

Continued strong sales growth

Quarter from January to March 2024

- Net sales amounted to SEK 50.7 million (39.5), corresponding to a 28.5 percent increase. Adjusted for exchange rate fluctuations, net sales increased by 27.7 percent.
- Gross profit totaled SEK 41.9 million (33.7), corresponding to a gross margin of 82.7 percent (85.2).
- Operating profit (EBIT) amounted to SEK -12.2 million (-19.1).
- Profit after tax totaled SEK -12.2 million (-19.9).
- Earnings per share before and after dilution amounted to SEK -0.75 (-1.24).
- Cash flow from operating activities stood at SEK -16.5 million (-19.3).

Important events during the quarter

IVD development agreement with Illumina Inc.

In early January, a contract was signed with Illumina for IVD (in vitro diagnostics) development. This was to enable US and European regulatory registrations of Devyser's NGS tests on MiSeqDx, Illumina's FDA-regulated and CE-IVD-marked sequencing instrument.

Devyser Genomic Laboratories signed its first commercial contract

Devyser Genomic Laboratories, Devyser's US-based CLIA-certified laboratory, signed its first commercial contract in mid-January with UK-based diagnostics company Cyted. The contract's term is initially two years, and revenues are estimated to total approximately SEK 25.0 million, of which up to around SEK 6.0 million in 2024.

Devyser strengthened its management team

The management team was expanded on February 1 when it was joined by CSO Michael Uhlin. The latter has extensive experience in the global life sciences sector and has long been engaged in translational research and development.

Devyser's senior management now consists of CEO Fredrik Alpsten, CFO Sabina Berlin, CCO Theis Kipling, COO Göran Rydin, CSO Michael Uhlin and CHRO Camilla Wiberg.

Important events after the end of the quarter

Devyser granted MDSAP certification in Brazil

In April, Devyser was granted MDSAP (Medical Device Single Audit Program) certification for its quality management system in Brazil for both analytics and software. The MDSAP certification in Brazil is in addition to the company's existing certificates in the US and Canada.

Devyser enters into a partnership with Hamilton for the automation of NGS workflows in laboratories

In April, a joint marketing agreement was signed with Hamilton Bonaduz AG, a leading global manufacturer of laboratory automation technology. The agreement allows customers to automate Devyser's products using Hamilton's robots.

Devyser granted IVDR approval for post-transplant monitoring software

In April, Devyser was granted IVDR approval for its Advyser Solid Organs software, which is used with the One Lambda Devyser Accept cfDNA product for post-transplant monitoring. This is Devyser's first IVDR-certified software to be approved in Europe under the new, more comprehensive regulation that came into force in May 2022.

The share and new issues

In April, two new share issues were carried out in connection with the exercising of warrants and employee stock options. The issues raised SEK 0.8 million for the company.

Performance measures	Jan - Mar 2024	Jan - Mar 2023	Apr 2023 - Mar 2024	Jan - Dec 2023
Net sales, SEK million	50.7	39.5	180.5	169.3
Sales growth, %	28.5	29.9	33.0	33.7
Gross margin, %	82.7	85.2	84.8	85.5
EBITDA, SEK million	-5.6	-16.3	-35.1	-45.8
EBITDA margin, %	Neg	Neg	Neg	Neg
Operating profit/loss (EBIT), SEK million	-12.2	-19.1	-52.0	-58.9
Operating margin (EBIT margin), %	Neg	Neg	Neg	Neg
Profit/loss after tax, SEK million	-12.2	-19.9	-45.8	-53.6
Cash flow from operating activities, SEK million	-16.5	-19.3	-67.0	-69.7
Cash and cash equivalents, SEK million	215.0	337.4	215.0	262.9
Net cash (-)/Net debt (+), SEK million	-146.6	-317.2	-146.6	-188.2
Equity ratio, %	75.4	84.8	75.4	75.5
Return on equity, %	Neg	Neg	Neg	Neg
Average no. of employees	119	93	107	102

See page 17 for definitions of the performance measures.

A word from the CEO

Devyser reports continued strong sales growth and high gross margins for the quarter. It is particularly pleasing to see that our investment in the Americas is continuing to produce results, with growth of nearly 300 percent. It was also gratifying that, during the quarter, we were able to successfully conclude important commercial contracts with both Illumina and UK-based Cyted, while continuing to win tenders.

Sales and results

Organic sales growth in the first quarter amounted to 29 percent, of which 28 percent in local currencies. Although these are high figures, there is a strong prospect of growth increasing even further in the future. This is because, among other factors, growth in some of our direct markets in Europe, and the distributor markets in Asia, was lower than we wished during the quarter. Europe as a whole grew by 22 percent, while there was negative growth in Asia, primarily due to the uneven purchasing patterns of our distributors. We believe that the growth in Europe will increase, however, and that the strong development that we saw in 2023 will make a comeback, as several of the major steps that we took in 2022 and 2023 produce their full effects. We also view the negative development in Asia as temporary. Over the past 12-18 months, we have signed several distributor contracts in Asia and expect these to start generating sales in the second half of 2024.

Most encouragingly, growth in North and South America remains strong. The first quarter saw a 291 percent increase in sales, albeit from low levels. Another encouraging event during the quarter was the contract with UK-based Cyted. This is the first major contract for Devyser Genomic Laboratories, our CLIA-certified laboratory.

