

Devyser Diagnostics AB (publ) Interim Report January-June 2022

Continued strong sales

Quarter from April to June 2022

- Net sales amounted to SEK 30.9 million (21.8), corresponding to a 41.5% increase. Adjusted for exchange rate fluctuations, net sales increased by 36.2%.
- Gross profit totaled SEK 24.7 million (16.2), corresponding to a gross margin of 79.9% (74.0).
- Operating profit (EBIT) amounted to SEK -12.6 million (-5.5).
- Profit after tax totaled SEK -14.3 million (-6.2).
- Earnings per share before and after dilution amounted to SEK -0.90 (-0.55).
- Cash flow from operating activities stood at SEK -7.9 million (-12.4).

Important events during the quarter

Annual General Meeting

At the Annual General Meeting in May, Mia Arnhult, Lars Höckenström, Fredrik Dahl and Pia Gideon were re-elected as Board members. Fredrik Mattsson was elected as a new Board member. Mia Arnhult was re-elected as Chair of the Board.

Breakthrough contract in Canada for non-invasive RHD testing

In June, Devyser won a contract with Héma-Québec, in Québec, Canada, for the non-invasive fetal RHD testing. The contract will initially run for three years, starting in 2023, and may potentially be extended for a further two years. The total order value amounts to just over SEK 16 million.

The period from January to June 2022

- Net sales amounted to SEK 61.3 million (44.6), corresponding to a 37.2% increase. Adjusted for exchange rate fluctuations, net sales increased by 32.4%.
- Gross profit totaled SEK 49.9 million (34.3), corresponding to a gross margin of 81.4% (77.0).
- Operating profit (EBIT) amounted to SEK -17.9 million (-4.8).
- Profit after tax totaled SEK -20.4 million (-6.5).
- Earnings per share before and after dilution amounted to SEK -1.29 (-0.61).
- Cash flow from operating activities stood at SEK -15.3 million (-7.4).

Strengthening of the management team

In June, Theis Kipling was hired as Chief Commercial Officer with global responsibility for sales, marketing, product management and tech support. Theis Kipling has a comprehensive commercial background from the global life sciences sector, and experience working specifically for diagnostics companies.

New share issues

In April, a new share issue totaling 62,400 shares was carried out in connection with the exercising of warrants. This raised SEK 1.2 million for the company.

Performance measures	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Net sales, SEK million	30.9	21.8	61.3	44.6	93.5
Sales growth, %	41.5	79.3	37.2	42.0	42.3
Gross margin, %	79.9	74.0	81.4	77.0	76.9
EBITDA, SEK million	-10.5	-4.1	-14.2	-1.9	-15.2
EBITDA margin, %	Neg	Neg	Neg	Neg	Neg
Operating profit/loss (EBIT), SEK million	-12.6	-5.5	-17.9	-4.8	-21.2
Operating margin (EBIT margin), %	Neg	Neg	Neg	Neg	Neg
Profit/loss after tax, SEK million	-14.3	-6.2	-20.4	-6.5	-20.7
Cash flow from operating activities, SEK million	-7.9	-12.4	-15.3	-7.4	-16.3
Available liquidity, SEK million	400.8	115.7	400.8	115.7	383.6
Net cash (-)/Net debt (+), SEK million	-382.5	-97.2	-382.5	-97.2	-364.7
Equity ratio, %	89.3	80.8	89.3	80.8	91.2
Return on equity, %	Neg	Neg	Neg	Neg	Neg

See page 17 for definitions of the performance measures.

Important events after the end of the quarter

In September, Camilla Wiberg takes up the position of CHRO (Chief Human Resources Officer). Following Camilla Wiberg's appointment, Devyser's senior management consists of CEO Fredrik Alpsten, CFO Sabina Berlin, CCO Theis Kipling, COO Göran Rydin, CHRO Camilla Wiberg and Deputy CEO Ulf Klangby.

After the balance sheet date, two new share issues were completed in connection with the exercising of warrants, and at the time of submission of this report the number of shares was 16,006,369.

Important events during the period from January to June 2022

At the beginning of the year, the over-allotment option was exercised following the issue completed in December 2021. A total of 610,886 additional shares were issued, bringing in SEK 48.9 million for the company before issue costs.

In early February, all the outstanding shares in the associate SmartSeq S.r.l. were purchased. The acquisition covers 70 percent of SmartSeq's shares, for a consideration of EUR 835,000, of which 23 percent paid in cash and 77 percent in newly issued Devyser shares. The acquisition strengthens Devyser's diagnostic analysis customer offering and has a positive impact 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. See Note 6 on page 16.

In April, 62,400 shares were issued in connection with the exercising of warrants. The new issue raised SEK 1.2 million for the company. Following the issue, the number of Devyser shares totaled 15,942,469.

It was decided during the period to introduce an employee stock option program.

A word from the CEO

Devyser reported another quarter of strong organic growth, which again saw record-breaking sales. The gross margin remained high. Both sales and margins have the potential for further improvement as we move forward with the transition from distributor sales to direct sales.

Covid-19 still appears to have an impact in some markets, but in Europe, which is currently our largest market, we believe that the pandemic has loosened its grip. As previously announced, we believe that Covid-19 will ultimately bring benefits for Devyser, as the pandemic has resulted in major investments in testing capacity worldwide, which we will be able to leverage together with our partners.

