



Year-end report January–December 2024 Gradientech AB (publ)



Company development

Gradientech AB	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<i>SEK thousand</i>	2024	2023	2024	2023
Net sales	1,194	376	4,457	1,950
Profit for the period	-16,666	-17,810	-63,620	-63,678
Cash flow from operating activities	-18,740	-14,637	-62,044	-60,538
Cash and cash equivalents at end of the period	24,596	10,811	24,596	10,811
Equity at the Balance sheet date	35,424	48,451	35,424	48,451

Fourth quarter 2024

- Net sales amounted to SEK 1,194 thousand (376).
- Net profit/loss amounted to SEK -16,666 thousand (-17,810).
- Earnings per share before and after dilution were SEK -0.58 (-1.00).
- Cash flow from operating activities amounted to SEK -18,740 thousand (-14,637).
- Cash and cash equivalents amounted to SEK 24,596 thousand (10,811) as of December 31, 2024.
- Equity amounted to SEK 35,424 thousand (48,451) as of December 31, 2024.
- In the beginning of October Gradientech announced a new scientific publication of the QuickMIC® system. The article is published in the top-tier Journal of Clinical Microbiology. The article describes data from the performance evaluation of the QuickMIC system shows that QuickMIC is highly accurate compared to the reference testing method for AST. QuickMIC provides 95.6% agreement with the reference MIC values (Minimum Inhibitory Concentration) and over two times higher precision compared to broth microdilution. The mean analysis time was 3h and 13 min.
- Gradientech announced in early October the exclusive partnership with Hardy Diagnostics for the commercialization of its QuickMIC® system in the United States and Canada. Alongside this partnership, Hardy Diagnostics has decided to invest in Gradientech, becoming one of the company's largest shareholders. The directed issue of shares was registered with the Swedish Companies Registration Office October 17. As a result of the issue, the Company's shares increased by 1,796,571 shares to 28,867,173 shares and the share capital with SEK 179,657.10 to a total of SEK 2,886,717.30. Through the Issue, Gradientech received proceeds of approximately SEK 31.4 million before deduction of issue costs.
- At the end of November Gradientech announced that its distributor a.d.a SRL has installed the QuickMIC-system into clinical routine use at the Molinette Hospital in Turin, Italy. The Molinette Hospital is as part of the Azienda Ospedaliero Universitaria (AOU) Città della Salute e della Scienza di Torino, one of the biggest university hospitals in Italy and in Europe, with a mission to provide excellent patient care and conduct top-tier research.

January-December 2024 period

- Net sales amounted to SEK 4,457 thousand (1,950).
- Net profit/loss amounted to SEK -63,620 thousand (-63,678).
- Earnings per share before and after dilution were SEK -2.50 (-3.64).
- Cash flow from operating activities amounted to SEK -62,044 thousand (-60,538).
- In January 2024 Gradientech successfully completed its pre-clinical testing of the QuickMIC® system in the US. The pre-clinical testing of the QuickMIC system has included about a

hundred clinical patient samples and was performed at two reputable US clinical laboratories.

