenses	-1.3	-0.7	-3.2	-0.7
<b>Operating profit/loss</b>	<b>-13.9</b>	<b>-10.1</b>	<b>-21.2</b>	<b>-10.9</b>
Financial income	0.2	0.0	0.3	0.0
Financial expenses	-0.1	-0.3	-0.9	-1.0
Net financial items	0.1	-0.3	-0.7	-1.0
<b>Profit/Loss before tax</b>	<b>-13.8</b>	<b>-10.4</b>	<b>-21.9</b>	<b>-11.9</b>
Tax	3.1	2.3	1.2	1.0
<b>Profit/Loss for the period</b>	<b>-10.6</b>	<b>-8.2</b>	<b>-20.7</b>	<b>-10.9</b>
<b>Other comprehensive income</b>				
<i>Items that might be recognized in profit or loss</i>				
Exchange rate differences for the period when translating foreign subsidiaries	-0.1	-0.2	0.0	-0.2
Total other comprehensive income	-0.1	-0.2	0.0	-0.2
<b>Total comprehensive income for the period</b>	<b>-10.7</b>	<b>-8.4</b>	<b>-20.7</b>	<b>-11.1</b>
Earnings per share, before dilution, SEK	-0.87	-0.94	-1.85	-1.25
Earnings per share, after dilution, SEK	-0.87	-0.94	-1.85	-1.25
Average no. of shares, before dilution	12,178,686	8,706,000	11,230,081	8,706,863
Average no. of shares, after dilution	12,894,086	9,620,804	11,945,481	9,405,937

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

# Consolidated statement of financial position

SEK million	Dec 31 2021	Dec 31 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	0.2	0.2
Capitalized development expenses	17.9	14.2
Other intangible assets	0.1	-
Tangible assets	3.3	1.8
Right-of-use assets	13.4	13.7
Deferred tax assets	7.2	4.6
Investments in companies where the equity method is used	2.1	0.2
Total non-current assets	44.2	34.7
<b>Current assets</b>		
Inventories	6.7	5.4
Account receivables	18.6	16.4
Current tax assets	0.5	-
Other receivables	7.0	8.7
Prepaid expenses and accrued income	2.1	0.8
Cash and cash equivalents	377.6	8.3
Total current assets	412.7	39.7
<b>TOTAL ASSETS</b>	<b>456.9</b>	<b>74.4</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	0.9	0.5
Other paid-in capital	449.3	43.1
Translation reserve	-0.4	-0.5
Retained earnings, including profit/loss for the period	-33.0	-12.4
Total equity	416.7	30.8
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	-	4.2
Lease liabilities, non-current	10.0	10.8
Provisions	0.4	-
Other long term liabilities	0.4	0.5
Total non-current liabilities	10.8	15.6
<b>Current liabilities</b>		
Borrowings from credit institutions	-	1.8
Overdraft facility	-	2.0
Lease liabilities, current	3.0	2.6
Accounts payable	9.7	6.3
Current tax liabilities	0.7	2.0
Other liabilities	3.2	5.5
Accrued expenses and prepaid income	12.9	7.7
Total current liabilities	29.4	28.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>456.9</b>	<b>74.4</b>

# 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
<b>Opening equity Jan 1, 2020</b>	<b>0.3</b>	<b>38.4</b>	<b>-0.3</b>	<b>-1.4</b>	<b>37.0</b>
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-10.9	-10.9
Other comprehensive income for the period	-	-	-0.2	-	-0.2
Total comprehensive income	-	-	-0.2	-10.9	-11.1
<i>Shareholder transactions</i>					
Bonus issue	0.2	-0.2	-	-	0.0
Ongoing share issue	-	4.2	-	-	4.2
Warrants	-	0.7	-	-0.0	0.7
<b>Closing equity Dec 31, 2020</b>	<b>0.5</b>	<b>43.1</b>	<b>-0.5</b>	<b>-12.4</b>	<b>30.8</b>
<b>Opening equity Jan 1, 2021</b>	<b>0.5</b>	<b>43.1</b>	<b>-0.5</b>	<b>-12.4</b>	<b>30.8</b>
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-20.7	-20.7
Other comprehensive income for the period	-	-	0.0	-	0.0
Total comprehensive income	-	-	0.0	-20.7	-20.7
<i>Shareholder transactions</i>					
New share issue	0.4	432.9	-	0.0	433.3
New share issue expenses	-	-28.2	-	-	-28.2
Warrants	-	1.4	-	-	1.4
Options	-	-	-	0.1	0.1
<b>Closing equity Dec 31, 2021</b>	<b>0.9</b>	<b>449.3</b>	<b>-0.4</b>	<b>-33.0</b>	<b>416.7</b>