Strong organic growth and a solid financial position

Sales for the quarter amounted to SEK 31 million, equal to 42 percent organic growth compared with the same quarter of last year. Adjusted for exchange rate fluctuations, sales grew by 36 percent. During the quarter, direct sales grew particularly strongly, as a direct consequence of the work started on cultivating several markets where we have switched from distributor to direct sales. Strong growth is being reported in every region where we are working on a direct sales basis, although in some cases this is still from low levels.

The gross margin for the quarter was 80 percent, compared with 74 percent for the same prior-year quarter. The increased volumes have been the main driver of gross margin growth so far. Going forward, we are also hoping to see the effects of our efforts to streamline our production processes, which, when combined with an increased share of direct sales, should also contribute to higher gross margins.

Operating profit for the quarter was SEK -13 million, compared to SEK -6 million for the corresponding prior-year quarter. As previously announced, 2022 is a year for building, during which we will be investing heavily in the sales organization. Since last year, we have hired salespeople in the UK, Belgium, Spain and the US. In addition, the sales organization at headquarters has been enhanced to support sales globally. A strong and solid support organization within development, production and QA/Reg is also very important to successfully continue increasing sales.

With our strong sales growth and gross margin, we have now met two out of the three financial targets that we announced at the end of 2021, ahead of schedule, namely the achieving of annual organic growth in excess of 30% and in the medium term, a gross margin of more than 80%. We also believe there is a strong chance that we will meet the final medium-term financial target of achieving an operating margin of more than 20% sooner than we previously announced.

We are living in turbulent times. When investors look at companies, it is also important for them to check their financial stability. We are therefore thankful that, following our capital-raising in connection with the listing of our share, our financial position is very strong. Our net cash at the end of the first half came to slightly above SEK 380 million.

North America: one of our future growth markets

We began cultivating the North American market in the autumn of 2021. This included recruiting local staff. This market continues to account for a very small share of our total sales, however, making up just over 1% of our total sales in the first half of 2022.

We nonetheless believe that North America will ultimately become our most important and profitable market. It is therefore gratifying that we had our first major breakthrough in this market during the quarter, with the winning of a contract with Héma-Québec, in Québec, Canada, for our non-invasive RHD test. The contract will initially run for three years, starting in the first half of 2023, and may potentially be extended for a further two years. The total order value amounts to just over SEK 16 million. We know that our products are very competitive and we hope that this contract will be followed by many more similarly successful tenders.

"We have now met two out of our three financial targets"

An increased focus on product development

Devyser has historically been very successful at developing new products, in both the reagent and software areas. This work is continuing and should hopefully be stepped up. We have therefore increased our investments and the number of staff working in this field during the year. Two major development projects are currently under way, a product for post kidney transplant monitoring and a product for the diagnosis of hereditary intestinal cancer. There is also a lot of work being done to adapt our products to the new and revised instrument models on the market.

With continued good sales growth, high gross margins and a very strong financial position, we are optimistic about the rest of 2022 and beyond, despite the current geopolitical situation and the residual impact of the pandemic.

Stockholm, August 24, 2022

Fredrik Alpsten, CEO



Group development, January-June 2022

Net sales

Net sales for the period from January to June 2022 amounted to SEK 61.3 million (44.6), corresponding to a 37.2 percent increase. Adjusted for exchange rate fluctuations, net sales increased by 32.4 percent. The increase was driven by higher direct sales and distributor sales.

Net sales for the second quarter of 2022 amounted to SEK 30.9 million (21.8), corresponding to a 41.5 percent increase. Adjusted for exchange rate fluctuations, net sales increased by 36.2 percent.

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

Gross profit

Gross profit for the period from January to June 2022 totaled SEK 49.9 million (34.3). Gross profit for the second quarter totaled SEK 24.7 million (16.2).

The gross margin for the period from January to June 2022 amounted to 81.4 percent, compared with 77.0 percent for the same period of the previous year. For the second quarter, the gross margin amounted to 79.9 percent, compared with 74.0 percent for the same prior-year quarter. The increase was mainly attributable to higher net sales as a proportion of fixed costs, as well as the acquisition of SmartSeq S.r.l.

The cost of goods sold includes the direct production overheads for 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 1.4 million (1.4) for the period from January to June 2022, and SEK 0.8 million (0.7) during the second quarter of 2022.

Operating expenses

Operating expenses for the period from January to June 2022 came to SEK 70.5 million (39.4), and for the second quarter to SEK 38.5 million (20.9). The increased costs are primarily due to new recruitments in sales, development and administration as part of the company's growth strategy. Total research and development expenses during the

period from January to June 2022 amounted to SEK 16.7 million (11.7), of which SEK 4.1 million (2.6) were capitalized and SEK 12.6 million (9.1) were expensed. During the second quarter, research and development expenses totaled SEK 10.4 million (6.1), of which SEK 2.1 million (1.7) were capitalized and SEK 8.3 million (4.4) 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.

During the period from January to June 2022, other operating income and expenses came to a net amount of SEK 2.7 million (0.2), and SEK 1.2 million (-0.8) for the second quarter. Other operating income in 2022 includes SEK 1.6 million (0.0) related to the revaluation of the acquisition of control of SmartSeq S.r.l.