- The rights issue, whose subscription period ended on December 6, 2023, was registered together with the shares from the conversion of the convertible instruments issued in July 2023, with the Swedish Companies Registration Office on three occasions: 3 January 2024, 12 February 2024 and 15 February 2024. As a result of the two issues, the number of shares increased by 6,165,503 to a total of 23,960,753 shares and the share capital increased by SEK 616,550.30 to a total of SEK 2,396,075.30.
- Gradientech announced in the beginning of February that six QuickMIC® abstracts will be presented at the 34th European Congress of Clinical Microbiology & Infectious Diseases (ESCMID Global) in Barcelona, Spain 27-30 April 2024.
- In March 2024 Gradientech announced that its assigned distributor for Sweden, Triolab AB, will start its first commercial evaluation of the QuickMIC® system at the Kalmar County Hospital. Further, Gradientech has started a new prospective and observational QuickMIC® study that will investigate the clinical utility of a new rapid workflow for prediction of optimal antibiotic treatment for patients with urosepsis. The study is conducted in collaboration with Assoc. Prof. Martin Sundqvist at Örebro University Hospital.
- In April 2024 Gradientech announced that AnnaLotta Schiller Vestergren has been appointed as the company's Chief Commercial Officer and part of the management team. AnnaLotta has extensive experience with international commercial organisations, with nearly 30 years of leading positions in life science and diagnostics.
- In May Gradientech reports having received a notification to grant patent rights in China for its cassette, the single-use test device in the QuickMIC® diagnostic system for ultra-rapid antibiotic susceptibility testing (AST).
- In May Gradientech announced that its distributor Biomedica Medizinprodukte GmbH has installed QuickMIC® at a university hospital in central Eastern Europe, which is now the first customer to implement the QuickMIC® system for ultra-rapid antibiotic susceptibility testing (AST) in clinical routine.
- Data from the successfully completed US pre-clinical evaluation of QuickMIC® at Medical College of Wisconsin and University of North Carolina in USA was presented at the ASM Microbe conference in Atlanta, Georgia, June 13th-17th 2024.
- In July Gradientech announced the continued collaboration with Oxford-based Momentum Bioscience Ltd in the ground-breaking project to demonstrate the potential for a next-generation diagnostic workflow for patients with sepsis, together providing the fastest solution to precise phenotypic AST results directly from blood.
- The directed issue of shares to a limited number of existing shareholders, in which the subscription period ended on July 4, 2024, was registered with the Swedish Companies Registration Office in July. As a result of the issue, the number of shares increased by 3,109,849 to a total of 27,070,602 shares and the share capital increased by SEK 310,984.90 to a total of SEK 2,707,060.20. Through the Issue, Gradientech received proceeds of approximately SEK 22.1 million before deduction of issue costs.
- In August Gradientech announced that Dr Nathan A. Ledebøer, specialist within the Froedtert & Medical College of Wisconsin network, joined as new member of the company's prominent international Scientific Advisory Board.
- Gradientech received in August a Notice of Allowance in Japan for its QuickMIC® cassette, the single-use test device in the QuickMIC® diagnostic system for ultra-rapid antibiotic susceptibility testing (AST).
- In September Gradientech announced a new scientific publication of the QuickMIC® system by Dr. Balmis University General Hospital demonstrating an impressive concordance of 99% between QuickMIC and the reference methods in use.
- In early September, Gradientech started the 510(k) clinical study for the QuickMIC® system. The study, which is conducted at well-renowned hospitals in the US, includes antibiotic

susceptibility testing results for gram-negative bacteria, both directly from positive blood cultures as well as from bacterial isolated colonies.

Significant events after the end of the period

- Gradientech announced in January to have started its third FDA 510(k) clinical study site in the US for the QuickMIC® system to ensure comprehensive clinical data collection for the regulatory FDA submission of the QuickMIC system and its gram-negative panel.
- In the beginning of February Gradientech announced the outcome of the new issue of shares with preferential rights for existing shareholders, resolved by the Board of Directors on December 17, 2024. The Rights issue was fully subscribed, which means that Gradientech will receive approximately SEK 60.6 million before deduction of issue costs. Through the Rights Issue, the Company's share capital will increase by SEK 346,405.90 to SEK 3,233,123.20 and the number of shares will increase by 3,464,059 shares to 32,331,232 shares.

Gradientech in brief

About the company

Gradientech is a Swedish in vitro diagnostic company that develops, manufactures and sells next-generation solutions for infectious diseases. Our market-approved QuickMIC® system positions us as a world leader in ultra-rapid antibiotic susceptibility testing (AST), enabling sepsis patients with bloodstream infections to receive personalised treatment with the right antibiotic at the right dose – in record time. This helps save lives, reduce healthcare costs, and combat the spread of antibiotic resistance, one of the greatest global health threats of our time.

Our strategic focus is on selling instruments and associated tests to establish the QuickMIC® system as a routine diagnostic tool in clinical microbiology laboratories in hospitals across Europe. Following FDA approval, Gradientech plans to launch QuickMIC® for diagnostic use in the US market, in collaboration with our commercial partner, Hardy Diagnostics.