Our main focus in 2024 and 2025 will be North America and Europe, and we will continue to grow and consolidate our market share in both markets. We expect continued strong growth in these regions going forward.

The gross margin amounted to 82.7 percent, compared with 85.2 percent for the same quarter of last year. The lower gross margin is mainly a result of the production capacity build-up, which was increased in order to seize business opportunities and cater for the increases in volume expected in the future. Significant investments have been made in both production capacity and the related personnel. We are nonetheless positive about the gross margin's development over time, partly because we have a scalable manufacturing process, where the increased fixed costs will soon be absorbed by increases in volume, and partly because we believe that we are still able to continually raise prices.

The results for the quarter were in line with expectations. The operating loss improved to SEK -12.2 million, compared with SEK -19.1 million for the same quarter of last year.

As announced in our Q3 2023 report, our move to new premises has entailed one-off costs, affecting the fourth quarter of 2023, and to some extent the first quarter of 2024 as well. Despite this, operational expenses increased by only 9.7 percent during the first quarter compared with the first quarter of 2023. We are confident that the positive earnings trend that we saw in 2023 will continue, and that we will meet our financial target of an operating margin of more than 20 percent during the 2024-2026 period.

“Our investment in the Americas is continuing, with growth of nearly 300 percent”

An exciting product development portfolio

The regulatory requirements for our products are continually increasing, most recently in the form of new requirements announced by the US FDA. However, Devyser, which has made substantial investments in regulatory expertise, is at the forefront when it comes to compliance with new regulatory requirements, both in North America and Europe. Devyser is therefore deemed to have an advantage over competitors when new regulatory requirements are introduced. Devyser remains one of the few companies to have IVDR-approved products.

Although we are investing heavily in the marketing and sale of our products, we are continuing to engage in extensive product development. In addition to the ongoing process of upgrading our IVD products to comply with the IVDR, we estimate that we will be able to launch between 5 and 10 new products over the next 6-18 months. This includes heart, lung and liver transplant products.

Overall, the first quarter of 2024, like the full-year 2023, was a very eventful quarter, and we are optimistic about the full-year 2024.

Stockholm, May 7, 2024

Fredrik Alpsten, CEO



Group development, January to March 2024

Net sales

Net sales for the period from January to March 2024 amounted to SEK 50.7 million (39.5), representing an increase of 28.5 percent. Adjusted for exchange rate fluctuations, the increase was 27.7 percent. The increase was driven by higher direct sales and distributor sales.

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

Gross profit

Gross profit for the period from January to March 2024 totaled SEK 41.9 million (33.7).

The gross margin for the period amounted to 82.7 percent, compared with 85.2 percent for the same period of the previous year. The decrease was mainly attributable to strengthening manufacturing capacity to meet expected future volume growth.

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.

Amortization of capitalized development expenses amounted to SEK 1.2 million (0.5) for the period.

Operating expenses

Operating expenses for the period from January to March 2024 amounted to SEK 57.9 million (52.7). The increase in expenses is primarily due to the recruitment of sales, development and administrative personnel as part of the company's growth strategy, expenses relating to the implementation of a new ERP system and CRM system.

Total research and development expenses during the first quarter of 2024 amounted to SEK 16.9 million (14.3), of which SEK 6.2 million (3.2) were capitalized and SEK 10.7 million (11.1) were 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.

Other operating income and expenses totaled a net amount of SEK 3.8 million (0.0) for the period.

Operating profit/loss

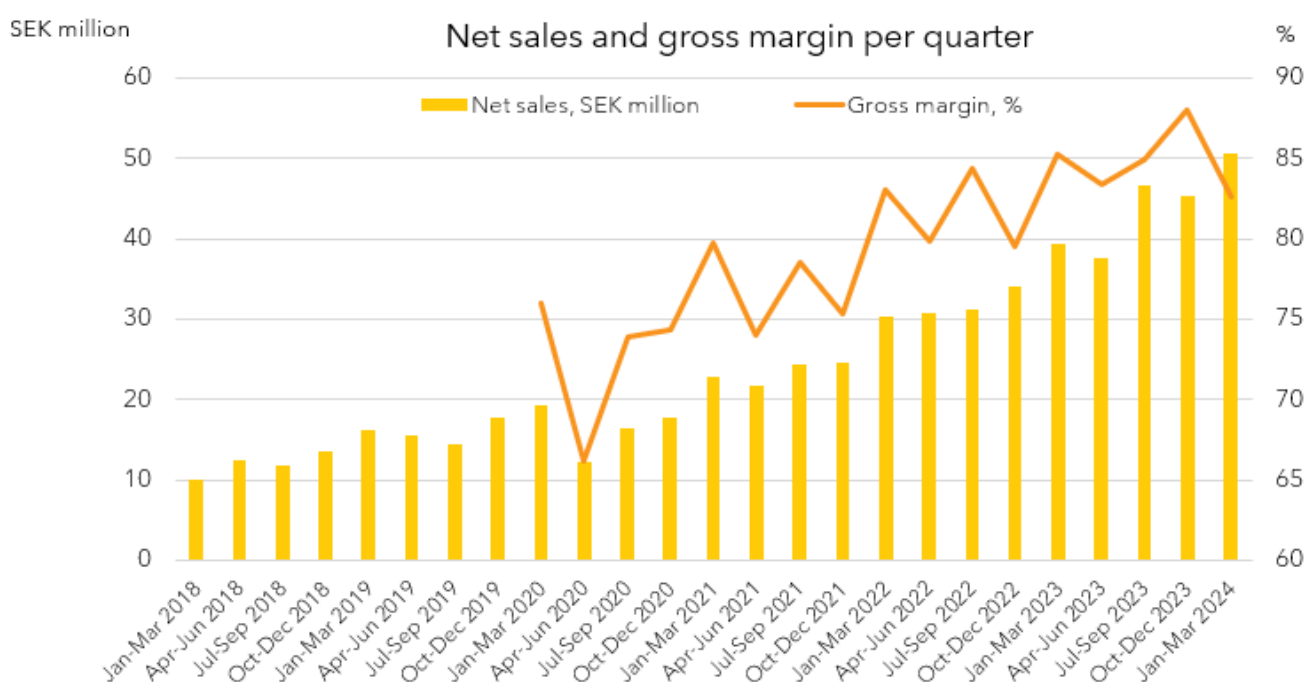
Operating profit for the period from January to March 2024 totaled SEK -12.2 million (-19.1). The reason for the negative operating result for both 2024 and 2023 is primarily increased investments in sales in the form of new hires.