Operating profit

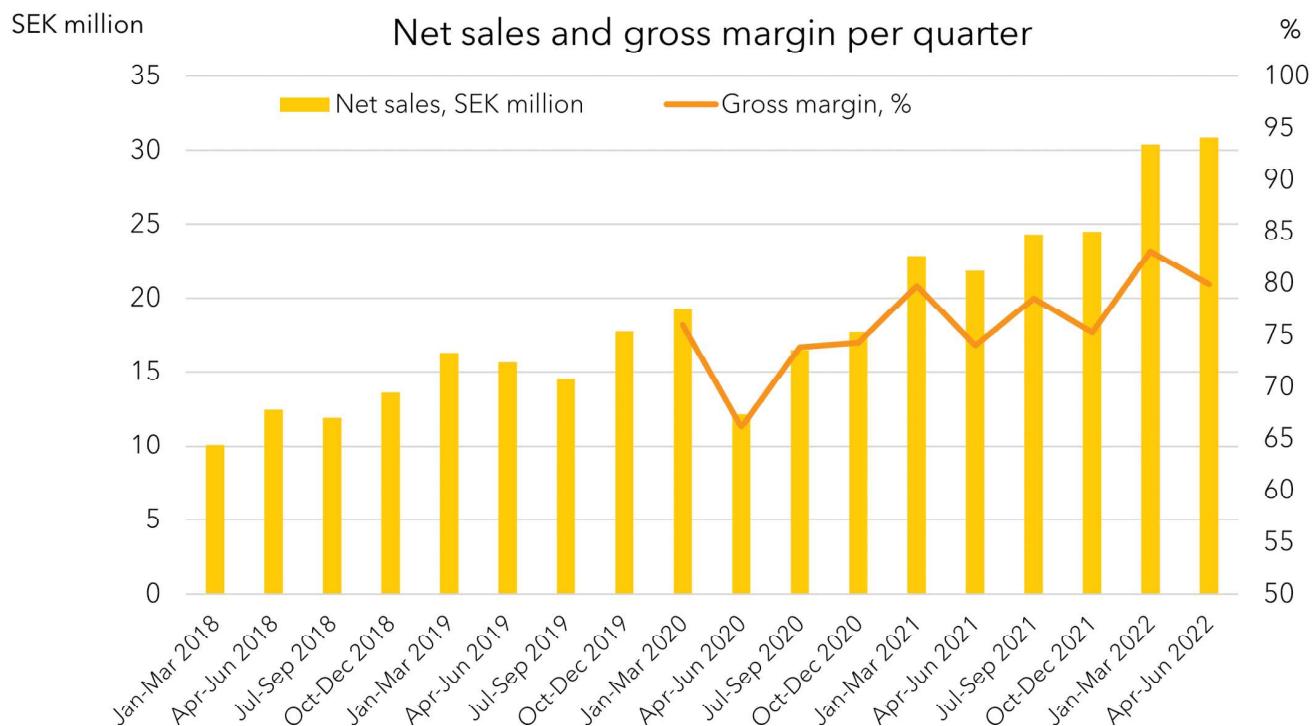
Operating profit for the period from January to June 2022 totaled SEK -17.9 million (-4.8). For the second quarter, operating profit stood at SEK -12.6 million (-5.5). The main reasons for the fall in operating profit were increased sales expenses in the form of new hires and increased administrative expenses, although these were partly offset by the improvement in gross profit.

Net financial items

Net financial items for the period from January to June 2022 totaled SEK -0.8 million (-0.7). For the second quarter, net financial items stood at SEK -0.6 million (-0.5).

Profit/loss

Profit/loss before tax for the period from January to June 2022 was SEK -18.6 million (-5.5), and profit/loss after tax was SEK -20.4 million (-6.5). For the second quarter, profit/loss before tax was SEK -13.3 million (-6.1), and after tax was SEK -14.3 million (-6.2).



Sales by region, SEK million	Apr - Jun 2022	Apr - Jun 2021	Change, %	Jan - Jun 2022	Jan - Jun 2021	Change, %	Jan - Dec 2021
EMEA	29.1	20.6	41.7	58.3	41.4	41.0	86.7
Asia-Pacific	0.9	1.0	-2.2	1.6	2.7	-41.8	5.6
North and South America	0.8	0.3	159.7	1.4	0.6	129.7	1.2
Total	30.9	21.8	41.5	61.3	44.6	37.2	93.5
Sales by sales channel, SEK million	Apr - Jun 2022	Apr - Jun 2021	Change, %	Jan - Jun 2022	Jan - Jun 2021	Change, %	Jan - Dec 2021
Direct sales	23.3	15.5	50.3	45.0	32.5	38.7	66.8
Distributor sales	7.6	6.3	19.5	16.2	12.2	33.4	26.7
Total	30.9	21.8	41.5	61.3	44.6	37.2	93.5

Cash flow and cash position

For the period from January to June 2022, cash flow from operating activities after changes in working capital was SEK -15.3 million (-7.4). For the second quarter of 2022, the cash flow from operating activities was SEK -7.9 million (-12.4). During the first quarter, an over-allotment option was exercised covering 610,886 shares, which raised SEK 48.9 million for the company. During the second quarter, a new issue of 62,400 shares was completed in connection with the exercising of warrants, which brought in SEK 1.2 million for the company. The available liquidity at June 30, 2022 amounted to SEK 400.8 million (115.7).