About QuickMIC®

QuickMIC® diagnoses which antibiotic a patient with bacteria in the blood should be treated with, as well as which antibiotics the bacteria are resistant to. By providing quantitative resistance values in just 2-4 hours, QuickMIC® is currently the fastest AST system on the market, offering direct sampling from blood culture. Its patent-protected technology ensures unique measurement precision, which, combined with the rapid test times, creates the ideal conditions for precision diagnostics and rapid, individualised antibiotic treatment for sepsis patients.

The modular instrument design makes the system scalable, appealing to both small and large hospitals, and offers the potential for sales without the need for procurement processes. QuickMIC® has earned several prestigious industrial design awards and, through its breakthrough device classification, benefits from a prioritised review path with the US FDA.



CEO statement

I summarise 2024 as the year when the QuickMIC® system was implemented in routine diagnostics in the first European hospitals and when we started clinical studies in reputable American hospitals as a step towards FDA clearance in the USA. I have been part of the company since we started Gradientech in 2009, and it feels fantastic to know that seriously ill patients will benefit from the results of the many years of product and production development behind us. It outweighs the challenges we have worked through and have ahead of us and is the most important driving force for many of us working with innovation in the diagnostics area. The past year has, for example, also resulted in successful production scale-ups and regulatory approvals in the UK and Switzerland.



To be able to offer an attractive product solution to hospitals, there is also continuous functional growth of QuickMIC®. During the coming year, we are launching an integrated screen solution for the system so that users save even more valuable bench space in their labs. We are also developing our second antibiotic panel for the European market with a focus on countries with high antibiotic resistance levels in society. I personally think that our preliminary results for the sought-after antibiotic Cefiderocol, which no other automated AST system can offer today, are among the most exciting at the moment.

Gradientech's focus is, of course, on commercial growth. For 2025, the goal is to increase the number of hospitals using QuickMIC® in their routine diagnostics of patient samples, to increase the so-called installed base of instruments which will then drive the sales of tests. Important ongoing activities include further training of more salespeople, service, and application specialists at our various European distributors. In this way, we ensure continued high quality in installation and support for prospective hospital customers.

Colleagues and I recently spent a few days in Dallas together with the management and sales team at Hardy Diagnostics, Gradientech's commercial partner in the US since last fall. Hardy Diagnostics met for its annual sales meeting with its sales representatives from across the US. We met a knowledgeable and very enthusiastic sales team that is ready to take on QuickMIC® and bring it to the US market. As a next step, Hardy Diagnostics personnel will come to us in Uppsala for an extended training with the goal that they will then be able to handle the first installations in the US on their own.

I would like to conclude by thanking you for the fully subscribed rights issue that closed on January 31. This means that Gradientech has capital for the full 2025, a year where we look forward to submitting FDA applications after completed US clinical studies, and where we foresee a growing instrument base in Europe and new product launches.

Sara Thorslund, CEO Gradientech

Financial development in brief

Gradientech AB	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<i>SEK thousand (if not stated otherwise)</i>	2024	2023	2024	2023
Net sales	1 194	376	4 457	1 950
Operating expenses	-19 025	-16 609	-65 530	-67 859
Operating result	-17 043	-17 875	-64 007	-63 493
Profit before tax	-16 666	-17 810	-63 620	-63 678
Profit for the period	-16 666	-17 810	-63 620	-63 678
Cash flow from operating activities	-18 740	-14 637	-62 044	-60 538
Investments in tangible assets	-198	-270	-198	-2 376
Cash and cash equivalents at end of the period	24 596	10 811	24 596	10 811
Equity at the Balance sheet date	35 424	48 451	35 424	48 451
Key ratios				
Return on equity, %	neg	neg	neg	neg
Return on capital employed, %	neg	neg	neg	neg
Earning per share, before dilution, SEK	-0,58	-1,00	-2,50	-3,64
Earning per share, after dilution, SEK	-0,58	-1,00	-2,50	-3,64
Equity/asset ratio	86%	86%	86%	86%
Equity per share, SEK	1,23	2,72	1,23	2,72
Cash flow from operating activities per share, SEK	-0,66	-0,82	-2,44	-3,46
Employees at end of period, #	33	36	33	36

Fourth quarter 2024

Net sales

Net sales for the quarter amounted to SEK 1,194 thousand (376) and are attributable to sales of QuickMIC® instruments and associated consumables.

