



High activity amid global turbulence – building for growth

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Peter Nählstedt, President and CEO

1 January–31 March 2024

- Net sales totaled SEK 13.7 (14.3) million.
- EBITDA amounted to SEK -1.3 (0) million.
- Earnings per share were SEK -0.14 (-0.13).
- Cash and cash equivalents at 31 March amounted to SEK 34.7 (12.5) million.

Significant events after the end of the period

- SenzaGen broadened its regulatory test portfolio, winning its first orders for EpiSensA – a new, non-animal and OCED-approved test method for assessing skin allergies. This milestone strengthens the Company's scope and competitiveness in non-animal regulatory toxicology testing.
- The FDA announced a shift towards human-relevant testing methods in drug development, strengthening SenzaGen's long-term commercial opportunities as a pioneer in innovative, non-animal test methods.

Message from the CEO

High activity amid global turbulence – building for growth

The quarter was shaped by a volatile global environment, adverse foreign exchange effects, and longer customer decision cycles, which have together impacted sales growth and consequently our EBITDA. Net sales totaled SEK 13.7 (14.3) million, but currency-adjusted sales were in line with the previous year. Earnings are below our expectations as a result of external factors outside of our control, but notably, interest in our tests has strengthened, laying a solid foundation for growth in the second half of 2025.

Market conditions presented some challenges for our companies, but we achieved success through improved operational efficiency and refined pricing strategies. The strong gross margin was also positively impacted by the channel mix and amounted to 75% (75).

We strengthened our organization with new employees in sales during the quarter, but we managed to keep the total cost increase at a low level despite the impact of adverse foreign exchange effects.

Net cash from operating activities improved to SEK -3.2 (-5.9) million, and cash and cash equivalents remain at a solid level of SEK 34.7 million.

Stable core business and strong interest

The general level of activity in our markets remained very high during the quarter. For SenzaGen, this is reflected in increased interest in GARD® in all of our key industries, especially in Europe. License sales through contract research organizations (CRO) were unusually high at 8 percent, compared to our normal channel mix of around 1 percent. This license revenue has a nearly 100 percent gross margin and is positive for the scalability of the business. However, sales were impacted by the turbulent global situation, resulting in longer lead times for customers to commit to major orders. Despite this, we secured ten new GARD® customers, four of which were large international companies, and we achieved 3% sales growth. This broadens our customer

base and plays an important role for our continued growth.

I especially want to highlight the world's largest toxicology conference, Society of Toxicology (SOT) Annual Meeting and ToxExpo, held in March in Orlando, where SenzaGen reinforced its position as a key opinion leader in non-animal testing for skin allergies. Our experts presented new research findings in collaboration with major international companies such as Clarins and Unilever. The strong interest in our offering has now led to a large number of requests for proposals of significant value, laying the foundation for higher growth in the second half of 2025.

Subsidiary showing signs of recovery

After a leadership change in the second half of 2024, to strengthen the company's commercial development, VitroScreen showed signs of operational improvement during the quarter. The new sales organization has been in place since February. Sales remained at the same level as in the fourth quarter of 2024 but the number of orders received reached a significantly higher level. VitroScreen now heads into the second quarter with a significantly improved order backlog compared with the start of the first quarter and several ongoing customer dialogues.

Investments strengthen future growth prospects

Investments in sales and marketing at VitroScreen, expanded operational capacity and the development of our test portfolio are proceeding according to plan and represent highly important investments for future growth.

During the quarter, EpiSensA was implemented in our Italian laboratory. EpiSensA is a new, non-animal and OCED-approved test method for assessing skin allergies. We are the first to launch this method, which has already generated orders, signaling its value as an effective complement to our existing toxicology portfolio.

In parallel, work is progressing to align GARD® with the medical device standard ISO 10993-10. The ISO working group's ongoing revision of the standard aims to enable companies to use validated non-animal alternatives for skin sensitization assessments instead of traditional

animal studies in their product filings. The initial results from our validation study are positive. The next step is to present the results to the ISO working group, followed by a ring trial in which three independent laboratories will validate the reliability of the method.

Overall, these projects strengthen our competitiveness and expand our ability to support customers in meeting regulatory requirements, particularly in the medical device sector, which we assess to be a highly attractive market for non-animal methods.