# Consolidated cash flow statement

SEK Million	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
<b>Cash flow from operating activities</b>				
Operating profit/loss	-13.9	-10.1	-21.2	-10.9
Adjustment for non-cash items				
- Depreciation/amortization and impairment	1.6	6.6	6.0	12.6
- Other non-cash items	0.5	-	0.7	-
Interest received	0.2	0.0	0.2	0.0
Interest paid	-0.1	-0.2	-0.9	-0.9
Income taxes paid	-0.8	1.4	-2.8	0.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>-12.5</b>	<b>-2.4</b>	<b>-18.0</b>	<b>0.9</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventory	-2.1	-0.9	-1.3	-1.6
Increase (-)/Decrease (+) in operating receivables	6.1	-8.6	-2.3	-8.2
Increase (+)/Decrease (-) in operating payables	2.8	7.0	5.2	9.5
<b>Cash flow from operating activities</b>	<b>-5.7</b>	<b>-4.9</b>	<b>-16.3</b>	<b>0.6</b>
<b>Cash flow from investing activities</b>				
Investment in intangible assets	-2.3	-0.8	-6.6	-3.3
Investments in tangible assets	-1.2	-0.1	-2.2	-0.1
Investment in subsidiaries	-	-0.2	-	-0.2
Investment in associates	-0.0	-0.0	-1.5	-1.1
Cash flow from investing activities	-3.5	-1.1	-10.3	-4.7
<b>Cash flow from financing activities</b>				
New share issue	300.0	4.2	433.3	4.2
New share issue expenses	-19.8	-	-28.2	-
Warrant program	1.6	0.2	1.6	0.7
Change in overdraft facility	-	2.0	-2.0	2.0
Repayment of loans	0.0	-0.8	-6.2	-2.3
Repayment of lease liabilities	-0.7	-0.6	-2.7	-2.4
Cash flow from financing activities	281.1	5.0	395.8	2.3
<b>Cash flow for the period</b>	<b>271.9</b>	<b>-1.1</b>	<b>369.1</b>	<b>-1.8</b>
Cash and cash equivalents at beginning of the period	105.6	9.7	8.3	10.4
Exchange rate differences in cash and cash equivalents	0.1	-0.2	0.2	-0.2
<b>Cash and cash equivalents at end of the period</b>	<b>377.6</b>	<b>8.3</b>	<b>377.6</b>	<b>8.3</b>

# Parent Company income statement

SEK Million	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
Net sales	4.6	3.0	16.5	10.8
Cost of goods sold*	-0.4	-0.4	-0.4	-0.4
<b>Gross profit</b>	<b>4.3</b>	<b>2.6</b>	<b>16.1</b>	<b>10.5</b>
Other operating income	-0.0	-	0.0	-
Selling expenses	-	-	-	-
Administrative expenses	-9.7	-2.8	-16.9	-3.6
Research and development expenses*	-0.7	-5.5	-2.7	-9.3
Other operating expenses	-	-	-0.0	-
<b>Operating profit/loss</b>	<b>-6.1</b>	<b>-5.7</b>	<b>-3.6</b>	<b>-2.4</b>
Impairment of investements in subsidiaries	16.0	-	-0.0	-
Impairment of investements in associates	-	-	-	-1.1
Interest expenses and similar items	0.2	-0.1	0.0	-0.3
Profit/loss from financial items	16.2	-0.1	0.0	-1.4
<b>Profit/loss after financial items</b>	<b>10.1</b>	<b>-5.8</b>	<b>-3.6</b>	<b>-3.8</b>
Year-end appropriations	-19.5	-12.6	-19.5	-12.6
<b>Profit/loss before tax</b>	<b>-9.4</b>	<b>-18.4</b>	<b>-23.1</b>	<b>-16.3</b>
Tax	2.4	2.1	2.6	2.1
<b>Profit/loss for the period</b>	<b>-7.0</b>	<b>-16.3</b>	<b>-20.4</b>	<b>-14.2</b>

As there are no items of other comprehensive income, the Parent Company's earnings are the same as the comprehensive income.

