

**Dvysr**<sup>®</sup>

**Annual report 2023**



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The formal annual report and consolidated financial statements of Devyser Diagnostics AB consist of the management report and the associated statements and Notes on pages 36 to 86. The Corporate governance report is presented on pages 27 to 31 and the Sustainability report on pages 23 to 26. The Group's remuneration report is published separately on [www.devyser.com](http://www.devyser.com)

# 2023 in brief

Net sales

**SEK 169.3  
million**

Sales growth

**33.7%**

Gross margin

**85.5%**

Operating profit/loss

**SEK -58.9  
million**

## Significant events in 2023

### *Collaboration and distribution agreement with Thermo Fisher Scientific*

In April, Devyser and Thermo Fisher entered into an exclusive collaboration and distribution agreement relating to Devyser's NGS products for post-transplant monitoring. The agreement gives Thermo Fisher, through its subsidiary One Lambda, exclusive rights to market the products under joint brands in North America and Europe. In September, the collaboration was further expanded by adding Brazil, the world's second largest transplant market, to the agreement.

### *Launching of a first IVDR-certified product*

In March, the updated version of Devyser Compact, the Company's first IVDR-certified product, was launched in Europe. The product is a genetic test for the diagnosis of fetal chromosomal abnormalities and is the first genetic test of this kind to be certified in Europe under the IVDR, the new, more comprehensive EU regulation that came into force in 2022.

### *IVDR certification of NGS products for the monitoring of kidney and stem cell transplant patients*

In July, One Lambda Devyser Accept cfDNA and One Lambda Devyser Chimerism, two Devyser tests for the detection of cell-free donor DNA in blood samples from kidney transplant patients and follow up stem cell transplant patients, received IVDR approval as the first NGS products in the transplant area.

### *Launching of two genetic tests for hereditary cancers*

In June, Devyser launched two new products, Devyser LynchFAP and Devyser BRCA PALB2. The tests offer an effective analysis of genes that are correlated with an increased risk of cancer, in cases of colorectal, breast and ovarian cancer.

### *Approval of RHD product in Canada*

In May, Devyser received regulatory marketing authorization in Canada for Devyser RHD, a product for the non-invasive prenatal RHD testing of pregnant women. The application was submitted as part of the procurement process for the RHD screening of pregnant women from Héma-Québec, an established reference laboratory in the Québec region.

### *CLIA certification and first patient sample test*

Devyser Genomic Laboratories, Devyser's clinical testing laboratory in Atlanta, Georgia, was CLIA certified in May. The certification allowed the laboratory to start testing patient samples and the first patient sample was tested in June.

### *Winner of the Swecare Export Award for 2023*

Devyser received the Swecare Export Award 2023 during the year. The award, which recognizes the company that "with creativity, commitment and scope put Swedish innovation in health and healthcare on the world map", was awarded to Devyser for its revolutionary solutions, intensive export efforts and focus on accurate diagnosis in the shortest possible time.

	2023	2022	2021	2020	2019
Net sales, SEK million	169.3	126.6	93.5	65.7	64.3
Sales growth, %	33.7	35.4	42.3	2.2	33.6
Gross profit, SEK million	144.7	103.4	71.9	47	49.1
Gross margin, %	85.5	81.7	76.9	71.6	76.4
Operating profit/loss (EBIT), SEK million	-58.9	-52	-21.2	-10.9	10.4
Operating margin (EBIT margin), %	Neg.	Neg.	Neg.	Neg.	16.2
Profit/loss for the period, SEK million	-53.6	-46	-20.7	-10.9	7
Cash flow from operating activities, SEK million	-69.7	-40.5	-16.5	0.6	14.6
Available liquidity, SEK million	262.9	363.6	383.6	12.3	14.9
Dividends, SEK million	-	-	-	-	-

# Devyser in brief

*Devyser is a diagnostics company that offers laboratories innovative sample preparation products for genetic testing. The Company develops, manufactures and sells advanced diagnostic solutions and analysis services to clinical laboratories in more than 65 countries. The products can be used to diagnose a wide range of hereditary diseases, including hereditary cancers, and to monitor transplant patients. Devyser's solutions are easy to implement, simple to use, and provide fast and accurate test results.*

Devyser was founded in 2004 with the aim of providing patients undergoing genetic diagnostics with rapid test results. Development and production take place on the Company's own premises in Stockholm, from which, since Devyser first opened its doors, it has developed, registered and launched more than 30 CE-IVD-approved products and in 2023 launched the Company's first IVDR-approved products. Devyser's products offer fast analysis results in an industry known for long waiting times and complex processes.

The Group's market presence has been strengthened every year, thanks to which Devyser's genetic tests are now sold and marketed in more than 65 countries, through direct sales in selected markets and through an established and growing external distributor network.

### *Doing business sustainably*

Sustainability is a central part of Devyser's business model, and is also a prerequisite for long-term value creation over time. The Company operates on the basis of three global sustainability areas: environmental, human and social responsibility and responsible governance, within which seven materiality topics have been developed that will contribute to the achievement of both financial targets and the UN Global Goals for Sustainable Development. Below are the Global Goals for which Devyser believes it is able to have the greatest impact.





### *Vision*

A world in which personalized treatments are available globally thanks to user-friendly and reliable genetic testing.

### *Business concept*

Providing clinical laboratories with diagnostic solutions that are easy to use and provide fast, reliable test results.

### *Business model*

Developing, manufacturing and selling genetic diagnostic products in the oncology, hereditary disease and transplant areas.

### *Our values*

Values are a fundamental part of a healthy corporate culture. These principles guide daily work, decision-making and interactions with customers and colleagues. Such values also help to differentiate Devyser from its competitors and have an impact on our financial performance. An understanding of how to live up to these values is essential, which means leading by example.

### *Simplicity*

The simplest way is usually the best. By striving for simplicity, we focus on what matters most, continuously improving our processes and methods, and delivering easier, faster and more solid solutions for users.

### *Relevance*

The goal is to contribute to better patient management and faster testing, and to get the right treatment to the right patient at the right time. This doesn't just guide how we develop tests; it also means a clear focus on customers. By focusing resources on solving customers problems and other issues that are relevant to them, we ensure Devyser's efficiency and continued success.

### *Empathy*

The business goes beyond technology. It's about the people who create it, use it and whose lives depend upon it. Listening to others and respecting their needs and interests improves our work together and for customers. Retaining the human aspect is vital to improving outcomes.

# An eventful year with strong growth

Looking back at 2023, we would summarize it as a very eventful year and the most successful yet for the Company. We have continued to grow in all our existing markets while maintaining record high margins. In total, around 400,000 people worldwide were diagnosed using our products in 2023.

Organic sales growth remained strong during the year, with a 34 percent increase, of which 9 percent was driven by favorable currency effects as the majority of our sales are in EUR and USD.

We are growing well in all our geographical markets. North and South America and Asia experienced very high growth. We remain positive about the potential to be found in these regions and expect continued strong development.

We entered 15 new markets during the year, and our products now reach 17 countries through direct sales and 52 countries through our distributor network. Direct sales account for 77 percent and distributor sales for 23 percent of sales overall. In 2024, we expect the share of distributor sales to increase, not least because of the promising collaboration with Thermo Fisher Scientific in the transplant area.

The gross margin continued to develop during the year, bringing it to 85.5 percent compared with 81.7 percent the previous year. We believe that we will be able to keep our gross margins high, particularly as we are persuaded that we will also be able to raise prices in the future.

Given our strong growth and continued high gross margins, I am very optimistic that we will achieve our financial target of an operating margin of more than 20 percent during the 2024 to 2026 period.

## **Strategic partnerships and product launches**

I would especially like to highlight two very important collaboration agreements for Devyser that we have announced in the past year, one with Thermo Fisher Scientific in April 2023, and one with Illumina in January 2024.

Our collaboration and distribution agreement with Thermo Fisher gives them exclusive rights to



sell our NGS-based transplant products under joint brands in North America, Europe and Brazil. Thermo Fisher is a world leader in the transplant area and the collaboration is a great opportunity to offer clinical laboratories, physicians and patients broad and rapid access to Devyser's innovative products. Devyser believes that the collaboration is advantageous for Thermo Fisher as they can now offer products for both pre- and post-transplant applications. Thermo Fisher began launching the products in North America and Europe at the end of the third quarter and they should be launched in Brazil this year. We are very pleased with the collaboration, which has so far exceeded our expectations.

The collaboration agreement with Illumina, the sequencing instrument global market leader, enables Devyser to offer its tests on Illumina's MiSeqDx NGS instrument in the US and Europe. The agreement therefore gives more laboratories and patients access to Devyser's simple, fast and effective genetic tests. The agreement also means that Illumina will support Devyser with the securing of regulatory approval of the products, in the form of an end-to-end solution, in the US and Europe.

I would also like to highlight our successful development and registration work during the year. We have launched no fewer than seven new products, which is a new record. We have also launched three IVDR-approved products in Europe. The IVDR approvals not only strengthen our position as a pioneer within the industry, but also consolidate our role as a reliable and safe partner. IVDR compliance is like a regulatory seal of approval and is vital for us to mark the ability of our product portfolio to meet the highest quality standards. The certifications help to further strengthen the trust placed in us by customers and partners, while positioning us as an industry leader in terms of quality management systems. The approvals are of particular importance as we are seeing increasing demand for IVDR-approved products in calls for tenders.

Work is also ongoing on the registration of our products outside the EU and the US. During the year, we were granted regulatory approvals in countries including Canada, Thailand, Costa Rica, the UK, Georgia, Israel and Serbia.

### **Market development**

One of our main areas of focus during the year was the strengthening of our presence in the North American market. This is being achieved in three different ways. Our transplant products are sold directly to laboratories through our partner Thermo Fisher Scientific (R). Devyser's sales organization also sells selected products outside the transplant area directly to laboratories. Finally, we offer tests as a service through our CLIA-certified laboratory in Atlanta, Georgia. These services include both transplant-related tests and other relevant testing services for clinicians. The laboratory is also able to offer tests to pharmaceutical and diagnostic companies for use in their drug and product development. A first agreement of this kind was signed in January 2024 with UK-based Cytel.

As the largest IVD market in the world, and the market with the highest prices, North America is crucial to our long-term continued success and development. However, although intensive efforts were made during the year to strengthen our North American presence, Europe is still Devyser's largest market for the time being, led by Italy, Germany, Benelux, Spain and the UK. In total, Europe accounts for about 88 percent of total sales and remains our single most important market.

### **Sustainability work**

As announced at the beginning of 2023, we stepped up our sustainability efforts during the year. A stakeholder dialog and materiality analysis were carried out, which were used as the basis for the development of our new sustainability strategy, including the sustainability-related KPIs that we will be monitoring. This has given us a solid platform for ensuring sustainable growth and value creation over time.

### **Prepared for the future**

Our high growth has meant that during the year we signed a lease for new, more spacious premises in Årsta in southern Stockholm. With these modern facilities, we are preparing for larger scale, far more efficient production. The new premises also facilitate cooperation between all the Company's divisions. Despite the positive effects, in our industry relocating also poses a number of challenges, mainly ensuring the continued high quality of production output. To reduce the risk of delivery problems, we have planned the move in several stages, and will ensure that the new premises have been approved before we shut down and cease production at the previous production facility. This means that throughout 2024 the cost of premises will be doubled. The first phase of the move took place in February 2024.

### **The way forward**

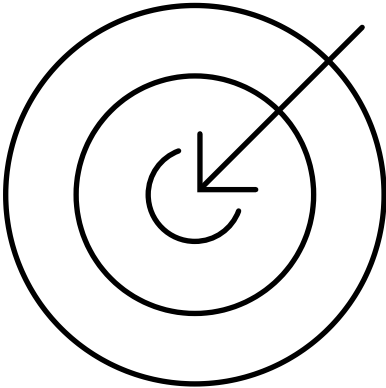
Devyser was founded in 2004 with a vision of personalized treatments being made available globally thanks to user-friendly and reliable genetic testing. Since the Company was established, more than three million patients have been tested with our products, and thereby received fast and accurate test results. This has, in turn, helped patients receive faster and more targeted treatment. To work for a company that does this, in other words that saves and extends people's lives, is a privilege and something that both I and my colleagues are proud of.

To conclude, I would like to thank all our staff who have worked very hard over the past year and without whom the great successes of this year would not have been possible. Your commitment and dedication are the foundations on which the business lies. Looking ahead, I am convinced that, thanks to our amazing organization, we will reach even greater heights.

Fredrik Alpsten  
Chief Executive Officer

Stockholm, April 2024

# Financial targets



## Financial Targets

## Target achievement and commentary

**Growth:**  
 $\geq 30\%$   
 The aim is to achieve an annual organic growth exceeding 30 percent for Devyser.

Year	Organic Growth (%)
2021	42%
2022	35%
2023	34%

The organic growth amounted to 34% during 2023. The growth has been driven by both geographical expansion and new products.

**Gross margin**  
 $\geq 80\%$   
 Devyser’s goal is to achieve a gross margin exceeding 80 percent by 2024-2026.

Year	Gross Margin (%)
2021	72%
2022	77%
2023	82%

The gross margin reached 86% during 2023. The increase has been driven by both higher volumes resulting in reduced manufacturing costs and by raised selling prices.

**Operating margin (EBIT):**  
 $\geq 20\%$   
 Devyser’s goal is to prioritize investments in the organization to support growth and achieve an operating margin exceeding 20 percent by 2024-2026.

The operating margin was negative during 2023. The company is in a strong expansion phase and currently prioritizing growth. However, the goal is to achieve an operating margin exceeding 20 percent by 2024-2026.

**Dividend:**  
 30-50%  
 Devyser’s long-term goal is to distribute 30 to 50 percent of the net profit, considering the group’s financial position.

The group is in an expansion phase and will therefore prioritize growth over dividends in the coming years.





# Strategy

*Devyser's growth strategy is based on driving sales of current and new products in both existing and new markets. This is to be achieved through a combination of direct and distributor sales.*

## ***Strengthening the Company's sales organization in key markets***

Devyser currently markets and sells products and services in more than 65 countries and has an established sales organization, in the European and North American markets. The Group aims to continue to grow through a strategic sales approach, including a continuous assessment of whether a market should be switched from resales through distributors to direct sales. The continuous work on the sales strategy has contributed to strong sales growth over time. Devyser constantly reviews the sales organization's needs, both those of its in-house organization and of the distributor network, to ensure the availability of resources.

Read more about Devyser's sales efforts on pages 13 and 14.

## ***Geographical expansion***

By expanding into more geographical markets, Devyser can further increase sales. The focus in the coming years will continue to be on the North American and European markets. Outside Europe and North America, the Group markets and sells its products mainly through distributors. The Group also sees significant opportunities in regions such as Asia, the Middle East and South America, where the genetic testing market is rapidly growing.

Read more about Devyser's market on pages 11 and 12.

## ***Developing and launching of new, innovative products***

Devyser has an efficient and standardized product development process that enables the rapid production of new products. By actively working to collect and analyze customer and market data, customer needs can be effectively mapped, which in turn enables the identifying, conceptualizing and defining of new products. The development time from the initial concept to product launch for new products has historically varied between six and 18 months, as the time taken differs depending on complexity and regulatory conditions. At the end of 2023, the product portfolio consisted of 30 products and the Group has several development projects ongoing to enhance the future product portfolio.

Devyser has an established product care team responsible for product lifecycle management to support existing products. The product care process includes gathering information from customers and adapting products and processes to support and drive sales and streamline production.

Read more about Devyser's product development process on pages 15 and 16.

# The market<sup>1</sup>

*The market for genetic diagnostics is worth EUR 7.4 billion a year (2021)<sup>1,2</sup>. Devyser operates in the three areas of hereditary diseases, oncology and transplants, a market that amounted to EUR 5.3 billion in 2019. The addressable market for Devyser's genetic testing products was approximately EUR 1.1 billion in 2019.*

## **Size of market and growth**

It is estimated that the total value of the global genetic testing market will grow at an annual rate of 10.5 percent between 2021 and 2032. This means that the total market value by 2032 should be around EUR 17.6 billion<sup>2</sup>.

Products targeting hereditary diseases accounted for around 65 percent of Devyser's total sales in 2023. Sales of genetic tests for use in oncology accounted for around 20 percent and post-transplant tests for around 15 percent.

## **The transplant market**

The total value of the global addressable market for genetic diagnostic products in the transplant area amounted to approximately EUR 1.8 billion in 2020<sup>1,3</sup>. In 2026, Devyser's addressable market for products in this area is expected to reach approximately EUR 2.3 billion, corresponding to around 67 percent of the estimated market potential (global molecular testing of transplant recipients)<sup>3</sup>.

In the transplant market, which is the fastest growing market, demand for genetic tests for post-kidney transplant follow-up is forecast to increase significantly in the coming years. Growth factors are being driven especially by the introduction of more extensive routine follow-ups.

## **The hereditary disease market**

The value of the global addressable market for genetic diagnostics in the hereditary disease area

was around EUR 3.1 billion in 2019, with an average annual growth rate of around 4 percent until 2026.

Devyser's current addressable market is estimated to represent approximately 30 percent of the potential global market, measured by total underlying demand. In 2026, Devyser's addressable market in this area is expected to reach approximately EUR 1.9 billion, corresponding to around 58 percent of the estimated market potential.

The market for hereditary disease diagnosis is growing in developed countries due to increased awareness of the benefits of genetic diagnostics for preventive purposes. Prenatal testing and newborn screening have seen an increase in demand globally, with a particular focus on the diagnosing of hereditary diseases.

## **The oncology market**

The total value of the global addressable market for genetic diagnostics in the oncology product area was around EUR 846 million in 2019. The existing addressable market is estimated to represent approximately 26 percent of the potential global market, measured by total underlying demand. In 2026, Devyser's addressable market in this area is expected to reach approximately EUR 480 million, corresponding to around 56 percent of the estimated market potential<sup>1</sup>.

In the oncology market, an increase in demand for genetic testing may be noted, as a result of global cancer incidence and awareness of the benefits of preventive testing. The launching of tailored cancer drugs, which are effective against specific genetic mutations, has broadened the market. Genetic testing for tumor profiling is essential for precision medicine in oncology, as it enables the personalized and effective treatment of cancer patients.

<sup>1</sup>) Unless otherwise stated, the market figures are taken from the market study conducted by Arthur D. Little on behalf of the Company in the fall of 2021.

<sup>2</sup>) Market Research Future, ID MRFR/GC/1477-CR.

<sup>3</sup>) Organ Transplant Diagnostics Market - A Global and Regional Analysis, BIS Research, 2021.

### Market trends

Blood diagnostics are central to healthcare for diagnoses and treatment planning. The growth in genetic testing is driven by global macro trends such as population growth and higher living standards. Prevention, screening programs and increased awareness of genetic testing are contributing to the growth, under the impetus of both economic and healthcare-related incentives. In the diagnostics market, the trends are reflected in increased demand for genetic tests for new disease segments and preventive care.

### Legislative and regulatory requirements

Due to the new EU legislation that came into force in May 2022, known as the In Vitro Diagnostic Regulation (IVDR), all manufacturers of diagnostic products have had to adapt their products and services to meet stricter regulatory requirements. For Devyser, the new regulatory requirements have led to a time-consuming process of validation of the existing product portfolio, which in the long term strengthens the Group's position in terms of patient safety and quality assurance. Devyser has so far obtained three IVDR certifications for its genetic tests.

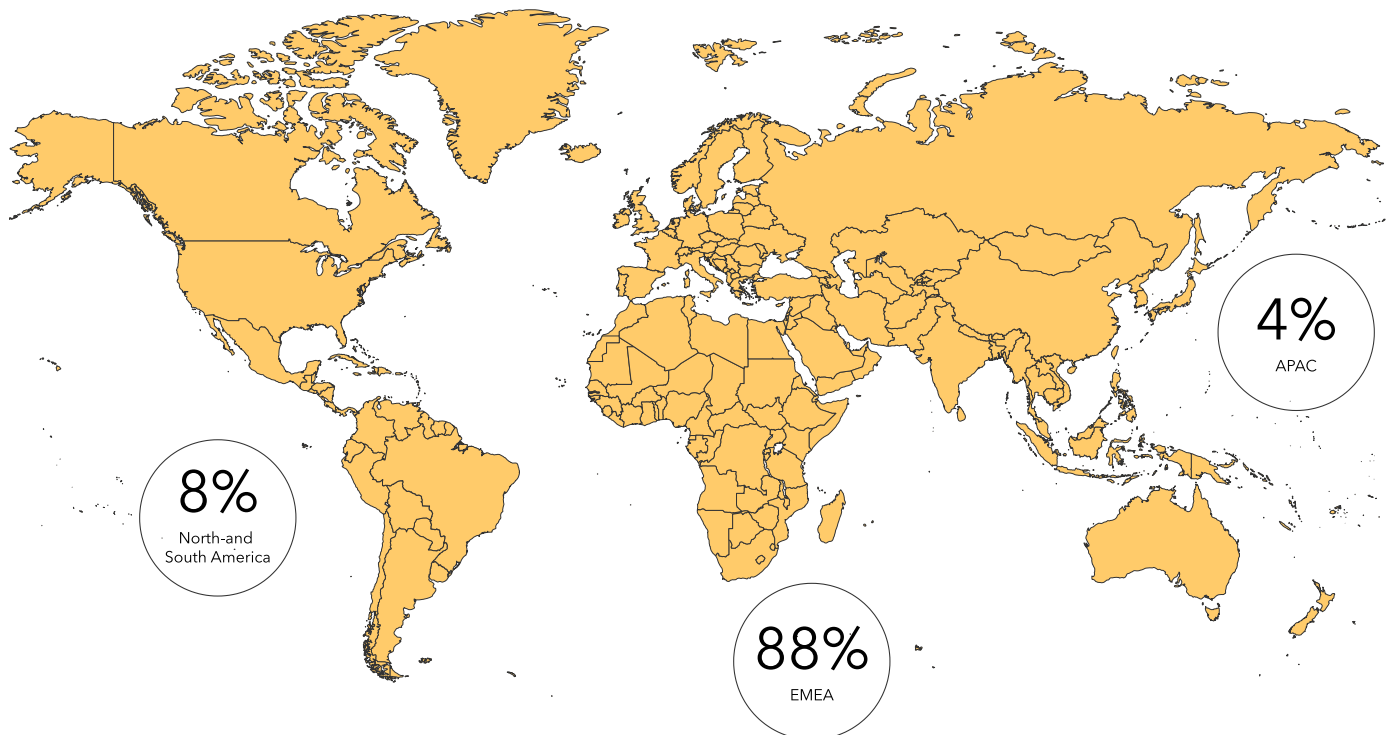
### Competitive advantages

Devyser's products have clear efficiency benefits for both laboratory staff and patients compared with traditional methods, which rely on complex multi-step, multi-tube processes. As the hands-on time for the tests is only 45 minutes, an end result can be produced within one working day, meaning that Devyser's products offer faster results to clients, with a waiting time of only 24 to 48 hours. This simplified process not only saves time for laboratories but is also highly beneficial for patients, as any medical interventions can be crucial to treatment outcomes.

### Geographical market

Devyser has a strong position in the key European markets, i.e. the UK, Germany, Benelux, Spain and Italy, and in its domestic market in Scandinavia. In total, the EMEA market accounts for around 24 percent of global sales. The US is another attractive market, both because of the advantageous reimbursement model, and because the US accounts for around 40 percent of global genetic diagnostic sales. These factors justify the ongoing investments made to establish Devyser in the US market.

### Distribution of Devyser's sales revenue in 2023



# Sales

*To sell its genetic tests, Devyser combines direct sales on selected markets with an external distribution network. Sales efforts are an important part of two of Devyser's three strategic growth pillars: Geographical expansion and a Strengthened sales organization in key markets.*

Devyser markets and sells products in more than 65 countries. Sales are made partly through direct sales and partly through distributors. Relatively long sales cycles are common within the industry, but customers tend to be long term and loyal. Direct sales account for approximately 77 percent of the Group's total sales and distributor sales account for the remaining 23 percent.

## **Direct sales**

Devyser has an established direct sales organization that sells to customers in 17 countries. The direct sales organization operates primarily through Devyser's wholly-owned subsidiaries in Germany, Belgium, Italy, the UK, the US and Spain. As part of its direct sales efforts, Devyser also reaches out to new customers through, among other things, scientific articles, its website, trade fairs and symposia, and direct contact with laboratories.

The process of establishing successful direct sales operations in new geographical markets depends on several factors. As well as the recruitment of competent staff, the establishing of direct sales operations requires a strong network and close relationships with laboratories, the public sector and other relevant stakeholders.

### *The benefits of direct sales*

Direct sales offer a number of significant benefits for Devyser. Above all, they allow higher margins as they eliminate distributor costs and mark-ups. Direct sales also often result in a better position in the local market.

By being in closer contact with customers, the Group can more easily adapt to changing market needs and demand. This enables a faster adjustment of the product range, which is vital in a dynamic and competitive industry.

Switching to direct sales, as exemplified by the establishing of the wholly-owned subsidiary Devyser Italia Srl, has proven to be a successful strategy. With average sales growth of almost 50 percent a year, Italy has developed into Devyser's single largest geographical market.

## **Distributor sales**

Devyser's extensive distribution network consists of 54 distributors and is supported by the Group's staff. Through these sales channels, Devyser can effectively reach new customers and geographical markets, and benefit from distributors' local knowledge in a resource-efficient way.

The process of establishing a successful distributor sales operation is mainly based on having a well-functioning network of relevant distributors in the local regions. Due to the largely relationship-based nature of the industry, where new sales depend on brand recognition and reputation, distributors play a key role in vouching for the products' quality to existing customer contacts. This can significantly shorten the set-up time for new operations while keeping investment costs at a reasonable level.