Expenses

Expenses during the quarter amounted to SEK 19,025 thousand (16,609) and including Change in inventories to, net SEK 18,270 thousand (18,335). Raw materials and purchased services including Change in inventories amounted to net, SEK -3,736 thousand (-3,620) and Other external expenses to SEK 5,901 thousand (5,931). Personnel costs amounted to SEK 8,132 thousand (8,168) and number of employees amounted to 33 (36) at the end of the quarter.

Profit for the period

Profit/loss after financial items was SEK -16,666 (-17,810) thousand, or SEK -0.58 (-1.00) per share before and after dilution.

Cash flow, investments and financial position

Cash flow for the quarter amounted to SEK 11,454 thousand (-15,062) and cash flow from operating activities amounted to SEK -18,740 thousand (-14,637) or SEK -0.66 (-0.82) per share. Cash flow from operating activities includes changes in working capital of SEK -2,524 thousand (2,470), including SEK -754 thousand (1,727) from changes in inventories and SEK 213 thousand (-980) from changes in receivables as well as SEK -1,983 thousand (1,723) from changes in liabilities.

Cash flow from investing activities amounted to SEK -198 thousand (-270).

Cash flow from financing activities amounted to SEK 30,392 thousand (-156). Fourth quarter 2024 is fully attributable to contributed issue capital, net after issue costs, from the issue carried out in October as a Directed issue to Hardy Diagnostics.

Period January-December 2024

Net sales

Net sales for the period amounted to SEK 4,457 thousand (1,950) and are attributable to sales of QuickMIC® instruments and associated consumables.

Expenses

Expenses during the period amounted to SEK 65,530 thousand (67,859) and including Change in inventories to, net SEK 68,641 thousand (65,792). Raw materials and purchased services including Change in inventories amounted to net, SEK -14,487 thousand (-11,945) and Other external expenses to SEK 22,593 thousand (22,020). Personnel costs amounted to SEK 29,551 thousand (29,740) and number of employees amounted to 33 (36) at the end of the period.

Profit for the period

Profit/loss after financial items was SEK -63,620 (-63,678) thousand, or SEK -2.50 (-3.64) per share before and after dilution.

Cash flow, investments and financial position

Cash flow for the period amounted to SEK 13,785 thousand (-10,366) and cash flow from operating activities amounted to SEK -62,044 thousand (-60,538) or SEK -2.44 (-3.46) per share. Cash flow from operating activities includes changes in working capital of SEK -293 thousand (870), including SEK 3,111 thousand (-2,067) from changes in inventories and SEK -1,561 thousand (2,833) from changes in receivables as well as SEK 1,843 thousand (104) from changes in liabilities. Cash flow from investing activities amounted to SEK -198 thousand (-2,376).

Cash flow from financing activities amounted to SEK 76,028 thousand (52,548), and in its entirety includes proceeds from rights issues of shares and convertibles after deduction for issue costs. The issue capital obtained in 2024 relates to the rights issue of shares decided by the board on 13 November 2023 and to the directed issue of shares to a limited number of existing shareholders, whose subscription period ended on 4 July 2024 and was registered during the month of July at the Swedish Companies Registration Office. The cash flow from financing activities also includes proceeds from the directed issue of shares to Hardy Diagnostics registered at the Swedish Companies Registration Office on the 17 October 2024.

Employees

At the end of the period, the number of employees amounted to 33 (36). In addition, at the end of the period, 6 consultants (5) were working full- or part-time for the company.