Investments

Total net investments stood at SEK 8.8 million (3.5), including capitalized development expenses of SEK 4.7 million (2.6) and rights and licenses of SEK 2.9 million (0.0), mostly related to the acquisition of the former associate SmartSeq S.r.l. The Group has no investment commitments.

Assets

As of June 30, 2022, intangible non-current assets amounted to SEK 30.7 million (15.6). The intangible non-current assets consist of the capitalized development expenses, license fees and goodwill acquired from the subsidiary SmartSeq S.r.l., totaling SEK 6.3 million (0.0), 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 life, which varies from five to seven years.

The amortization of capitalized development expenses attributable to the products developed by Devyser is recognized in the Group cost of goods sold and in the Parent Company's research and development costs.

Equity and liabilities

As of June 30, 2022, the Group's equity amounted to SEK 451.3 million (145.9), and its equity ratio was 89.3 percent (80.8).

As of June 30, 2022, interest-bearing liabilities amounted to SEK 18.3 million (12.5). Interest-bearing liabilities relate mainly to lease liabilities. Current non-interest-bearing liabilities totaled SEK 33.9 million (21.6).

Important events in the Parent Company

The fall in the Parent Company's profit is mainly due to higher administrative expenses to support the company's growth. In early February, all the outstanding shares in the associate SmartSeq S.r.l. were purchased. During the first quarter, an over-allotment option was exercised covering 610,886 shares, which raised SEK 48.9 million for the company. During the second quarter, a new issue of 62,400 shares was completed in connection with the exercising of warrants, which brought in SEK 1.2 million for the company.

Performance measures by quarter	Apr - Jun 2022	Jan - Mar 2022	Oct - Dec 2021	Jul - Sep 2021	Apr - Jun 2021	Jan - Mar 2021	Oct - Dec 2020
Net sales, SEK million	30.9	30.4	24.5	24.3	21.8	22.8	17.7
Gross profit, SEK million	24.7	25.2	18.5	19.1	16.2	18.2	13.2
Gross margin, %	79.9	83.0	75.3	78.5	74.0	79.7	74.3
EBITDA, SEK million	-10.5	-3.7	-12.3	-1.0	-4.1	2.1	-3.6
EBITDA margin, %	Neg	Neg	Neg	Neg	Neg	9.4	Neg
Operating profit/loss (EBIT), SEK million	-12.6	-5.2	-13.9	-2.5	-5.5	0.7	-10.1
Operating margin (EBIT margin), %	Neg	Neg	Neg	Neg	Neg	3.1	Neg
Profit/loss after tax, SEK million	-14.3	-6.1	-10.6	-3.6	-6.2	-0.3	-8.2
Cash flow from operating activities, SEK million	-7.9	-7.4	-5.7	-3.2	-12.4	5.1	-4.9
Average no. of employees	72	64	55	50	44	41	38

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.

Amounts owed by 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 June 2022, the average number of Group employees was 69 (42), of which 2 (0) in the Parent Company. The average number broken down by country was 53 (36) in Sweden, 10 (5) in Italy, 3 (1) in Germany, 2 (0) in the United States, 1 (0) in the United Kingdom and 1 (0) in Spain. The average number of women employed by the Group was 42 (28) and the average number of men was 27 (14).

Market

Devyser sells genetic testing products to laboratories in more than 45 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 advanced DNA testing in the hereditary disease, oncology and post-transplant monitoring 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

Refer to Note 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. For a detailed description of the risks, refer to the 2021 Annual Report, pages 49-50, and Note 3 on pages 76-77. No changes are considered to have occurred since the Annual Report was published.

The share and shareholders

As of June 30, 2022, Devyser Diagnostics AB had a total of 15,942,469 (11,254,800) shares and voting rights. Three new share issues were completed in the period from January to June 2022.

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 981,550 (refer to Note 2 on page 15).

The largest shareholders as of June 30, 2022 were:

Owner	Number of shares	Ownership, %
Rutger Arnhult via company	3,880,944	24.3
Swedbank Robur	1,378,200	8.6
Fourth Swedish National Pension Fund	1,361,300	8.5
Ferd	1,000,000	6.3
Berenberg Asset Management on behalf of Universal Investment funds	1,000,000	6.3
Anders Hedrum, privately and via company	796,020	5.0
Ulf Klangby, privately and via company	706,200	4.4
Dan Hauzenberger, privately and via company	547,680	3.4
Deka	420,000	2.6
Other shareholders, around 600	4,852,125	30.4
Total	15,942,469	100.0

After the balance sheet date, two new share issues were completed in connection with the exercising of warrants, and at the time of submission of this report the number of shares was 16,006,369.

Analysts covering the company

Ulrik Trattner, Carnegie
Oscar Bergman, Redeye
Johan Unnérus, Redeye
Erik Pilbackes, Aktiespararna

Auditors' review

This report has not 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 the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, August 24, 2022,
Devyser Diagnostics AB (publ)