Net financial items

Net financial items for the period from January to March 2024 totaled SEK 1.3 million (-0.2).

Profit/loss

Profit before tax for the period was SEK -10.9 million (-19.3), and profit after tax was SEK -12.2 million (-19.9). See Note 7 on page 16.



Sales by region, SEK million	Jan - Mar 2024	Jan - Mar 2023	Change, %	Jan - Dec 2023
EMEA	45.2	37.0	22.3	149.4
Asia-Pacific	1.1	1.4	-22.0	6.1
North and South America	4.4	1.1	291.3	13.8
Total	50.7	39.5	28.5	169.3

Sales by sales channel, SEK million	Jan - Mar 2024	Jan - Mar 2023	Change, %	Jan - Dec 2023
Direct sales	38.3	32.9	16.6	130.8
Distributor sales	12.4	6.6	87.9	38.4
Total	50.7	39.5	28.5	169.3

Cash flow and cash position

For the period from January to March 2024, cash flow from operating activities after changes in working capital was SEK -16.5 million (-19.3). Cash and cash equivalents as of March 31, 2024 amounted to SEK 215.0 million (337.4).

Investments

Total net investments came to SEK 27.5 million (6.8), including capitalized development expenses of SEK 8.2 million (3.2) and SEK 14.7 million (0.0) related to the move to the new premises in Årsta. The Group has no investment commitments.

Assets

As of March 31, 2024, intangible assets amounted to SEK 65.8 million (42.5). The intangible non-current assets consist of the capitalized development expenses for Devyser's products, license fees, capitalized development expenses for software and goodwill acquired from the subsidiary SmartSeq S.r.l., totaling SEK 7.0 million (6.6), and 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 lives, which vary from five to ten years.

The amortization of capitalized development expenses attributable to the products developed by Devyser is recognized in Group cost of

goods sold and in the Parent Company's research and development costs.

During the period, Devyser began a move to new premises in Årsta in Stockholm. The lease was signed during the second quarter of 2023 and will run for seven years, with a four-year option. The asset's value is recognized in Right-of-use assets, and the related liability in Lease liabilities. The value of the total right-of-use assets as of March 31, 2024 was SEK 70.7 million (19.7).

Equity and liabilities

As of March 31, 2024, the Group's equity amounted to SEK 374.5 million (413.0), and the equity ratio was 75.4 percent (84.8).

As of March 31, 2024, interest-bearing liabilities amounted to SEK 68.4 million (20.1). Interest-bearing liabilities relate mainly to lease liabilities. Current non-interest-bearing liabilities totaled SEK 48.8 million (51.2).

Important events in the Parent Company

The improvement in the Parent Company's profit is mainly due to higher intra-Group revenues, mainly royalty revenue from the subsidiary Devyser AB.

Performance measures by quarter	Jan - Mar 2024	Oct - Dec 2023	Jul - Sep 2023	Apr - Jun 2023	Jan - Mar 2023	Oct - Dec 2022	Jul - Sep 2022
Net sales, SEK million	50.7	45.4	46.7	37.7	39.5	34.2	31.2
Gross profit, SEK million	41.9	40.0	39.6	31.5	33.7	27.2	26.3
Gross margin, %	82.7	88.1	85.0	83.4	85.2	79.5	84.4
EBITDA, SEK million	-5.6	-14.2	-4.1	-11.1	-16.3	-23.4	-5.8
EBITDA margin, %	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Operating profit/loss (EBIT), SEK million	-12.2	-18.5	-7.8	-13.5	-19.1	-25.9	-8.2
Operating margin (EBIT margin), %	Neg	Neg	Neg	Neg	Neg	Neg	Neg
Profit/loss after tax, SEK million	-12.2	-13.1	-6.0	-14.6	-19.9	-16.7	-8.8
Cash flow from operating activities, SEK million	-16.5	-13.8	-13.9	-22.8	-19.3	-13.4	-11.8
Average no. of employees	119	111	102	98	93	87	78

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 domiciled in Stockholm. The address of its head office is Instrumentvägen 19, 126 53 Hägersten, Sweden. Devyser Diagnostics AB has been listed on the Nasdaq First North Premier Growth Market since December 2021.