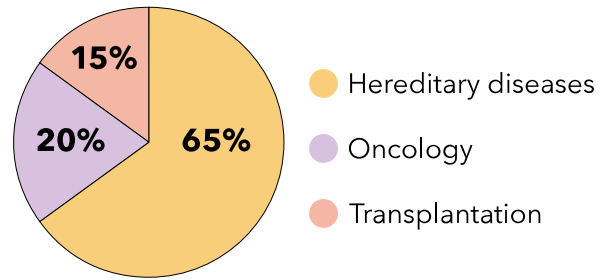


*The benefits of distributor sales*

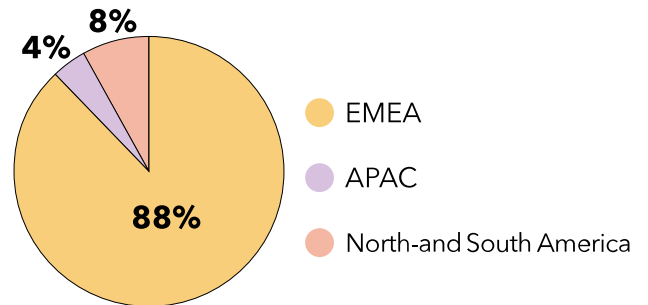
Working with distributors is an important part of the strategy for geographical expansion. Distributor sales promote rapid market penetration and enable the establishing of new sales channels and networks in a cost-effective way.

The benefits of distributor sales are exemplified by the collaboration established with Thermo Fisher, a world-leading diagnostic company whose areas of specialization include transplants. Thermo Fisher provides end-to-end transplant solutions, from screening to follow-up, and is the dominant supplier to approximately 90 percent of the world's transplant-compatible laboratories. The collaboration not only makes Devyser an integral part of Thermo Fisher's process, it is also a guarantee of quality and recognition within the industry and for customers.

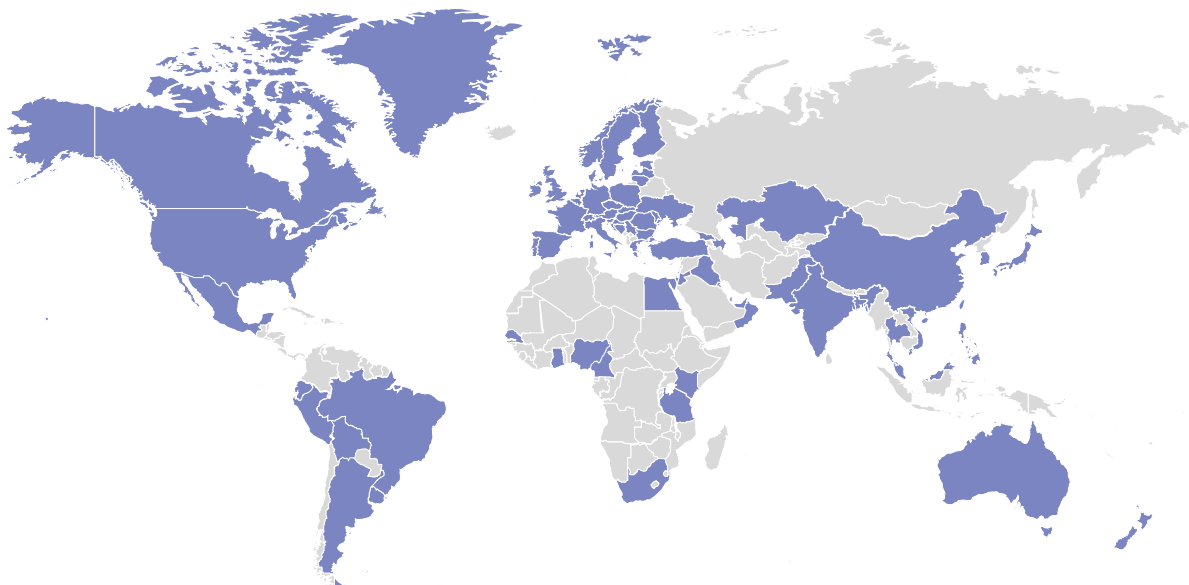
**Sales per product segment**



**Sales per region**



**Countries where Devyser's products are sold**



# Production, research & development

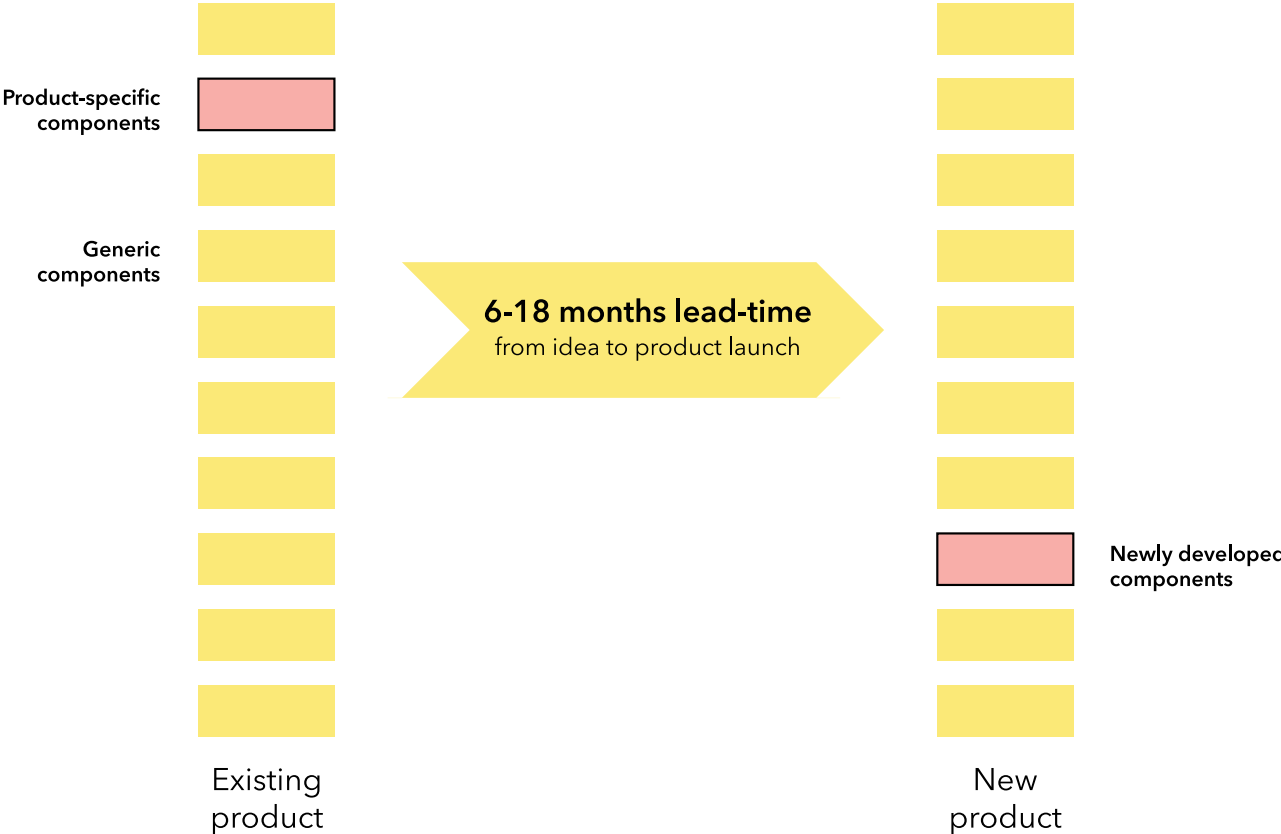
Devyser has a broad product portfolio consisting of around 30 proprietary diagnostic products designed for use for hereditary disease, oncology and post-transplant monitoring indications. All research, development and production takes place at the Company's own facility in Stockholm.

### Research and development

Research and development is a central and prioritized part of Devyser's activities and a fundamental pillar of the Group's strategy. The primary focus of research and development is the development of new user-friendly, reliable, high-quality products. The product development process starts with the existing product portfolio; generic components are retained as much as possible, while product-specific elements are redeveloped. Keeping the tried and tested basic components ensures the products' continuity and reliability, while the product-specific components enable the creation of completely new and advanced products with unique properties and uses. This method allows further development based on existing experience and expertise, while it also makes it possible to meet the ever-changing needs of genetic diagnostics.

Devyser's research and development (R&D) department consists of a total of 34 people, 28 of whom are based in Stockholm and 6 in Italy. Within the R&D department, clinical affairs and innovation is staffed by 7 people, there are 12 people in the analytical reagent development team, and two software and bioinformatics development teams of 9 and 6 people respectively. The entire new product development process, from the initial idea and concept-ualization of the product to its approval and marketing, is mainly conducted from Devyser's own premises in Stockholm.

The development time from the initial concept to product launch for new products has historically varied between six and 18 months, as the time taken differs depending on complexity and regulatory conditions. R&D is also respon-sible for the development and validation of system solutions for clinical laboratories, including analytical reagents (kits) and software for data processing and the analysis of results.



## Innovation and product care

Devyser actively collects and analyzes customer feedback and market data. Based on the information gathered, the Group is able to identify, map and conceptualize future customer needs and potential demand for new products. The collecting of market data, combined with long experience and good knowledge of the industry, forms the basis for the innovation and development work carried out within the Group.

Devyser also works on product care through an established product care team, which plays an integral part in the development process. This team is responsible for product lifecycle management, which includes adjusting and adapting product content to better meet customer needs and demand. This may, for example, mean expanding a test's scope to include the analysis of more genes for the same disease. Another aspect of product care involves streamlining the production process and reducing costs in the supply chain. A significant part of the product care team's work also includes registering existing products in new markets and upgrading existing product registrations to meet regulatory requirements. The introduction of the new European regulation, known as the IVDR, has in particular required significant resources to ensure proper documentation.

Developing and broadening the Company's patent portfolio is an integrated and ongoing part of the development work.

## Purchasing and quality control

Devyser has two categories of production-related suppliers: suppliers of the chemical components of analytical reagents (kits) and suppliers of generic components such as tubes and caps. For the sourcing of raw materials, Devyser relies on several suppliers, primarily located in Europe and the US, who supply the same components.

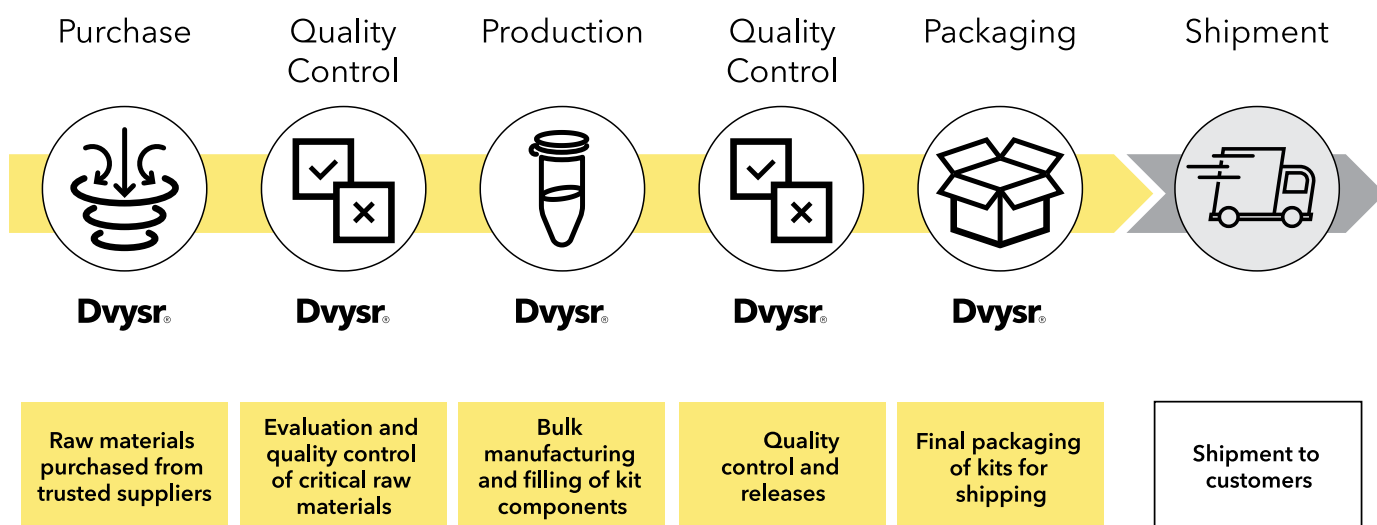
This is to reduce dependency and mitigate the risks of any supply chain disruptions. This strategy proved particularly successful during the pandemic, when several suppliers experienced delivery problems but Devyser's production was not affected. Devyser's quality management includes close cooperation with reliable suppliers and continuous evaluations and quality controls.

## Production

Devyser's products are produced at the Company's own facility in Stockholm by a team of around 20 people. The manufacturing process involves several stages, pre-production being the first stage. This part of the process includes the calibration of the intended mixture, with ongoing quality controls. As the quantity and composition of the liquid varies between products, a high degree of precision is required in the manufacturing and filling process. The entire production process generally takes between two and four weeks. The detailed and precise operations during the production process are the added value that customers later benefit from. As Devyser takes care of the most time-consuming part of the diagnostic chain, a simple and user-friendly product can be delivered.

## Storage and distribution

After manufacturing, the products are packaged and stored at -18 degrees Celsius, meaning that their guaranteed shelf life is 24 months. The customer has a choice of distribution options, cargo flights being the most common. This is mainly to ensure that the critical cold chain is not broken, as this can negatively affect product quality. Since early 2024, Devyser has also had a warehouse in the US for American customers.





# Products

Devyser's genetic testing products are used for advanced DNA testing in the hereditary disease, oncology and transplant areas. The tests enable tailored cancer treatments, the diagnosing of genetic diseases and transplant patient follow-up.

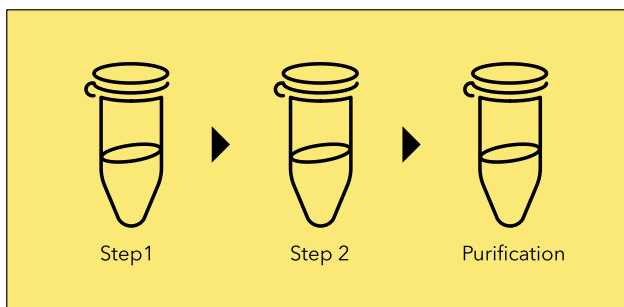
## Easy-to-use and innovative solutions

Devyser specializes in genetic diagnostics, an area in which the Company develops, manufactures and sells DNA test kits with associated software tools for data analysis. Devyser also offers testing services from its laboratory in Atlanta, in the USA. Devyser's products and services simplify complex genetic testing processes, minimize hands-on time and deliver rapid test results. The overall process for the test kits' use is based on extraction, analysis and interpretation.

The test kits consist of one or more components that are designed to generate copies of a sequence from a blood sample, for example, whose analysis is required. The test kits also come with instructions for the recommended way to perform each test and information about the sequencing instruments that have been validated and can provide a reliable result. The additive first extracts the specific genes being investigated from the DNA, after which the desired genome is amplified (multiplied) to ensure a sufficient quantity of target molecules.

## Devyser - an easy to use single-tube solution

A one-tube solution of a three-step process



- A small amount of DNA required
- 45 minutes hands-on time
- Turnaround time 1-2 days including sequencing and data analysis
- Ease of use allows quick technology onboarding

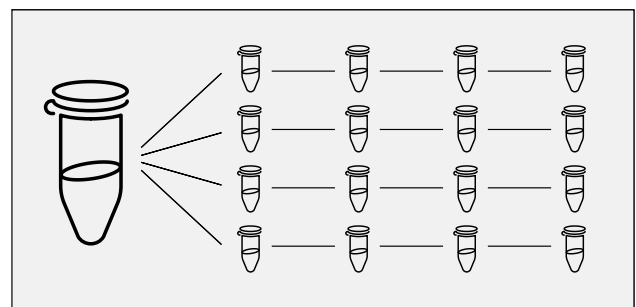
The target molecules are then prepared for reading using one of three techniques - fragment analysis, PCR or NGS. Finally, the test is analyzed and interpreted using analysis software; separate software is required for NGS. Compared with traditional solutions, which are based on complex multi-stage, multi-tube processes, most of Devyser's test kits use a simple process with only one tube per sample, which reduces the processing time. Devyser's methods require a smaller amount of DNA than older genetic testing processes. Thanks to a simple and efficient process with a short hands-on time for lab staff of 45 minutes, Devyser's products are able to deliver test results within 24 to 48 hours, compared with up to several weeks for traditional solutions.

## Hereditary disease product area

Devyser's hereditary disease products are focused mainly on reproductive health and inherited conditions. The products cover a range of disease scenarios, such as carrier testing and pre-fertilization to fetal diagnostics, newborn testing, monitoring for chromosomal diseases and the testing of the RHD status of fetuses. In the hereditary disease area, Devyser provides NGS products for diseases related to hemoglobin formation (Thalassemia) and fluid in the lungs (Cystic fibrosis). In total, hereditary disease tests account for around 65 percent of Devyser's net sales.

## Traditional solutions - leaves many options for human errors

Complex multi-step and multi-tube process



- Requires a greater amount of DNA
- 1-2 days hands-on time
- Total turnaround time 4-14 days including sequencing and data analysis
- Requires long hands-on training and experienced lab personnel

### Oncology product area

Devyser's oncology products are focused on hereditary breast cancer, colorectal cancer and hereditary ovarian cancer. The test kits are designed to identify genetic defects in various genes known to be associated with the development of different types of cancer. Sales of oncology products account for approximately 20 percent of Devyser's net sales in total.

### Transplant product area

Devyser's transplant-related products, is the Group's newest and fastest growing product area, include tests for monitoring stem cell and kidney transplant patients. More specifically, the tests help to detect rejection at an early stage, which was previously only possible through medical intervention. Unlike the tests that Devyser provides in the hereditary disease and oncology areas, post-transplant monitoring is usually a lifelong process.

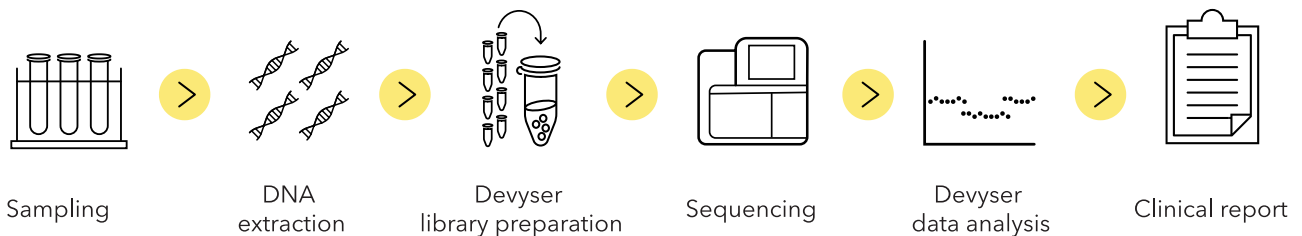
In total, the area represents around 15 percent of the Company's net sales, a figure that is expected to rise in the coming years.

### Analysis software

Devyser also provides software for data analysis and the interpretation of test results as a complement to the product portfolio. In addition to analysis and the interpretation of results, the Group's proprietary software programs, Amplicon Suite and Advyser, enable the screening of markers and the following up of multiple samples for the same patient. When simpler genetic diagnostic techniques are used, such as quantitative PCR, tests are often analyzed using software built into a third-party machine. When more advanced molecular analyses are carried out, separate software is used to generate the results. The programs developed and supplied by Devyser are compatible with high-tech NGS tests. The programs are offered on a license basis together with the test kits.

### About genetic diagnostics

In the 20th century, people's understanding of human biology was revolutionized by the discovery of DNA, RNA and proteins. Genetic diagnostics enable the early identification and tailored treatment of genetic diseases. Frederick Sanger's DNA and RNA technology was introduced in 1977, while advances such as Polymerase Chain Reaction (PCR) and Next-Generation Sequencing (NGS) techniques have further developed diagnostic methods. NGS, with its high throughput and cost-effectiveness, has taken over the market and now offers a superior means of rapid mutation detection and quantitative determination of DNA fragments. NGS stands out for its high sensitivity and precision, especially in post-transplant monitoring. Devyser's primary focus, in the development of its products, is on NGS tests.



# Employees

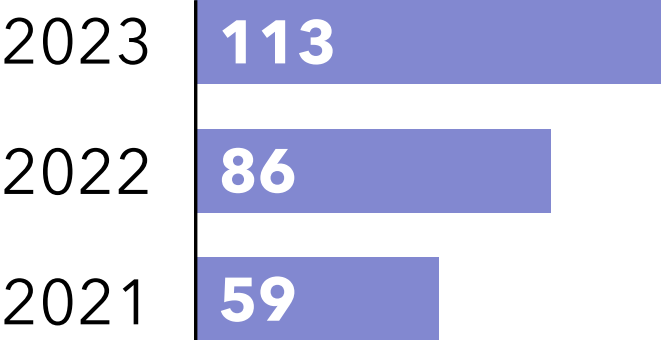
*Devyser's goal is a culture where all employees feel comfortable and have the opportunity to develop. Success depends on employees' commitment to improving both themselves and the company they work for.*

### Value-driven and expertise-based culture

By having a value-driven and expertise-based culture that helps to ensure that employees are engaged and motivated, Devyser can shoulder the responsibility of contributing to better global health, with accessible and effective care through which the Group's products can make a difference to people's lives. In addition to the fact that 16 percent of Devyser's staff have a PhD and more than 90 percent of all its employees have an academic degree, the Group allocates a training budget to all of the Company's divisions to encourage learning and development.

Devyser's values and corporate culture guide employees in their daily work and their interactions with each other, and in meetings with customers and other stakeholders. Devyser's values provide the foundations for a positive work climate and are a cornerstone of efforts to achieve our targets and the business.

### Employees



Percentage of employees who have a PhD:  
**16.5%**

Percentage of employees who have academic qualifications:  
**93.4 %**

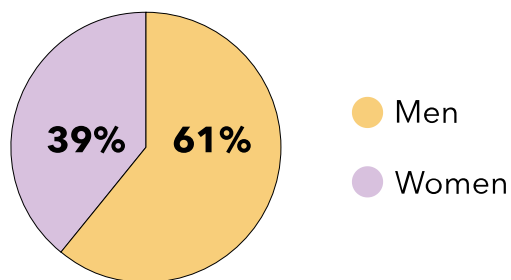
Non-adjusted pay gap between men and women (employees in Sweden):  
**12.5 %**

### Diversity and gender equality

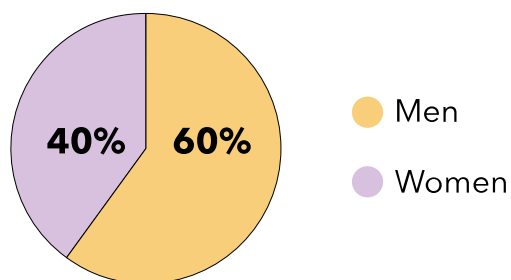
Devyser is an international group with 113 employees in a total of eight countries, the vast majority of whom are based at the head office in Sweden. Devyser's success is highly dependent on the knowledge, experience and commitment of its employees. This is why the Group strives to be a workplace that makes effective use of its employees' expertise. The principle of respect and equal opportunities are central, regardless of gender, ethnicity, nationality, religious beliefs, sexual orientation, disability, age, experience or family situation. The Group evaluates positions based on the complexity of the job roles in question. This is to promote fair wage levels. The Company also conducts regular salary surveys to ensure equal pay.

Devyser endeavors to achieve a gender balance within the Company. At the end of 2023, the percentage of women in the Group was 61 percent and the percentage of men was 39 percent.

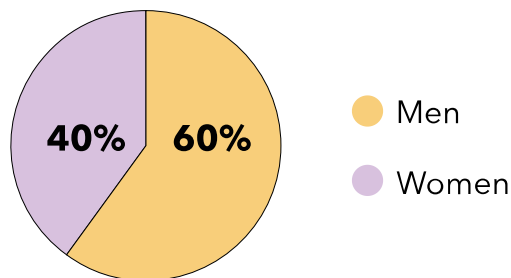
Gender distribution of employees



Gender distribution of Group Management



Gender distribution of the Board



# The share and shareholders

Devyser Diagnostics' shares were listed on the Nasdaq First North Premier Growth Market in December 2021. At year-end, Devyser's market capitalization was SEK 1,261 million.

## Share performance and sales

Devyser's share price rose during the fiscal year 2023 and by the end of the year had increased by 6.49 percent (-17.32). At the end of 2023, the share price was SEK 77.44 (72.00), corresponding to a market capitalization of SEK 1,261 million (1,161).

## Trading and turnover

Devyser's shares are listed on the Nasdaq First North Premier Growth Market Stockholm under the ticker DVYSR. In 2023, an average of 9,715 (2,878) shares were traded per trading day at an average value of approximately SEK 0.7 million (0.2).

## Number of shares and share capital

According to the articles of association, Devyser's share capital must amount to a minimum of SEK 0.5 million and a maximum of SEK 2.0 million. As of December 31, 2023, the share capital amounted to SEK 0.9 million (0.9), divided into 16,284,469 (16,122,469) shares, corresponding to a quota value of SEK 0.05739.

All the shares are of the same class, with equal voting rights and an equal share in the Company's capital and profits. In 2023, the number of shares increased by 162,000 due to incentive programs, corresponding to an increase in the share capital of SEK 9,297.