\* The amortization of capitalized development expenses previously reported in cost of goods sold has been reclassified to research and development costs.

# Parent Company balance sheet

SEK million	Dec 31 2021	Dec 31 2020
Subscribed capital unpaid	0.8	3.9
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets		
Capitalised development expenditures	17.9	14.2
Total intangible assets	17.9	14.2
<b>Financial assets</b>		
Participations in group companies	47.7	2.7
Investments in associates and joint ventures	1.7	0.1
Receivables from Group companies	1.5	1.4
Deferred tax assets	7.1	4.5
Total financial assets	58.0	8.7
<b>Total non-current assets</b>	<b>75.9</b>	<b>22.9</b>
<b>Current assets</b>		
Current tax assets	0.5	-
Other receivables	0.4	4.5
Prepaid expenses and deferred income	0.5	0.0
Cash and cash equivalents	361.8	0.2
Total current assets	363.2	4.7
<b>TOTAL ASSETS</b>	<b>439.8</b>	<b>31.5</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	0.9	0.5
Statutory reserve	3.7	3.7
Fund for development expenditure	17.9	14.2
Ongoing share issue	-	0.0
Total restricted equity	22.5	18.4
Share premium reserve	443.1	38.3
Retained earnings	-37.2	-20.8
Profit/loss for the period	-20.4	-14.2
Total non-restricted equity	385.4	3.4
<b>Total equity</b>	<b>408.0</b>	<b>21.8</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Other long term liabilities	-	2.0
Provisions	0.4	-
Total non-current liabilities	0.4	2.0
<b>Current liabilities</b>		
Accounts payable	2.3	0.6
Liabilities to Group companies	25.8	5.9
Current tax liabilities	0.1	0.5
Other liabilities	0.5	0.1
Accrued expenses and deferred income	2.8	0.7
Total current liabilities	31.5	7.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>439.8</b>	<b>31.5</b>

## Changes in the Parent Company's equity

SEK Million	Share capital	Unregistered share capital	Fund for development expenses	Reserves	Share premium reserve	Retained earnings	Profit for the period	Total equity
<b>Opening equity Jan 1, 2020</b>	<b>0.3</b>	<b>-</b>	<b>20.5</b>	<b>4.0</b>	<b>34.2</b>	<b>-26.7</b>	<b>-1.0</b>	<b>31.1</b>
Profit/loss for the period	-	-	-	-	-	-	-14.2	-14.2
Brought forward	-	-	-	-	-	-1.0	1.0	-
Capitalization of development expenses	-	-	-6.3	-	-	6.3	-	-
Bonus issue	0.2	-	-	-0.2	-	-	-	-
Ongoing new share issue	0.0	0.0	-	-	4.2	-	-	4.2
Warrants	-	-	-	-	-	0.7	-	0.7
<b>Closing equity Dec 31, 2020</b>	<b>0.5</b>	<b>0.0</b>	<b>14.2</b>	<b>3.7</b>	<b>38.3</b>	<b>-20.8</b>	<b>-14.2</b>	<b>21.8</b>
<b>Opening equity Jan 1, 2021</b>	<b>0.5</b>	<b>0.0</b>	<b>14.2</b>	<b>3.7</b>	<b>38.3</b>	<b>-20.8</b>	<b>-14.2</b>	<b>21.8</b>
Profit/loss for the period	-	-	-	-	-	-	-20.4	-20.4
Brought forward	-	-	-	-	-	-14.2	14.2	-
Capitalization of development expenses	-	-	3.7	-	-	-3.7	-	-
New share issue	0.4	-0.0	-	-	432.9	-0.2	-	433.1
New share issue expenses	-	-	-	-	-28.2	-	-	-28.2
Warrants	-	-	-	-	-	0.1	-	0.1
Options	-	-	-	-	-	1.6	-	1.6
<b>Closing equity Sep 30, 2021</b>	<b>0.9</b>	<b>-</b>	<b>17.9</b>	<b>3.7</b>	<b>443.1</b>	<b>-37.2</b>	<b>-20.4</b>	<b>408.0</b>