Receivables and liabilities in respect of Group companies primarily consist of amounts owed by 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 March 2024, the average number of Group employees was 119 (93), of which 2 (2) in the Parent Company. The average number broken down by country was 87 (68) in Sweden, 17 (13) in Italy, 7 (4) in the United States, 3 (3) in Germany, 2 (2) in Belgium, 1 (1) in the United Kingdom, 1 (1) in Spain and 1 (1) in France. The average number of women employed by the Group was 74 (56) and the average number of men was 45 (37). At the balance sheet date, the number of employees was 124 (101).

Market

Devyser sells genetic testing products to laboratories in more than 65 countries. The products include reagent kits and the related software. Sales are made primarily to routine diagnostic laboratories, partly through our own sales teams in selected markets and partly through distributors.

The products are used for complex DNA testing in the hereditary disease, oncology and transplant fields, to enable targeted cancer treatment, the diagnosis of a large number of genetic diseases, and transplant patient follow-up.

The market size for the company's products is large and, according to an external market survey conducted in 2021, should reach EUR 5.6 billion by 2026.

Related-party transactions

See Notes 2 and 3 on page 15 for a description of the related-party transactions.

Significant risks and uncertainties

The Group's activities are associated with a number of risks and uncertainties.

Russia's invasion of Ukraine and the war in Gaza have no direct impact on Devyser, as it has no or limited business activities in the countries concerned.

The current market turmoil and inflation, and changes in interest rates, may have an impact on the industry, and on Devyser's operating expenses and sales growth. A possible recession could negatively affect future revenues. Devyser's sales are mainly in Euros and US dollars, meaning that the company is exposed to exchange rate fluctuations.

For more information, a detailed description of the company's risk exposure can be found in the 2023 Annual Report, pages 41-42, and in Note 15, pages 79-87. No changes are considered to have occurred since the Annual Report was published other than those described

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 the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, May 7, 2024
Devyser Diagnostics AB (publ)

Mia Arnhult
Chair of the Board

Fredrik Mattsson
Board member

Lars Höckenström
Board member

Fredrik Alpsten
CEO

Fredrik Dahl
Board member

Pia Gideon
Board member

The share and shareholders

As of March 31, 2024, Devyser Diagnostics AB had a total of 16,284,469 (16,140,469) shares and votes.

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

The new and existing incentive programs may currently increase the number of shares by 825,556 (see Note 2 on page 15).

The largest shareholders as of March 31, 2024 were:

Owner	Number of shares	Ownership, %
Rutger Arnhult via company	3,935,000	24.2
Nordnet Pensionsförsäkringar	1,864,875	11.5
Swedbank Robur	1,304,100	8.0
Ferd	1,000,000	6.1
Fourth Swedish National Pension Fund	759,821	4.7
Berenberg Asset Management on behalf of Universal Investment funds	694,917	4.3
Åsa Riisberg via company	664,294	4.1
Anders Hedrum, privately and via company	543,100	3.3
Deka Investments	420,200	2.6
Insr Insurance Group	381,973	2.3
Other shareholders, around 900	4,716,189	29.0
Total	16,284,469	100.0

After the balance sheet date, two new share issues were completed in connection with the exercising of warrants and employee stock options, and at the time of submission of this report the number of shares was 16,293,384.

Analysts covering the Company

Ulrik Trattner, Carnegie
Oscar Bergman, Redeye
Johan Unnérus, Redeye

Auditors' review

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

Consolidated statement of income and other comprehensive income

SEK million	Jan - Mar 2024	Jan - Mar 2023	Jan - Dec 2023
Net sales	50.7	39.5	169.3
Cost of goods sold	-8.8	-5.8	-24.5
Gross profit	41.9	33.7	144.7
Other operating income	3.9	1.2	9.0
Selling expenses ¹	-34.3	-30.8	-121.5
Administrative expenses	-12.9	-10.9	-42.0
Research and development costs	-10.7	-11.1	-37.8
Other operating expenses	-0.2	-1.2	-11.4
Operating profit/loss	-12.2	-19.1	-58.9
Financial income	2.2	0.0	5.3
Financial expenses	-0.9	-0.2	-0.8
Net financial items	1.3	-0.2	4.5
Profit/loss before tax	-10.9	-19.3	-54.4
Tax ²	-1.2	-0.7	0.8
Profit/loss for the period	-12.2	-19.9	-53.6
Other comprehensive income			
<i>Items which may be recognized in the income statement</i>			
Exchange rate differences for the period when translating foreign subsidiaries	0.5	0.4	0.3
Total other comprehensive income	0.5	0.4	0.3
Total comprehensive income for the period	-11.6	-19.6	-53.2
Earnings per share before dilution, SEK	-0.75	-1.24	-3.31
Earnings per share after dilution, SEK	-0.75	-1.24	-3.31
Average no. of shares, before dilution	16,284,469	16,123,269	16,180,907
Average no. of shares, after dilution	17,110,025	16,894,219	17,052,245

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

1) See Note 6 on page 16.