Share capital

The rights issue, decided by the Board on 13 November 2023, was registered together with the shares from the conversion of the convertible instruments issued in July 2023, with the Swedish Companies Registration Office on three occasions: 3 January 2024, 12 February 2024 and 15 February 2024; increased numbers of shares with 6,165,503 shares and the share capital with 616,550.30 SEK. The directed issue of shares to a limited number of existing shareholders, whose subscription period

ended on July 4, 2024, was registered during the month of July at the Swedish Companies Registration Office; increased number of shares with 3,109,849 shares and the share capital with 310,984.90 SEK. The directed issue to hardy Diagnostics was registered at the Swedish Companies Registration Office 17 October and increased number of shares with 1,796,571 shares and the share capital with 179,657.10 SEK. After this registration, the share capital amounted to a total of SEK 2,886,717.30 and the number of shares to 28,867,173.

Equity

Equity at the end of the period amounted to SEK 35,424 thousand (48,451) or SEK 1.23 (2.72) per share. The equity/assets ratio at the end of the period was 86 percent (86).

Tax loss carryforward

Gradientech's current operations are initially expected to generate negative earnings and tax losses. There is currently insufficient reason to capitalise the value of the tax loss carryforward, and no deferred tax asset has therefore been recognised. As of December 31, 2024 the total unutilised loss carryforward amounts to SEK 382,206 thousand (315,788).

Pledged assets

The company's pledged assets consist of pledged bank funds of SEK 50 thousand (50).

Incentive programs

At the AGM on May 7, 2024, the shareholders decided to introduce an employee stock option program of 1,131,125 options that entitle the holders to subscribe for 1,131,125 shares in Gradientech at a price of SEK 17.50 per share upon the achievement of milestones and a vesting period of three years. The dilutive effect is estimated at approximately 4.5 percent on full subscription. The shareholders also decided at the AGM to cancel the previous employee stock option program issued in 2021.

Related party transactions

No transactions between Gradientech and its related parties were carried out during the period.

Financing

As per the 17 October 2024 the directed issue of shares was registered at the Swedish Companies Registration Office. The issue brought Gradientech SEK 31.4 million before deductions for transaction costs. As a result of the issue, the number of shares increased by 1,796,571 to a total of 28,867,173 shares and the share capital increased by SEK 179,657.10 to a total of SEK 2,886,717.30. In addition to the above issue, during the first quarter of 2024, SEK 25.8 million was added to Gradientech before deduction of transaction costs from the oversubscribed Rights issue of shares decided by the board on November 13, 2023. During the third quarter, SEK 22.1 million was added to Gradientech before deduction of transaction costs from the directed issue of shares to a limited number of existing shareholders. On 17 December 2024 the Board of directors decided to carry out a Rights issue of maximum 3,464,060 shares with a subscription period of January 17-31, 2025. As Significant event after the end of the period, the issue raised Gradientech SEK 60.6 million before deduction of issue costs. The Board of Directors' assessment is that the issue proceeds together with existing cash will cover the Company's liquidity needs until the end of 2025/2026. Due to uncertainty in the forecast, this means that financing at the time of submission of this interim report is not secured for at least twelve months ahead. In the current market situation, the Company's Board of Directors has chosen to finance the coming twelve-month period on more than one occasion. This means that additional issues need to be carried out during the next twelve-month period to ensure the Company's continued financing.

Condensed income statement

Gradientech AB	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<i>SEK thousand</i>	2024	2023	2024	2023
Net sales	1,194	376	4,457	1,950
Change in inventories	754	-1,727	-3,111	2,067
Other operating income	33	84	177	351
Purchased goods and services	-4,491	-1,894	-11,376	-14,012
Other external expenses	-5,901	-5,931	-22,593	-22,020
Personnel costs	-8,132	-8,168	-29,551	-29,740
Depreciation	-451	-513	-1,869	-1,827
Other operating expenses	-50	-103	-142	-261
Operating result	-17,043	-17,875	-64,007	-63,493
Financial net	377	65	387	-185
Profit before tax	-16,666	-17,810	-63,620	-63,678
Income tax	0	0	0	0
Profit for the period	-16,666	-17,810	-63,620	-63,678
Average numbers of shares, thousands, before dilution	28,548	17,795	25,444	17,507
Average numbers of shares, thousands, after dilution	29,679	24,576	26,575	24,287
Number of shares outstanding on the Balance sheet date, thousands	28,867	17,795	28,867	17,795
Basic earnings per share, SEK	-0.58	-1.00	-2.50	-3.64
Diluted earnings per share, SEK	-0.58	-1.00	-2.50	-3.64