Mia Arnhult,
Chair of the Board

Lars Höckenström,
Board member

Fredrik Dahl,
Board member

Fredrik Mattsson,
Board member

Fredrik Alpsten,
Chief Executive Officer

Pia Gideon,
Board member

Consolidated statement of income and other comprehensive income

SEK million	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Net sales	30.9	21.8	61.3	44.6	93.5
Cost of goods sold	-6.2	-5.7	-11.4	-10.3	-21.6
Gross profit	24.7	16.2	49.9	34.3	71.9
Other operating income*	1.6	0.5	4.3	1.6	3.4
Selling expenses	-20.8	-11.3	-40.3	-20.7	-46.9
Administrative expenses	-9.4	-5.1	-17.6	-9.5	-28.8
Research and development costs	-8.3	-4.4	-12.6	-9.1	-18.1
Income from investments in associates	-	-0.1	-0.0	-0.1	0.4
Other operating expenses	-0.5	-1.3	-1.5	-1.3	-3.2
Operating profit/loss	-12.6	-5.5	-17.9	-4.8	-21.2
Financial income	0.0	-	0.1	0.0	0.3
Financial expenses	-0.7	-0.5	-0.8	-0.7	-0.9
Net financial items	-0.6	-0.5	-0.8	-0.7	-0.7
Profit/loss before tax	-13.3	-6.1	-18.6	-5.5	-21.9
Tax	-1.0	-0.1	-1.8	-1.0	1.2
Profit/loss for the period	-14.3	-6.2	-20.4	-6.5	-20.7
Other comprehensive income					
<i>Items which may be recognized in the income statement</i>					
Exchange rate differences for the period when translating foreign subsidiaries	0.3	-0.1	0.2	0.0	0.0
Total other comprehensive income	0.3	-0.1	0.2	0.0	0.0
Total comprehensive income for the period	-14.0	-6.3	-20.2	-6.5	-20.7
Earnings per share before dilution, SEK	-0.90	-0.55	-1.29	-0.61	-1.82
Earnings per share after dilution, SEK	-0.90	-0.55	-1.29	-0.61	-1.82
Average no. of shares, before dilution	15,916,379	11,254,800	15,833,185	10,735,352	11,230,081
Average no. of shares, after dilution	16,897,929	11,860,500	16,814,735	11,341,052	11,945,481

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

* See Note 6 on page 16.

Consolidated statement of financial position

SEK million	June 30, 2022	June 30, 2021	Dec 31, 2021
ASSETS			
Non-current assets			
Goodwill	6.5	0.2	0.2
Capitalized development expenses	21.4	15.4	17.9
Other intangible assets	2.8	-	0.1
Tangible assets	5.8	2.4	3.3
Right-of-use assets	18.2	12.9	13.4
Deferred tax assets	7.4	4.7	7.2
Investments in companies where the equity method is used	-	0.1	2.1
Total non-current assets	62.3	35.8	44.2
Current assets			
Inventories	8.9	5.6	6.7
Trade receivables	26.0	22.1	18.6
Current tax assets	0.8	-	0.5
Other receivables	3.8	3.2	7.0
Prepaid expenses and accrued income	2.6	4.3	2.1
Cash and cash equivalents	400.8	109.7	377.6
Total current assets	442.9	144.9	412.7
TOTAL ASSETS	505.2	180.7	456.9
EQUITY AND LIABILITIES			
EQUITY			
Share capital	0.9	0.6	0.9
Other paid-in capital	503.6	164.6	449.3
Translation reserve	-0.3	-0.4	-0.4
Retained earnings, including profit/loss for the period	-53.0	-18.9	-33.0
Total equity	451.3	145.9	416.7
LIABILITIES			
Non-current liabilities			
Borrowings	0.6	-	-
Lease liabilities	13.4	9.8	10.0
Deferred tax liabilities	0.3	-	-
Provisions	0.6	0.2	0.4
Other non-current liabilities	0.8	0.5	0.4
Total non-current liabilities	15.7	10.5	10.8
Current liabilities			
Borrowing from credit institutions	0.1	-	-
Lease liabilities	4.1	2.7	3.0
Trade payables	10.0	9.7	9.7
Current tax liabilities	3.0	1.5	0.7
Other liabilities	4.4	2.1	3.2
Accrued expenses and deferred income	16.5	8.3	12.9
Total current liabilities	38.2	24.3	29.4
TOTAL LIABILITIES AND EQUITY	505.2	180.7	456.9

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, 2021	0.5	43.1	-0.5	-12.4	30.8
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-6.5	-6.5
Other comprehensive income for the period	-	-	0.0	-	0.0
Total comprehensive income	-	-	0.0	-6.5	-6.5
<i>Shareholder transactions</i>					
New share issues	0.1	129.9	-	-	130.0
New share issue expenses	-	-8.4	-	-	-8.4
Closing equity, June 30, 2021	0.6	164.6	-0.4	-18.9	145.9
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-14.2	-14.2
Other comprehensive income for the period	-	-	-0.0	-	-0.0
Total comprehensive income	-	-	-0.0	-14.2	-14.3
<i>Shareholder transactions</i>					
New share issues	0.2	303.1	-	-	303.3
New share issue expenses	-	-19.8	-	-	-19.8
Employee stock options	-	-	-	0.1	0.1
Warrants	-	1.4	-	-	1.4
Closing equity, Dec 31, 2021	0.9	449.3	-0.4	-33.0	416.7
Opening equity, Jan 1, 2022	0.9	449.3	-0.4	-33.0	416.7
<i>Comprehensive income</i>					
Profit/loss for the period	-	-	-	-20.4	-20.4
Other comprehensive income for the period	-	-	0.2	-	0.2
Total comprehensive income	-	-	0.2	-20.4	-20.2
<i>Shareholder transactions</i>					
New share issues	0.0	57.4	-	0.1	57.6
New share issue expenses	-	-3.0	-	-	-3.0
Warrants	-	-0.1	-	-	-0.1
Employee stock options	-	-	-	0.3	0.3
Closing equity, June 30, 2022	0.9	503.6	-0.3	-53.0	451.3