2) See Note 7 on page 16.

Consolidated statement of financial position

SEK million	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
ASSETS			
Non-current assets			
Goodwill	7.0	6.9	6.7
Capitalized development expenses	51.0	32.9	43.9
Other intangible assets	7.8	2.7	5.4
Equipment, tools and plant	33.2	12.1	17.1
Right-of-use assets	70.7	19.7	74.5
Deferred tax assets ²	20.8	18.4	20.6
Other non-current receivables	0.1	0.1	0.1
Total non-current assets	190.6	92.8	168.3
Current assets			
Inventories	24.6	10.6	20.6
Trade receivables	37.5	33.1	33.7
Current tax assets	1.8	1.0	1.9
Other receivables	13.1	4.1	9.7
Prepaid expenses and accrued income	14.0	7.8	13.0
Cash and cash equivalents	215.0	337.4	262.9
Total current assets	306.0	394.0	341.8
TOTAL ASSETS	496.6	486.8	510.1
EQUITY AND LIABILITIES			
EQUITY			
Share capital	0.9	0.9	0.9
Other paid-in capital	513.9	508.2	513.2
Translation reserve	1.7	1.2	1.2
Retained earnings, including profit/loss for the period	-142.0	-97.4	-130.2
TOTAL EQUITY	374.5	413.0	385.1
LIABILITIES			
Non-current liabilities			
Borrowings	0.4	0.6	0.6
Lease liabilities	51.9	13.9	56.7
Deferred tax liabilities	0.2	0.3	0.2
Provisions	1.2	0.8	1.0
Other non-current liabilities	3.5	1.4	3.7
Total non-current liabilities	57.1	17.0	62.1
Current liabilities			
Borrowings	0.1	0.1	-
Lease liabilities	15.9	5.5	17.5
Trade payables	17.2	13.0	14.2
Current tax liabilities	0.7	5.7	0.3
Other liabilities ¹	12.6	14.5	10.9
Accrued expenses and deferred income	18.3	18.0	20.0
Total current liabilities	64.9	56.9	62.9
TOTAL EQUITY AND LIABILITIES	496.6	486.8	510.1

1) See Note 6 on page 16.

2) See Note 7 on page 16.

Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Translation reserve	Retained earnings, including profit/loss for the period	Total equity
Opening equity, Jan 1, 2023	0.9	507.6	0.8	-77.9	431.4
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-19.9	-19.9
Other comprehensive income for the period	-	-	0.4	-	0.4
Total comprehensive income	-	-	0.4	-19.9	-19.6
<i>Shareholder transactions</i>					
New share issues	0.0	0.7	-	0.1	0.8
Warrants	-	-0.0	-	-	-0.0
Employee stock options	-	-	-	0.3	0.3
Closing equity, Mar 31, 2023	0.9	508.2	1.2	-97.4	413.0
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-33.7	-33.7
Other comprehensive income for the period	-	-	-0.0	-	-0.0
Total comprehensive income	-	-	-0.0	-33.7	-33.7
<i>Shareholder transactions</i>					
New share issues	0.0	4.9	-	-0.1	4.8
Warrants	-	0.0	-	-	0.0
Employee stock options	-	-	-	1.0	1.0
Closing equity, Dec 31, 2023	0.9	513.2	1.2	-130.2	385.1
Opening equity, Jan 1, 2024	0.9	513.2	1.2	-130.2	385.1
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-12.2	-12.2
Other comprehensive income for the period	-	-	0.5	-	0.5
Total comprehensive income	-	-	0.5	-12.2	-11.6
<i>Shareholder transactions</i>					
New share issues	0.0	0.8	-	-	0.8
Warrants	-	-0.0	-	-	-0.0
Employee stock options	-	-	-	0.3	0.3
Closing equity, Mar 31, 2024	0.9	513.9	1.7	-142.0	374.5

Consolidated cash flow statement

SEK million	Jan - Mar 2024	Jan - Mar 2023	Jan - Dec 2023
Cash flow from operating activities			
Operating profit/loss ¹	-12.2	-19.1	-58.9
Adjustment for non-cash items			
- Depreciation, amortization and impairment	6.6	2.7	13.1
- Other non-cash items	1.2	0.5	2.0
Interest received	0.0	0.0	5.0
Interest paid	-0.9	-0.2	-0.8
Income tax paid	0.1	1.9	-8.6
Cash flow from operating activities before changes in working capital	-5.2	-14.2	-48.2
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories	-3.9	-0.5	-10.5
Increase (-)/Decrease (+) in operating receivables	-9.4	-7.2	-15.7
Increase (+)/Decrease (-) in operating payables	1.9	2.6	4.7
Cash flow from operating activities	-16.5	-19.3	-69.7
Cash flow from investing activities			
Investments in intangible non-current assets	-10.8	-3.5	-20.5
Investments in property, plant and equipment	-16.8	-3.3	-11.5
Cash flow from investing activities	-27.5	-6.8	-32.0
Cash flow from financing activities			
New share issues	0.8	0.6	5.6
Warrant programs	-0.0	-	-0.0
Repayments of borrowings	-	-	-0.1
Repayments of lease liabilities	-3.8	-1.1	-5.7
Cash flow from financing activities	-3.1	-0.5	-0.2
Cash flow for the period	-47.1	-26.5	-102.0
Cash and cash equivalents at the beginning of the period	262.9	363.6	363.6
Exchange gains/losses on cash and cash equivalents	-0.8	0.3	1.3
Cash and cash equivalents at the end of the period	215.0	337.4	262.9

1) Operating profit for January to December 2023 includes the reversal of a EUR 0.6 million provision made for the retroactive payback levy due to the Italian Ministry of Health. See Note 6 on page 16.