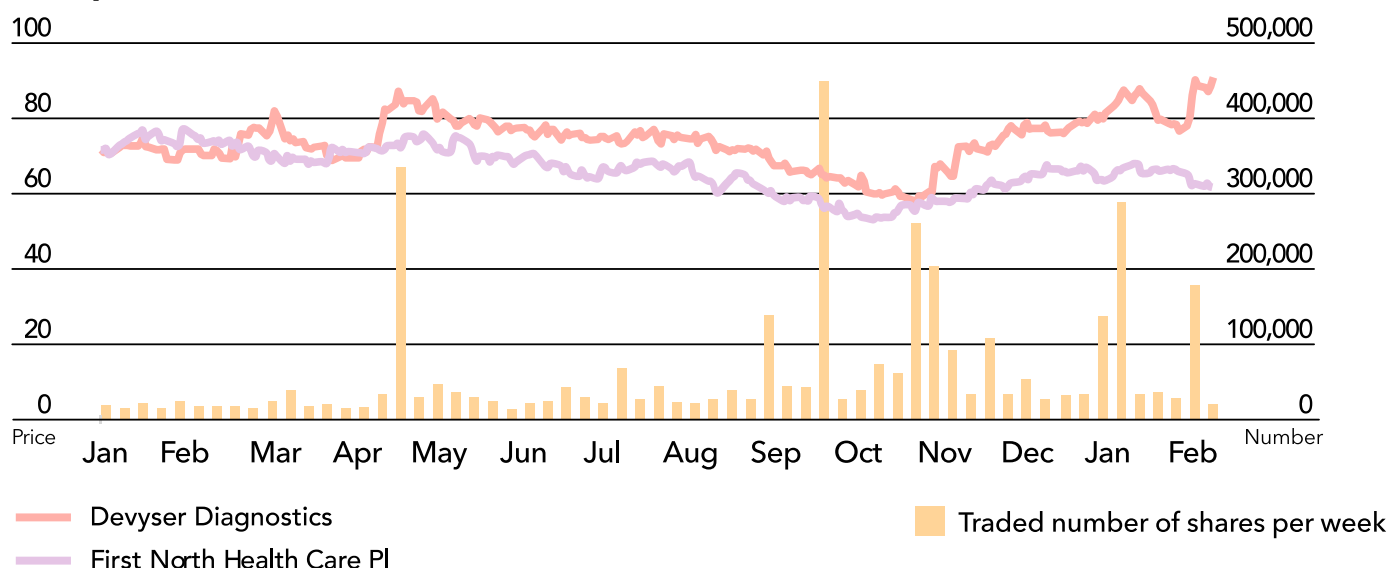
## Ownership structure

As of December 31, 2023, Devyser had 901 (696) known shareholders. Rutger Arnholt is the Company's largest shareholder, through his company M2 Asset Management AB, and as of year-end Rutger Arnholt's shareholding amounted to 24.2 percent. The Company's 10 largest shareholders control around 71.4 percent of its share capital and voting rights.

## Dividends and dividend policy

Devyser is in an expansion phase and therefore will prioritize growth over dividends in the coming years. The Company's long-term objective, bearing in mind its financial position, is to distribute between 30 percent and 50 percent of its profit after tax. The Board proposes that there should be no dividend for 2023.

## Price performance 2023-01-01 to 2024-02-29



## Certified Advisor

Redeye is Devyser's Certified Advisor.

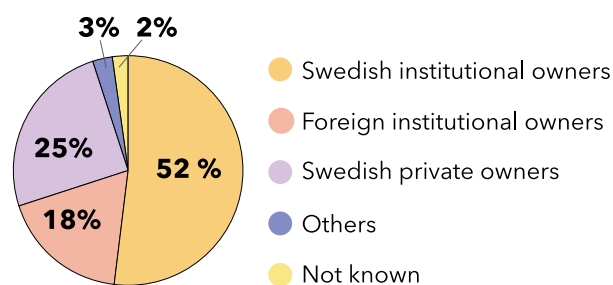
## Analysts covering the Company

Ulrik Trattner, Carnegie  
Oscar Bergman, Redeye

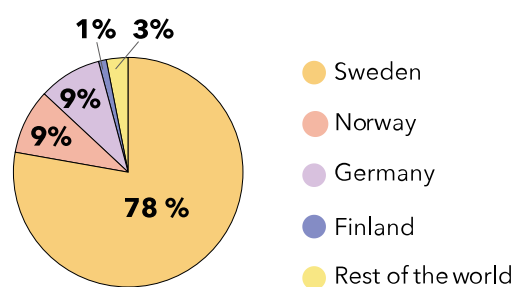
## The ten largest shareholders

Owner	Number of shares	Ownership, %
Rutger Arnhult via company	3,935,000	24.2
Nordnet Pensionsförsäkringar	1,348,886	8.3
Swedbank Robur	1,304,100	8.0
Ferd	1,000,000	6.1
Anders Hedrum, privately and via company	816,720	5.0
Berenberg Asset Management on behalf of Universal Investment funds	778,000	4.8
Fourth Swedish National Pension Fund	759,821	4.7
Åsa Riisberg via company	664,294	4.1
Dan Hausenberger, privately and via company	547,680	3.4
Deka Investments	420,200	2.6
Other shareholders, around 900	4,709,768	28.9
<b>Total</b>	<b>16,284,469</b>	<b>100.0</b>

## Distribution of ownership by investor category



## Distribution of ownership by country



# Devyser as an investment

## **1. Strong growth and significant market potential**

Devyser has experienced strong organic growth of an average of 36 percent since 2015. The right conditions are in place for continued growth, given the strong growth in the market, the Company's scalable platform to allow for expansion, its broad product portfolio and sales in over 65 countries. The overall addressable market for genetic testing is projected to increase by 13 percent a year, whereas growth of up to between 50 and 60 percent is forecast for some areas. The market for Devyser's products is expected to reach EUR 4.7 billion by 2026, and it is thought that genetic testing will continue to grow over the next decade.

## **3. Increasing demands on care and reimbursement systems**

Effective and accessible healthcare will be needed to meet challenges such as global population growth. It is also increasingly important to have value-based and personalized healthcare that can offer treatments and equipment and create added value in terms of improved quality of life, and/or lower the costs for society and healthcare providers. Devyser's products are well positioned to benefit from these developments.

## **2. A pioneer of simple and easy-to-use DNA tests**

Devyser is a global pioneer in simple and user-friendly DNA testing, with a business model based on providing fast and reliable solutions to clinical laboratories worldwide. The products reduce lead times and simplify care pathways, saving time and money for laboratories and speeding up the diagnosis of patients. With its tried and tested product development process, Devyser has a history of delivering new products that stand apart for their ease of use, reliability and high quality, all produced by the Company's own teams.

## **4. High gross margins and long-term customer relationships**

In recent years, the gross margin has continually increased, driven by a scalable manufacturing process that allows continued margin improvements. The high percentage of recurring sales is attributable to a high level of customer satisfaction, built up through frequent dialog with customers and stakeholders in the product development process, and to inertia when it comes to the possibility of switching suppliers.

# Sustainability

Devyser developed its sustainability approach during the year through a stakeholder dialog and materiality analysis. This resulted in the defining of seven focal areas and a sustainability strategy with targets and KPIs that the Group will work towards. Devyser's focus is on environmental, human and social responsibility and responsible governance, for maximum impact and societal benefits.

## Devyser's work towards a sustainable society

Devyser stepped up its sustainability efforts over the year. A stakeholder dialog was held centered on the stakeholders' perspective of the Group's sustainability approach. The outcome of the stakeholder dialog was also used as the basis for a materiality analysis, in which key sustainability areas were identified. The three main sustainability areas for Devyser are environmental, human and social responsibility and responsible governance.

The specific sustainability areas and materiality topics identified have been integrated in Devyser's short- and long-term work. The materiality analysis also forms the basis of the sustainability strategy, which defines how the Group will manage and address sustainability-related issues. Furthermore, the strategy presents the key performance indicators and sustainability targets that Devyser is working towards.

The sustainability strategy has been adopted by Devyser's Board of Directors, for which global sustainability issues are a regular item on the agenda. The work on sustainability is focused on the areas where the Group might have the biggest impact, and where the greatest benefit may be achieved from a sustainability perspective. The environmental impact is related to products, and especially waste management and transportation. When it comes to human and social responsibility, the Group's efforts are concentrated on the promotion of global health and increased social responsibility.

	Focus areas	KPIs
<b>Environmental</b> Devyser focuses on environmental sustainability through product safety, environmentally friendly transport and responsible waste management, working to maintain the highest standards in these areas.	<ul style="list-style-type: none"> <li>• Product safety</li> <li>• Transport</li> <li>• Waste</li> <li>• Innovation</li> </ul>	Percentage of suppliers certified according to ISO 14001
<b>Social</b> Devyser works to create user-friendly diagnostic tests to promote global health.	<ul style="list-style-type: none"> <li>• Global Health</li> <li>• Employee engagement</li> </ul>	eNPS
<b>Governance</b> Devyser emphasizes sustainability, innovation and responsible governance to improve products and services, maintain transparency and promote ethical decision-making.	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	Percentage of employees that have been informed about the content of the Whistleblower policy.



## UN Sustainable Development Goals

The Group contributes to the UN Global Goals through Devyser's innovative products and commitment to sustainability. The five specific goals to which the Group is most able to make a contribution are goals 3, 8, 9, 12 and 13. The UN Global Goals guide Devyser's sustainability work, which is being carried out in both the short and the long term to address the relevant global challenges. By focusing on these specific goals, Devyser is actively working to have a positive impact and contribute to sustainable development.

### *Good health and well-being*

Devyser's commitment to promoting global health is reflected in its products, which streamline diagnostic procedures for faster and more accurate diagnoses, ultimately saving lives.

### *Decent working conditions and economic growth*

Devyser promotes economic growth, which in itself contributes to the sustainable development of society. In the long term, Devyser is committed to running a profitable business and promoting employee satisfaction and engagement, to ensure that its workforce is motivated, which is critical for innovation and the success of its products.

Percentage of environmentally-certified A and B Corp suppliers in 2023:

**32%**

Employee satisfaction index, 2023 eNPS:

**11**

Percentage of employees aware of whistleblowing policy

**80%**

### *Sustainable industry, innovation and infrastructure*

Devyser is working innovatively and sustainably to improve product safety, on product transportation to reduce emissions and on responsible waste management. This commitment is helping to build a greener future while maintaining high quality standards within our production line.

### *Sustainable consumption and production*

Devyser is contributing to better consumption and production practices by working to minimize waste in its production line.

### *Climate action*

Devyser is working to combat climate change by prioritizing sustainable and safe products, transportation and waste reduction, through an approach based on responsible consumption and production for a greener future.

## Stakeholder dialog

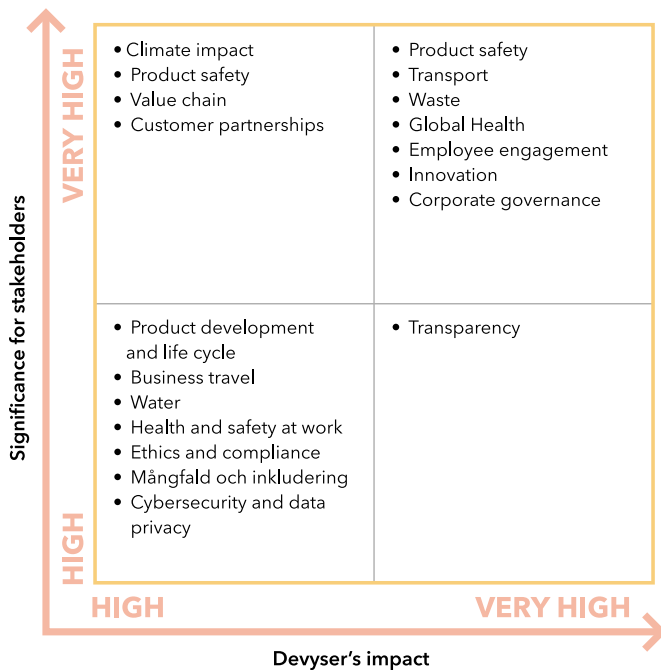
A stakeholder dialog was held in 2023 to understand stakeholders' views on sustainability and their expectations of Devyser. The stakeholder dialog gave Devyser a clear picture of the responsibilities and expectations placed on the Group in terms of sustainability issues. The stakeholder dialog was held

through semi-structured interviews and questionnaires sent to the stakeholders selected. All the documentation was compiled following the stakeholder dialog. Based on this documentation, a materiality analysis was carried out, which then formed the basis for the materiality topics selected. The materiality topics are the areas where Devyser is considered to have the greatest impact.

Stakeholders	Channels for dialogue	Important issues
<b>Employees</b>	Informal conversations, surveys, meetings, emails and website.	The company should produce relevant products to minimize waste, reduce paper consumption and utilize digital solutions. It's important to address plastic waste, chemicals, climate change and the impact of frequent business travelling.
<b>Distributors</b>	Informal conversations, surveys, meetings, emails and website.	Emphasize the importance of reducing the environmental impact by reducing product packaging. Develop the product to withstand higher temperatures.
<b>Customers</b>	Surveys, meetings, websites and reports.	Create consistent and reliable products to improve patient care while avoiding cost-cutting measures that are detrimental to the environment.
<b>Investors</b>	Interviews, surveys, meetings, websites, lectures and reports.	Considers it important to have clear policies, transparency, sustainability regarding waste and the transportation and responsible decisions linked to ethical accountability.
<b>Banks</b>	Interviews, surveys, meetings, websites, lectures and reports.	Focus on selected sustainability areas where Devyser has the greatest impact and then set ambitious targets. Increase transparency in sustainability reporting. Understand the impact on the climate based on the products and value chain.
<b>Suppliers</b>	Interviews, surveys, meetings, emails and websites.	Work innovatively to find new waste solutions that minimize environmental impact. Work for human rights.
<b>Board members/ shareholders</b>	Interviews, questionnaires, meetings, emails and reports.	Most importantly, an understanding of sustainability throughout the organization through policies and targets. Reduce carbon emissions, promote innovation through strategic sustainability targets.
<b>Analysts</b>	Interviews, surveys, websites and reports.	Important issues include product innovation, recyclability or at least disposal of the products. Quality and safety are also crucial and should be considered by the company.

## Materiality analysis

In 2023, Devyser also conducted a materiality analysis with the aim of developing guidelines for its sustainability efforts and to ensure that these efforts are in keeping with Group and stakeholder expectations. The materiality analysis is based on stakeholder dialogs, external trends and Devyser's strategic priorities. The materiality analysis is to be updated every year and a more comprehensive and thorough analysis is to be carried out every two years.



The conclusions from the 2023 materiality analysis are reported in the matrix. The areas that Devyser is assessed to have the greatest impact on are the following:

- Product safety
- Transportation
- Waste
- Global health
- Employee engagement
- Innovation
- Corporate governance

## Sustainability management

Devyser's Board of Directors sets the Group's global sustainability strategy and targets, and follows up on the sustainability work at every ordinary Board meeting. The Group's sustainability strategy is discussed annually during special strategy days by both the Board and the management team. The Group's CEO is responsible for the ongoing progress and monitoring of the goals set within this framework. The CEO also ensures that Devyser participates in and contributes to relevant initiatives relating to various sustainability issues. Sustainability work is carried out in close collaboration with the rest of Group management.

Devyser has a Code of Conduct, Code of Conduct for Business Partners, Sustainability Policy and a number of other guidelines covering sustainability issues. Health and safety issues are addressed at meetings of the safety committee and when Devyser carries out pulse measurement campaigns. The Company's Work Environment Handbook contains guidelines on health and safety issues.

# Corporate governance report

The corporate governance adopted within Devyser Diagnostics AB ("Devyser") defines its decision-making systems, clarifies the division of roles and responsibilities between the Board and management and control bodies, and ensures transparency with regard to the Group's stakeholders.

### Corporate governance principles

Devyser is a Swedish public limited company listed on the Nasdaq First North Premier Growth Market. The Company's corporate governance is based on Swedish law and internal rules and regulations. The Company has also followed the Nasdaq First North Growth Market Rulebook and applied the Swedish Corporate Governance Code (the Code) since it was listed. The Code applies to all Swedish companies whose shares are admitted for trading on a regulated market in Sweden. The Company does not have to comply with all of the Code's rules, as the Code itself allows for deviations from the rules, provided that any such deviations and the alternative solutions chosen are described, and the reasons for them are explained, in the Company's corporate governance report (in accordance with the "comply or explain" principle). There were no deviations from the Code in 2023.

### Share capital

The Company's articles of association provide that the share capital should not be less than SEK 500,000 and be no more than SEK 2,000,000, divided into no fewer than 8,700,000 and no more than 34,800,000 shares. As of December 31, 2023, the share capital amounted to SEK 934,567.74 divided into 16,284,469 shares with a quota value of SEK 0.057390. All the shares have equal voting rights.

### 1. Shareholders

At the end of 2023, Devyser had 901 known shareholders. On the same date, the ten largest shareholders controlled 71.4 percent of the total number of shares and votes. The three largest shareholders were Rutger Arnhult, via M2 Asset Management, Swedbank Robur Fonder and Nordnet Pensionsförsäkring. Devyser estimates that approximately 41 percent of the shares and votes are controlled by the Group's Board of Directors, management and employees.

### General Meetings

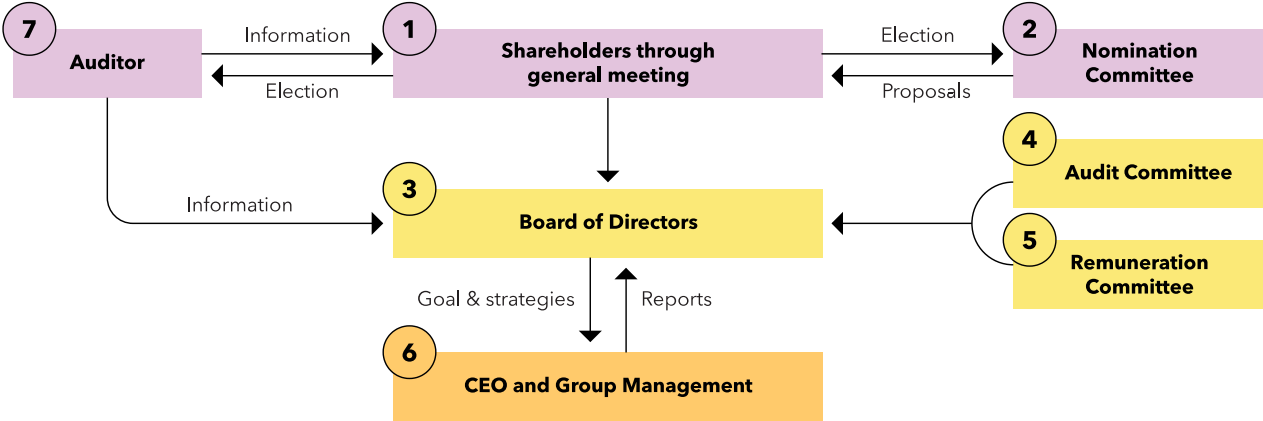
The General Meeting is the Company's highest decision-making body. The Company's shares are all of the same class and each share carries one vote. The Annual General Meeting elects the Board of Directors and auditors and makes decisions in accordance with the Swedish Companies Act and the Articles of Association.

The Board presents the Company's annual report and consolidated financial statements at the Annual General Meeting. The auditors present the audit report and the Group audit report. The notice of General Meeting, which is published in a press release and on the website, provides information about the items to be discussed at the Meeting. The decisions taken at the Meeting are published in a press release and are available on the website. The 2024 Annual General Meeting will be held on May 14.

### Annual General Meeting 2023

The 2023 Annual General Meeting was held in Stockholm on May 10, 2023. Shareholders were able to exercise their voting rights either in person at the Meeting, by proxy or by postal vote.

### Governance structure



50.9 percent of the total number of shares and votes were represented at the Meeting, which, among other things, resolved on the re-election of Board members Mia Arnhult, Lars Höckenström, Fredrik Dahl, Pia Gideon and Fredrik Mattsson, and the re-election of Mia Arnhult as Chair of the Board. The meeting also resolved on the introduction of a long-term incentive program and the authorizing of the Board to decide on new share issues for corporate acquisitions.

## 2. Nomination Committee

In accordance with instructions adopted by the General Meeting, members are appointed by giving the Company's three largest shareholders in terms of voting rights, according to the share register kept by Euroclear Sweden as of the last banking day in August, the opportunity to appoint one member each. If fewer than three members have been appointed through this procedure, the other shareholders, in order of number of voting rights, are given the opportunity to appoint one member each until a total of three members have been appointed. The Nomination Committee appoints a Chair from among its members, who must not be a member of the Company's Board of Directors.

The Nomination Committee's role is to submit proposals to the Annual General Meeting regarding the election of the Chair of the Board and other members of the Board, decisions on directors' fees, the election of the auditor, decisions on auditors' fees, the election of Meeting Chairs and decisions on changes to the Nomination Committee's instructions (if the Nomination Committee considers this necessary).

At the Annual General Meeting on May 10, 2023, it was decided that the Nomination Committee should consist of three members. The Chair of the Board of Directors must not be a member of the Nomination Committee. No compensation is to be paid to the members of the Nomination Committee. The Company must, however, provide human resources to facilitate the Nomination Committee's work, such as secretaries, at the Nomination Committee's request. If required, the Company must also bear any other reasonable costs necessary for the Nomination Committee's work. Jakob Mörndal, representing M2 Asset Management, has been appointed Chair of the Nomination Committee for the 2024 Annual General Meeting.

The composition of the Nomination Committee as of October 2023 is shown in the table below.

Name	Representing	Ownership, %
		Dec 31, 2023
Jakob Mörndal	M2 Asset Management AB	24.2
Caroline Sjösten	Swedbank Robur	8.0
Ulf Klangby	Ulf Klangby	4.5

## 3. The Board of Directors

The Board of Directors is the Company's highest decision-making body after the General Meeting. The duties of the Board of Directors are set out in the Swedish Companies Act, the Company's Articles of Association and the Swedish

Corporate Governance Code. The Board's work is also governed by written rules of procedure that are determined annually.

The rules of procedure govern, among other things, the division of work and responsibilities between the Board, the Chair and the Chief Executive Officer. The Board also decides on instructions for the Board's committees, for the Chief Executive Officer and for financial reporting. Directors are normally appointed by the Annual General Meeting, for the period until the end of the next Annual General Meeting. According to the Company's Articles of Association, the number of Directors elected by the General Meeting should be no less than three and no more than eight, with a maximum of five alternates. According to the Code, the Chair of the Board of Directors should be elected by the General Meeting and should ensure that the Board of Directors' work is conducted effectively and that it fulfills its obligations.

The presentation of the Board of Directors can be found on pages 36 to 37 and the Board's remuneration for 2023 can be found in Note 7.

## The Board of Directors' duties and working methods

The Board of Directors is responsible for the Company's organization and the management of the Company's affairs, which includes responsibility for establishing global, long-term strategies and objectives, budgets and business plans, and guidelines to ensure that the Company's operations create value over the long term. The Board is also responsible for reviewing and approving the financial statements, and making decisions about investments and disposals and the Company's capital structure and dividend policy, developing and adopting key policies, and ensuring that control systems are in place to monitor compliance with policies and guidelines. It must also ensure the existence of systems to monitor and control the Company's operations and risks, including significant changes in the Company's organization and operations. The Board of Directors is further tasked with appointing the Company's CEO and determining the salaries and other employment benefits granted to the Company's CEO and other senior executives, in accordance with the guidelines for the remuneration of senior executives adopted by the General Meeting.

The Board of Directors meets according to a predetermined annual schedule. In addition to these meetings, additional Board meetings may be held in order to address issues that cannot be postponed until the next ordinary meeting of the Board. In addition to meetings of the Board of Directors, the Chair of the Board of Directors and the CEO maintain a constant dialogue regarding the management of the Company.

## Summary of the Board's meetings during the year

The Board held 14 meetings in 2023. At each of the larger Board meetings, the Company's business position and financial reporting were discussed. The external auditors attended a Board meeting and a meeting of the Audit Committee.

The items covered, in addition to recurring items, included the updated long-term strategy, the adoption of policies, possible partnerships, product evaluations, a review of new product opportunities, a market analysis, sales forecasts and the 2024 budget. The members of the Board are listed in the table further down the page.

The presentation of the Board of Directors can be found on pages 36-37 and the Board's remuneration for 2023 can be found in Note 7.

#### 4. Evaluation of the Board's work

The Board evaluates the Board's work, in accordance with the rules of procedure. This takes place partly through discussions within the Board and partly through an annual external evaluation. An external evaluation of the Board's work and collaborative climate was held for the year 2023. The Nomination Committee held evaluation meetings with all of the Board members.

#### 5. Audit Committee

The Company has an Audit Committee consisting of Lars Höckenström (Chair), Fredrik Dahl and Pia Gideon. Without prejudice to the other responsibilities and duties of the Board of Directors, the Audit Committee's role includes monitoring the Company's financial reporting, monitoring the effectiveness of the Company's internal controls and risk management, keeping itself informed of the audit of the annual accounts and consolidated accounts, reviewing and monitoring the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the Company with services other than auditing, and assisting the Nomination Committee with preparing a proposal for the decision by the General Meeting on the election of the auditor.

#### 6. Remuneration Committee

The entire Board of Directors performs the duties incumbent on the Remuneration Committee. The Remuneration Committee prepares proposals regarding remuneration principles, benefits and other employment terms for Company management. The Remuneration Committee must also monitor and evaluate ongoing variable remuneration programs for Company management, as well as programs wound up over the course of the year, the application of the guidelines for remuneration for senior executives, which the General Meeting is legally obliged to decide on, and the remuneration structures and remuneration levels applied by the Company.

#### 7. Chief Executive Officer and senior executives

The CEO reports to the Board of Directors and is responsible for the Company's everyday management and the day-to-day operation of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure of the Board and the instructions for the CEO. The CEO is also responsible for preparing reports and gathering information from Company management prior to Board meetings and presents the information at these meetings. The CEO is responsible for financial reporting at the Company, in accordance with the instructions for financial reporting, and must therefore ensure that the Board of Directors receives sufficient information to be able to continuously evaluate the Company's financial position.

The presentation of management can be found on pages 38-39 and management's remuneration for 2023 can be found in Note 7.

#### 8. Auditor

The auditor reviews the Company's annual report and financial statements as well as the management of the Company by the Board of Directors and the CEO. The audit of Devyser's financial reports and statements and the management by the Board of Directors and the CEO is carried out in accordance with the accounting principles generally accepted in Sweden. After each financial year, the Company's auditor submits an audit report and an audit report for the Group to the Annual General Meeting of the shareholders. The Board also met with the auditors at a meeting not attended by senior executives.

The Company has one auditor, in accordance with the Company's Articles of Association. A registered accounting firm may also be appointed as auditor. The Company's auditor is Grant Thornton, Mikael Östblom (born in 1970) being the auditor in charge. The auditor was elected at the 2023 Annual General Meeting.