# Parent Company cash flow

SEK Million	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
<b>Cash flow from operating activities</b>				
Operating profit/loss	-6.1	-5.7	-3.6	-2.4
Adjustment for non-cash items				
- Depreciation, amortization and impairment	0.7	5.9	2.7	9.6
- Other non-cash items	0.4	-	0.7	-
Interest received	-	-	-	-
Interest paid	-0.0	-0.1	-0.2	-0.2
Income tax paid	-0.0	-	-0.5	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5.0</b>	<b>0.1</b>	<b>-0.9</b>	<b>7.0</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/decrease (+) in operating receivables	6.2	-9.5	6.6	-9.2
Increase (+)/decrease (-) in accounts payables	-6.4	2.2	-8.6	2.0
<b>Cash flow from operating activities</b>	<b>-5.2</b>	<b>-7.2</b>	<b>-2.9</b>	<b>-0.2</b>
<b>Cash flow from investing activities</b>				
Acquisition of subsidiaries, less acquired cash and cash equivalents	-	-0.3	-	-0.3
Investments in intangible assets	-2.2	-0.8	-6.5	-3.3
Increase/decrease in financial assets	-5.4	3.4	-32.1	0.1
Investment in associates	-	-	-1.5	-1.1
<b>Cash flow from investing activities</b>	<b>-7.5</b>	<b>2.3</b>	<b>-40.1</b>	<b>-4.6</b>
<b>Cash flow from financing activities</b>				
New share issue	300.0	4.2	433.3	4.2
New share issue expenses	-19.8	-	-28.2	-
Incentive programs	1.6	0.2	1.6	0.7
Repayment of loans	-	-	-2.0	-
<b>Cash flow from financing activities</b>	<b>281.8</b>	<b>4.3</b>	<b>404.7</b>	<b>4.9</b>
<b>Cash flow for the period</b>	<b>269.1</b>	<b>-0.6</b>	<b>361.7</b>	<b>0.1</b>
Cash and cash equivalents at beginning of the period	92.7	0.8	0.2	0.1
<b>Cash and cash equivalents at the end of the period</b>	<b>361.8</b>	<b>0.2</b>	<b>361.8</b>	<b>0.2</b>

# Notes

## Note 1 Accounting policies

The 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 December 31, 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 products 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 personnel.

### 2019/2022 warrant program

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 December 31, 2021, a total of 363 warrants had been granted. Five members of senior management hold a total of 236 warrants.

### 2020/2023 warrant program

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 at a rate of one-third annually, provided that the holder remains an employee.

At December 31, 2021, a total of 1,024 warrants had been granted. Fredrik Alpsten, CEO, and Ulf Klangby, a Board member and Deputy CEO, as well as a member of senior management, hold 580 and 52 warrants respectively. Five members of senior management hold a total of 202 warrants.

### 2021/2024 warrant program

The total program 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 at a rate of one-third annually, provided that the holder remains an employee.

At December 31, 2021, a total of 197,300 warrants had been granted. Fredrik Alpsten, CEO, and Ulf Klangby, Board member and Deputy CEO, as well as a member of senior management, hold 51,000 and 3,000 warrants respectively. Eight members of senior management hold a total of 107,000 warrants.

### 2021/2026 employee stock option plan

The total plan comprises 102,000 employee stock options. The options are awarded 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 at a rate of one-third annually starting from the grant date, provided that the holder remains an employee.

At December 31, 2021, a total of 71,700 options had been granted. No members of senior management hold 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 are 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. The interest expense for the period from January to December 2021 amounted to SEK 112.3 thousand (180.0).

The Group also purchased marketing services from a person defined as a related party in relation to Board member and Deputy CEO Ulf Klangby. The expense for the period from January to December 2021 amounted to SEK 1,012.9 thousand (404.8). 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. Provisions are measured at fair value. There are no derivatives.