Consolidated cash flow statement

SEK million	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Cash flow from operating activities					
Operating profit/loss	-12.6	-5.5	-17.9	-4.8	-21.2
Adjustment for non-cash items					
- Depreciation, amortization and impairment	2.1	1.5	3.7	2.9	6.0
- Other non-cash items	-0.3	0.2	0.1	0.2	0.7
Interest received	-	-	-	0.0	0.2
Interest paid	-0.7	-0.5	-0.8	-0.7	-0.9
Income tax paid	-0.0	-0.3	0.6	-1.6	-2.8
Cash flow from operating activities before changes in working capital	-11.5	-4.7	-14.2	-4.0	-18.0
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in inventories	-0.2	0.7	-2.2	-0.2	-1.3
Increase (-)/Decrease (+) in operating receivables	-3.3	-3.1	-4.0	-3.6	-2.3
Increase (+)/Decrease (-) in operating payables	7.1	-5.2	5.2	0.5	5.2
Cash flow from operating activities	-7.9	-12.4	-15.3	-7.4	-16.3
Cash flow from investing activities					
Investments in intangible non-current assets	-2.6	-1.7	-7.6	-2.6	-6.6
Investments in tangible assets	-1.9	-0.8	-3.2	-0.9	-2.2
Investments in subsidiaries*	-	-	1.9	-	-
Investments in associates	-	-0.0	-0.0	-	-1.5
Cash flow from investing activities	-4.5	-2.5	-8.8	-3.5	-10.3
Cash flow from financing activities					
New share issues*	0.9	0.0	51.0	130.0	433.3
New share issue expenses	-	-	-3.0	-8.4	-28.2
Warrant programs	0.1	-0.0	-0.0	-	1.6
Change in overdraft facilities	-	-0.4	-	-2.0	-2.0
Proceeds from borrowings	-0.0	-	0.7	-	-
Repayments of borrowings	-	-0.0	-	-6.1	-6.2
Repayments of lease liabilities	-1.2	-0.6	-2.0	-1.3	-2.7
Cash flow from financing activities	-0.3	-1.0	46.7	112.2	395.8
Cash flow for the period	-12.8	-15.9	22.5	101.3	369.1
Cash and cash equivalents at the beginning of the period	412.9	125.7	377.6	8.3	8.3
Exchange gains/losses on cash and cash equivalents	0.6	-0.1	0.7	0.1	0.2
Cash and cash equivalents at the end of the period	400.8	109.7	400.8	109.7	377.6

* The consideration transferred on the acquisition of SmartSeq S.r.l. consisted of SEK 2.0 million in cash and SEK 6.5 million through a new share issue. At the time of the acquisition, Devyser received SEK 4.0 million in cash and cash equivalents from the former associate.

Parent Company income statement

SEK million	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Net sales	5.5	3.9	11.4	7.8	16.5
Cost of goods sold	-	-	-	-	-0.4
Gross profit	5.5	3.9	11.4	7.8	16.1
Other operating income	-0.0	0.0	-0.0	0.0	0.0
Selling expenses	-	-	-	-	-
Administrative expenses	-4.3	-2.1	-8.3	-3.4	-16.9
Research and development costs	-0.5	-0.7	-1.1	-1.4	-2.7
Other operating expenses	-	-	-	-	-0.0
Operating profit/loss	0.7	1.1	2.1	3.0	-3.6
Interest expenses and similar items	-0.5	-0.2	-0.5	-0.2	0.0
Profit from financial items	-0.5	-0.2	-0.5	-0.2	0.0
Profit after financial items	0.2	0.9	1.6	2.8	-3.6
Appropriations	-	-	-	-	-19.5
Profit/loss before tax	0.2	0.9	1.6	2.8	-23.1
Tax	-0.0	0.1	0.2	0.2	2.6
Profit/loss for the period	0.2	1.0	1.8	2.9	-20.4

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

Parent Company balance sheet

SEK million	June 30, 2022	June 30, 2021	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenses	21.0	15.4	17.9
Total intangible assets	21.0	15.4	17.9
Financial non-current assets			
Investments in Group companies	58.2	2.7	47.7
Investments in companies where the equity method is used	-	0.1	1.7
Amounts owed by Group companies	6.0	23.0	1.5
Deferred tax assets	7.3	4.6	7.1
Total financial non-current assets	71.6	30.5	58.0
Total non-current assets	92.6	45.9	75.9
Current assets			
Trade receivables	0.0	-	-
Current tax assets	0.8	0.0	0.5
Other receivables	0.8	1.5	1.1
Prepaid expenses and accrued income	0.7	3.1	0.5
Cash and cash equivalents	373.6	98.8	361.8
Total current assets	375.9	103.3	363.9
TOTAL ASSETS	468.5	149.2	439.8
EQUITY AND LIABILITIES			
Equity			
Share capital	0.9	0.6	0.9
Statutory reserve	3.7	3.7	3.7
Reserve for development expenses	21.0	15.4	17.9
Ongoing share issues	0.0	-	-
Total restricted equity	25.7	19.8	22.5
Share premium reserve	497.5	159.8	443.1
Retained earnings	-60.5	-36.2	-37.2
Profit/loss for the period	1.8	2.9	-20.4
Total non-restricted equity	438.8	126.6	385.4
Total equity	464.5	146.3	408.0
Liabilities			
Non-current liabilities			
Provisions	0.6	0.2	0.4
Total non-current liabilities	0.6	0.2	0.4
Current liabilities			
Trade payables	0.7	2.2	2.3
Amounts owed to Group companies	-	-	25.8
Current tax liabilities	0.2	0.0	0.1
Other liabilities	0.7	0.2	0.5
Accrued expenses and deferred income	1.8	0.3	2.8
Total current liabilities	3.4	2.7	31.5
TOTAL EQUITY AND LIABILITIES	468.5	149.2	439.8