Condensed balance sheet

Gradientech AB	31 Dec	
<i>SEK thousand</i>	2024	2023
ASSETS		
Subscribed but unpaid capital	0	25,803
<i>Tangible assets</i>		
Equipment, tools, fixtures and fittings	3,843	5,514
Total non-current assets	3,843	5,514
<i>Current assets</i>		
Inventories	2,485	5,596
<i>Current receivables</i>		
Accounts receivables and other receivables	10,041	8,479
Cash and bank balances	24,596	10,811
Total current assets	34,636	19,290
TOTAL ASSETS	40,964	56,202
EQUITY AND LIABILITIES		
<i>Equity</i>		
Restricted equity	2,887	2,396
Non-restricted equity	32,537	46,054
Total equity	35,424	48,451
<i>Liabilities</i>		
Current liabilities	5,540	7,752
Total liabilities	5,540	7,752
TOTAL EQUITY AND LIABILITIES	40,964	56,202
Pledged assets	50	50

Statement of changes in equity

Gradientech AB <i>SEK thousand</i>	Share capital	Unregistered share capital	Share premium reserve	Retained earnings	Total
Opening balance, Oct 1, 2023	1,780	170	321,879	-282,935	40,894
<i>Profit/Loss</i>					
Loss for the period				-17,810	-17,810
Total profit/loss	0	0	0	-17,810	-17,810
<i>Transactions with shareholders</i>					
Ongoing new share issue		445	25,358		25,803
Ongoing conversion - Convertible loan		2	188		190
Issue costs			-626		-626
Total transactions with shareholders	0	447	24,920	0	25,366
Closing balance, Dec 31, 2023	1,780	617	346,798	-300,744	48,451
Opening balance, Jan 1, 2023	1,598	67	281,980	-237,067	46,578
<i>Profit/Loss</i>					
Loss for the period				-63,678	-63,678
Total profit/loss	0	0	0	-63,678	-63,678
<i>Transactions with shareholders</i>					
New share issue, registered share capital	67	-67			0
New share issue	115		23,446		23,561
Ongoing new share issue		445	25,358		25,803
Ongoing conversion - Convertible loan		172	16,995		17,167
Issue costs			-981		-981
Total transactions with shareholders	182	550	64,818	0	65,550
Closing balance, Dec 31, 2023	1,780	617	346,798	-300,744	48,451
Opening balance, Oct 1, 2024	2,707	0	366,690	-347,698	21,699
<i>Profit/Loss</i>					
Loss for the period				-16,666	-16,666
Total profit/loss	0	0	0	-16,666	-16,666
<i>Transactions with shareholders</i>					
New share issue	180		31,260		31,440
Issue expenses			-1,049		-1,049
Total transactions with shareholders	180	0	30,212	0	30,391
Closing balance, Dec 31, 2024	2,887	0	396,901	-364,364	35,424
Opening balance, Jan 1, 2024	1,780	617	346,798	-300,744	48,451
<i>Profit/Loss</i>					
Loss for the period				-63,620	-63,620
Total profit/loss	0	0	0	-63,620	-63,620
<i>Transactions with shareholders</i>					
New share issue, registered share capital	617	-617			0
New share issue	491		53,014		53,504
Issue expenses			-2,911		-2,911
Total transactions with shareholders	1,107	-617	50,103	0	50,594
Closing balance, Dec 31, 2024	2,887	0	396,901	-364,364	35,424