## 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.

# Notes, continuation

## Note 6 Acquisition of shares in associated company

In early February, Devyser acquired the remaining 70.1 percent of the shares in the Italian associated company SmartSeq S.r.l. The purchase price amounted to SEK 8.6 million, of which 23 percent was paid in cash and 77 percent in newly issued Devyser shares. A total of 81,083 new shares were issued as payment, which corresponds to a dilution of approximately 0.5 percent. At the time of the acquisition, SmartSeq S.r.l. had equity of EUR 441.5 thousand, of which Devyser's share amounted to EUR 132.0 thousand. A preliminary acquisition analysis shows a surplus value of approximately SEK 4.0 million, which is divided between goodwill and software. The Amplicon Suite software is an important part of Devyser's customer offering for diagnostic analysis. The acquisition gives Devyser control over the rights and the Company will have the opportunity to integrate Amplicon Suite with Devyser's existing and future reagent kits at lower cost.

Information on net assets acquired and goodwill:

<b>Koncernen</b>	<b>Feb 4, 2022</b>
Purchase consideration	
- cash paid	8.6
- Acquisition Debt	-
- Direct costs relating to the acquisition	-
Total purchase consideration	8.6
Fair value of net assets acquired	5.8
Goodwill	2.8

# 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.

	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
<b>Gross margin (Gross profit/Net sales)</b>				
Gross profit, SEK million	18.5	13.2	71.9	47.0
Net sales, SEK million	24.5	17.7	93.5	65.7
Gross margin, %	75.3	74.3	76.9	71.6
<b>EBITDA-margin (EBITDA/Net sales)</b>				
Operating profit/loss, SEK million	-13.9	-10.1	-21.2	-10.9
Depreciation/amortization, SEK million	-1.6	-6.6	-6.0	-12.6
Net sales, SEK million	24.5	17.7	93.5	65.7
EBITDA-margin, %	Neg	Neg	Neg	2.6
<b>Operating margin (Operating profit/loss/Net sales)</b>				
Operating profit/loss, SEK million	-13.9	-10.1	-21.2	-10.9
Net sales, SEK million	24.5	17.7	93.5	65.7
Operating margin, %	Neg	Neg	Neg	Neg
<b>Return on equity (Profit/loss for the period/Average equity)</b>				
Profit/loss for the period, SEK million	-10.6	-8.2	-20.7	-10.9
Average equity, SEK million	281.1	32.8	223.7	33.9
Return on equity, %	Neg	Neg	Neg	Neg
<b>Available liquidity (Cash and cash equivalents + unutilized overdraft facility)</b>				
Cash and cash equivalents, SEK million	377.6	8.3	377.6	8.3
Overdraft facility, SEK million	6.0	6.0	6.0	6.0
Utilized overdraft facility, SEK million	-	-2.0	-	-2.0
Available liquidity, SEK million	383.6	12.3	383.6	12.3
<b>Net cash/Net debt (Interest-bearing liabilities - Interest-bearing assets)</b>				
Interest-bearing liabilities, SEK million	13.0	21.5	13.0	21.5
Interest-bearing assets, SEK million	377.6	8.3	377.6	8.3
Net cash (-)/Net debt (+), SEK million	-364.7	13.2	-364.7	13.2
<b>Equity ratio (Closing equity/Closing total assets)</b>				
Closing equity, SEK million	416.7	30.8	416.7	30.8
Closing total assets, SEK million	456.9	74.4	456.9	74.4
Equity ratio, %	91.2	41.4	91.2	41.4
<b>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</b>				
Net sales in EUR million	2.1		8.0	
Net sales in USD million	0.1		0.5	
Net sales, SEK million	24.5	17.7	93.5	65.7
Average exchange rate EUR/SEK	10.1253	10.2769	10.1444	10.4866
Average exchange rate USD/SEK	8.8543	8.6296	8.5800	9.2037
Sales growth adjusted for exchange rate changes, %	39.7		46.9	

# About Devyser

Devyser is specialized in the development, manufacture, and sales of diagnostic kits. The products are sold to routine diagnostic laboratories in more than 45 countries. The products are used for complex DNA testing within hereditary diseases, oncology, and transplantation. The products are used to guide targeted cancer therapies, to enable a wide array of genetic tests, as well as in post-transplant follow-up. Devyser's product development 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](http://www.devyser.com)

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### Financial calendar

Annual Report 2021	April 6, 2022
Q1 2022 interim report	May 11, 2022
Annual General Meeting	May 11, 2022
Q2 2022 interim report	August 24, 2022
Q3 2022 interim report	November 10, 2022



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