Parent Company income statement

SEK million	Jan - Mar 2024	Jan - Mar 2023	Jan - Dec 2023
Net sales	11.8	8.3	37.7
Cost of goods sold	-0.0	-0.1	-0.2
Gross profit	11.7	8.3	37.5
Other operating income	0.0	0.0	0.0
Selling expenses	-	-0.9	-0.9
Administrative expenses	-6.3	-5.1	-20.6
Research and development costs	-1.1	-0.5	-3.1
Operating profit/loss	4.3	1.8	12.9
Net interest and similar items	2.2	-0.0	5.2
Profit/loss from financial items	2.2	-0.0	5.2
Profit after financial items	6.5	1.7	18.1
Appropriations	-	-	-68.4
Profit/loss before tax	6.5	1.7	-50.3
Tax ¹	0.2	0.1	2.1
Profit/loss for the period	6.7	1.8	-48.2

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

1) See Note 7 on page 16.

Parent Company balance sheet

SEK million	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenses	48.3	32.7	43.3
Total intangible assets	48.3	32.7	43.3
Financial non-current assets			
Investments in Group companies	69.5	59.2	69.3
Deferred tax assets ¹	20.3	18.2	20.2
Total financial non-current assets	89.9	77.3	89.5
Total non-current assets	138.1	110.0	132.8
Current assets			
Trade receivables	-	7.1	-
Amounts owed by Group companies	81.1	16.9	30.4
Current tax assets	0.7	0.7	0.5
Other receivables	0.6	0.2	0.3
Prepaid expenses and accrued income	3.1	1.0	0.8
Cash in hand and at bank	166.7	296.2	218.6
Total current assets	252.2	322.1	250.5
TOTAL ASSETS	390.3	432.2	383.3
EQUITY AND LIABILITIES			
EQUITY			
Share capital	0.9	0.9	0.9
Statutory reserve	3.7	3.7	3.7
Reserve for development expenses	48.3	32.7	43.3
Ongoing share issues	0.0	-	-
Total restricted equity	52.9	37.3	48.0
Share premium reserve	508.6	502.5	507.8
Retained earnings	-184.1	-121.2	-131.2
Profit/loss for the period	6.7	1.8	-48.2
Total non-restricted equity	331.1	383.1	328.4
TOTAL EQUITY	384.1	420.4	376.3
LIABILITIES			
Non-current liabilities			
Provisions	1.2	0.8	1.0
Total non-current liabilities	1.2	0.8	1.0
Current liabilities			
Trade payables	1.0	7.0	0.9
Amounts owed to Group companies	0.0	-	0.0
Current tax liabilities	-	0.3	-
Other liabilities	2.0	1.6	2.1
Accrued expenses and deferred income	2.1	2.0	2.9
Total current liabilities	5.1	10.9	5.9
TOTAL EQUITY AND LIABILITIES	390.3	432.2	383.3

1) See Note 7 on page 16.

Changes in the Parent Company's equity

SEK million	Share capital	Non-registered share capital	Reserve for development expenses	Reserves	Share premium reserve	Retained earnings	Profit/loss for the period	Total equity
Opening equity, Jan 1, 2023	0.9	-	30.0	3.7	501.8	-69.2	-49.6	417.7
Profit/loss for the period	-	-	-	-	-	-	1.8	1.8
Appropriation of earnings	-	-	-	-	-	-49.6	49.6	-
Capitalization of development expenses	-	-	2.7	-	-	-2.7	-	-
New share issues ¹	0.0	-	-	-	0.7	-0.0	-	0.6
Employee stock options	-	-	-	-	-	0.3	-	0.3
Closing equity, Mar 31, 2023	0.9	-	32.7	3.7	502.5	-121.2	1.8	420.4
Profit/loss for the period	-	-	-	-	-	-	-50.0	-50.0
Capitalization of development expenses	-	-	10.6	-	-	-10.6	-	-
New share issues	0.0	-	-	-	5.3	-0.4	-	5.0
Employee stock options	-	-	-	-	-	1.0	-	1.0
Warrants	-	-	-	-	-	-0.0	-	-0.0
Closing equity, Dec 31, 2023	0.9	-	43.3	3.7	507.8	-131.2	-48.2	376.3
Opening equity, Jan 1, 2024	0.9	-	43.3	3.7	507.8	-131.2	-48.2	376.3
Profit/loss for the period	-	-	-	-	-	-	6.7	6.7
Appropriation of earnings	-	-	-	-	-	-48.2	48.2	-
Capitalization of development expenses	-	-	5.0	-	-	-5.0	-	-
New share issues	-	0.0	-	-	0.8	-0.0	-	0.8
Employee stock options	-	-	-	-	-	0.3	-	0.3
Warrants	-	-	-	-	-	-0.0	-	-0.0
Closing equity, Mar 31, 2024	0.9	0.0	48.3	3.7	508.6	-184.1	6.7	384.1