Strong trends continue to drive us forward

In April, the US FDA also announced the start of its planned phase-out of animal testing in the pharmaceuticals industry – a major regulatory milestone that further improves the outlook for alternative testing methods.

Overall, our growth initiatives are positioning us well to meet global trends and regulatory shifts. Although the quarter was impacted by short-term challenges resulting from external factors beyond our control, we are all in on pursuing our initiatives and continuing to build for growth.

Peter Nählstedt, President and CEO

SenzaGen at a glance

Business concept and vision

SenzaGen is a corporate group that aims to be a leader in non-animal testing, driving the transition from animal tests to methods better suited to reflect human biology.

We provide high-performance, non-animal test methods and advisory services based on state-of-the-art technology. With non-animal methods that are more effective, more accurate and less expensive than traditional animal-based methods, we help to reduce the number of laboratory animals.

SenzaGen's vision is to replace animal testing with best-in-class non-animal technology, establish new industry standards and contribute to safer and more effective products in society.

A market with great potential

The non-animal toxicology testing market is global and growing strongly. The market is experiencing a paradigm shift as companies around the world transition from animal to non-animal testing. SenzaGen estimates its addressable market at approximately SEK 5.8 billion (USD 0.5 billion). Our market segments are cosmetics, chemicals, medical devices, pharmaceuticals and nutrition/food additives.

Business model

The majority of the Company's sales are direct sales supplemented by a global network of licensed CROs. Direct sales build strong, long-term customer relationships while the partner network provides flexibility and scalability. SenzaGen's customer base comprises leading multinationals primarily based in Europe and North America.

3-5 year growth strategy

Our growth strategy strengthens our market position in established and new markets through direct sales and complementary partnerships, a broadened test portfolio and thought leadership. We also have a long-term M&A agenda.

Our contribution to a more sustainable world

Our solutions help companies provide products that do not cause allergic or other toxic reactions and also create better production environments for their employees while decreasing the number of animal tests.

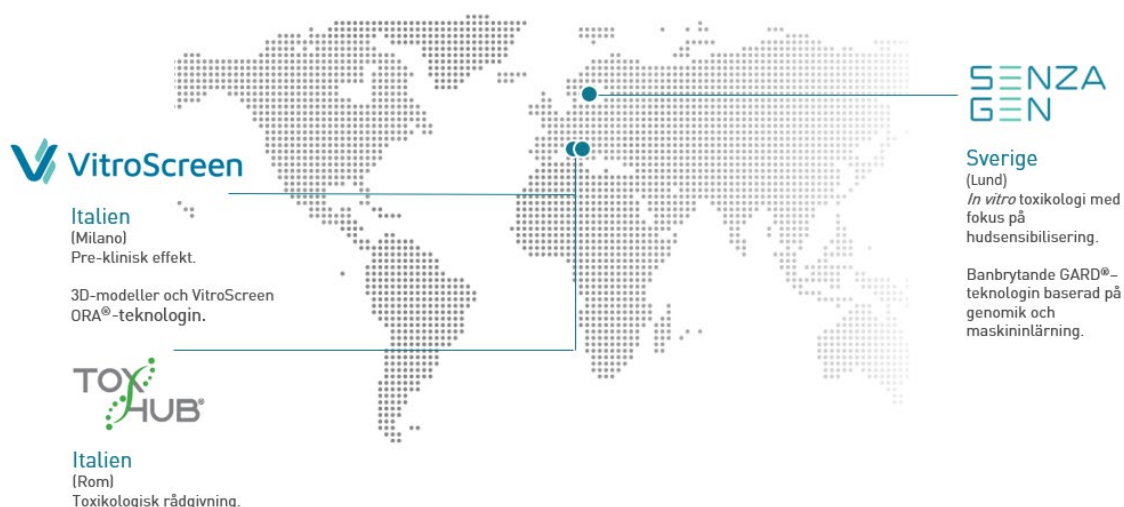
Innovative non-animal offering

The SenzaGen Group offers innovative solutions for safety assessment and efficacy testing of chemicals in several industries.

SenzaGen's patent-protected GARD® test platform, based on genomics and machine learning, has been developed to determine whether substances can cause allergic reactions, and more complementary tests and services have been added. GARD®skin is approved as a standard test for skin allergies by the OECD.