As well as its audit engagement, Grant Thornton was retained during the fiscal year 2023 for additional services. Also see Note 6.

Such services have always and only been provided to the extent that they are consistent with the provisions of the Auditors Act (2001:883) and the Swedish Institute of Authorized Public Accountants' Code of Professional Conduct regarding auditor impartiality and independence. The auditor's remuneration is presented in Note 6.

### Composition of the Board and attendance of meetings for the fiscal year 2023

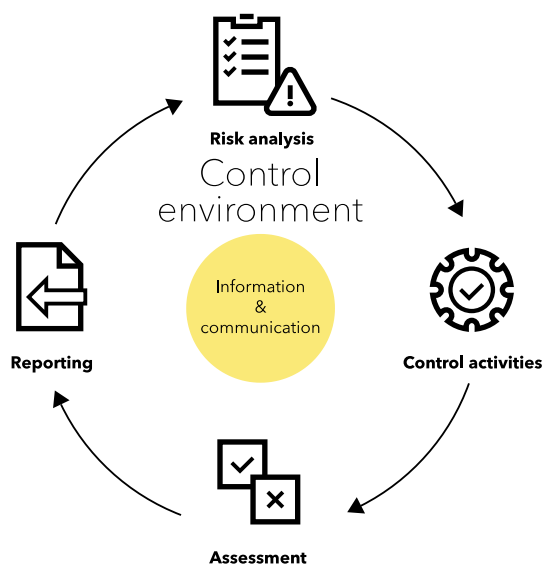
Name	Position	Elected	Independent of			Participation in meetings	
			The Company and its management	Major shareholders	Board meetings	Audit Committee	Remuneration Committee
Mia Arnhult	Chair	2010	Yes	No	14/14	-	3/3
Fredrik Dahl	Director	2021	Yes	Yes	14/14	5/5	3/3
Pia Gideon	Director	2021	Yes	Yes	13/14	4/5	3/3
Lars Höckenström	Director	2016	Yes	No	14/14	5/5	3/3
Fredrik Mattsson	Director	2022	Yes	Yes	13/14	-	3/3

# Directors' report on internal governance and financial reporting controls

Devyser's internal governance and controls must ensure that its financial reporting is appropriate, accurate and reliable in accordance with the applicable laws and regulations.

The Board of Directors is responsible for ensuring, in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, that the Company has good internal controls and effective processes to guarantee that its financial reporting is appropriate, accurate and reliable in accordance with the applicable laws and regulations.

Devyser has established an internal control framework that aims to achieve an efficient organization that meets the objectives set by the Board of Directors. This framework includes work on making sure that the Company's operations are conducted correctly and efficiently, that laws and regulations are complied with, and that the financial reporting is accurate, reliable and in accordance with the applicable laws and regulations.



The Company's improvement measures in 2023 included an updated review of the risks and controls in all the relevant divisions, a follow-up check on regulatory compliance in all the markets where the Group has its own

companies, a decision to change business systems to increase control and transparency, and the development of a sustainability strategy.

## Control environment

Devyser's control environment is based on the division of duties between the Board of Directors, the Board's committees, the CEO, and other senior executives, and the values communicated by the Board and Company management, which form the basis for the work carried out. In order to maintain and develop a well-functioning control environment and to comply with the applicable laws and regulations, the Company's Board of Directors, as the body ultimately responsible, has established a number of fundamental documents relevant to internal control and risk management consisting of governance documents, policies and instructions, including rules of procedure for the Board of Directors and the Audit Committee, instructions for the CEO, a financial policy, an information policy and an insider policy.

The applicable policies and instructions are disseminated to the relevant Devyser employees.

## Risk assessment

Devyser has established a risk assessment framework that involves the conducting by the Company of a quarterly risk analysis and risk evaluation.

The risk analysis increases the Company's perception and understanding of identified risks. The main purpose of the analysis is to investigate the cause of risks and their potential effects and the Company's current control environment and procedures for managing these risks. The results of the risk analysis are subsequently evaluated in order to make sure that the risks identified are within the limits of the Company's risk appetite and accepted risk tolerance.

Based on the risk evaluation, Devyser endeavors to manage the risks that exceed the Company's risk appetite or accepted risk tolerance by transferring, eliminating or controlling the risks through suggested risk management measures. Potential risk management measures are assessed by comparing the effects on risk exposure against the time and financial investment required. Each risk management measure proposed has a designated owner and an expected end date to ensure risk management accountability.

### **Control activities**

Devyser has established a risk management process that includes a number of key controls intended to be integrated and to function within this process. The control requirements are an important tool that enables the Board of Directors to manage and evaluate information received from Company management and to take responsibility for identified risks. The Company has made different managers responsible for different risk categories. The continuous communication and reporting of risks are important aspects of Devyser's risk management. Risk reports, including management plans, are presented to the Board of Directors and the Audit Committee on a half-yearly basis.

### **Evaluation and reporting**

Devyser has a Group-wide monitoring process through which control activities automatically monitor operations and functions and report back status updates. A self-assessment of the effectiveness of internal controls is carried out annually for all the processes. The CFO is responsible for presenting outcomes to the Audit Committee and the Board of Directors.

### **Information and communication**

Devyser's Board of Directors has adopted an information policy that governs Devyser's management and communication of inside and other information. The policy is also intended to reduce the risks of

insider trading and other unlawful actions and to facilitate Devyser's compliance with the applicable rules for the management of inside information. The Company's communications must be long term and consistent with the Company's trademarks, vision, business concept, strategies, objectives and values. Communications must be transparent, objective, well-structured and well-planned. The Company must provide accurate, relevant and complete information in accordance with the applicable laws and regulations.

### **Monitoring**

The internal controls' effectiveness must be evaluated in-house at least once a year by identified individuals within the organization. The Company's risk management function, for which the CFO is responsible, must ensure that this evaluation takes place. Changes to the Company's control framework must be approved by the Board of Directors.

### **Internal audit**

The Board of Directors has judged that the Company does not need a formalized internal audit function in addition to the existing internal governance and control processes and functions. An annual assessment is carried out of whether an internal audit function is considered necessary to maintain effective control within Devyser.



# The auditor's opinion on the corporate governance report

*To the General Meeting of Devyser Diagnostics AB (publ), corporate registration number 556669-7834*

## **Duties and responsibilities**

The Board of Directors is responsible for the corporate governance report for the year 2023, on pages 28 to 32, and for ensuring that this is prepared in accordance with the Swedish Annual Accounts Act.

## **Focus and scope of the review**

Our review was conducted in accordance with FAR recommendation RevR 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared with the focus and scope of an audit conducted in accordance with the International Standards on Auditing and the auditing standards generally accepted in Sweden. We believe that this review provides a reasonable basis for our opinion.

## **Opinion**

A corporate governance report was prepared. The disclosures in accordance with Chapter 6, Section 6, second paragraph, items 2 to 6 of the Swedish Annual Accounts Act, and Chapter 7, Section 31, second paragraph of the same Act, are consistent with the annual report and consolidated financial statements and are in keeping with the Swedish Annual Accounts Act.

Stockholm, April 10, 2024

## **Grant Thornton Sweden AB**

### **Mikael Östblom**

Authorized Public Accountant

**Mia Arnhult**

Born in 1969  
 Director since 2010  
 Chair of the Board since 2021

**Education:**

Degree in business economics and trade law, Lund University.

**Other important offices:**

Director of M2 Asset Management and KMC Properties ASA, and Chair of Lidingöppet.

**Previous positions:**

Auditor at Lindebergs Grant Thornton AB, CFO at M2 Gruppen and Corem Property Group AB and CEO of M2 Asset Management AB. Director of Odd Molly International, Bactiguard Holding, Footway Group and Nanexa.

**Holdings in the Company:**

3,913,311 Company shares through companies and 1,200 privately.

Independent of the Company and Company management, not independent of the Company's major shareholders.

**Fredrik Mattsson**

Born in 1972  
 Director since 2022

**Education:**

M.Sc. in Engineering, Linköping University.

**Other important offices:**

CEO Ejendal Invest AB. Chairman of Swedbag AB and Takura AB.

**Previous positions:**

Head of Genomics Division and Strategic Development at Vitrolife AB, Investment Manager at Bure Equity AB, Chair of the Board of Xvivo Perfusion AB and Biolamina AB and Director of Vitrolife AB.

**Holdings in the Company:**

10,000 Company shares.

Independent of the Company and Company management, and independent of the Company's major shareholders.

**Lars Höckenström**

Born in 1956  
 Director since 2016

**Education:**

M.Sc. in Business and Economics, Stockholm University.

**Other important offices:**

Director of Guard Therapeutics AB (publ), AB Consiliario and CloudBackend AB.

**Previous positions:**

Co-founder and Partner of Aragon FK AB, Analyst at Öhman FK AB and Pareto Securities AB, Analyst and Portfolio Manager at Catella Kapitalförvaltning AB, Co-founder and Senior Advisor at Naventus Corporate Finance AB.

**Holdings in the Company:**

120,510 Company shares and 300 through related parties.

Independent of the Company and Company management, not independent of the Company's major shareholders.



**Fredrik Dahl**

Born in 1977  
Director since 2021

**Education:**

PhD in molecular medicine, Uppsala University, postdoctoral studies at Stanford Genome Technology Center, Stanford University.

**Other important offices:**

Chair of Pixelgen Technologies AB, and Director of Mindforce Game Lab AB, Nucleus Capital AB and Colibri Ventures AB.

**Previous positions:**

Founder and CTO of Vanadis Diagnostics AB and CTO of Halo Genomics AB.

**Holdings in the Company:**

34,150 Company shares.

Independent of the Company and Company management, and independent of the Company's major shareholders.



**Pia Gideon**

Born in 1954  
Director since 2021

**Education:**

M.Sc. in Business and Economics, Stockholm School of Economics.

**Other important offices:**

Chair of Qlucore AB and Director of Skandi Standard AB, Apoteket AB and Gideon Partners AB.

**Previous positions:**

Chair of the Board of Directors of Action Aid AB, Klöver AB and Simris Alg AB, and Director of Metria AB, Min Doktor AB, Guards Therapeutics AB and Proact AB.

**Holdings in the Company:**

1,500 Company shares.

Independent of the Company and Company management, and independent of the Company's major shareholders.

**Fredrik Alpsten**

Born in 1966  
CEO since 2020

**Education:**

M.Sc. in Business and Economics, Stockholm School of Economics.

**Other important offices:**

-

**Previous positions:**

CEO of Clinical Diagnostic Solutions Inc, CFO of Boule Diagnostics AB, Deputy CEO and CFO of IRRAS AB, Director and CFO of AlgiPharma AB, Director of Binero Group AB and Pharmetheus AB, and Chair of the Board of Directors of Personlig Almanacka Nordic AB.

**Holdings in the****Company:**

194,819 shares, warrants for a total of 101,000 Company shares.

**Theis Kipling**

Born in 1982  
CCO since 2022

**Education:**

Master's degree in Business Administration, Copenhagen Business School.

**Other important offices:**

-

**Previous positions:**

CCO of Atlas Antibodies, international management positions in marketing/sales at Agilent, Global Brand Management at Lundbeck A/S.

**Holdings in the****Company:**

12,282 shares, warrants for a total of 80,000 Company shares.

**Sabina Berlin**

Born in 1983  
CFO since 2021

**Education:**

M.Sc. in Business and Economics, Gothenburg School of Business.

**Other important offices:**

Director of Zymology AB.

**Previous positions:**

CEO of Juno Ekonomi AB, CFO of IRRAS AB.

**Holdings in the****Company:**

4,675 shares, warrants for a total of 50,000 Company shares.

**Göran Rydin**

Born in 1969  
COO since 2021

**Education:**

Mechanical engineer with focus on mechatronics, Royal Institute of Technology, Stockholm.

**Other important offices:**

-

**Previous positions:**

CTO Envirotainer AB, Senior Consultant GRAB Management, VP Research and Medical Affairs Maquet Critical Care, VP Research and Development Maquet Critical Care, Project Office Manager Siemens Elema.

**Holdings in the****Company:**

Warrants for a total of 50,000 Company shares.

**Camilla Wiberg**

Born in 1979  
CHRO since 2022

**Education:**

Master's degree in Human Resources Management, Linköping University.

**Other important offices:**

-

**Previous positions:**

Interim HR Consultant and HR Manager at Orkla Care AB and Avanade Sweden AB.

**Holdings in the****Company:**

200 shares, warrants for a total of 50,000 Company shares.

**Michael Uhlin**

Born in 1978  
CSO since 2023

**Education:**

M.Sc. in Biomedicine, Karolinska Institutet, Stockholm. PhD in Infection Biology, Karolinska Institutet. Postdoctoral studies in Transplant Immunology at Karolinska University Hospital.

**Other important offices:**

Adjunct Professor in Clinical Immunology at Karolinska Institutet.

**Previous positions:**

CSO at XNK Therapeutics. Head of the Clinical Immunology Department at Karolinska University Hospital. Head of the Development and IT Department at Karolinska University Hospital. Head of Unit: Therapeutic Immunology and Transfusion Medicine at Karolinska Institutet. Head of Research at Karolinska University Hospital.

**Holdings in the****Company:**

Warrants for a total of 40,000 Company shares.

# Management report

**The Board of Directors and the Chief Executive Officer of Devyser Diagnostics AB (publ), corporate registration number 556669-7834 ("Devyser"), whose registered office is in Stockholm, Sweden, hereby present the annual report and consolidated financial statements for the fiscal year January 1 to December 31, 2023. The results of the operations for the year and the position of the Parent Company and the Group are presented in the management report, followed by the income statement and balance sheet, cash flow statement, statement of comprehensive income, statement of changes in equity and notes with additional disclosures.**

## Operations

Devyser develops, manufactures and sells diagnostic solutions and analysis services to clinical laboratories in more than 65 countries. The products are used for advanced genetic testing in the hereditary disease, oncology and transplant areas. They provide the opportunity to tailor cancer treatments, diagnose a wide range of genetic diseases and follow up on transplant patients.

Devyser's products, and unique, patented solution, simplify genetic testing processes, improve sample throughput, minimize hands-on time and give rapid results. The goal is for every patient to receive a correct diagnosis in the shortest possible time. Sustainability is a central part of Devyser's business model, and is a prerequisite for long-term value creation over time.

Since its founding, the Company has developed and launched around 30 CE-IVD-approved products for routine diagnostic use.

Devyser is in an expansion phase, focusing on sales, but product development also has an important and integrated part to play.

Devyser is headquartered in Stockholm, Sweden, where all development and production takes place. The Company also has eight in-house sales offices in Europe and the US, as well as a CLIA-certified laboratory in Atlanta, Georgia.

Multiannual overview Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
<b>Profit/loss</b>					
Net sales	169.3	126.6	93.5	65.7	64.3
Sales growth, %	33.7	35.4	42.3	2.2	33.6
Exchange rate-adjusted sales growth, %	24.9	29.0	46.9	3.1	29.4
Gross profit	144.7	103.4	71.9	47.0	49.1
Operating profit/loss	-58.9	-52.0	-21.2	-10.9	10.4
Research and development costs	-37.8	-26.3	-18.1	-16.7	-6.8
Research and development costs as a percentage of net sales, %	22.3	20.7	19.3	25.4	10.5
Profit/loss for the period	-53.6	-46.0	-20.7	-10.9	7.0
<b>Margins</b>					
Gross margin, %	85.5	81.7	76.9	71.6	76.4
Operating margin (EBIT margin), %	Neg	Neg	Neg	Neg	16.2
<b>Financial position</b>					
Balance sheet total	510.1	500.6	456.9	74.4	73.7
Equity	385.1	431.4	416.7	30.8	37.0
Equity ratio, %	75.5	86.2	91.2	41.4	50.2
<b>Per share</b>					
Earnings per share before dilution, SEK	-3.31	-2.89	-1.85	-1.25	0.81
Diluted earnings per share, SEK	-3.31	-2.89	-1.85	-1.25	0.77

For a description of the performance measures, see Note 1.

## Group structure

Devyser Diagnostics AB, whose offices and registered address are in Hägersten in Stockholm, Sweden, is the Group's Parent Company. The Company has two wholly-owned Swedish subsidiaries, the operating entities Devyser AB and TrenDx AB, and Italian subsidiary SmartSeq S.r.l. The Parent Company also owns 5.0 percent of Devyser Italia S.r.l. in Italy. The remaining 95.0 percent of the shares are held by Devyser AB. Devyser AB owns German entity Devyser GmbH, UK entity Devyser UK Ltd, US entity Devyser Inc, Spanish entity Devyser Iberia S.L., French entity Devyser France SAS and Belgian entity Devyser SRL. All the subsidiaries are wholly owned.

The Swedish Parent Company is responsible for Group-wide functions such as finance, investor relations, HR and IT. Devyser AB focuses on product development, production and sales. Devyser AB's subsidiaries are primarily sales companies. SmartSeq S.r.l. is principally a development company.

## Important factors and significant events during the year

### *Sales and marketing*

Devyser has a well-developed marketing and sales strategy. Devyser's sales partly take place directly through its in-house sales organization on certain selected markets, and partly through distributors on other markets. Devyser currently makes sales in around 65 countries in total. It has an in-house sales organization in Italy, Scandinavia, Germany, Austria, Switzerland, the UK, Benelux, Spain, France and North America. In other markets, Devyser makes sales primarily through distributors, but in some markets some products are sold through distributors and others by Devyser's own organization. Devyser has just over 50 distributors. Direct sales accounted for approximately 77 percent of total sales in 2023, while around 23 percent were made up of distributor sales.

The products sold are mainly reagents and software. Since 2023, Devyser has also carried out some of its tests for laboratories and companies through its US CLIA-certified laboratory.

Its strong sales development of recent years comes from both distributor sales and direct sales.

The increased focus on direct sales has led to an expansion of the marketing and sales organizations over the years.

The Company won several tenders during the year. These included two three-year agreements; one with Wales Blood Services for non-invasive fetal RHD testing, and one with the University Hospital of Bologna for CFTR genotyping tests.

Devyser also signed a collaboration and distribution agreement with Thermo Fisher Scientific. The agreement gives Thermo Fisher exclusive rights to market Devyser's transplant products in North America, Europe and Brazil under combined trademarks.

### *The share and new issues*

In 2023, 162,000 shares were issued in connection with the exercising of warrants outstanding under the 2020/2023 warrant program. The new issues brought in SEK 5.6 million for

the Company. See Group profit/loss and financial position and Note 7 for further information.

## *Product development*

Product development is a central and prioritized part of Devyser's business. The Company continued to streamline the development process in 2023. Historically, it has taken from six to 18 months to get from product concept to product launch. Devyser's overall product development strategy is primarily focused on the development of new user-friendly, reliable and high-quality NGS products (both reagents and software) in the hereditary disease, oncology and transplant areas. All development is carried out by the Company's in-house personnel.

In addition to developing new products, the development division is tasked with product care, including efficiency improvements and cost reductions for the production process, and local adaptations to the product portfolio.

In 2023, the Company's research and development resources and expertise were strengthened. A total of SEK 54.7 million (40.4) were spent on research and development, of which SEK 16.9 million (14.2) were capitalized. This capitalization related to the development of several products. Devyser Compact, the Company's first IVDR-certified product, was launched during the year, and later in 2023 Devyser's new test for the detection of donor-derived cell-free DNA in blood samples from kidney transplant patients was also IVDR approved, as well as the Company's product for the follow-up of stem cell transplant patients. Regulatory approval was given in Canada for non-invasive fetal RHD testing. Two entirely new products (Devyser LynchFAP and Devyser BRCA PALB2) were also launched.

The products offer efficient analysis of genes associated with an increased cancer risk, as in the case of Lynch syndrome and breast and ovarian cancer.

Research and development costs recognized in profit or loss accounted for 18.8 percent (16.6) of total operating expenses and related, among other things, to product validation prior to CE approval and system development.

In January 2021, Devyser was awarded a SEK 5 million grant through the Eurostars 2 program, of which SEK 0.9 million (2.3) were recognized in income in 2023. The grant has been used for the further development of NGS-based tests for the aftercare monitoring of transplant status and early rejection in kidney transplant recipients.

## **Production**

The production of reagents takes place at the Company's own production facility in Sweden. In order to ensure a further emphasis on high-quality work, cost efficiency and higher capacity, the Company recruited more production personnel in 2023 and continued scaling up to allow an increase in production volumes. In 2022, Devyser was certified under the new, more comprehensive IVD Regulation, which came into force on May 26, 2022. The regulation ensures the highest level

of clinical safety for the manufacture of medical devices. The certification covers Devyser's quality management system and fetal diagnostics product. Two products were IVDR certified in 2023.

### ***Changes in the Board and management***

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

Devyser announced at the end of June that Ulf Klangby, Devyser's Deputy CEO and co-founder, would leave his position and move to an advisory role as a consultant.

### **Group profit/loss and financial position**

#### ***Profit/loss***

Net sales for the fiscal year 2023 amounted to SEK 169.3 million (126.6), an increase of 33.7 percent (35.4) compared with 2022. When adjusted for EUR, USD and GBP exchange rate fluctuations, this corresponds to a 24.9 percent (29.0) increase. The increase was driven by higher direct sales and distributor sales.

Historically, there have been no major seasonal variations in sales. There was also little variation in 2023. 45.6 percent (48.4) of the total billings were generated in the first half of the year and 54.4 percent (51.6) in the second half.

The gross profit for 2023 increased to SEK 144.7 million (103.4), resulting in a gross margin of 85.5 percent (81.7). The gross margin was primarily positively affected by higher sales, as the production division's costs are relatively fixed.

The amortization of capitalized development costs amounted to SEK 3.1 million (2.1).

Operating expenses amounted to SEK 201.3 million (158.4) in 2023. The increase in costs reflects the investments made and the strengthening of the organization in 2022 and 2023. Selling expenses increased by SEK 27.3 million (47.3), rising by 29.0 percent (100.9) compared with 2022, and mainly related to the investment in our in-house sales organization in selected markets. Selling expenses include the reversal of the provision for the payback levy in Italy made in 2022, of SEK 6.4 million. The amount reversed was SEK 6.9 million, which is adjusted for exchange rate fluctuations.

Administrative expenses amounted to SEK 42.0 million (37.9), an increase of 10.8 percent (31.7), primarily due to the Company's growth strategy.

The research and development costs charged to profit increased by 43.9 percent (45.4), from SEK 26.3 million to SEK 37.8 million. Total research and development costs represent 22.3 percent (20.7) of net sales and relate to maintenance costs for existing products, and research-phase costs for our development projects.

Net of other operating income and other operating expenses, this amounted to SEK -2.3 million (3.0) in 2023, and consists mainly of positive and negative exchange rate fluctuations. Other operating income for 2022 includes SEK 1.6

million related to the revaluation of the acquisition of control of SmartSeq S.r.l. See Notes 10 and 24.

The operating loss for 2023 came to SEK -58.9 million (-52.0). This corresponds to an operating margin of -34.8 percent (-41.0).

Net financial items amounted to SEK 4.5 million (-0.8). See Note 8.

The loss before tax in 2023 was SEK -54.4 million (-52.7), and the loss after tax was SEK -53.6 million (-46.0). See Note 9.

#### ***Cash flow and financial position***

The cash flow from operating activities after changes in working capital was SEK -69.7 million (-40.5) in 2023. The fall in cash flow is mostly due to the fall in profit.

Total net investments amounted to SEK 32.0 million (23.9) in 2023, of which SEK 18.1 million (14.2) relate to investments in capitalized development expenditure and software, and investments in rights and other licenses of SEK 2.4 million (3.1). Investments in property, plant and equipment consist mainly of SEK 7.6 million (0.0) relating to the establishing of Devyser Genomic Laboratories in Atlanta.

In 2024, Devyser will move to new premises in Årsta in Stockholm. The lease is for 7 years with an option of 4 years. The asset's value, of SEK 64.9 million, is recognized in Right-of-use assets, and the related liability in Lease liabilities. The value of the total right-of-use assets as of December 31, 2023 was SEK 74.5 million (21.1).

In 2023, three new issues of 162,000 shares (242,000) were completed in connection with the exercising of outstanding warrants issued to employees under the 2020/2023 warrant program, which brought in SEK 5.6 million (6.0) for the Company. See Note 7.

The Group's cash and cash equivalents at the start of the period totaled SEK 363.6 million, and as of December 31, 2023, cash and cash equivalents amounted to SEK 262.9 million (363.6).

#### **Outlook**

Devyser has enjoyed good sales growth for many years. The market is growing strongly as more and more people discover the possibilities of DNA diagnostics. This, together with Devyser's highly competitive products, means that good sales growth is also expected in the future. Devyser's sales organization was strengthened in 2023 so that future sales efforts can be intensified. In particular, we saw the expansion of our in-house sales organization in Europe and the US.

Product development is a central and prioritized part of Devyser's operations, and is necessary to maintain a high level of competitiveness going forward. New products are also important for future stable profitability. New product development will continue in 2024.



## **Information about risks and uncertainties**

Devyser is exposed to risks and uncertainties. The Board believes that those described below are currently the most important. Also see Note 15.

### ***Risks related to Devyser's competitors***

Devyser is, and expects itself to be, subject to competition from both multinational companies with high brand recognition and from laboratory-developed products, or "home brews". If Devyser fails to successfully compete with multinational companies with high brand recognition, or with "home brews", this may, for example, lead to Devyser losing current market share, or Devyser not being able to take a bigger market share at the rate that the Company would like.

### ***Risks related to Devyser's personnel***

Devyser is dependent on the retaining and recruitment of key employees and skilled personnel. It is also essential to ensure that it has internal expertise and processes that are aligned with the Company's strategy and the personnel's priorities. If Devyser fails to retain key individuals, and/or to recruit appropriate replacements for them, or new competent key employees in the future, this may have a long-term adverse impact on Devyser's business.

### ***Risks related to Devyser's production activities***

Devyser's production activities, and the majority of the Company's stock, are limited to one location in Sweden. If the Company's production facility was damaged or destroyed, this could have a negative impact on Devyser's business.