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, 2021	0.5	0.0	14.2	3.7	38.3	-20.8	-14.2	21.8
Profit/loss for the period	-	-	-	-	-	-	2.9	2.9
Appropriation of earnings	-	-	-	-	-	-14.2	14.2	-
Capitalization of development expenses	-	-	1.2	-	-	-1.2	-	-
New share issues	0.1	-0.0	-	-	129.9	-	-	130.0
New share issue expenses	-	-	-	-	-8.4	-	-	-8.4
Closing equity, June 30, 2021	0.6	-	15.4	3.7	159.8	-36.2	2.9	146.3
Profit/loss for the period	-	-	-	-	-	-	-23.4	-23.4
Capitalization of development expenses	-	-	2.5	-	-	-2.5	-	-
New share issues	0.2	-	-	-	303.1	-0.2	-	303.1
New share issue expenses	-	-	-	-	-19.8	-	-	-19.8
Warrants	-	-	-	-	-	1.7	-	1.7
Closing equity, Dec 31, 2021	0.9	-	17.9	3.7	443.1	-37.2	-20.4	408.0
Opening equity, Jan 1, 2022	0.9	-	17.9	3.7	443.1	-37.2	-20.4	408.0
Profit/loss for the period	-	-	-	-	-	-	1.8	1.8
Appropriation of earnings	-	-	-	-	-	-20.4	20.4	-
Capitalization of development expenses	-	-	3.1	-	-	-3.1	-	-
New share issues	0.0	-	-	-	57.4	-0.1	-	57.4
New share issue expenses	-	-	-	-	-3.0	-	-	-3.0
Employee stock options	-	-	-	-	-	0.3	-	0.3
Closing equity, June 30, 2022	0.9	0.0	21.0	3.7	497.5	-60.5	1.8	464.5

Parent Company cash flow

SEK million	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Cash flow from operating activities					
Operating profit/loss	0.7	1.1	2.0	3.0	-3.6
Adjustments for non-cash items					
- Depreciation, amortization and impairment	0.5	0.7	1.1	1.4	2.7
- Other non-cash items	-0.5	0.2	-0.2	0.2	0.7
Interest paid	-0.5	-0.1	-0.6	-0.2	-0.2
Tax paid	-	0.0	-	0.5	0.5
Cash flow from operating activities before changes in working capital	0.2	1.8	2.3	3.8	-0.9
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-3.6	-2.7	-4.7	-0.9	6.6
Increase (+)/Decrease (-) in operating payables	0.7	1.8	4.3	4.5	8.6
Cash flow from operating activities	-2.7	0.9	-6.6	-1.7	-2.9
Cash flow from investing activities					
Acquisition of subsidiaries, net of cash acquired	0.0	-	-2.0	-	-
Investments in intangible non-current assets	-2.1	-1.7	-4.1	-2.6	-6.5
Increase/decrease in financial non-current assets	-16.1	-16.7	-23.5	-16.7	-32.1
Investments in associates	-	-	-	-	-1.5
Cash flow from investing activities	-18.2	-18.4	-29.6	-19.3	-40.1
Cash flow from financing activities					
New share issues	0.9	-	51.0	130.0	433.3
New share issue expenses	-	-	-3.0	-8.4	-28.2
Stock option plans	0.1	0.0	-0.0	0.0	1.6
Repayments of borrowings	-	-	-	2.0	2.0
Cash flow from financing activities	0.9	0.0	48.0	119.6	404.7
Cash flow for the period	-19.9	-17.5	11.7	98.7	361.7
Cash and cash equivalents at the beginning of the period	393.5	116.3	361.8	0.2	0.2
Cash and cash equivalents at the end of the period	373.6	98.8	373.6	98.8	361.8

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, 2022. None of the new standards had any impact on the Group's or Parent Company's financial statements at June 30, 2022.

For more information about the accounting policies, refer to the 2021 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 five outstanding incentive programs for employees and key personnel.

2019/2022 warrant program

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

As of June 30, 2022, a total of 211 warrants had been granted and not exercised. No members of the senior management hold any warrants under this program. Since the balance sheet date, 211 warrants have been exercised.

2020/2023 warrant program

The total program initially comprised 1,160 warrants. The warrants were acquired at market value. Each warrant entitles its 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.

As of June 30, 2022, a total of 968 warrants had been granted and not exercised. Fredrik Alpsten, CEO, holds 580 warrants. Since the balance sheet date, two warrants have been exercised.

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 June 30, 2022, a total of 197,300 warrants had been granted and not exercised. Fredrik Alpsten, CEO, holds 51,000 warrants. Three members of the senior management hold a total of 83,000 warrants.