Condensed cash-flow statement

Gradientech AB	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<i>SEK thousand</i>	2024	2023	2024	2023
OPERATING ACTIVITIES				
Result after financial items	-16,666	-17,810	-63,620	-63,678
Depreciation	451	513	1,869	1,827
Profit from disposal of non-current assets	0	0	0	0
Interest Convertible Loan	0	190	0	443
Cash flow from operating activities before change in working capital	-16,215	-17,106	-61,751	-61,408
Changes in working capital	-2,524	2,470	-293	870
Cash flow from operating activities	-18,740	-14,637	-62,044	-60,538
INVESTING ACTIVITIES				
Investments in tangible fixed assets	-198	-270	-198	-2,376
Cash flow from investing activities	-198	-270	-198	-2,376
Cash flow before financing activities	-18,938	-14,906	-62,243	-62,914
FINANCING ACTIVITIES				
New share issues, convertible loan and issue costs	30,392	-156	76,028	52,548
Cash flow from financing activities	30,392	-156	76,028	52,548
CASH FLOW FOR THE PERIOD	11,454	-15,062	13,785	-10,366
Cash and cash equivalents at beginning of the period	13,142	25,873	10,811	21,177
Cash and cash equivalents at end of the period	24,596	10,811	24,596	10,811

Accounting principles

This interim report has been prepared in accordance with the Swedish Accounting Standards Board's General Advice and the accounting principles are unchanged compared with the annual report for 2023.

Significant risks and uncertainties

Through its operations, Gradientech is exposed to risks and uncertainties. Information about the company's risks and uncertainties can be found on page 45 in the company's annual report for 2023, which is available on the company's website www.gradientech.se.

Patents and intellectual property rights

Patent

Current patent situation

Gradientech is the owner of six patent families and works with Barker Brettell Sweden AB in Stockholm as patent advisor.

The first patent family concerns a microfluidic device and was filed in November 2009. The patent family comprises four approved patents in Germany, France, the UK and Sweden. The patent family was abandoned in 2024.

The second patent family relates to a stable microfluidic capsule and was filed in June 2011. The patent family includes six approved patents in Germany, France, Great Britain, Ireland, Sweden and the United States. The patent family was abandoned in 2024.

The third patent family relates to the use of the company's microfluidic technology for precise antibiotic susceptibility testing and was filed in July 2014. The patent family includes eight approved patents in Germany, France, UK, Sweden, Japan, China and the US (two approved patents in the US).

The fourth patent family concerns the design and functions of the microfluidic cassette that constitutes the consumable in the QuickMIC system. A US provisional patent application was filed in April 2019, and was supplemented with an international patent application in April 2020. In 2021, national patent applications have been filed in Europe, the US, China and Japan. The patent family currently includes six approved patents in Germany, France, UK, Sweden, China and Japan.

The fifth patent family concerns a surface modification of plastic surfaces to improve the adhesion of hydrogel to it. A Swedish patent application was filed in April 2022, and was supplemented with an international patent application in March 2023.

The sixth patent family concerns the use of machine learning-based methods to be able to detect antibiotic resistance and resistance mechanisms early during a QuickMIC test run. A Swedish patent application was submitted in August 2023 and was supplemented with an international patent application in March 2024.

IP Strategy

Gradientech develops, manufactures and sells microfluidic products for cell study applications, in infectious disease diagnostics specifically. We regularly review our innovations to determine whether they are patentable and strategically significant for us to seek patent protection. We do this in consultation with our patent office and patent attorney, who have worked with our patent families for a long time. Our strategy is to protect technological solutions and applications in commercially viable markets, mainly in Europe and the US, but also in other selected markets in Asia, for example. The trademark portfolio is managed in partnership with an external legal partner specialised in trademarks.

Trademarks

Gradientech currently has three different brand families.

The first brand family refers to GRADIENTECH® and was filed in January 2010 in trademark classes 1, 5, 9 and 42. The trademark family includes a Swedish registered trademark.

The second brand family refers to CELLDIRECTOR® and was submitted in January 2010 in trademark classes 1, 5 and 9 (as well as class 10 in Sweden). The trademark family includes registered trademarks in Sweden, the USA (only class 1 and 9) and EU trademarks.