### ***Devyser's purchasing-related risks***

The Company's business is dependent on suppliers meeting agreed requirements with respect to quantity, quality and delivery dates. There is a risk that current or future suppliers may fail to deliver in accordance with their respective agreements. There is also no guarantee that the Company would be able to find suitable alternative suppliers if needed. Such circumstances could have a negative impact on Devyser's business.

### ***Devyser's customer-related risks***

The Company has both private and public sector customers. In cases where customer agreements are entered into for a specific order, there is no obligation for the customer to place additional orders. This also applies to Devyser's framework agreements, which do not contain provisions regarding minimum purchasing volumes. There is a further risk that customers may not place orders or otherwise fulfil their obligations under customer agreements. In addition, there is a risk of Devyser's products not being compatible with the instruments that Devyser's customers use. If the Company lost business opportunities from any or all of its customers, this might have a negative effect on Devyser's earnings.

### ***Market access-related risks***

Devyser's products are subject to regulatory assessments and approvals before they can be introduced on a new geographical market. The regulatory process is often both expensive and time-consuming, and differs from one geographical market to another. Timetables and outcomes are also often difficult to predict. Most markets also require extensive studies before new products are approved. Furthermore, some countries require a separate application process if Devyser's products to be included in countries' medical device reimbursement schemes. There is a risk that the Company may not be granted such regulatory permits or remuneration levels as are necessary for it to be able to release its products on new markets at a reasonable cost, or at all, which might have an adverse impact on the achievement of the Company's strategy and, by extension, on its business too.

### ***Devyser's distributor-related risks***

Since a significant share of Devyser's sales are generated through its distributors, Devyser is dependent on a functioning distribution network. As the distributors are independent of the Company, Devyser cannot ensure that they will achieve target volumes or that the market's perception of Devyser's products will be maintained. Such circumstances might have an adverse effect on Devyser's sales and its general reputation on the market, which might negatively affect Devyser's business.

### ***Risks related to patents and other intellectual property rights***

Patents and other intellectual property rights are important assets for Devyser's business and the Company's future success depends, to a certain extent, on the Company's ability to obtain and maintain the necessary patent protection for its products and technical solutions. If Devyser is forced to protect its patent rights against a competitor, this may entail significant costs. In addition to registered IP rights, Devyser has developed extensive know-how that is not protected by registration in the same way as other IP rights. There is a risk of such know-how becoming known to third parties. Competitors and other third parties may also independently develop similar know-how. Furthermore, there is a risk that Devyser may infringe a third party's patent rights, or may be accused of doing so. Such circumstances may, each individually or in combination, have an adverse impact on Devyser's business.

### ***Risks related to product portfolio design***

Running a successful business requires a product portfolio that is adapted to the needs and wishes of Devyser's customers, competitors' product offerings and technological developments in the market. There is a risk that a sub-optimally designed product portfolio may reduce Devyser's appeal as a supplier in the eyes of its customers, which would have a negative impact on its market share.

### ***Risks related to data and cybersecurity***

Globally, the majority of companies are seeing an increased number of attempts by external groups to breach their systems, as a result of which data or systems are locked or destroyed. Internally, the mismanagement of systems or data can lead to a loss of information or incorrectly reported information. These factors risk having a significant impact on Devyser's operations and ability to comply with the regulations.

### ***Risks related to the processing of personal data***

Devyser processes and stores a variety of data in both electronic and physical form, including personal data, some of which is sensitive, such as information regarding health. If Devyser fails to comply with the General Data Protection Regulation, it may be subject to significant fines. Moreover, individuals who have suffered tangible or intangible harm due to a violation of the General Data Protection Regulation are entitled to claim damages from the data controller or processor. If any of these circumstances occur, this may have an adverse impact on the Company's business.

### ***Risks related to product liability and insurance***

As a result of its operations, or its product development, Devyser may incur product liability or another form of liability for the Company. Although the Company has product liability insurance, claims may arise that are not covered by the current insurance. There is also a risk that claims related to product liability brought by Devyser's distributors or customers will result in expensive and time-consuming legal proceedings. Claims related to product liability or other forms of liability may therefore have an adverse effect on the Company's business.

### ***Risks related to currency risk exposure***

Devyser has entered into, and in the future will continue to enter into, agreements according to which payments take place in currencies other than the Swedish krona. These sales are mostly made in euros and USD. The Company is therefore subject to currency risks, such as exchange rate fluctuations between the time when an agreement or order is entered into and the time when payment is made under the agreement in question. Currency exchange costs may also be appreciable. These currency risks may have a material adverse impact on Devyser's earnings and financial position.

### ***Risks related to ongoing wars and conflicts***

The geopolitical impact on the world economy of Russia's invasion of Ukraine and the ongoing war in Gaza is difficult to assess. Although Devyser does not sell products in these regions, or its sales there are very limited, the possibility that the effects of these or other conflicts may have a significant impact on Devyser's business cannot be ruled out.

### ***Risks related to future financing***

Devyser's business has been financed through new share issues, shareholder loans and overdraft facilities. There is a risk that the Company may continue to make a loss and be unable to generate sufficient earnings to finance its business. In such a case, the Company will become more dependent on external financing. If Devyser is unable to secure financing on terms that are favorable or acceptable to it, or at all, the Company may be forced to suspend or postpone one or more of its planned product developments or other expansion measures. This might have a negative impact on Devyser's business.

### ***Risks related to the regulatory framework***

Devyser's products are subject to extensive regulation, which is monitored by regulatory authorities around the world. There is a risk that the Company's application and interpretation of the IVDR or other applicable legislation may not be in agreement with the interpretation and application by the regulatory authorities. The Company must also be able to retain a notified body for the certification of its products. If the Company is unable to retain a notified body, there is a risk that the Company may be unable to provide its products as planned, or at all. In addition to the above-mentioned industry-specific regulations, Devyser is also subject, and may become subject in the future, to a large number of other regulatory obligations, for example with respect to data protection, the environment, working conditions, and health and safety. If Devyser is unable to comply with these regulations, the Company may be liable for penalties. If one or more of these circumstances were to arise, this might have a material adverse impact on Devyser's business.

### ***Activities subject to authorization and notification***

Devyser is certified in accordance with ISO 13485:2016. The Company has a total of 25 CE-marked products in accordance with IVD Directive 98/97/EC. Since August 2022, Devyser has also been certified under the new IVD (EU) 2017/746 Regulation, which replaces the old regulation. Both Devyser's quality management system and several of the Company's products are certified under this new regulation. The plan is to have more of the Company's products certified under the new regulation in 2024 and beyond.

The Company also obtained regulatory approvals in a number of non-European countries in 2023.

## Shares and share capital

As of December 31, 2023, Devyser Diagnostics AB had a total of 16,284,469 (16,122,469) shares and voting rights. There is only one class of shares and no distinctions or restrictions are imposed by law or the Articles of Association as to the transferability of the shares, voting rights, rights in respect of the Company's assets or dividends. The shares have a quota value of SEK 0.06.

Three new share issues were carried out in 2023, all three being connected with the exercising of warrants included in the Company's incentive programs. A total of 162,000 shares were issued, raising SEK 5.6 million for the Company.

On the submission date of this report, the Company had four outstanding incentive programs for employees and key personnel. At present, the incentive programs may increase the number of shares by 871,338. See further information in Note 7.

The largest shareholders as of December 31, 2023 were:

Owner	Number of shares	Ownership, %
Rutger Arnhult via company	3,935,000	24.2
Nordnet Pensionsförsäkringar	1,348,886	8.3
Swedbank Robur	1,304,100	8.0
Ferd	1,000,000	6.1
Anders Hedrum, privately and via company	816,720	5.0
Berenberg Asset Management on behalf of Universal Investment funds	778,000	4.8
Fourth Swedish National Pension Fund	759,821	4.7
Åsa Riisberg via company	664,294	4.1
Dan Hausenberger, privately and via company	547,680	3.4
Deka Investments	420,200	2.6
Other shareholders, around 900	4,709,768	28.9
<b>Total</b>	<b>16,284,469</b>	<b>100.0</b>

## Employees

In 2023, the average number of Group employees was 102 (76), including 2 (2) Parent Company employees. The average number broken down by country was 70 (58) in Sweden, 17 (10) in Italy, 7 (2) in the United States, 3 (3) in Germany, 2 (1) in Belgium, 1 (1) in the United Kingdom, 1 (1) in Spain and 1 (0) in France. The average number of women employed by the Group was 62 (46) and the average number of men was 40 (30). At the balance sheet date, the number of employees was 118 (92).

Devyser depends on its ability to attract and retain highly skilled and experienced employees. Devyser actively strives to be perceived as an attractive employer with committed employees and an active human resources policy. The Company is constantly working to progress skills development, working conditions and gender equality.

## Sustainability

Devyser's environmental impact is considered to be low. The choice of products, services and suppliers is taken into account to achieve efficient resource use in areas such as health and safety, energy use, carbon dioxide emissions, water use and air pollution. Devyser's employees must act ethically and in accordance with the laws and regulations. Since 2016, the Group has had a Code of Conduct that all employees and distributors must follow to prevent discrimination, corruption, poor working conditions and the use of child labor.

## Proposed guidelines on the salaries and other benefits granted to senior executives

The General Meeting has adopted the following guidelines for salaries and other benefits granted to senior executives. The Board of Directors must prepare proposals for new guidelines every four years and must submit the proposals to the General Meeting for approval. The 2023 AGM adopted new guidelines for the next four years. No changes are proposed for the 2024 AGM. Senior executive refers to the Parent Company's CEO and the other members of the Group's management team. The remuneration included in the guidelines will cover the salaries and other benefits granted to the senior executives. Benefits refer to transfers of securities and allocations of rights to purchase securities from the Company in the future. The guidelines do not cover the Company's incentive programs, whereby the senior executives receive a right to purchase shares in the Company in the future. The Company's incentive programs are described for information purposes in a separate section, after the proposed guidelines on salaries and other benefits granted to the Company's senior executives, to give an idea of the Company's total remuneration package.

### *The guidelines' contribution to the Company's business strategy, long-term interests, and sustainability*

The Company's business model is based on the development, production and marketing of genetic diagnostics products in

the hereditary disease, oncology and post-transplant monitoring areas. Devyser's strategy assumes that the Company can continue to attract, motivate and retain key employees within the Group at a reasonable cost to the Company. The guidelines must therefore allow for appropriate and competitive remuneration for the management.

### *Various forms of remuneration*

The Company must offer market terms that enable it to recruit and retain competent personnel. Remuneration granted to senior executives may consist of a fixed salary, variable remuneration, pension and other customary benefits, as well as the possibility of participating in long-term incentive programs. Remuneration is based on the individual's commitment and performance in relation to individual targets, and joint targets for the Company as a whole, established in advance. Individual performance is continuously evaluated.

### *Fixed salaries*

As a general rule, fixed salaries are reassessed once a year and take into consideration how well an individual has performed. The fixed salaries of the CEO and other senior executives must be in line with market terms.

### *Variable remuneration*

Variable remuneration must take into account the individual's level of responsibility and degree of influence. The amount of the variable remuneration granted must be based on the achievement of targets. The targets must consist of earnings targets for the Company as a whole and operational targets for the individual employee or unit, which creates an incentive to promote the Company's business strategy, long-term interests and sustainability.

The variable remuneration for the Chief Executive Officer and the Chief Commercial Officer may be a maximum of 50 percent of their fixed annual salary. Other senior executives' variable remuneration may be a maximum of between 15 and 40 percent of their fixed annual salaries. Variable remuneration is not included in the calculation of holiday pay or pensions. At the end of the period for which the fulfillment of the criteria for the payment of variable remuneration has been measured, the degree to which the criteria were fulfilled must be assessed/determined. The Remuneration Committee is responsible for assessing the variable remuneration due to the CEO. The CEO is responsible for assessing the variable remuneration due to the other senior executives. The payment of variable remuneration to the senior executives must always be approved by the Board of Directors, however. The assessment of financial targets is based on the financial information most recently published by the Company.

### ***Long-term incentive programs***

Incentive programs that consist of share- and share price-based remuneration are decided on by the General Meeting and are not included in these guidelines but are described in order to give an idea of the Company's total remuneration package. There are four incentive programs for senior executives and the Group's key personnel, i.e. one warrant program under which employees are paid the market price for their warrants, and three employee stock option plans whereby employees receive options free of charge. The purpose of the incentive programs is to promote the Company's long-term interests by motivating and rewarding employees. See further information in Note 7.

### ***Pensions***

Senior executives are entitled to a pension. Pension benefits may not exceed a total of 30 percent of the CEO's fixed annual salary and a total of 30 percent of the other senior executives' fixed annual salaries.

### ***Other benefits***

Other benefits, such as wellness care and health insurance and, in certain cases, company cars, may be granted to senior executives. Other benefits may not exceed a total of 10 percent of the CEO's fixed annual salary and a total of 15 percent of the other senior executives' fixed annual salaries.

### ***Termination of employment***

The CEO has a mutual notice period of six months. Other senior executives have a mutual notice period of from three to six months.

If the CEO's employment is terminated by the Company, they may be entitled to severance pay equal to a maximum of six monthly salaries. Other senior executives are not entitled to severance pay on the termination of their employment.

### ***Salary and employment terms for employees***

The salary and employment terms for the Company's employees were taken into consideration in the preparation of the remuneration guidelines by including information regarding the employees' total remuneration, the components of the remuneration, and the increase and rate of increase in their remuneration over time, as factors in the evaluation of the reasonableness of the guidelines and of the restrictions arising from them by the Remuneration Committee and the Board of Directors.

### ***Decision-making process for the establishing, monitoring and implementation of guidelines***

The Board in its entirety constitutes the Remuneration Committee. The Committee's duties include preparing the Board of Directors' decisions on issues regarding remuneration principles, benefits and other employment terms for senior executives. The Remuneration Committee must also monitor and evaluate ongoing variable compensation programs granted to Company management and programs wound up during the year. In addition, it must monitor and evaluate ongoing programs of variable compensation paid to senior executives, which the General Meeting is obliged by law to approve, and the remuneration structures and remuneration levels applied within the Company. The Board of Directors must prepare proposals for new guidelines at least every four years and must submit the proposals to the General Meeting for approval. The CEO and the other members of Company management must not be present when the Board of Directors addresses and makes decisions on remuneration-related issues, insofar as they are affected by these issues.

### **Parent Company**

The Parent Company Devyser Diagnostics AB, based in Stockholm, is responsible for the Group's management, the monitoring of the Group and the providing of operational support to the operating subsidiaries.

The Parent Company's net sales for 2023 amounted to SEK 37.7 million (23.9), of which SEK 37.2 million (22.6) relate to the billing of services and royalties from subsidiaries, and SEK 0.5 million (1.3) relate to royalties from external customers.

The Parent Company's operating profit amounted to SEK 12.9 million (10.4). During the year, the Parent Company made Group contributions to Devyser AB of SEK 68.4 million (70.8) and shareholder contributions of SEK 9.3 million (0).

The Parent Company's equity as of December 31, 2023 stood at SEK 376.3 million (417.7). As of December 31, 2023, the Company's registered share capital came to SEK 934,568 (925,271), divided between a total of 16,284,469 (16,122,469) shares.

Receivables and liabilities in respect of Group companies primarily consist of amounts owed by the Swedish subsidiary Devyser AB and the Italian subsidiary Devyser Italia S.r.l.

The Parent Company's risks and uncertainties are the same as those described for the Group in the Risks and uncertainties section.

### **Corporate governance**

Devyser Diagnostics AB applies the Nasdaq First North Growth Market Rulebook and the Swedish Corporate Governance Code. The Company also manages corporate governance issues in accordance with the formal requirements of the Swedish Companies Act. See the corporate governance report for further information.

## Significant events after the end of the fiscal year

### *IVD development agreement with Illumina Inc*

An IVD (in-vitro diagnostic) development agreement was signed with Illumina to enable regulatory registrations and end-to-end solutions for Devyser's tests on the MiSeqDx, Illumina's FDA-regulated and CE-IVD-marked NGS instrument.

### *Cystic fibrosis contract won in Italy*

Devyser won a tender for CFTR in Italy. The contract with the University Hospital of Verona is for twelve months. The value of the order is estimated at approximately SEK 1.5 million a year.

### *Devyser Genomic Laboratories signed its first commercial contract*

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

### *Devyser strengthened its management team*

The management team was expanded in February 2024 when it was joined by CSO Michael Uhlin. Michael Uhlin has extensive experience in the global life sciences sector and has long been engaged in translational research and development in the areas relevant to Devyser's activities. Following Michael Uhlin's appointment, senior management now consists of CEO Fredrik Alpsten, CFO Sabina Berlin, CCO Theis Kipling, COO Göran Rydin, CSO Michael Uhlin and CHRO Camilla Wiberg.

### *Devyser made a breakthrough in the US with an NGS-based cystic fibrosis test*

Devyser signed an agreement with UNC Hospitals for Devyser's NGS-based cystic fibrosis test. Devyser CFTR NGS detects all the mutations in the cystic fibrosis gene and is one of the few products that meet the newly implemented ACMG recommendations. The contract with UNC Hospitals is for up to four years. The value of the order is estimated at approximately SEK 2.5 million a year.

## The following profits are at the disposal of the Annual General Meeting:

Share premium reserve	507,796,376
Retained earnings	-131,210,424
Profit/loss for the year	-48,214,894
<b>Total</b>	<b>328,371,058</b>

The Board of Directors and the CEO propose that the available profits of SEK 328,371,058 be appropriated so that:

The amount carried forward is	328,371,058
<b>Total</b>	<b>328,371,058</b>

Given the above and what has otherwise come to the attention of the Board, the Board's opinion is as follows: Based on a comprehensive assessment of the Parent Company's and the Group's financial position, SEK 328,371,058 is justifiable taking into account the demands made on the Group's equity and liquid assets due to the business's nature, scope and risks. The Group's equity ratio is 75.5 percent.

For the changes in equity during the fiscal year, see the consolidated and Parent Company statements of changes in equity. For more information, see the financial statements below.

# Consolidated income statement

Amounts in SEK million	Note	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Net sales	3	169.3	126.6
Cost of goods sold	4	-24.5	-23.2
<b>Gross profit</b>		<b>144.7</b>	<b>103.4</b>
Other operating income	5	9.0	8.0
Selling expenses	4	-121.5	-94.2
Administrative expenses	4	-42.0	-37.9
Research and development costs	4	-37.8	-26.3
Income from investments in associates	14	-	-0.0
Other operating expenses	5	-11.4	-5.0
<b>Operating profit/loss</b>	<b>6.7</b>	<b>-58.9</b>	<b>-52.0</b>
Financial income	8	5.3	0.4
Financial expenses	8	-0.8	-1.2
<b>Net financial items</b>		<b>4.5</b>	<b>-0.8</b>
<b>Profit/loss before tax</b>		<b>-54.4</b>	<b>-52.7</b>
Income tax	9	0.8	6.8
<b>Profit/loss for the year</b>		<b>-53.6</b>	<b>-46.0</b>
<b>Profit/loss for the year attributable to:</b>			
The Parent Company's shareholders		-53.6	-46.0
Non-controlling interests		-	-
<b>Earnings per share before dilution, SEK</b>			
Earnings per share attributable to the Parent Company's shareholders		-3.31	-2.89
<b>Diluted earnings per share, SEK</b>			
Earnings per share attributable to the Parent Company's shareholders		-3.31	-2.89
<b>Average number of shares</b>			
Before dilutive effects		16,180,907	15,922,126
Taking into account dilutive effects		17,052,245	16,711,076

# Consolidated statement of comprehensive income

Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Profit/loss for the year</b>	-53.6	-46.0
<b>Other comprehensive income for the year:</b>		
<i>Items that will not be reclassified to profit or loss</i>	-	-
<i>Items that will be reclassified to profit or loss</i>		
Currency translation differences	0.3	1.3
<b>Other comprehensive income for the period, net of tax</b>	<b>0.3</b>	<b>1.3</b>
<b>Total comprehensive income for the year</b>	<b>-53.2</b>	<b>-44.7</b>
<b>Total comprehensive income attributable to:</b>		
The Parent Company's shareholders	-53.2	-44.7
Non-controlling interests	-	-



# Consolidated statement of financial position

Amounts in SEK million	Note	2023-12-31	2022-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	11	6.7	6.8
Capitalized development expenditure	11	43.9	30.3
Other intangible assets	11	5.4	2.6
<b>Total intangible assets</b>		<b>56.1</b>	<b>39.7</b>
<b>Property, plant and equipment</b>			
Equipment, tools and plant	12	17.1	9.4
Right-of-use assets	13	74.5	21.1
<b>Total property, plant and equipment</b>		<b>91.6</b>	<b>30.5</b>
<b>Financial non-current assets</b>			
Deferred tax assets	9	20.6	18.3
Other non-current receivables		0.1	0.1
<b>Total financial non-current assets</b>		<b>20.7</b>	<b>18.4</b>
<b>Total non-current assets</b>		<b>168.3</b>	<b>88.5</b>
<b>Current assets</b>			
Inventories	16	20.6	10.1
Trade receivables	15	33.7	27.5
Current tax assets	9	1.9	0.9
Other receivables	17	9.7	4.8
Prepaid expenses and accrued income	18	13.0	5.1
Cash and cash equivalents		262.9	363.6
<b>Total current assets</b>		<b>341.8</b>	<b>412.1</b>
<b>TOTAL ASSETS</b>		<b>510.1</b>	<b>500.6</b>

# Consolidated statement of financial position, cont.

Amounts in SEK million	Note	2023-12-31	2022-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	0.9	0.9
Other paid-in capital		513.2	507.6
Reserves		1.2	0.8
Retained earnings including profit for the year		-130.2	-77.9
<b>Shareholders' equity attributable to Parent Company's owners</b>		<b>385.1</b>	<b>431.4</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	15	0.6	0.6
Lease liabilities	13, 15	56.7	15.1
Deferred tax liabilities	9	0.2	0.3
Provisions for other liabilities and charges		1.0	0.8
Other non-current liabilities		3.7	1.2
<b>Total non-current liabilities</b>		<b>62.1</b>	<b>18.0</b>
<b>Current liabilities</b>			
Borrowings	15	-	0.1
Lease liabilities	13, 15	17.5	5.4
Trade payables		14.2	9.6
Current tax liabilities	9	0.3	3.1
Other liabilities	20	10.9	12.5
Accrued expenses and deferred income	21	20.0	20.6
<b>Total current liabilities</b>		<b>62.9</b>	<b>51.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>510.1</b>	<b>500.6</b>

# Consolidated statement of changes in equity

Amounts in SEK million	Note	Attributable to the Parent Company's shareholders				Total equity
		Share capital	Other paid-in capital	Reserves	Retained earnings including profit for the year	
<b>Opening balance at 01/01/2022</b>		<b>0.9</b>	<b>449.3</b>	<b>-0.4</b>	<b>-33.0</b>	<b>416.7</b>
<b>Comprehensive income</b>						
Profit/loss for the year		-	-	-	-46.0	-46.0
<i>Other comprehensive income</i>						
Currency translation differences		-	-	1.3	-	1.3
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>1.3</b>	<b>-46.0</b>	<b>-44.7</b>
<b>Shareholder transactions</b>						
New share issues	19	0.1	61.3	-	0.1	61.5
Issue costs	19	-	-3.0	-	-	-3.0
Employee stock options	7	-	-	-	0.9	0.9
<b>Total shareholder transactions</b>		<b>0.1</b>	<b>58.3</b>	<b>-</b>	<b>1.0</b>	<b>59.4</b>
<b>Closing balance at 12/31/2022</b>		<b>0.9</b>	<b>507.6</b>	<b>0.8</b>	<b>-77.9</b>	<b>431.4</b>
<b>Opening balance at 01/01/2023</b>		<b>0.9</b>	<b>507.6</b>	<b>0.8</b>	<b>-77.9</b>	<b>431.4</b>
<b>Comprehensive income</b>						
Profit/loss for the year		-	-	-	-53.6	-53.6
<i>Other comprehensive income</i>						
Currency translation differences		-	-	0.3	-	0.3
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-53.6</b>	<b>-53.2</b>
<b>Shareholder transactions</b>						
New share issues	19	0.0	5.6	-	-	5.6
Warrants	7	-	-0.0	-	-	-0.0
Employee stock options	7	-	-	-	1.3	1.3
<b>Total shareholder transactions</b>		<b>0.0</b>	<b>5.5</b>	<b>-</b>	<b>1.3</b>	<b>6.9</b>
<b>Closing balance at 12/31/2023</b>		<b>0.9</b>	<b>513.2</b>	<b>1.2</b>	<b>-130.2</b>	<b>385.1</b>

# Consolidated cash flow statement

Amounts in SEK million	Note	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Cash flow from operating activities</b>			
Operating profit/loss <sub>2</sub>		-58.9	-52.0
Adjustment for non-cash items			
- Reversal of depreciation, amortization and impairment		13.1	8.5
- Other non-cash items		2.0	0.2
Interest received		5.0	0.3
Interest paid		-0.8	-0.5
Income tax paid		-8.6	-1.6
<b>Cash flow from operating activities before changes in working capital</b>		<b>-48.2</b>	<b>-44.9</b>
<b>Changes in working capital</b>			
Increase (-)/Decrease (+) in inventories		-10.5	-3.4
Increase (-)/Decrease (+) in operating receivables		-15.7	-8.4
Increase (-)/Decrease (+) in operating liabilities		4.7	16.2
<b>Total change in working capital</b>		<b>-21.5</b>	<b>4.4</b>
<b>Cash flow from operating activities</b>		<b>-69.7</b>	<b>-40.5</b>
<b>Cash flow from investing activities</b>			
Investments in intangible non-current assets	11	-20.5	-17.9
Investments in property, plant and equipment	12	-11.5	-7.9
Investments in subsidiaries <sub>1</sub>	10	-	1.9
<b>Cash flow from investing activities</b>		<b>-32.0</b>	<b>-23.9</b>
<b>Cash flow from financing activities</b>			
New share issues	10, 19	5.6	55.3
Issue costs		-	-3.0
Warrant programs		-0.0	-
Proceeds from borrowings	15	-	0.7
Repayments of borrowings	15	-0.1	-
Amortization of lease liabilities	15	-5.7	-4.0
<b>Cash flow from financing activities</b>		<b>-0.2</b>	<b>48.9</b>
<b>Cash flow for the period</b>		<b>-102.0</b>	<b>-15.4</b>
Cash and cash equivalents at the beginning of the period		363.6	377.6
Exchange gains/losses on cash and cash equivalents		1.3	1.4
<b>Cash and cash equivalents at the end of the period</b>		<b>262.9</b>	<b>363.6</b>

1) The consideration transferred on the acquisition of SmartSeq S.r.l. in 2022 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. See Note 10.  
2) Operating profit for January to December 2022 includes a EUR 0.6 million provision made for the retroactive payback levy due to the Italian Ministry of Health. The entire provision was reversed during the period from January to December 2023.