Parent Company cash flow

SEK million	Jan - Mar 2024	Jan - Mar 2023	Jan - Dec 2023
Cash flow from operating activities			
Operating profit/loss	4.3	1.8	12.9
Adjustments for non-cash items			
- Depreciation, amortization and impairment	1.1	0.5	3.1
- Other non-cash items	0.9	0.1	0.7
Interest received	0.0	0.0	4.9
Interest paid	-	-	-0.0
Tax paid	-0.1	-	-
Cash flow from operating activities before changes in working capital	6.2	2.4	21.6
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables	-12.4	-5.7	-16.8
Increase (+)/Decrease (-) in operating payables	6.1	6.1	-6.4
Cash flow from operating activities	-0.0	2.8	-1.6
Cash flow from investing activities			
Shareholder contributions	-	-0.0	-9.3
Investments in intangible non-current assets	-6.1	-3.2	-16.4
Increase/decrease in financial non-current assets	-46.5	-28.0	-83.7
Cash flow from investing activities	-52.6	-31.2	-109.4
Cash flow from financing activities			
New share issues	0.8	0.6	5.6
Stock option plans	-0.0	-	-0.0
Cash flow from financing activities	0.8	0.6	5.6
Cash flow for the period	-51.8	-27.8	-105.5
Cash and cash equivalents at the beginning of the period	218.6	324.1	324.1
Cash and cash equivalents at the end of the period	166.7	296.2	218.6

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 and other IFRIC interpretations came into effect on January 1, 2024. None of the new standards had any impact on the reporting of the Group or the Parent Company at March 31, 2024.

All amounts are reported in millions of kronor (SEK million) unless otherwise stated. Figures in brackets refer to the previous year. The figures in tables and calculations may be rounded, meaning that the total amounts shown may not always be the exact sum of the rounded amounts.

For more information about the accounting policies, refer to the 2023 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, and only one segment is therefore reported, 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 the senior management, evaluate the Group's activities as a whole 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 5.

Note 2 Incentive programs

Devyser has four outstanding incentive programs for employees and key personnel.

2021/2024 warrant program

The total program comprises 198,000 warrants. The warrants were acquired at market value. Each warrant entitles its 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.

As of March 31, 2024, a total of 194,200 warrants had been granted and not exercised. Fredrik Alpsten, CEO, holds 51,000 warrants. Two members of the senior management together hold a total of 80,000 warrants. Since the balance sheet date, 3,249 warrants have been exercised.

2021/2026 employee stock option plan

The total plan comprises 102,000 employee stock options, plus 32,048 options for the hedging of social security contributions. The options are granted free of charge. Each option entitles its 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.

As of March 31, 2024, a total of 72,700 options had been granted and not exercised. No members of the senior management hold any employee stock options under the plan.

2022/2026 employee stock option plan

The total plan comprises 250,000 employee stock options, plus 78,550 options for the hedging of social security contributions. The options are granted free of charge. Each option entitles its holder to subscribe for one new share at SEK 89.34 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.

As of March 31, 2024, a total of 209,066 options had been granted and not exercised. Two members of the senior management together hold a total of 100,000 employee stock options. Since the balance sheet date, 5,666 options have been exercised.

2023/2027 employee stock option plan

The total plan comprises 200,000 employee stock options, plus 62,840 options for the hedging of social security contributions. The options are granted free of charge. Each option entitles its holder to subscribe for one new share at SEK 101.71 per share until June 2027. The options are vested at a rate of one-third annually starting from the grant date, provided that the holder remains an employee.

As of March 31, 2024, a total of 157,600 options had been granted and not exercised. Fredrik Alpsten, CEO, holds 50,000 options. Five members of the senior management together hold a total of 90,000 employee stock options.

Note 3 Related-party transactions

Related-party transactions arise in the normal course of business and are carried out at arm's length and market prices. No transactions with related parties took place during the period other than customary transactions between Group companies and the remuneration of management and the Board.

See Note 2 on incentive programs.

Note 4 Financial assets and liabilities

The financial assets and liabilities on the balance sheet, mainly trade receivables and payables, are measured at amortized cost, which is considered the best estimate of their fair value. Provisions are measured at fair value. There are no derivative instruments.

Notes, continued

Note 5 Revenue from contracts with customers

Devyser applies IFRS 15 Revenue from contracts with customers. The majority of Devyser's revenue is from the sale of goods that are sold primarily to clinical labs at hospitals and other operators. Devyser's performance obligations in its contracts consist of providing the goods specified in them. The performance obligations are met and the revenue is reported when control of the products is transferred to the customer. For most delivery contracts, control is transferred when the goods leave Devyser and the customer can therefore control their use and benefit from them. Billing normally takes place in connection with delivery and is reported at a given point in time. Devyser has chosen to apply the practical solution available under IFRS 15 of not disclosing residual performance obligations if the term is less than one year.

Note 6 Provision due to retroactive payback levy

In 2022, the Italian Ministry of Health introduced a retroactive levy, known as a payback levy, on companies that marketed medical devices in Italy, for sales to the National Health Service (NHS-SSN) from 2015 to 2018.