The third brand family relates to QUICKMIC® and was submitted in November 2017 in trademark classes 5 and 10. The trademark family includes registered trademarks in the United States and EU trademarks.

Definitions and key ratios

Earnings per share

Net income divided by average number of shares.

Average number of shares

The average number of shares in Gradientech has been calculated based on a weighting of the historical number of outstanding shares in Gradientech after each completed new share issue per its settlement date times the number of days that each number of shares has been outstanding.

Solidity

Equity in relation to balance sheet total (total assets).

Return on equity

Profit after tax in relation to equity.

Return on capital employed

Profit after net financial items in relation to capital employed.

Capital employed

Total assets less non-interest-bearing liabilities.

Equity per share

Equity divided by the number of shares at the balance sheet date.

Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares.

Definitions

AST

Antibiotic Susceptibility Testing

Bloodstream infection

Presence of bacteria in the blood

Breakthrough device

Classification by the US FDA of a medical device that is deemed to offer a more effective treatment or diagnosis of life-threatening diseases compared to what is available on the market, provides a prioritised regulatory review process

BSI

The company's Certification Body for the ISO13485 certification and Notified Body for IVDR review

CE

Conformité Européenne, product marking mainly within the European Union and the European Economic Area

CE-IVD

Regulatory marking of diagnostic medical devices that have met a number of requirements, including safety, quality, validity and traceability, that are necessary for the product to be used for diagnostic testing

ESCMID

The European Society of Clinical Microbiology and Infectious Diseases, a European organisation in clinical microbiology and infection diagnostics, organises the annual world conference *ESCMID Global*

FDA

The United States Food and Drug Administration, approves and clears IVD-products for the US market

Gram-negative

The difference between gram-negative and gram-positive bacteria is the structure of their cell walls

Isolate

A single species of a bacterium obtained in a pure culture

IVD

In vitro diagnostics, refers to medical devices for in vitro diagnostics

IVDR

Regulation (EU) 2017/746 of the European Parliament and of the Council of 5 April 2017 on in vitro diagnostic medical devices

Microfluidics

The study of how liquids that are physically confined to the micrometer scale in at least one dimension behave, are measured and manipulated

QuickMIC®

Registered trademark of Gradientech, the company's diagnostic system for ultra-rapid antibiotic susceptibility testing

Sepsis

A condition of life-threatening organ dysfunction caused by a disturbed systemic response to infection

For the Annual General Meeting (AGM)

Proposed appropriation of profit or loss

The Board of Directors proposes that the amount available for distribution (SEK):

Share premium reserve	396,901,289
Retained earnings	- 300,743,955
Loss for the year	<u>- 63,619,849</u>
	32,537,485

to be carried forward **32,537,485**

The Annual general meeting will take place on May 21, 2025. Notice and information about the general meeting will be published no later than four weeks before the Annual general meeting.

Upcoming reports

Annual report 2024	April 11, 2025
Interim report Q1 2025	May 16, 2025
Annual General Meeting	May 21, 2025
Interim report Q2 2025	August 21, 2025
Interim report Q3 2025	November 13, 2025
Year-end report 2025	February 20, 2026

This year-end report has not been reviewed by the company's auditor.

Board of Directors

The Board of Directors and the CEO affirm that this year-end report provides a true and fair overview of the operations, position and earnings of the company.

Uppsala, February 20, 2025

Gisela Sitbon
Chair of the Board

Henrik Didner
Board member

Rolf Ehrström
Board member

Laura Chirica
Board member

Hilja Ibert
Board member

Nedal Safwat
Board member

Sara Thorslund
CEO

For further information, please contact:

Sara Thorslund, CEO
sara.thorslund@gradientech.se

Urban Adolfsson, CFO
urban.adolfsson@gradientech.se

Ann Charlotte Svensson, IR
ir@gradientech.se



Uppsala Science Park
SE-751 83 UPPSALA
www.gradientech.se