## Parent Company income statement

Amounts in SEK million	Note	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Net sales	3	37.7	23.9
Cost of goods sold	4	-0.2	-0.8
<b>Bruttovinst</b>		<b>37.5</b>	<b>23.2</b>
Selling expenses	4	-0.9	-
Administrative expenses	4	-20.6	-10.6
Research and development costs	4	-3.1	-2.1
<b>Operating profit/loss</b>	<b>6, 7</b>	<b>12.9</b>	<b>10.4</b>
Ränteintäkter och liknande resultatposter	8	5.2	0.4
Interest expenses and similar items	8	-0.0	-0.7
<b>Resultat från finansiella poster</b>		<b>5.2</b>	<b>-0.3</b>
<b>Resultat efter finansiella poster</b>		<b>18.1</b>	<b>10.2</b>
Lämnade koncernbidrag		-68.4	-70.8
<b>Profit/loss before tax</b>		<b>-50.3</b>	<b>-60.6</b>
Tax on profit for the year	9	2.1	11.0
<b>Profit/loss for the year</b>		<b>-48.2</b>	<b>-49.6</b>

## Parent Company statement of comprehensive income

Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Profit/loss for the year and total comprehensive income for the year</b>	<b>-48.2</b>	<b>-49.6</b>

# Parent Company balance sheet

Amounts in SEK million	Note	2023-12-31	2022-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalized development expenditure	11	43.3	30.0
<b>Total intangible assets</b>		<b>43.3</b>	<b>30.0</b>
<b>Financial non-current assets</b>			
Investments in Group companies	24	69.3	58.8
Deferred tax assets	9	20.2	18.1
<b>Total financial non-current assets</b>		<b>89.5</b>	<b>76.9</b>
<b>Total non-current assets</b>		<b>132.8</b>	<b>106.9</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Amounts owed by Group companies		30.4	-
Current tax assets	9	0.5	0.5
Other receivables	17	0.3	0.0
Prepaid expenses and accrued income	18	0.8	0.8
<b>Total current receivables</b>		<b>31.9</b>	<b>1.4</b>
Cash at bank and in hand		218.6	324.1
<b>Total current assets</b>		<b>250.5</b>	<b>325.5</b>
<b>TOTAL ASSETS</b>		<b>383.3</b>	<b>432.4</b>

## Parent Company balance sheet, cont.

Amounts in SEK million	Note	2023-12-31	2022-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	19		
<b>Restricted equity</b>			
Share capital		0.9	0.9
Statutory reserve		3.7	3.7
Reserve for development expenses		43.3	30.0
<b>Total restricted equity</b>		<b>48.0</b>	<b>34.6</b>
<b>Non-restricted equity</b>			
Share premium reserve		507.8	501.8
Retained earnings		-131.2	-69.2
Profit/loss for the year		-48.2	-49.6
<b>Total non-restricted equity</b>		<b>328.4</b>	<b>383.0</b>
<b>Total equity</b>		<b>376.3</b>	<b>417.7</b>
<b>Provisions</b>			
Provisions for other liabilities and charges	22	1.0	0.8
<b>Total provisions</b>		<b>1.0</b>	<b>0.8</b>
<b>Current liabilities</b>			
Trade payables		0.9	0.7
Amounts owed to Group companies		0.0	9.2
Current tax liabilities	9	-	0.3
Other liabilities	20	2.1	1.4
Accrued expenses and deferred income	21	2.9	2.3
<b>Total current liabilities</b>		<b>5.9</b>	<b>13.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>383.3</b>	<b>432.4</b>

# Changes in the Parent Company's equity

Amounts in SEK million	Note	Restricted equity			Non-restricted equity			Total equity
		Share capital	Statutory reserve	Reserve for development expenses	Share premium reserve	Retained earnings	Profit/loss for the year	
<b>Opening balance at 01/01/2022</b>	19	0.9	3.7	17.9	443.1	-37.2	-20.4	408.0
<i>Comprehensive income</i>								
Profit/loss for the year		-	-	-	-	-	-49.6	-49.6
Profit/loss carried forward		-	-	-	-	-20.4	20.4	-
Capitalization of development expenditure		-	-	12.1	-	-12.1	-	-
<b>Other comprehensive income</b>		-	-	-	-	-	-	-
<b>Total comprehensive income</b>		-	-	12.1	-	-32.5	-29.2	-49.6
<i>Shareholder transactions</i>								
New share issues		0.1	-	-	61.7	-0.4	-	61.4
Issue costs		-	-	-	-3.0	-	-	-3.0
Employee stock options	7	-	-	-	-	0.9	-	0.9
<b>Total shareholder transactions</b>		0.1	-	-	58.7	0.6	-	59.3
<b>Closing balance at 12/31/2022</b>		0.9	3.7	30.0	501.8	-69.2	-49.6	417.7
<b>Opening balance at 01/01/2023</b>	19	0.9	3.7	30.0	501.8	-69.2	-49.6	417.7
<i>Comprehensive income</i>								
Profit/loss for the year		-	-	-	-	-	-48.2	-48.2
Profit/loss carried forward		-	-	-	-	-49.6	49.6	-
Capitalization of development expenditure		-	-	13.3	-	-13.3	-	-
<b>Other comprehensive income</b>		-	-	-	-	-	-	-
<b>Total comprehensive income</b>		-	-	13.3	-	-63.0	1.4	-48.2
<i>Shareholder transactions</i>								
New share issues		0.0	-	-	6.0	-0.4	-	5.6
Warrants		-	-	-	-	-0.0	-	-0.0
Employee stock options	7	-	-	-	-	1.3	-	1.3
<b>Total shareholder transactions</b>		0.0	-	-	6.0	0.9	-	6.9
<b>Closing balance at 12/31/2023</b>		0.9	3.7	43.3	507.8	-131.2	-48.2	376.3



# Parent Company cash flow

Amounts in SEK million	Note	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Cash flow from operating activities</b>			
Operating profit/loss		12.9	10.4
Adjustment for non-cash items			
- Reversal of depreciation, amortization and impairment		3.1	2.1
- Other non-cash items		0.7	-0.7
Interest received		4.9	0.3
Interest paid		-0.0	-0.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>21.6</b>	<b>12.2</b>
<b>Changes in working capital</b>			
Increase/decrease in other current receivables		-16.8	0.7
Increase/decrease in other current liabilities		-6.4	-18.2
<b>Total change in working capital</b>		<b>-23.2</b>	<b>-17.5</b>
<b>Cash flow from operating activities</b>		<b>-1.6</b>	<b>-5.3</b>
<b>Cash flow from investing activities</b>			
Acquisitions of subsidiaries	24	-	-2.0
Shareholder contributions		-9.3	-
Investments in intangible non-current assets	11	-16.4	-14.2
Increase/decrease in financial non-current assets		-83.7	-68.5
<b>Cash flow from investing activities</b>		<b>-109.4</b>	<b>-84.7</b>
<b>Cash flow from financing activities</b>			
New share issues	19	5.6	55.3
Warrant programs		-0.0	-
Issue costs	19	-	-3.0
<b>Cash flow from financing activities</b>		<b>5.6</b>	<b>52.3</b>
<b>Cash flow for the period</b>		<b>-105.5</b>	<b>-37.8</b>
Cash and cash equivalents at the beginning of the period		324.1	361.8
<b>Cash and cash equivalents at the end of the period</b>		<b>218.6</b>	<b>324.1</b>

# Notes

## General information

Devyser Diagnostics AB, together with its subsidiaries ("Devyser" or the "Group"), develops, manufactures and sells genetic tests to clinical laboratories in over 65 countries. The products are used for advanced DNA testing in the hereditary disease, oncology and post-transplant monitoring areas, and to enable targeted cancer treatment, the diagnosis of a large number of genetic diseases, and transplant patient follow-up. Since its founding, the Company has developed and launched nearly 30 products for routine diagnostic use. All of Devyser's operations, from development to production and sales, are certified in accordance with international medical technology standard ISO13485: 2016 and approved in accordance with the MDSAP, which fulfils, among other things, the US FDA (Food and Drug Administration) guidelines.

The visiting address for the head office is Instrumentvägen 19 in Hägersten.

On April 11, 2024, these consolidated financial statements were approved by the Board for publication.

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

For this year's annual report, the accounting policies are presented in connection with the respective notes. Accounting policies that do not relate to a specific note are now presented in Note 1. Where the Parent Company's accounting policies differ from those of the Group, the differences in policy are disclosed in the relevant note. Significant judgements or assumptions are disclosed in Note 2.

Name of the reporting company:	Devyser Diagnostics AB (publ)
The company's domicile:	Stockholm
The company's legal form:	Limited liability company
Country of registration:	Sweden
Address of the company's head office	Instrumentvägen 19, 126 53, Stockholm
Description of the business and main activities:	Devyser develops, produces and sells genetic tests for hereditary diseases, oncology and transplant monitoring
Name of the parent company:	Devyser Diagnostics AB
Name of the Group's ultimate parent company:	Devyser Diagnostics AB

## Note 1. Summary of significant accounting policies

### Basis for the preparation of the financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and RFR 1 Supplementary Accounting Rules for Groups.

No financial instruments measured at fair value were identified for the periods presented, except for endowment policies, which are recognized net in the balance sheet. There may be disclosure requirements relating to the fair value of assets and liabilities, however. These disclosures may be found in the relevant note.

The most significant accounting policies applied when these consolidated financial statements were prepared are set out below.

Preparing reports in accordance with the IFRS requires the occasional use of significant accounting estimates. The management is also required to make certain judgements when applying the Group's accounting policies. The areas that involve a high degree of judgement, or are complex, or areas where assumptions and estimates are of material significance for the consolidated financial statements, are stated in Note 2.

The Parent Company's financial statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act (ÅRL). In cases where the Parent Company applies other accounting policies than the Group, this is stated separately at the end of this accounting policies section.

### New and amended standards that are applicable to the Group in the current period

No new or revised IFRS or interpretations had a material impact on the Group's financial statements.

### Standards, amendments and interpretations of existing standards that come into force in 2024 or later and are deemed to potentially or actually have an impact on the financial statements

When these consolidated financial statements as of December 31, 2023 were prepared, standards and interpretations had been published that will enter into force in 2024 or later. None of these are judged to have any significant impact on the Group.

### Consolidated financial statements

#### Subsidiaries

Subsidiaries are all the companies over which the Group has a controlling influence. The Group controls a company when it is exposed to, or has the right to variable returns from, its holding in the company, and is able to affect these returns through its influence within the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

## Transactions with non-controlling shareholders

The Group applies the policy of reporting transactions with non-controlling shareholders as transactions with the Group's shareholders. In the case of acquisitions from non-controlling interests, the difference between the consideration paid and the actual share acquired of the carrying amount of the subsidiary's net assets is reported in equity. Gains and losses on disposals to non-controlling interests are also reported in equity.

As of the date of this annual report's submission, there were no non-controlling shareholders in any of the subsidiaries within the Group.

## Foreign currency translation

### *Functional and reporting currency*

Items included in the financial statements for the various entities within the Group are valued in the currency used in the economic environment in which each company is mostly active (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used, which is the Parent Company's functional currency and reporting currency.

## Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency according to the exchange rates applicable on the transaction date. Exchange rate gains and losses arising from payments in such transactions, and from the translation of monetary assets and liabilities into foreign currency at the exchange rate on the balance sheet date, are reported in the income statement. Currency translation differences on lending and borrowing transactions are reported in net financial items, while other currency translation differences are included in operating profit.

## Group companies

The earnings and financial position of all the Group companies (none of which have a high inflation currency as their functional currency) whose functional currency is different from the reporting currency are translated into the Group's reporting currency as follows:

- the assets and liabilities on each of the balance sheets are translated at the exchange rate on the balance sheet date;
- the income and expenses in each of the income statements are translated at the average exchange rate (unless this average exchange rate is a reasonable approximation of the accumulated effect of the exchange rates applicable on the transaction date, otherwise income and expenses are translated at the exchange rate on the transaction date), and
- all the currency translation differences generated are reported as a separate component of other comprehensive income.

On consolidation, the currency translation differences resulting from the translation of net investments in foreign operations, and borrowings and other currency instruments identified as hedges of such investments, are recognized in equity. When a foreign operation is divested, in whole or in part, the exchange gains/losses reported in equity are recognized in the income statement and reported as part of the capital gain/loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of this operation and are translated at the exchange rate on the balance sheet date.

## Trade payables

Trade payables are initially reported at fair value and thereafter at amortized cost, using the effective interest method.

## Provisions

Provisions are reported when the Group has a legal or informal obligation as a result of previous events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably calculated.

## Cash flow statement

The cash flow statement has been prepared according to the indirect method, whereby adjustments have been made for transactions that did not result in inflows or outflows. Cash in hand and bank balances are classified as cash and cash equivalents.

## Accounting policies of the Parent Company

The accounting policies of the Parent Company are substantially consistent with those of the Group. The Parent Company's financial statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. RFR 2 sets out the exemptions from and amendments to the standards issued by the IASB and the opinions issued by the IFRIC. The exemptions and amendments are applied from the date on which the legal entity applies the specified standard or statement to its consolidated financial statements.

The Parent Company uses the presentation formats set out in the Swedish Annual Accounts Act, which means, among other things, that equity is presented differently.

All Group contributions made and received are recorded as appropriations.

The Parent Company has chosen not to apply IFRS 16 Leases, and has instead chosen to apply the exemption in RFR 2. All leases are accounted for as operating leases, regardless of whether they are financial or operating leases. Lease payments are expensed on a straight-line basis over the lease term.

## Calculation of non-IFRS financial performance measures

Guidelines on alternative performance measures for companies whose securities are listed on a regulated market within the EU have been issued by the ESMA (the European Securities and Markets Authority). These guidelines must be applied to alternative performance measures that are not supported by IFRS.

The annual report refers to a number of performance measures that are not defined by IFRS. These performance measures are used to help both investors and management analyze the Company's operations and objectives. These 'non-IFRS measures' may differ from measures with similar names used by other companies.

The following describes the various performance measures used that are not defined by IFRS, in addition to the financial information reported in accordance with IFRS.

Performance measures	Description	Reason
<b>Sales growth</b>	Revenue growth for the period as a percentage of the previous year's revenue.	This key ratio is used to measure the growth compared with the previous year.
<b>Exchange rate-adjusted sales growth</b>	Net sales for the period in foreign currency, adjusted for exchange rate fluctuations, as a percentage of the previous year's revenue.	This key ratio is used to measure the growth, adjusted for exchange rate fluctuations, compared with the previous year.
<b>Gross profit</b>	Net sales reduced by cost of goods sold.	The key ratio is used to measure how much of the net sales is left over to cover other costs.
<b>Gross margin</b>	Gross profit divided by net sales.	Management uses this key ratio to track earnings in relation to net sales, which indicates the margin to cover other costs and profit margin.
<b>Operating profit/EBIT</b>	Profit before tax and profit from financial items.	This key ratio is used to measure operating profit before financing and tax.
<b>Operating margin</b>	Operating profit divided by net sales.	This key ratio reflects the business's operational profitability.
<b>Research and development costs as a percentage of net sales</b>	Costs for the period divided by net sales.	This key ratio is used to measure the proportion of net sales used to cover research and development costs that are not capitalized in the balance sheet.
<b>Equity ratio</b>	Closing equity for the period divided by the closing balance sheet total for the period.	This key ratio shows the financial risk, expressed as a proportion of the total tied-up capital, which is financed by the shareholders.
<b>Basic earnings per share</b>	The profit for the period divided by the average number of shares before dilution.	This key ratio is used to determine the value of the Company's outstanding shares.
<b>Diluted earnings per share</b>	The profit for the period divided by the sum of the weighted average number of ordinary shares and potential ordinary shares that could be dilutive. The dilution effect of potential ordinary shares (stock option plans) is only reported if a conversion into ordinary shares would lead to a reduction in the diluted earnings per share.	This key ratio is used to determine the value of the Company's outstanding shares.

## Note 2 Significant judgments or assumptions made when applying the accounting policies

An entity must disclose the assumptions it makes about the future, and other key sources of estimation uncertainty, at the end of the reporting period, that pose a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next fiscal year.

In Devyser's view, significant judgments or assumptions are made when applying the accounting policies in the following areas:

- Deferred tax assets, Note 9
- Capitalized development expenditure, Note 11
- Trade receivables and contract assets, Note 15

## Note 3 Distribution of net sales

### ACCOUNTING POLICIES

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#### Revenue from contracts with customers

The following describes Devyser's segmentation, the nature of the Group's customer contracts and how and when the performance obligations in its contracts are met.

Devyser applies IFRS 15 Revenues from Contracts with Customers, which governs revenue recognition and disclosure requirements regarding commercial agreements/contracts with customers. The standard relates to business contracts with customers where the delivery of goods and services is divided into distinct performance obligations that are reported independently.

The majority of Devyser's revenue is from the sale of goods that are sold primarily to clinical laboratories and distributors, which make sales to clinical laboratories in their turn.

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

#### *Determining of transaction prices*

Transaction prices mainly consist of fixed prices for quantities sold less any estimated discounts.

## Revenue from sales of goods

Sales of goods make up the largest share of the Group's revenues. The Group's revenue streams consist of the following sales of goods:

- Diagnostic kits
- Analysis software

When goods are sold, volume discounts and guarantees that are customary in the industry are sometimes included. Discounts are reported in the period to which they relate. Shipping and packaging are added when the price of the item is billed.

#### *Revenue from royalties*

Revenue from royalties is received by the Parent Company for rights to sell Devyser products. Revenue from royalties is reported when the obligation on which the revenue depends is fulfilled and entitlement to the payment of royalties is created.

## The Group's segment reporting

At Devyser, the highest executive decision-maker has been identified as the CEO. The Group is organized on the basis of a traditional division of functions. These functions consist of development, regulations/quality, production, marketing/sales, IT and HR, which is reflected in the Group's management team. Devyser's business is focused on development and sales in the reagent product segment. All of its development activities are centered on the same common base product. One of the Group's key concerns is cost efficiency, which is promoted by centralizing both development and production and marketing. Responsibility for marketing and sales is centralized. The Group's subsidiaries are sales companies that are integrated with the Parent Company and report to Group management's Head of Marketing/Sales. The reporting and follow-up of revenues is broken down by country, but operating profit is mostly determined for the Group as a whole. The Company therefore has only one reportable segment, which is reflected in the Group's financial statements.

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### Note 3 Distribution of net sales, cont.

Group net sales:

Group	2023							
	Sweden	Europe (excluding Sweden), Middle East and Africa	North and South America	Asia	Total geographical markets	Group-wide	Eliminations	Group total
<b>Amounts in SEK million</b>								
<b>Net sales</b>								
From external customers	10.0	139.4	13.8	6.1	169.3	-	-	169.3
Internal sales	-	61.6	3.2	-	64.8	96.7	-161.5	0.0
<b>Total</b>	<b>10.0</b>	<b>201.0</b>	<b>17.0</b>	<b>6.1</b>	<b>234.0</b>	<b>96.7</b>	<b>-161.5</b>	<b>169.3</b>
<b>Operating profit/loss (EBIT)</b>	<b>10.0</b>	<b>201.0</b>	<b>17.0</b>	<b>6.1</b>	<b>234.0</b>	<b>96.7</b>	<b>-161.5</b>	<b>169.3</b>

Group	2022							
	Sweden	Europe (excluding Sweden), Middle East and Africa	North and South America	Asia	Total geographical markets	Group-wide	Eliminations	Group total
<b>Amounts in SEK million</b>								
<b>Net sales</b>								
From external customers	10.6	108.5	3.2	4.2	126.6	-	-	126.6
Internal sales	-	47.0	0.8	-	47.7	83.7	-131.5	0.0
<b>Total</b>	<b>10.6</b>	<b>155.5</b>	<b>4.0</b>	<b>4.2</b>	<b>174.3</b>	<b>83.7</b>	<b>-131.5</b>	<b>126.6</b>
<b>Operating profit/loss (EBIT)</b>	<b>10.6</b>	<b>155.5</b>	<b>4.0</b>	<b>4.2</b>	<b>174.3</b>	<b>83.7</b>	<b>-131.5</b>	<b>126.6</b>

The distribution of net sales by category of revenue is as follows:

Group	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Amounts in SEK million</b>		
Sales of goods	165.9	124.2
Sales of services	3.3	2.5
<b>Total</b>	<b>169.3</b>	<b>126.6</b>

The distribution of net sales by sales channel is as follows:

Group	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Amounts in SEK million</b>		
Direct sales	130.8	97.3
Distributor sales	38.4	29.3
<b>Total</b>	<b>169.3</b>	<b>126.6</b>

The Group's largest customer accounted for approximately 6.7 percent of the Group's total revenue in fiscal 2023 (2022: 5.1 percent). The Group's second largest customer accounted for approximately 4.2 percent of the Group's total revenue in fiscal 2023 (2022: 4.2 percent).

The distribution of net sales by geographical market is as follows for the Parent Company:

Parent Company	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<b>Amounts in SEK million</b>		
Sweden	35.1	22.6
Europe (excluding Sweden), Middle East and Africa	2.6	1.3
<b>Total</b>	<b>37.7</b>	<b>23.9</b>

## Note 4 Income statement by nature of expenses

### ACCOUNTING POLICIES

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

#### State aid

State aid is reported at fair value if it can be determined with reasonable certainty that the aid will be received and that Devyser will meet the conditions associated with the aid. State aid related to the acquisition or development of assets is reported in the balance sheet by reducing the asset's carrying amount by the amount of the aid. State aid received as compensation for costs is accrued and reported in the income statement in the same periods as the costs. In cases where state aid does not relate to the acquisition of assets or to compensation for costs, the aid is reported as other income.

In 2023, Devyser received a SEK 0.9 million grant from Vinnova, Sweden's innovation authority, through Eurostars 2. The total grant amounts to SEK 5.0 million and will be disbursed subject to the approval of progress reports. The grant was awarded for the period from 2021 to 2023 and is recognized in the income statement in Research and development costs.

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Capitalized own-account work	18.1	14.2
Goods for resale	-5.4	-13.1
Other external costs	-87.5	-78.2
Personnel costs (Note 7)	-137.9	-95.8
Depreciation, amortization and impairment (Notes 11 and 12)	-13.1	-8.5
Other operating expenses (Note 5)	-11.4	-5.0
<b>Total</b>	<b>-237.2</b>	<b>-186.5</b>

Parent Company Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Purchased services and outlays	-0.2	-0.8
Other external costs	-10.9	-2.4
Personnel costs (Note 7)	-10.6	-8.2
Depreciation, amortization and impairment (Notes 11 and 12)	-3.1	-2.1
Other operating expenses (Note 5)	-0.0	-0.0
<b>Total</b>	<b>-24.7</b>	<b>-13.5</b>

## Note 5 Other operating income and Other operating expenses

### Other operating income

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Revaluation of business combinations (Note 10)	-	1.6
Currency translation differences	8.7	6.1
Gains on the disposal of equipment	0.0	0.1
Grants received	-	0.0
Miscellaneous	0.3	0.2
<b>Total</b>	<b>9.0</b>	<b>8.0</b>

### Other operating expenses

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Currency translation differences	-11.0	-5.0
Losses on the disposal of equipment	-0.4	-
<b>Total</b>	<b>-11.4</b>	<b>-5.0</b>

## Note 6 Audit fees

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Grant Thornton		
Audit engagement	0.9	0.7
Audit activities in addition to the audit engagement	0.2	0.2
Tax consultancy	0.6	0.4
Other advisory services	1.4	1.1
<b>Total</b>	<b>3.0</b>	<b>2.4</b>

Parent Company Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Grant Thornton		
Audit engagement	0.5	0.5
Audit activities in addition to the audit engagement	0.2	0.2
Tax consultancy	0.4	0.4
Other advisory services	0.1	0.1
<b>Total</b>	<b>1.3</b>	<b>1.2</b>

Audit assignments refer to the auditing of the annual report and accounts and the management of the Company by the Board and the CEO, any other tasks that the Company's auditor is required to perform, and any advice or other assistance resulting from observations during such an audit or the completion of other such tasks. Everything else is divided between tax consultations and other assignments.

## Note 7 Employee benefits

### ACCOUNTING POLICIES

Salaries and other benefits are reported in the period in which they were earned by the employee. Social security contributions and other salary-related short-term benefits are also reported in the period in which they were earned.

The Group has equity-settled share-based payment plans for its employees. None of the Group's plans are cash-settled.

All goods or services received in exchange for the granting of any share-based payments are measured at fair value.

When employees are awarded share-based payments, the fair value of the employees' services rendered is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is estimated at the grant date and excludes the effect of vesting conditions that are not market

related (e.g. profitability and sales targets and performance conditions).

All share-based payments are ultimately charged to the income statement with a corresponding amount credited to retained earnings. If vesting periods or other conditions apply, the cost is spread over the vesting period based on the best estimate of the number of share options that are expected to vest.

Non-market vesting conditions are taken into account in the assumption regarding the number of options expected to be exercised. Estimates are subsequently revised if there is an indication that the number of share options expected to vest differs from previous estimates. Any adjustments to accumulated share-based payments resulting from an adjustment are recognized in the current period. The number of vested options ultimately exercised by their holders does not affect the expense recognized in the respective period.