VitroScreen has vast expertise in human 3D tissue models. The patent-protected organoid platform VitroScreen ORA® makes it possible to test the efficacy and safety of substances. The platform can be customized based on customer needs.

ToxHub specializes in toxicological risk assessment and regulatory strategy consulting, with expertise in medical devices and pharmacology.



Sales, earnings and investments

Q1 2025

Consolidated net sales for the January–March 2025 period totaled SEK 13.7 (14.3) million, a 5% year-on-year decrease. GARD® sales accounted for SEK 9.4 (9.2) million, representing a 3% increase. A turbulent global environment, including foreign exchange effects, primarily the stronger Swedish krona (SEK) against the euro, had a negative impact on sales during the quarter.

The majority of sales are in EUR and USD to companies outside Sweden, which means that the Company's sales and earnings are impacted by fluctuations in these currencies.

Consolidated gross profit was SEK 10.3 (10.7) million, corresponding to a gross margin of 75% (75%).

Total operating expenses for the quarter amounted to SEK 14.2 (14.0) million. Operating expenses include depreciation and amortization amounting to SEK 2.5 (3.0) million, and SEK 2.0 (2.1) million of this amount is for depreciation and amortization on acquired assets. The increased expenses are attributable to foreign exchange effects and strengthened internal capabilities in line with the Company's growth strategy.

Consolidated EBITDA amounted to SEK -1.3 (0) million.

SenzaGen capitalizes new development expenditure and recognizes patents in the balance sheet on an ongoing basis. Total investments in intangible assets for the quarter were SEK 0.7 (0.4) million, with patents and trademarks accounting for SEK 0.3 (0.4) million of this amount.

Capitalized expenditure for in-house development projects totaled SEK 400 (18) thousand.

Funding

The Group's cash and cash equivalents at the end of the quarter totaled SEK 34.7 (12.5) million.

Net cash from operating activities for improved to SEK -3.2 (-5.9) million, primarily due to large customer payments received and reduced outflows for consumables, following the buildup of safety stock.

Total net cash flow for the quarter amounted to SEK -4.8 (-5.2) million.

Parent Company

The Parent Company's net sales for the January–March 2025 period totaled SEK 9.4 (9.2) million. The loss before tax was SEK -2.0 (-1.3) million.

The Parent Company's net investments in both property, plant and equipment and intangible assets for the quarter amounted to SEK 0.8 (0.4) million, and its total cash flow was SEK -5.1 (-6.9) million.

For further information, see the disclosures for the Group.

Other information

Group

SenzaGen AB (publ) (reg. no. 556821-9207), based in Lund, is the parent company of subsidiary SenzaGen North America Inc, based in North Carolina, USA (reg. no. C3870650), subsidiary VitroScreen s.r.l. (reg. no. MI-1653696) based in Milan, Italy, and subsidiary ToxHub s.r.l. (reg. no. MI-2690194) based in Rome, Italy.

Segment reporting

SenzaGen's business currently includes only one operating segment, non-animal safety and efficacy testing. Therefore, see the income statement and balance sheet for operating segment reporting.

Accounting policies

The accounting policies applied are in compliance with the Swedish Annual Accounts Act (1995:1554) and the general advice of the Swedish Accounting Standards Board in BFNAR 2012:1 Annual Reports and Consolidated Financial Statements ("K3"). The same accounting policies and calculation bases were applied as those in the 2024 Annual Report.

Operating activities are conducted in the parent company and two subsidiaries, VitroScreen and ToxHub.

Information about risks and uncertainties

SenzaGen's business is exposed to several risks, including both operational and financial risks. The operational risks mainly comprise uncertainty concerning product development, supplier agreements, product liability and distribution. For a more detailed description of the risks and uncertainties to which SenzaGen is exposed, see the risk and sensitivity analysis in the 2024 Annual Report.

Research and development

SenzaGen invests in research and development to advance new high-tech and human-relevant methods for effective safety assessment. The foundation of the Group's product development is the GARD® technology platform, which is broadly applicable in all of the Company's relevant industries and for difficult-to-test substances. The GARD® technology platform also has potential for use in several more testing and application domains. With the help of VitroScreen's proprietary organoid model VitroScreen ORA®, the Group can also provide customers with tailored solutions for a specific test method, cell or organ type.