The total amount provided for amounted to EUR 0.6 million (SEK 6.4 million) as of December 31, 2022, and is reported in the consolidated statement of income and other comprehensive income in Selling expenses, and in the consolidated statement of financial position in Other liabilities. Estimated costs for the years 2019 to 2022 are included. After an evaluation, together with the company's Italian lawyer, of the legal position as it was considered to be, it was judged that the payback levy would not need to be paid. During the second quarter of 2023, EUR 0.2 million (SEK 2.1 million) of the provision were reversed, and during the fourth quarter the remaining EUR 0.4 million (SEK 4.8 million) of the provision were reversed.

Note 7 Deferred tax

Within the Group, deferred tax is mainly recognized for accumulated losses, leases and endowment policies for which there are temporary differences.

The tax effects of loss carryforwards are taken into account only to the extent that there are convincing factors that suggest that these may be utilized in the foreseeable future. There are no time limits on any of the losses.

At year-end 2023, the Parent Company had carry forwards of unused tax losses of SEK 185.8 million (136.9), corresponding to deferred tax assets of SEK 38.3 million (28.2). After valuation, SEK 19.1 million are recognized in deferred tax assets in the balance sheet as of December 31, 2023.

Use of non-IFRS performance measures

The Devyser Group prepares its consolidated financial statements in accordance with IFRS. Only a few performance measures are defined in the 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 performance measures. Senior management believes that these measures make it easier to evaluate the performance of the Group.

Definitions of non-IFRS performance 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.

	Jan - Mar 2024	Jan - Mar 2023	Jan - Dec 2023
Gross margin (gross profit/net sales)			
Gross profit, SEK million	41.9	33.7	144.7
Net sales, SEK million	50.7	39.5	169.3
Gross margin, %	82.7	85.2	85.5
EBITDA margin (EBITDA/net sales)			
Operating profit/loss, SEK million	-12.2	-19.1	-58.9
Depreciation/amortization, SEK million	-6.6	-2.7	-13.1
Net sales, SEK million	50.7	39.5	169.3
EBITDA margin, %	Neg	Neg	Neg
Operating margin (operating profit/net sales)			
Operating profit/loss, SEK million	-12.2	-19.1	-58.9
Net sales, SEK million	50.7	39.5	169.3
Operating margin, %	Neg	Neg	Neg
Return on equity (profit for the period/average equity)			
Profit/loss for the period, SEK million	-12.2	-19.9	-53.6
Average equity, SEK million	379.8	422.2	408.3
Return on equity, %	Neg	Neg	Neg
Net cash/Net debt (interest-bearing liabilities - interest-bearing assets)			
Interest-bearing liabilities, SEK million	68.4	20.1	74.8
Interest-bearing assets, SEK million	215.0	337.4	262.9
Net cash (-)/Net debt (+), SEK million	-146.6	-317.2	-188.2
Equity ratio (closing equity for the period/closing total assets for the period)			
Closing equity, SEK million	374.5	413.0	385.1
Closing total assets, SEK million	496.6	486.8	510.1
Equity ratio, %	75.4	84.8	75.5
Growth adjusted for exchange rate changes (((sales in currency for the period * (previous period's exchange rate - average exchange rate for the period in currency) + net sales)) - previous period's net sales))/previous period's net sales)			
Net sales in EUR million	3.6	2.9	11.7
Net sales in USD million	0.6	0.2	1.8
Net sales in GBP million	0.1	0.1	0.5
Net sales, SEK million	50.7	39.5	169.3
Average exchange rate EUR/SEK	11.2764	11.1958	11.4751
Average exchange rate USD/SEK	10.3831	10.4281	10.6121
Average exchange rate GBP/SEK	13.1665	12.6744	13.1954
Sales growth adjusted for exchange rate changes, %	27.7	22.1	24.9

About Devyser

Devyser develops, manufactures and sells diagnostic solutions and analysis services to clinical laboratories in more than 65 countries. Our products are used for advanced genetic testing in the fields of inherited diseases, oncology and transplantation. They provide the opportunity to tailor cancer treatments, diagnose a wide range of genetic diseases and follow up transplant patients. Devyser's products, and unique, patented solution, which requires only a single test tube, simplify genetic testing processes, improve sample throughput, minimize hands-on time and deliver rapid results. Our goal is for every patient to receive a correct diagnosis in the shortest possible time. Sustainability is a central part of Devyser's business model, and is a prerequisite for long-term value creation over time.

Devyser was founded in 2004 and is based in Stockholm, Sweden. The company has eight in-house sales offices in Europe and the US, as well as a CLIA laboratory in Atlanta, Georgia. In August 2022, Devyser's quality management system was IVDR certified.

Devyser's shares are listed on the Nasdaq First North Premier Growth Market Stockholm (ticker: DVYSR).

For more information, visit www.devyser.com.

The company's Certified Adviser is Redeye AB.

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All reports are published on the company's website: <https://investors.devyser.com/en/reports-presentations>

Financial calendar

Interim report Q1 2024	May 8, 2024
Annual General Meeting 2024	May 14, 2024
Interim report Q2 2024	July 23, 2024
Interim report Q3 2024	October 30, 2024
Year-end report 2024	February 13, 2025

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