When warrants are exercised, the consideration received, net of any directly attributable transaction costs, is allocated to the shares issued up to the nominal (or quota) value of the share capital, and any surplus amount is recognized as a share premium reserve.

Social security contributions related to share-based instruments granted to employees as compensation for services rendered are expensed over the periods during which the services are rendered. The resulting provision is revalued at each reporting date based on an estimate of the fees that may be payable when the instruments are redeemed.

### Post-employment benefits (Pensions)

The Group only has defined contribution pension plans and other pension plans.

For the defined contribution pension plans, in Sweden, Italy, the UK, the US, Germany and France, Devyser pays contributions into publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no additional payment obligations once the fees have been paid. The contributions are reported as personnel costs as they are earned by employees as they perform services for the Company. Prepaid contributions are reported as an asset given that cash repayments or a reduction in future payments may benefit the Group.

The Company has made pension commitments whose value is linked to separate endowment policies owned by the Company. The value of the endowment policies covers its pension payment commitments at all times. The risk relating to the endowment policies' performance and therefore the subsequent pensions payable is borne by employees. As the pension commitment is always equal to the value of the



## Note 7 Employee benefits, cont.

endowment policies, its carrying amount is zero.

Costs relating to services rendered during previous periods are reported directly in the income statement.

The Group does not pay pensions to, or have pension obligations toward, its employees in Belgium and Spain.

### Termination benefits

Termination benefits are paid when an employee's employment is terminated by Devyser before the normal retirement date, or when an employee accepts voluntary resignation in exchange for such benefits. Devyser recognizes a severance pay obligation when the Group is demonstrably obliged either to dismiss employees in accordance with a detailed formal plan without the possibility of revocation, or to provide compensation in the event of termination as a result of an offer made to encourage voluntary resignation. Benefits that fall due more than 12 months after the balance sheet date are discounted to present value.

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Salaries and benefits	92.4	65.3
Social security contributions	27.2	17.7
Incentive programs	1.3	0.9
Pension costs - defined contribution plans	9.3	6.9
<b>Total</b>	<b>130.2</b>	<b>90.8</b>

Parent Company Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Salaries and benefits	5.8	5.3
Social security contributions	2.3	1.8
Incentive programs	0.2	-
Pension costs - defined contribution plans	2.1	1.1
<b>Total</b>	<b>10.4</b>	<b>8.1</b>

Salaries & other benefits and social security contributions:

Amounts in SEK million	2023-12-31				2022-12-31			
	Salaries and other benefits	Pension costs	Social security contributions	Average number of employees	Salaries and other benefits	Pension costs	Social security contributions	Average number of employees
<b>Group</b>								
Directors, CEOs and other senior executives	13.6	2.3	4.1	10	13.8	2.2	4.2	11
Other employees	78.8	6.9	23.1	97	51.5	4.7	13.5	70
<b>Total</b>	<b>92.4</b>	<b>9.3</b>	<b>27.2</b>	<b>107</b>	<b>65.3</b>	<b>6.9</b>	<b>17.7</b>	<b>81</b>
<b>Parent Company</b>								
Directors, CEOs and other senior executives	5.8	2.1	2.3	7	5.3	1.1	1.8	7
<b>Total</b>	<b>5.8</b>	<b>2.1</b>	<b>2.3</b>	<b>7</b>	<b>5.3</b>	<b>1.1</b>	<b>1.8</b>	<b>7</b>

## Note 7 Employee benefits, cont.

Remuneration paid to Directors and senior executives:

Amounts in SEK million	2023-01-01	2022-01-01
	2023-12-31	2022-12-31
Salaries and other short-term benefits	13.6	13.8
Social security contributions	4.1	4.2
Other long-term benefits	2.3	2.2
<b>Total</b>	<b>20.1</b>	<b>20.2</b>

Gender distribution of employees by country:

	2023-01-01 2023-12-31		2022-01-01 2022-12-31	
	Average number of employees	Of which men, %	Average number of employees	Of which men, %
<b>Parent Company</b>				
Sweden	2	50	2	50
<b>Parent Company total</b>	<b>2</b>	<b>50</b>	<b>2</b>	<b>50</b>
<b>Subsidiaries</b>				
Sweden	68	34	56	36
Italy	17	41	10	33
Germany	3	67	3	67
United States	7	57	2	100
United Kingdom	1	0	1	0
Belgium	2	100	1	100
France	1	50	0	0
Spain	1	100	1	100
<b>Subsidiary total</b>	<b>100</b>	<b>40</b>	<b>74</b>	<b>39</b>
<b>Group total</b>	<b>102</b>	<b>40</b>	<b>76</b>	<b>40</b>

Gender distribution of Directors and other senior executives:

	2023-01-01 2023-12-31		2022-01-01 2022-12-31	
	Number on the balance sheet date	Of which men, %	Number on the balance sheet date	Of which men, %
<b>Group</b>				
Directors	5	60	5	60
Chief Executive Officer and other senior executives	5	60	6	67
<b>Group total</b>	<b>10</b>	<b>60</b>	<b>11</b>	<b>64</b>
<b>Parent Company</b>				
Directors	5	60	5	60
Chief Executive Officer and other senior executives	2	50	2	50
<b>Parent Company total</b>	<b>7</b>	<b>57</b>	<b>7</b>	<b>57</b>

## Note 7 Employee benefits, cont.

Remuneration of each senior executive:

Amounts in SEK million	Basic salary/Board fees	Variable remuneration	Other benefits	Pension costs	Total	Stock option plans
<b>2023-12-31</b>						
Chair of the Board, Mia Arnhult	0.3	-	-	-	0.3	-
Director Lars Höckenström	0.2	-	-	-	0.2	-
Director Fredrik Dahl	0.2	-	-	-	0.2	-
Director Pia Gideon	0.2	-	-	-	0.2	-
Director Fredrik Mattsson	0.1	-	-	-	0.1	-
CEO Fredrik Alpsten	2.9	1.0	0.1	0.9	4.8	0.1
Deputy CEO Ulf Klangby (01/01/23-06/30/23)	1.1	-	0.0	0.2	1.3	-
Other senior executives (4 people)	5.9	1.0	0.7	1.3	8.9	0.5
<b>Total</b>	<b>10.9</b>	<b>2.0</b>	<b>0.7</b>	<b>2.3</b>	<b>15.9</b>	<b>0.7</b>

### 2022-12-31

Chair of the Board, Mia Arnhult	0.3	-	-	-	0.3	-
Director Lars Höckenström	0.2	-	-	-	0.2	-
Director Fredrik Dahl	0.1	-	-	-	0.1	-
Director Pia Gideon	0.1	-	-	-	0.1	-
Director Fredrik Mattsson	0.1	-	-	-	0.1	-
CEO Fredrik Alpsten	2.7	0.5	0.1	0.8	4.2	-
Deputy CEO Ulf Klangby	1.6	0.2	-	0.4	2.1	-
Other senior executives (4 people)	6.3	1.3	0.2	1.1	8.9	0.2
<b>Total</b>	<b>11.5</b>	<b>2.0</b>	<b>0.3</b>	<b>2.2</b>	<b>16.0</b>	<b>0.2</b>

For the CEO and other senior executives, a mutual notice period applies in accordance with the currently applicable rules, which is a maximum of 6 months. The CEO may be entitled to severance pay if their employment is terminated by the Company, corresponding to a maximum of 6 months' salary.

In June, Deputy CEO Ulf Klangby left his position and moved to an advisory role as a consultant. See Note 23.

## Note 7 Employee benefits, cont.

Devyser has introduced share-based payments to employees through incentive programs designed to motivate and reward them by granting them share ownership, in the long-term interests of the Company. The fair value of employee stock options on the program's inception is recognized in personnel costs with a corresponding direct increase in equity. The cost of the incentive programs granted to subsidiaries' employees is recognized in investments in Group companies in the Parent Company's financial statements. See Note 24.

Cost of share-based payments:

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
2021/2024 warrant program	-	-
2021/2026 employee stock option plan	0.2	0.6
2022/2026 employee stock option plan	0.8	0.3
2023/2027 employee stock option plan	0.3	-
<b>Total</b>	<b>1.3</b>	<b>0.9</b>

### Employee stock options

As of 12/31/2023, there were three outstanding employee stock option plans.

#### 2021/2026 employee stock option plan

The total plan comprises 102,000 employee stock options, plus 32,048 options for the hedging of social security contributions. The options are granted free of charge. Each option entitles its holder to subscribe for one new share at SEK 87.06 per share until June 2026. The options are vested at a rate of one-third annually starting from the grant date, provided that the holder remains an employee. As of December 31, 2023, a total of 77,700 options had been granted and not exercised. No members of Group management hold any employee stock options.

#### 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 December 31, 2023, a total of 222,900 options had been granted and not exercised. Two members of Group management hold a total of 100,000 employee stock options.

#### 2023/2027 employee stock option plan

The total plan comprises 200,000 employee stock options, plus 62,840 options for the hedging of social security contributions. The options are granted free of charge. Each option entitles its holder to subscribe for one new share at SEK 101.71 per share until June 2027. The options are vested at a rate of one-third annually starting from the grant date, provided that the holder remains an employee. As of December 31, 2023, a total of 131,800 options had been granted and not exercised. Fredrik Alpsten, CEO, holds 50,000 options. Four members of Group management together hold a total of 50,000 employee stock options.

### Warrants

As of 12/31/2023 there was one outstanding warrant program. The main terms of the programs are given in the tables below. A market premium has been paid for the warrants, which is why no share-related compensation has been deemed to exist.

#### 2019/2022 warrant program

The warrant program ended in June 2022 when the warrants were exercised.

#### 2020/2023 warrant program

The warrant program ended in September 2023 when the warrants were 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 December 31, 2023, a total of 196,266 warrants had been granted and not exercised. Fredrik Alpsten, CEO, holds 51,000 warrants. Two members of Group management hold a total of 80,000 warrants.

## Note 7 Employee benefits, cont.

The number of options and the exercise price have been recalculated following the 300:1 share split carried out in 2021.

The changes in the number of outstanding stock options and their weighted average exercise prices are as follows:

	2023-12-31		2022-12-31	
	Average exercise price in SEK per share	Number of options	Average exercise price in SEK per share	Number of options
As of January 1	75.23	669,300	51.84	685,100
Allocated	99.80	155,800	89.05	238,900
Repurchased	-	-	34.48	-12,300
Exercised	34.48	-160,800	24.83	-242,400
Cancelled	87.71	-35,034		
Lapsed	34.48	-600	-	-
<b>As of December 31</b>	<b>90.94</b>	<b>628,666</b>	<b>75.23</b>	<b>669,300</b>

The stock options outstanding at year-end have the following expiration dates and exercise prices:

Plan	Subscription period	Exercise price, SEK/share	Option premium	Number of stock options	
				2023-12-31	2022-12-31
2020/2023	2021-08-19--2023-09-19	34.48	2.51	-	161,400
2021/2024	2022-05-27--2024-06-30	87.06	8.25	196,266	197,300
2021/2026	2022-05-27--2026-06-30	87.06	free of charge	77,700	101,700
2022/2026	2023-05-11--2026-06-30	89.34	free of charge	222,900	208,900
2023/2027	2024-05-10--2027-06-30	101.71	free of charge	131,800	-
	<b>Average exercise price:</b>	<b>90.94</b>		<b>628,666</b>	<b>669,300</b>

## Note 7 Employee benefits, cont.

Options whose vesting depends on non-market performance conditions have been valued using the Black & Scholes valuation model. The share price and the risk-free interest rate used are those prevailing at the valuation date. The volatility taken into account in the valuation is based on the historical volatility of comparable companies' shares.

	Number outstanding at 12/31/2023	Number vested at 12/31/2023	Exercise price	Share price on valuation date, range	Expected volatility, %	Option value per share, range	Expected dividend per share	Expiration
<b>Employee stock options by year</b>								
2021/2026 employee stock option plan	77,700	50,458	87.06	74 - 80	40.0	7,3 - 19,3	-	2026-06-30
2022/2026 employee stock option plan	222,900	67,616	89.34	60 - 85	40.0	2,7 - 24,0	-	2026-06-30
2023/2027 employee stock option plan	131,800	-	101.71	67 - 78	40.0	0,0 - 16,3	-	2027-06-30
<b>Total stock option plans</b>	<b>432,400</b>							

For the Parent Company, the stock option plans mean (insofar as they relate to the cost of options granted within subsidiaries) that the issuing of equity instruments is considered a contribution by the Parent Company to its subsidiaries' equity and is therefore recognized as an investment in subsidiaries rather than in the income statement as personnel costs. The investments then undergo impairment testing like other contributions. If shares in subsidiaries are impaired, a financial expense is recognized in the Parent Company's income statement. See Note 24.

## Note 8 Net financial items

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Interest income	5.0	0.3
Currency translation differences	-	0.1
Unrealized changes in the value of non-current assets	0.3	-
<b>Total financial income</b>	<b>5.3</b>	<b>0.4</b>
Lease-related interest expenses	-0.7	-0.5
Other interest expenses	-0.1	-0.0
Unrealized changes in the value of non-current assets	-	-0.7
<b>Total financial expenses</b>	<b>-0.8</b>	<b>-1.2</b>
<b>Net financial income</b>	<b>4.5</b>	<b>-0.8</b>

Parent Company Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Interest income	4.9	0.3
Unrealized changes in the value of non-current assets	0.3	-
Currency translation differences	-	0.1
<b>Total financial income</b>	<b>5.2</b>	<b>0.4</b>
Interest expenses and similar items	-	-0.7
Unrealized values of non-current assets	-	-0.7
<b>Total financial expenses</b>	<b>-0.0</b>	<b>-0.7</b>
<b>Net financial income</b>	<b>5.2</b>	<b>-0.3</b>

## Note 9 Taxes

### ACCOUNTING POLICIES

The current tax cost is calculated on the basis of the tax rules that have been enacted, or substantively enacted, on the balance sheet date in the countries where the Parent Company's subsidiaries are active and generate taxable income. Management regularly evaluates the claims made in self-declarations relating to situations where the applicable tax rules are subject to interpretation and, when deemed appropriate, records provisions for the amounts that are likely to be paid to the tax authority.

Provisions for deferred tax are calculated according to the balance sheet method on all the temporary differences that arise between the reported and taxable values of assets and liabilities. Deferred tax assets and deferred tax liabilities are valued in the balance sheet at their nominal amounts and in accordance with the tax rules and tax rates that have been enacted or announced on the balance sheet date.

As of the balance sheet date 12/31/2023, the tax rate was: 20.6%

As of the balance sheet dates included in the financial statements, the tax rates enacted were:

- Fiscal year beginning 01/01/2022: 20.6%
- Fiscal year beginning 01/01/2023: 20.6%

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

Deferred tax assets and deferred tax liabilities are netted in the balance sheet if they relate to the same counterparty (the tax authority in each country where the Group's legal entities are taxable), there is a legal right to set off assets against liabilities and there is an intention to set off tax assets and tax liabilities.

The deferred tax assets and the deferred tax liabilities are reported gross.

### SIGNIFICANT JUDGMENTS OR ASSUMPTIONS MADE WHEN APPLYING THE ACCOUNTING POLICIES

#### Deferred tax assets

Deferred tax assets are reported to the extent that it is probable that the underlying tax loss or the deductible temporary differences will be utilized against future taxable profits. This is assessed on the basis of the Group's forecast future operating profit, adjusted for non-material taxable income and expenses as well as specific restrictions on the utilization of unutilized tax losses or credits.

## Note 9 Taxes, cont.

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Current tax for the year	-1.6	-4.2
Current tax attributable to previous years	-0.0	-0.1
Deferred tax	2.5	11.1
<b>Total</b>	<b>0.8</b>	<b>6.8</b>

Parent Company Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Deferred tax	2.1	11.0
<b>Total</b>	<b>2.1</b>	<b>11.0</b>

The differences between the reported tax expense and the tax expense calculated based on the applicable tax rate are as follows:

Group Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Profit/loss before tax	-54.4	-52.7
Income tax at the Group's current tax rate (20.6%)	11.2	10.9
Non-taxable income	2.1	0.7
Non-deductible expenses	-0.7	-2.0
Non-recognized deductible expenses	-	0.6
Change in temporary differences	-1.0	-1.0
Non-recognized portion of loss carryforwards	-10.4	-1.6
Utilization of previously unrecognized losses	0.2	0.3
Effect of foreign tax rates	-0.7	-0.3
Tax attributable to previous years	-0.0	-0.1
Miscellaneous	0.1	-0.7
<b>Income tax</b>	<b>0.8</b>	<b>6.8</b>

Parent Company Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Profit/loss before tax	-50.3	-60.6
Income tax calculated at the current tax rate (20.6%)	10.4	12.5
Non-taxable income	0.1	0.2
Non-deductible expenses	-0.0	-0.0
Non-recognized deductible expenses	-	0.6
Non-recognized portion of loss carryforwards	-8.0	-1.6
Change in temporary differences	-0.3	-0.7
<b>Tax on profit for the year</b>	<b>2.1</b>	<b>11.0</b>

The weighted average tax rate within the Group is, %:

-1.52      -12.88

The Swedish tax rate has been used as the basis for the above calculation as the Group's applicable tax rate.

## Temporary differences

Temporary differences exist when the carrying amounts of assets and liabilities differ from their tax values. Deferred tax liabilities for temporary differences relating to investments in subsidiaries are not recognized as the Parent Company has control over the timing of the temporary differences' reversal.

## Pension obligations

As of December 31, 2023, the Group's temporary differences in respect of pension obligations amounted to SEK 5,078 thousand (3,892), corresponding to a deferred tax asset of SEK 1,046 thousand (802). After valuation, SEK 1,046 thousand (802) are recognized in deferred tax assets in the balance sheet.

## Tax loss carryforwards

The tax effects of loss carryforwards are taken into account only to the extent that there are convincing factors that suggest that these may be utilized in the foreseeable future. The history of losses is a factor that argues against valuing the loss carryforwards. In addition, loss carryforwards have been valued to the extent that there are also deferred tax liabilities that can be set off against losses.

At year-end 2023, tax loss carryforwards amounted to SEK 201.8 million (141.8), of which SEK 185.8 million (136.9) for the Parent Company, corresponding to deferred tax assets of SEK 41.6 million (29.2), of which SEK 38.3 million (28.2) for the Parent Company. After valuation, SEK 19.1 million (17.3) are recognized in deferred tax assets in the balance sheet. There are no time limits on any of the loss carryforwards.

Group Amounts in SEK million	2023-12-31	2022-12-31
<b>Deferred tax liabilities</b>		
Surplus value of intangible non-current assets related to business combinations	-0.2	-0.3
<b>Total</b>	<b>-0.2</b>	<b>-0.3</b>

Group Amounts in SEK million	2023-12-31	2022-12-31
<b>Deferred tax assets</b>		
Right-of-use assets	0.1	0.1
Intangible non-current assets	-	0.1
Pension obligations	1.0	0.8
Unrealized internal profits	0.3	-
Property, plant and equipment	0.1	0.1
Loss carryforwards	19.1	17.3
<b>Total</b>	<b>20.6</b>	<b>18.3</b>

Group Amounts in SEK million	2023-12-31	2022-12-31
<b>Deferred tax liabilities (-)/vehicles (+), net</b>	<b>20.4</b>	<b>18.0</b>



## Note 9 Taxes, cont.

The gross change in deferred taxes is as follows:

Group Amounts in SEK million	2023-12-31	2022-12-31
At the start of the year	18.0	7.2
Increase in intangible non-current assets through business combinations	-	-0.3
Recognition in the income statement	2.5	11.1
Currency translation differences	-0.0	0.0
<b>At the end of the year</b>	<b>20.4</b>	<b>18.0</b>

## Note 10 Business combinations

### ACCOUNTING POLICIES

The acquisition method is used to report the Group's business combinations. The method treats the acquisition of a subsidiary as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests.

Intangible assets such as trademarks, patents, customer contacts, etc., that are not recognized in the acquired entity's accounts are also included here. The transaction costs incurred, other than those related to the issuing of equity instruments or debt securities, are immediately recognized in profit/loss for the year. In business combinations where the consideration transferred exceeds the fair value of the assets acquired and liabilities assumed, which are recognized separately, the difference is recognized as goodwill.

As of February 4, 2022, the Group acquired the remaining 70.1 percent of the Italian associate SmartSeq S.r.l.'s shares, including the Company's intangible rights. The Amplicon Suite software being developed by SmartSeq is an important part of Devyser's diagnostic analysis customer offering.

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 dilution of around 0.5 percent. 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 SEK 7.7 million, which has been allocated to goodwill (SEK 6.2 million) and rights (SEK 1.5 million). 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 Amounts in SEK million	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Consideration		
- cash and cash equivalents	-	4.0
- revaluation of acquisition of control	-	1.6
- share issues	-	6.5
<b>Total consideration</b>	<b>-</b>	<b>12.1</b>
Fair value of net assets acquired	-	6.0
<b>Goodwill</b>	<b>-</b>	<b>6.2</b>

The assets and liabilities resulting from the acquisition are as follows:

Group Amounts in SEK million	Carrying amount	Fair value adjustment	Acquired carrying amount
Cash and cash equivalents	3.9	-	3.9
Intangible non-current assets	0.6	1.5	2.1
Property, plant and equipment	0.6	-	0.6
Trade and other receivables	1.4	-	1.4
Borrowings	-	-	-
Deferred tax liabilities, net	-	-0.3	-0.3
Provisions for other liabilities and charges	-0.2	-	-0.2
Trade and other payables	-1.6	-	-1.6
<b>Fair value of net assets</b>	<b>4.8</b>	<b>1.2</b>	<b>6.0</b>
Goodwill	-	6.2	6.2
<b>Total consideration</b>	<b>4.8</b>	<b>7.3</b>	<b>12.1</b>
Cash-settled consideration	-2.0	-	-2.0
Cash and cash equivalents in subsidiaries	3.9	-	3.9
<b>Change in consolidated cash and cash equivalents on acquisition</b>	<b>1.9</b>	<b>-</b>	<b>1.9</b>

In the item other operating income in the consolidated statement of income and other comprehensive income for 2022, SEK 1.6 million relate to the revaluation of the acquisition of control.

## Note 11 Intangible non-current assets

### ACCOUNTING POLICIES

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#### *Goodwill*

Goodwill arising from a business combination represents the difference between the cost of the business combination and the fair value of the identifiable net assets, liabilities assumed and contingent liabilities recognized. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to the cash-generating units and tested annually for impairment during the fourth quarter, or when there is an indication of impairment. Goodwill impairment is not reversed. Goodwill arising from the acquisition of associates is included in the carrying amount of investments in associates.

#### *Capitalized development expenditure*

Capitalized development expenditure refers to the development of new products, the purpose of which is to generate more revenue in the future.

Directly attributable expenses, which are capitalized as part of the asset, include expenses for employees and materials. On capitalization, the portion of the expenses that is recognized in income against grants received/expected is taken into account.

Additional expenses are added to the asset's carrying amount or are reported as a separate asset, whichever is appropriate, only if it is probable that the future economic benefits associated with the asset will benefit the Group and the asset's cost can be reliably measured. The carrying amount of replaced components is removed from the balance sheet.

Capitalized development expenditure is reported in intangible assets and amortized from the time the asset is ready for use. Annual impairment testing is performed on the capitalized development expenditure.

Research costs are expensed as they are incurred. Identifiable expenditure on the development of new products and processes is capitalized to the extent that they are expected to generate future economic benefits. Where there are difficulties separating the research phase from the development phase of a project, the whole project is considered to be research and is immediately expensed. Capitalized expenditure is amortized on a straight-line basis from the date when the asset is in the location and condition necessary for it to be used in the manner intended by management.

#### Amortization periods

Capitalized development expenditure: 5 - 10 years

#### *Other intangible assets*

Other intangible assets consist of overvalued intangible assets related to the acquisition of the former associate Smartseq S.r.l., and the acquisition of customer records, software licenses and certification fees.

#### Amortization periods

Licenses: 3 to 7 years

#### *Impairment and reversals of impairment losses*

The assets' residual value and useful lives are tested for impairment at least on every balance sheet date and adjusted if necessary.

Intangible assets subject to amortization are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For intangible non-current assets that were previously impaired, an assessment is made on each balance sheet date as to whether there should be a reversal.

An impairment loss is reversed if there is both an indication that the need for impairment no longer exists and there has been a change in the assumptions that formed the basis for calculating the recoverable amount. Goodwill impairment is never reversed, however. A reversal is carried out only insofar as the asset's carrying amount after reversal does not exceed the carrying amount that would have been reported, less depreciation or amortization where applicable, if there had been no impairment.

### SIGNIFICANT JUDGMENTS OR ASSUMPTIONS MADE WHEN APPLYING THE ACCOUNTING POLICIES

#### *Intangible assets*

Intangible assets consist mainly of capitalized development expenditure and, to a lesser extent, goodwill and other intangible assets.

Expenditure on product development projects is capitalized to the extent that the expenditure may be expected to generate economic benefits. Capitalization begins when management judges that the product will be technically or financially viable. This means that established criteria must be met before a development project is capitalized as an intangible asset. Capitalization ceases and the amortization of capitalized development costs begins when the asset is ready for use. Capitalized development expenditure is subject to impairment testing when there are indications of a fall in value. Both the determination of the amortization period and impairment testing require judgements by the management.

When the need for impairment is assessed, the individual asset is chiefly tested and, where the asset does not generate independent cash flows, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

As of the balance sheet date, management believes that future cash flows will cover the investments made by a margin, which is why no impairment is required. If all the intangible assets were fully impaired, there would be an impact on equity of around 11 percent.