Employees

At the end of the period, the Group had 36 (32) employees, 21 (20) of which were women and 15 (12) were men. At the end of the period, the Parent Company had 21 (18) employees, 12 (10) of which were women and 9 (8) were men.

Significant events after the end of the period

On April 10, SenzaGen announced an expansion of its regulatory test portfolio and winning its first orders for EpiSensA – a new, non-animal and OCED-approved test method for assessing skin allergies. The total order value amounts to approximately SEK 0.7 million, and the testing is scheduled to be conducted at the Group's GLP-certified laboratory during the second and third quarters of 2025. The portfolio expansion strengthens the company's competitiveness in non-animal regulatory toxicological testing.

In April, the US FDA announced the start of its planned phase-out of animal testing in the pharmaceutical industry – a decisive step toward non-animal testing methods. In the long term, the pharmaceutical industry represents an important market for SenzaGen, and this development strengthens the Company's commercial opportunities as a pioneer in innovative, non-animal test methods.

Audit

This report was not reviewed by the Company's auditors.

2025 AGM

SenzaGen's 2025 Annual General Meeting (AGM) will be held on 14 May at 2 PM in Medicon Village's conference rooms at Scheeleatorget 1, Lund, Sweden.

Certified Adviser

FNCA Sweden AB is the Company's Certified Adviser on Nasdaq First North.

Financial calendar

Jan-Jun 2025 Interim Report	20 Aug 2025
Jan-Sep 2025 Interim Report	5 Nov 2025
2025 Year-End Report	13 Feb 2026

Interim reports and annual reports are available on SenzaGen's website.

Glossary

Toxicology: A science that deals with poisons and poisoning symptoms, including how drugs and other chemicals can cause various adverse health effects in humans.

The board of directors and CEO assure that the interim report provides a true and fair view of the Parent Company and Group's business, financial position and financial performance and discloses significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Lund, 14 May 2025

Carl Borrebaeck
Chairman

Ian Kimber
Director

Anki Malmberg Hager
Director

Paul Yianni
Director

Paula Zeilon
Director

Peter Nählstedt
President and CEO

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Publication

This information constitutes the type of information SenzaGen AB is required to publish under the EU Market Abuse Regulation. This information was released for publication by the contact person set out above on 14 May 2025 at 08:00 AM.

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SenzaGen is listed on Nasdaq First North. The Company is traded under the ticker symbol SENZA and ISIN code SE0010219626.

Condensed consolidated statement of comprehensive income (SEK thousand)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Operating income			
Net sales	13,659	14,339	57,695
Cost of goods sold	-3,359	-3,648	-19,101
Gross profit/loss	10,300	10,691	38,594
Selling expenses	-6,141	-6,468	-25,933
Administrative expenses	-4,419	-4,224	-18,379
Research and development expenditure	-846	-1,075	-7,088
Acquisition-related costs	-2,045	-2,054	-8,327
Other operating income	139	326	3,019
Other operating expenses	-791	-204	-835
Operating profit/loss*	-3,803	-3,008	-18,949
Profit/loss from financial items			
Interest income and similar items	95	296	1,065
Interest expenses and similar items	-433	-402	-477
Profit/loss after financial items	-4,141	-3,114	-18,361
Tax expenses	41	53	511
Profit/loss for the period	-4,100	-3,061	-17,850
Share of profit/loss to Parent Company shareholders	-4,100	-3,061	-17,850
<i>*Operating profit/loss includes depreciation</i>	<i>-2,485</i>	<i>-3,045</i>	<i>-13,381</i>

	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Per share data			
Earnings per share (SEK)	-0,14	-0,13	-0,65
Fully diluted earnings per share (SEK)	-0,14	-0,13	-0,65
Equity per share (SEK)	2,74	2,71	2,94
Equity ratio (%)	80%	72%	77%
Number of outstanding shares at end of period (thousands)	29,504	24,188	29,504
Average number of outstanding shares (thousands)	29,504	24,188	27,289
Share price at end of period (SEK)	4,86	6,68	6,90

Definitions of financial ratios

Earnings per share

Profit/loss for the period as a percentage of weighted average number of shares.

Equity per share

Equity as a percentage of the number of shares at the end of the period.

Equity ratio

Equity as a percentage of total assets.