2021/2026 employee stock option plan

The total plan comprises 102,000 employee stock options. 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 June 30, 2022, a total of 102,000 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 June 30, 2022, a total of 80,000 options had been granted and not exercised. One member of the senior management has 60,000 employee stock 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 Group purchased marketing services from a person close to Deputy CEO Ulf Klangby. The expense for the period from January to June 2022 amounted to SEK 92.9 thousand (320.6).

The transactions are considered to meet market term requirements.

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.

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. 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, continued

Note 6 Acquisitions of associates

At the beginning of February 2022, the Group acquired the remaining 70.1 percent of the Italian associate SmartSeq S.r.l.'s shares. The consideration 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 in payment, corresponding to a 0.5 percent dilution. At the time of the acquisition, SmartSeq S.r.l. had equity of EUR 456.2 thousand, of which Devyser's share totaled EUR 136.4 thousand.

The acquisition analysis shows a surplus value of approximately SEK 7.7 million, which has been allocated to goodwill (SEK 6.2 million) and rights (SEK 1.5 million). The Amplicon Suite software being developed by SmartSeq is an important part of Devyser's diagnostic analysis customer offering. The acquisition gives Devyser control over the rights and the possibility of integrating the Amplicon Suite into Devyser's existing and future reagent kits at a lower cost.

Information about the net assets and goodwill acquired:

Group	Feb 4, 2022
Consideration	
- cash paid	4.0
- share issues	6.5
- revaluation of acquisition of control	1.6
Total consideration	12.1
Fair value of net assets acquired	6.0
Goodwill	6.2

In the item other operating income in the consolidated statement of income and other comprehensive income, SEK 1.6 million relates to the revaluation of the acquisition of control.

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.

	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Gross margin (gross profit/net sales)					
Gross profit, SEK million	24.7	16.2	49.9	34.3	71.9
Net sales, SEK million	30.9	21.8	61.3	44.6	93.5
Gross margin, %	79.9	74.0	81.4	77.0	76.9
EBITDA margin (EBITDA/net sales)					
Operating profit/loss, SEK million	-12.6	-5.5	-17.9	-4.8	-21.2
Depreciation/amortization, SEK million	-2.1	-1.5	-3.7	-2.9	-6.0
Net sales, SEK million	30.9	21.8	61.3	44.6	93.5
EBITDA margin, %	Neg	Neg	Neg	Neg	Neg
Operating margin (operating profit/net sales)					
Operating profit/loss, SEK million	-12.6	-5.5	-17.9	-4.8	-21.2
Net sales, SEK million	30.9	21.8	61.3	44.6	93.5
Operating margin, %	Neg	Neg	Neg	Neg	Neg
Return on equity (profit for the period/average equity)					
Profit/loss for the period, SEK million	-14.3	-6.2	-20.4	-6.5	-20.7
Average equity, SEK million	457.7	149.1	434.0	88.4	223.7
Return on equity, %	Neg	Neg	Neg	Neg	Neg
Available liquidity (cash and cash equivalents + unutilized overdraft facility)					
Cash and cash equivalents, SEK million	400.8	109.7	400.8	109.7	377.6
Overdraft facility, SEK million	-	6.0	-	6.0	6.0
Utilized overdraft facility, SEK million	-	-	-	-	-
Available liquidity, SEK million	400.8	115.7	400.8	115.7	383.6
Net cash/Net debt (interest-bearing liabilities - interest-bearing assets)					
Interest-bearing liabilities, SEK million	18.3	12.5	18.3	12.5	13.0
Interest-bearing assets, SEK million	400.8	109.7	400.8	109.7	377.6
Net cash (-)/Net debt (+), SEK million	-382.5	-97.2	-382.5	-97.2	-364.7
Equity ratio (closing equity for the period/closing total assets for the period)					
Closing equity, SEK million	451.3	145.9	451.3	145.9	416.7
Closing total assets, SEK million	505.2	180.7	505.2	180.7	456.9
Equity ratio, %	89.3	80.8	89.3	80.8	91.2
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	2.5		5.0		
Net sales in USD million	0.2		0.3		
Net sales in GBP million	0.1		0.1		
Net sales, SEK million	30.9	21.8	61.3	44.6	93.5
Average exchange rate EUR/SEK	10.4739	10.1387	10.4767	10.1274	10.1444
Average exchange rate USD/SEK	9.8382	8.4083	9.5812	8.4021	8.5800
Average exchange rate GBP/SEK	12.3494	11.7596	12.4405	11.6671	11.7994
Sales growth adjusted for exchange rate changes, %	36.2		32.4		

About Devyser

Devyser develops, manufactures and sells genetic tests to laboratories in more than 45 countries. The products are used for advanced DNA testing in the hereditary disease, oncology and post-transplant monitoring fields, and to enable targeted cancer treatment, the diagnosis of a large number of genetic diseases, and transplant patient follow-up. Devyser's products simplify complex genetic testing processes, improve sample throughput, minimize hands-on time and deliver rapid results. Devyser was founded in 2004 and is based in Stockholm, Sweden. For further information, visit www.devyser.com

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

Financial calendar

Interim report Q3 2022	November 10, 2022
Year-end report 2022	February 21, 2023
Annual report 2022	April 4, 2023
Interim report Q1 2023	May 9, 2023
Annual General Meeting	May 10, 2023
Interim report Q2 2023	August 23, 2023
Interim report Q3 2023	November 9, 2023

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