Condensed consolidated statement of financial position (SEK thousand)	31 Mar 2025	31 Mar 2024	31 Dec 2024
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Assets

Goodwill	13,384	20,287	15,683
Intangible assets	30,708	33,839	32,052
Property, plant and equipment	1,801	1,738	1,763
Inventories	3,458	6,676	3,739
Trade receivables	9,811	8,677	13,689
Other receivables	3,356	2,370	2,663
Prepaid expenses and accrued income	3,522	5,860	2,709
Cash and cash equivalents	34,691	12,506	39,608
Total assets	100,731	91,953	111,906

Equity and liabilities

Equity	80,821	65,636	86,641
Liabilities to credit institutions	1,451	2,506	1,781
Trade payables	3,087	3,801	3,086
Other provisions	6,561	7,287	7,011
Current tax liabilities	-	519	-
Other liabilities	2,886	1,364	3,082
Accrued expenses and deferred income	5,925	10,840	10,305
Total equity and liabilities	100,731	91,953	111,906

Statement of changes in equity (SEK thousand)	31 Mar 2025	31 Mar 2024	31 Dec 2024
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Opening balance	86,641	67,608	67,608
New shares issue	-	-	37,210
Stock options	-	-	613
Costs new shares issue	-	-	-2,653
Profit/loss for the period	-4,100	-3,061	-17,850
Foreign currency effect	-1,720	1,089	1,713
Equity at end of period	80,821	65,636	86,641

Condensed consolidated statement of cash flows (SEK thousand)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Operating profit/loss after tax	-4,100	-3,061	-17,850
Adjustments for non-cash items	2,423	2,928	13,011
Paid tax	-	-	-
Net cash from operating activities	-1,677	-133	-4,839
Change in inventory	230	-332	2,573
Change in current receivables	1,294	-216	-4,309
Change in current liabilities	-3,004	-5,766	-3,333
Change in other provisions	-	569	578
Net cash from operating activities	-3,157	-5,878	-9,330
Acquisitions/disposals of intangible assets	-681	-359	-3,875
Acquisitions/disposals of property, plant and equipment	-285	-62	-656
Acquisitions/disposals of subsidiaries	-	-	283
Net cash from investing activities	-966	-421	-4,248
New share issue	-	-	37,210
Transaction expenses attributable to new share issue	-	-	-2,654
Change in long term debt to credit institutions	-696	1,067	913
Net cash from financing activities	-696	1,067	35,469
Total cash flow for the period	-4,819	-5,232	21,891
Cash and cash equivalents at start of period	39,608	17,624	17,624
Translation difference on cash and cash equivalents	-98	114	93
Cash and cash equivalents at end of period	34,691	12,506	39,608

Parent Company income statement (SEK thousand)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Operating income			
Net sales	9,424	9,157	38,796
Cost of goods sold	-2,437	-2,220	-11,559
Gross profit/loss	6,987	6,937	27,237
Selling expenses	-4,098	-4,597	-17,051
Administrative expenses	-3,054	-2,765	-12,417
Research and development expenditure	-929	-818	-5,609
Other operating income	121	324	1,023
Other operating expenses	-791	-203	-833
Operating profit/loss	-1,764	-1,122	-7,650
Profit/loss from financial items			
Interest income and similar items	90	247	2,151
Interest expenses and similar items	-352	-380	-365
Profit/loss after financial items	-2,026	-1,255	-5,864
Tax expenses	-	-	-
Profit/loss for the period	-2,026	-1,255	-5,864

Parent Company balance sheet (SEK thousand)	31 Mar 2025	31 Mar 2024	31 Dec 2024
Assets			
Intangible assets	10,615	11,491	10,341
Property, plant and equipment	560	481	315
Financial assets	48,095	48,378	48,095
Inventories	2,570	3,294	2,847
Trade receivables	5,872	4,354	9,010
Receivables from Group companies	4,350	2,534	3,430
Other liabilities	1,292	1,674	707
Prepaid expenses and accrued income	3,294	5,394	2,657
Cash and bank balances	33,329	9,196	38,474
Total assets	109,977	86,796	115,876
Equity and liabilities			
Equity	101,675	73,142	103,701
Trade payables	1,381	1,910	1,155
Current tax liabilities	-	519	-
Liabilities to Group companies	312	46	157
Other liabilities	750	697	845
Accrued expenses and deferred income	5,859	10,482	10,018
Total equity and liabilities	109,977	86,796	115,876