## Note 11 Intangible non-current assets, cont.

Group  
Amounts in SEK million

Non-current assets	Capitalized development expenditure	Goodwill	Other intangible assets	Total
<b>As of January 1, 2022</b>				
Cost or revalued amount	37.6	0.2	0.1	37.9
Accumulated depreciation, amortization and impairment	-19.7	-	-0.0	-19.7
<b>Carrying amount</b>	<b>17.9</b>	<b>0.2</b>	<b>0.1</b>	<b>18.3</b>
<b>Fiscal year 2022</b>				
Opening carrying amount	17.9	0.2	0.1	18.3
Currency translation differences	0.0	0.4	0.1	0.5
Increase through business combinations	0.5	6.2	1.6	8.3
Purchases	14.2	-	1.4	15.6
Depreciation and amortization	-2.4	-	-0.6	-3.0
<b>Closing carrying amount</b>	<b>30.3</b>	<b>6.8</b>	<b>2.6</b>	<b>39.7</b>
<b>As of December 31, 2022</b>				
Cost or revalued amount	54.1	6.8	3.5	64.3
Accumulated depreciation, amortization and impairment	-23.8	-	-0.8	-24.6
<b>Carrying amount</b>	<b>30.3</b>	<b>6.8</b>	<b>2.6</b>	<b>39.7</b>
<b>Fiscal year 2023</b>				
Opening carrying amount	30.3	6.8	2.6	39.7
Currency translation differences	-0.0	-0.0	-0.0	-0.0
Reclassifications	-	-	0.1	0.1
Purchases	17.0	-	3.5	20.5
Depreciation and amortization	-3.4	-	-0.8	-4.1
<b>Closing carrying amount</b>	<b>43.9</b>	<b>6.7</b>	<b>5.4</b>	<b>56.1</b>
<b>As of December 31, 2023</b>				
Cost or revalued amount	71.2	6.7	7.1	85.0
Accumulated depreciation, amortization and impairment	-27.2	-	-1.7	-28.9
<b>Carrying amount</b>	<b>43.9</b>	<b>6.7</b>	<b>5.4</b>	<b>56.1</b>

The amortization of capitalized development expenditure is mostly attributable to the Cost of goods sold and, to a limited extent, to Research and development costs in the consolidated accounts.

The goodwill recognized for the Group is attributable to the acquisition of TrenDx AB and former associate Smartseq S.r.l. Also see Note 10 Business combinations.

## Note 11 Intangible non-current assets, cont.

Parent Company

Amounts in SEK million

Non-current assets	Capitalized development expenditure
<b>As of January 1, 2022</b>	
Cost or revalued amount	37.6
Accumulated depreciation, amortization and impairment	-19.7
<b>Carrying amount</b>	<b>17.9</b>
<b>Fiscal year 2022</b>	
Opening carrying amount	17.9
Purchases	14.2
Depreciation and amortization	-2.1
<b>Closing carrying amount</b>	<b>30.0</b>
<b>As of December 31, 2022</b>	
Cost or revalued amount	51.7
Accumulated depreciation, amortization and impairment	-21.8
<b>Carrying amount</b>	<b>30.0</b>
<b>Fiscal year 2023</b>	
Opening carrying amount	30.0
Purchases	16.4
Depreciation and amortization	-3.1
<b>Closing carrying amount</b>	<b>43.3</b>
<b>As of December 31, 2023</b>	
Cost or revalued amount	68.1
Accumulated depreciation, amortization and impairment	-24.8
<b>Carrying amount</b>	<b>43.3</b>

The amortization is entirely attributable to Research and development costs in the Parent Company's accounts.

## Note 12 Property, plant and equipment

### ACCOUNTING POLICIES

All property, plant and equipment are reported at cost less depreciation. The cost includes the expenses that can be directly attributed to the acquisition of the asset.

Property, plant and equipment consist of the office equipment and machines used in the development and production of the Group's products.

Subsequent expenditure is added to the carrying amount of the asset or recognized as a separate asset, whichever is appropriate, only if it is probable that the future economic benefits associated with the asset will benefit the Group and the asset's cost can be reliably measured. The carrying amount of replaced components is removed from the balance sheet. Short-term and low value equipment is expensed on an ongoing basis.

Equipment is depreciated on a straight-line basis, in order to spread its cost down to the estimated residual value over its estimated useful life, as follows:

#### *Amortization periods*

Equipment, tools and plant, 3 to 16 years

Equipment, tools and plant are depreciated on a straight-line basis over their useful lives.

#### *Impairment*

The assets' residual value and useful lives are tested on every balance sheet date and adjusted if necessary. The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset exceeds its estimated recoverable amount.

Gains and losses on disposal are determined through a comparison between the sales revenue and the carrying amount and are reported in Other operating income and Other operating expenses in the income statement.

Equipment, tools and plant are depreciated on a straight-line basis over their useful lives. When there is an indication that an item of property, plant and equipment is impaired, it is tested for impairment. For property, plant and equipment that has previously been impaired, an assessment is made on each balance sheet date as to whether there should be a reversal.

## Note 12 Property, plant and equipment, cont.

Group Amounts in SEK million	Equipment, tools and plant
<b>Non-current assets</b>	
<b>As of January 1, 2022</b>	
Cost or revalued amount	6.8
Accumulated depreciation, amortization and impairment	-3.5
<b>Carrying amount</b>	<b>3.3</b>
<b>Fiscal year 2022</b>	
Opening carrying amount	3.3
Currency translation differences	0.1
Increase through business combinations	0.6
Purchases	7.3
Sales and disposals	-0.1
Depreciation and amortization	-1.7
<b>Closing carrying amount</b>	<b>9.4</b>
<b>As of December 31, 2022</b>	
Cost or revalued amount	14.4
Accumulated depreciation, amortization and impairment	-5.0
<b>Carrying amount</b>	<b>9.4</b>
<b>Fiscal year 2023</b>	
Opening carrying amount	9.4
Currency translation differences	-0.4
Reclassifications	-0.1
Purchases	11.5
Sales and disposals	-0.4
Depreciation and amortization	-3.0
<b>Closing carrying amount</b>	<b>17.1</b>
<b>As of December 31, 2023</b>	
Cost or revalued amount	25.0
Accumulated depreciation, amortization and impairment	-8.0
<b>Carrying amount</b>	<b>17.1</b>

## Note 13 Right-of-use assets

### ACCOUNTING POLICIES

#### Leases

Devyser's lease contracts (right-of-use agreements) are divided into the following types of assets:

- Real estate
- Machinery and equipment
- Vehicles

Otherwise, the existence of lease contracts is limited to low value assets or assets with a short lease period. These are not recognized as assets or liabilities in the balance sheet.

Right-of-use contracts are recognized in assets with a corresponding liability, from the date on which the leased assets are available to the Group. Lease payments are divided between the amortization of the lease liability and the interest expense. The interest expense for each period is calculated according to the annuity method. Right-of-use assets are depreciated in accordance with the depreciation schedule over the length of the lease contract, or if ownership is transferred at the end of the lease period, over the shorter of the asset's economic life and the length of the lease contract.

Assets and liabilities attributable to leases are initially measured at fair value.

The lease liability includes the present value of the following payments:

- Ongoing fixed payments
- Variable charges based on an index or price
- Call options if it is reasonably certain that these options will be exercised
- The amounts expected to be paid under a residual value guarantee commitment

Future payments are discounted to present value using the contract's implied interest rate, or if this cannot be easily determined, the Group's marginal borrowing rate for an equivalent asset with equivalent security. For current right-of-use assets, future cash flows have been discounted by between 2 percent and 5 percent depending on the type of asset.

The right-of-use asset is initially valued at cost and includes the following:

- The total amount that the lease liability was originally valued at
- Lease payments made on or before the contract start date, e.g. the initial surcharge
- Direct costs and restoration costs

### Note 13 Right-of-use assets, cont.

Payments attributable to short-term or low value contracts are expensed on an ongoing basis in the income statement. Short-term contracts refer to contracts with a lease period of a maximum of 12 months. Low value is considered by the management to mean cases where the value as new of a leased asset is less than SEK 50,000.

The length of lease contracts varies but is usually between 3 and 7 years. Options to purchase are taken into account if it is considered reasonably certain that they will be exercised, but this is rare. Options to extend are taken into account if it is considered reasonably certain that they will be exercised. No options to extend are currently being exercised.

The changes in the carrying amounts of right-of-use assets are as follows:

Group	2023			
	Real estate	Machinery and equipment	Vehicles	Total
<b>Amounts in SEK million</b>				
Opening accumulated cost	25.5	4.5	1.6	31.5
New contracts	57.8	-	0.4	58.1
Modified contracts for the year	0.4	-	0.1	0.5
Completed contracts	-	0.0	-	0.0
Currency translation difference	-0.2	-	-0.0	-0.2
<b>Closing accumulated cost</b>	<b>83.5</b>	<b>4.5</b>	<b>2.0</b>	<b>90.1</b>
Opening accumulated depreciation	-7.5	-2.2	-0.7	-10.5
Completed contracts	-	0.9	-	0.9
Depreciation and amortization for the year	-4.8	-0.8	-0.4	-6.0
Currency translation differences	0.1	-	0.0	0.1
<b>Closing accumulated depreciation</b>	<b>-12.3</b>	<b>-2.1</b>	<b>-1.1</b>	<b>-15.5</b>
<b>Carrying amount</b>	<b>71.3</b>	<b>2.4</b>	<b>0.9</b>	<b>74.5</b>

Group	2022			
	Real estate	Machinery and equipment	Vehicles	Total
<b>Amounts in SEK million</b>				
Opening accumulated cost	15.5	3.4	0.9	19.9
New contracts	9.9	1.1	0.7	11.7
Completed contracts	-	-0.0	-	-0.0
<b>Closing accumulated cost</b>	<b>25.5</b>	<b>4.5</b>	<b>1.6</b>	<b>31.5</b>
Opening accumulated depreciation	-4.8	-1.5	-0.3	-6.6
Completed contracts	-	0.0	-	0.0
Depreciation and amortization for the year	-2.7	-0.8	-0.5	-3.9
<b>Closing accumulated depreciation</b>	<b>-7.5</b>	<b>-2.2</b>	<b>-0.7</b>	<b>-10.5</b>
<b>Carrying amount</b>	<b>18.0</b>	<b>2.3</b>	<b>0.8</b>	<b>21.1</b>

In 2024, Devyser will move to new premises in Årsta in Stockholm. The lease is for 7 years with an option of 4 years.

## Note 13 Right-of-use assets, cont.

Lease liabilities:

Group Amounts in SEK million	2023-12-31	2022-12-31
Current	17.5	5.4
Non-current	56.7	15.1
<b>Total</b>	<b>74.2</b>	<b>20.5</b>

The present value of liabilities relating to right-of-use assets is as follows:

Group Amounts in SEK million	2023-12-31	2022-12-31
Within 1 year	17.5	5.4
Between 1 and 5 years	42.1	14.9
More than 5 years	14.5	0.3
<b>Present value of liabilities relating to right-of-use assets</b>	<b>74.2</b>	<b>20.5</b>

## Note 14 Investments in associates

### ACCOUNTING POLICIES

Associates are companies over which the Group exercises a significant influence without the part-owned company being a Group company or without classification as a joint arrangement. This usually means that the Group holds between 20 and 50 percent of the voting rights.

Group	2023-12-31	2022-12-31
Opening cost	-	3.7
Income from investments in associates*	-	-0.0
Disposals	-	-3.6
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>
Opening accumulated impairment	-	-1.6
Impairment for the year	-	-
Disposals	-	1.6
<b>Closing accumulated impairment</b>	<b>-</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>

\*Income from investments in associates has been restated at the average exchange rate in the income statement and at the rate on the balance sheet date in the balance sheet.

At the start of 2022, Devyser acquired the remaining 70.1 percent of the shares in SmartSeq S.r.l. con socio unico. For information about the acquired company, see Note 24.

Parent Company	2023-12-31	2022-12-31
<b>Opening cost</b>	<b>-</b>	<b>3.2</b>
Disposals	-	-3.2
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>
Opening accumulated impairment	-	-1.6
Disposals	-	1.6
<b>Closing accumulated impairment</b>	<b>-</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>

## Note 15 Financial instruments and financial risk management

### ACCOUNTING POLICIES

#### Accounting and valuation

Financial instruments reported in the balance sheet include cash and cash equivalents, other financial receivables, trade receivables and trade payables.

Financial assets and loan liabilities are reported on the settlement date. Trade receivables and trade payables are reported in the balance sheet when the invoice is sent or received.

Financial assets are initially reported at amortized cost. Financial assets are reported in the balance sheet until the right in the agreement has been realized or the Company no longer has the right to the asset. In accordance with the expected loss model, financial assets measured at amortized cost are continuously reviewed to evaluate the need for provisions for credit losses.

Financial liabilities are measured at amortized cost. Financial liabilities are removed from the balance sheet when the obligations have been fulfilled.

The Group reports financial instruments with a residual maturity of less than 12 months as current assets and liabilities, and instruments maturing in more than 12 months as non-current assets and liabilities. Financial assets and financial liabilities are offset and netted in the balance sheet only when there is a legally enforceable right to set off the amounts and there is an intention to settle the items on a net basis or to realize the assets and settle the liabilities simultaneously.

## Note 15 Financial instruments and financial risk management, cont.

### Calculation of fair value, valuation hierarchy

Fair value is calculated according to the following three levels:

Level 1: For financial instruments for which there are market quotations, current prices are used to measure fair value. Level 2: In cases where there are no market quotations for instruments, the Group determines fair values using commonly used valuation models based on quoted prices for similar assets or liabilities in active markets. Level 3: Fair value is determined using inputs that are not observable in the market.

### Classification of financial assets and liabilities

Instruments are classified in accordance with IFRS 9 Financial Instruments. Classifications are based on the Company's business model and the actual purpose of the contractual cash flows.

Devyser has financial assets and liabilities in the following business categories:

- Financial assets or liabilities measured at amortized cost
- Financial assets or liabilities measured at fair value through profit or loss

#### *Financial assets or liabilities measured at amortized cost*

Financial assets held for the purpose of collecting contractual cash flows and whose cash flows consist solely of principal and interest are valued at amortized cost. As a general rule, financial liabilities are valued at amortized cost, with the exception of the liabilities described in the valuation categories below. As the majority of the Group's financial assets are held for the purpose of collecting contractual cash flows and are held to maturity, they are reported at amortized cost in accordance with the effective interest method, with deductions for expected credit losses. All liabilities, excluding derivatives, are valued at amortized cost.

#### *Financial assets or liabilities measured at fair value through profit or loss*

Financial assets that do not meet the requirements of the categories described above must be measured at fair value through profit or loss. In certain circumstances, financial assets and liabilities may be irrevocably recognized at fair value through profit or loss when they are initially reported if more relevant information is provided as a result. Derivatives are reported at fair value through profit or loss. There are derivatives within the Group that are not used for hedging, which are reported in this category.

### Expected credit losses

The Group applies the simplified method for the calculation of expected credit losses. The method means that the losses expected for the entire term of receivables are used as the starting point for trade receivables. When the expected credit losses are calculated, the trade receivables are grouped together based on the number of days in arrears. The expected credit loss levels are based on customers' payment histories and loss histories in recent years.

### SIGNIFICANT JUDGMENTS OR ASSUMPTIONS MADE WHEN APPLYING THE ACCOUNTING POLICIES

#### Trade receivables and contract assets

Trade receivables is one of the most significant items in the balance sheet and is reported as a nominal amount net after the deduction of provisions for doubtful trade receivables. Recognized customer losses are reported when the Company believes that it is unlikely to recover receivables and no further attempts at collection are made. Contract assets essentially consist of trade receivables.

### Financial risk management

#### The management of financial risks

Through its operations, the Group is exposed to various financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk/financing risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on its earnings and cash position due to financial risks.

Risk management is overseen by the Group's CFO in consultation with the CEO and the Board, in accordance with guidelines established by the Board. The risk function's tasks include identifying, evaluating and hedging financial risks. These tasks are carried out in close collaboration with the Group's operating units.

#### Market risk

##### *(1) Currency risk*

Devyser is an international group with subsidiaries in a number of countries and customers in more than 60 countries. Its reporting currency is the Swedish krona. This means that the Group is exposed to currency risks due to fluctuations in exchange rates that may affect its earnings and equity.

The Group makes both sales and purchases in a number of currencies. The main currencies are the SEK, EUR and USD.

Exposure to currency fluctuations is usually divided into two main groups: translation exposure and transaction exposure.

##### *Translation exposure*

The foreign subsidiaries' assets less their liabilities constitute a net investment in foreign currency, which gives rise to a translation difference on consolidation. Such translation differences are reported in other comprehensive income and are referred to as currency translation differences.



## Note 15 Financial instruments and financial risk management, cont.

Intra-group loans are translated at the current rate on the balance sheet date of the unit whose receivable or liability is denominated in a currency other than the functional currency that applies to each unit. Net intra-group loans have no effect on equity, but they do affect the consolidated income statement.

### *Translation exposure of earnings*

The Group's earnings are affected by the translation of the income statements of foreign subsidiaries, which are translated at the average exchange rate for the fiscal year. If the foreign subsidiaries' local currencies fluctuate against the SEK, the Group's reported net sales and earnings, which are translated into SEK, will also fluctuate. The translation exposure of the Group's net sales is shown in the table below.

Amounts in SEK million	2023-12-31	2022-12-31
	Net sales	
Gross margin translated at the average exchange rate for the previous year		
<b>Currency translation</b>		
EUR	124.3	100.4
USD	18.0	5.6
GBP	5.8	3.1
SEK	10.0	11.4
<b>Total currency translation</b>	<b>158.1</b>	<b>120.6</b>
<b>Gross margin</b>	<b>169.3</b>	<b>126.6</b>

There is no exchange rate effect from sales in SEK as opposed to the other currencies in the table above.

The following rates have been applied in the financial statements:

	2023	2022	2023-12-31	2022-12-31
	Average rate		Rate on balance sheet date	
<b>Currency</b>				
EUR/SEK	11.4751	10.6301	11.0960	11.1283
USD/SEK	10.6121	10.1202	10.0416	10.4371
GBP/SEK	13.1954	12.4658	12.7680	12.5811

### *Transaction exposure*

Transaction exposure usually means exposure arising from commercial flows, i.e. cross-border sales and purchases, and exposure to financial flows.

### *(ii) Interest rate risk related to cash flows and fair values*

As the Group does not hold any significant interest-bearing assets, the Group's revenues and cash flow from operating activities are essentially independent of changes in market interest rates. The Group's interest rate risk mainly comes from long-term borrowing and lease contracts. Borrowing at variable interest rates exposes the Group to cash flow-related interest rate risk. Borrowing at a fixed interest rate exposes the Group to fair value-related interest rate risk.

### **Credit risk**

Credit risk or counterparty risk is the risk that the counterparty to a financial transaction may not fulfill its obligations by the due date. Credit risk is managed at Group level and exposure comes from trade receivables, cash and cash equivalents and balances with banks and financial institutions.

See the tables below for a more detailed presentation of the Group's exposure to credit risks.

## Note 15 Financial instruments and financial risk management, cont.

### Customer credit risk

The carrying amount of trade receivables, after any impairment, is assumed to correspond to their fair value, as this is a short-term item. In addition to general monitoring at Group level, a more detailed follow-up of customer credit risks takes place at local level, close to the customer. Customer credit risk is the risk that customers may not fulfill their obligations. In cases where there is no independent credit rating, a risk assessment is made of the customer's creditworthiness in which their financial position is taken into account, as well as previous experience and other factors. Risk limits are determined based on internal or external credit ratings. The use of credit limits is regularly monitored. No major concentrations of credit risks are believed to exist. The maximum credit risk exposure to trade receivables is the carrying amount at any given time.

Amounts in SEK million Group	2023-12-31	2022-12-31
Trade receivables	33.8	27.7
Provision for impairment of trade receivables	-0.2	-0.1
<b>Trade receivables - net</b>	<b>33.7</b>	<b>27.5</b>

Trade receivables by currency:

Group	2023-12-31	2022-12-31
SEK	1.2	2.5
USD	4.9	1.7
EUR	26.6	21.5
GBP	0.9	1.8
<b>Total trade receivables</b>	<b>33.7</b>	<b>27.5</b>

Change in the provision for trade receivables:

	2023-12-31	2022-12-31
Opening value	-0.1	-0.1
Provision for impairment of trade receivables	-0.0	-0.0
<b>Closing value</b>	<b>-0.2</b>	<b>-0.1</b>

Analysis of the credit risk exposure related to trade receivables:

	2023-12-31	2022-12-31
Trade receivables that are neither past due nor impaired	7.8	16.3
Past due by:		
- Less than 2 months	18.9	5.9
- 2 to 6 months	2.9	3.2
- 6 to 12 months	3.0	1.7
- more than 12 months	1.2	0.6
<b>Total past due</b>	<b>26.1</b>	<b>11.4</b>
Of which impaired	-0.2	-0.1
<b>Carrying amount of trade receivables</b>	<b>33.7</b>	<b>27.5</b>

The amounts reported in the impairment loss account are usually written off if the Group is not expected to recover further cash or cash equivalents. The maximum credit risk exposure to trade receivables is the carrying amount at the balance sheet date. The Group has no collateral as security.

### Liquidity risk/Financing risk

Devyser's expansion strategy may involve increased costs for the Company in terms of management and organization. In the future, Devyser may need to attract new external capital on terms that (at the time of the offer) are not favorable to existing shareholders.

Alternatively, financing may take place by raising loans, which may entail high interest expenses or involve terms that limit Devyser's use of capital in the business. If Devyser failed to raise the capital that it required, this would have a material adverse effect on Devyser's business, financial position and earnings.

As of December 31, 2023, the Group had liquid assets of SEK 262.9 million (SEK 363.6 million). Its liquid assets consist of bank balances.

The table below presents the undiscounted cash flows generated by the Group's liabilities in the form of financial instruments, based on the earliest residual maturities contracted at the balance sheet date.

Amounts in foreign currency and amounts payable based on a variable rate have been estimated using the exchange rates and interest rates prevailing at the balance sheet date.

## Note 15 Financial instruments and financial risk management, cont.

### Group

Amounts in SEK million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>As of 12/31/2023</b>				
Borrowings	-	-	0.6	-
Liabilities relating to right-of-use assets/leases	17.5	12.7	29.5	14.5
Trade and other payables	25.1	-	-	-
<b>Total</b>	<b>42.7</b>	<b>12.7</b>	<b>30.0</b>	<b>14.5</b>

### As of 12/31/2022

Borrowings	0.1	0.1	0.4	-0.0
Liabilities relating to right-of-use assets/leases	5.4	5.3	9.5	0.3
Trade and other payables	22.1	-	-	-
<b>Total</b>	<b>27.6</b>	<b>5.5</b>	<b>9.9</b>	<b>0.3</b>

The current assets and liabilities reported have short residual maturities, meaning that the differences between their carrying amounts and fair value are immaterial. As of the balance sheet date, the Group's borrowings consist of commitments to companies under lease contracts and a low value investment loan.

### Parent Company

Amounts in SEK million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>As of 12/31/2023</b>				
Trade and other payables	3.1	-	-	-
<b>Total</b>	<b>3.1</b>	<b>-</b>	<b>-</b>	<b>-</b>

### As of 12/31/2022

Trade and other payables	2.1	-	-	-
<b>Total</b>	<b>2.1</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Cash and cash equivalents and liabilities:

Amounts in SEK million	Note	2023-12-31	2022-12-31
Cash and cash equivalents	20	-262.9	-363.6
Current liabilities	22	17.5	5.5
Non-current liabilities	22	57.2	15.7
<b>Net cash (-)/Net debt (+)</b>		<b>-188.2</b>	<b>-342.4</b>

To maintain or adjust its capital structure, the Group may change the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its liabilities.

### The debt-to-equity ratio as of December 31 was as follows:

Amounts in SEK million	2023-12-31	2022-12-31
Total borrowings	74.8	21.2
Less cash and cash equivalents	-262.9	-363.6
<b>Net debt</b>	<b>-188.2</b>	<b>-342.4</b>
Total equity	385.1	431.4
<b>Total capital</b>	<b>196.9</b>	<b>89.0</b>
<b>Gearing ratio, %</b>	<b>-95.6</b>	<b>-384.5</b>

## Note 15 Financial instruments and financial risk management, cont.

### Categorization of financial assets and liabilities

Carrying amount and fair value of financial instruments:

Amounts in SEK million	Group 2023					
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Total carrying amount	Non-financial assets and liabilities	Total statement of financial position
<b>Assets</b>						
Intangible non-current assets	-	-	-	-	56.1	56.1
Property, plant and equipment	-	-	-	-	91.6	91.6
Financial non-current assets	0.1	-	-	0.1	20.6	20.7
Inventories	20.6	-	-	20.6	-	20.6
Trade receivables	33.7	-	-	33.7	-	33.7
Current tax assets	-	-	-	-	1.9	1.9
Other receivables	-	-	-	-	9.7	9.7
Prepaid expenses and accrued income	-	-	-	-	13.0	13.0
Cash and cash equivalents	262.9	-	-	262.9	-	262.9
<b>Total</b>	<b>317.3</b>	<b>-</b>	<b>-</b>	<b>317.3</b>	<b>192.8</b>	<b>510.1</b>
<b>Liabilities</b>						
Borrowings	-	0.6	-	0.6	-	0.6
Lease liabilities	-	-	-	-	56.7	56.7
Deferred tax liabilities	-	-	-	-	0.2	0.2
Provisions for other liabilities and charges	-	-	1.0	1.0	-	1.0
Other non-current liabilities	-	-	-	-	3.7	3.7
Current lease liabilities	-	-	-	-	17.5	17.5
Trade payables	-	14.2	-	14.2	-	14.2
Current tax liabilities	-	-	-	-	0.3	0.3
Other liabilities	-	-	-	-	10.9	10.9
Accrued expenses and deferred income	-	-	-	-	20.0	20.0
<b>Total</b>	<b>-</b>	<b>14.7</b>	<b>1.0</b>	<b>15.7</b>	<b>109.3</b>	<b>125.0</b>

## Note 15 Financial instruments and financial risk management, cont.

### Categorization of financial assets and liabilities, cont.

Carrying amount and fair value of financial instruments:

Amounts in SEK million	Group 2022					
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Total carrying amount	Non-financial assets and liabilities	Total statement of financial position
<b>Assets</b>						
Intangible non-current assets	-	-	-	-	39.7	39.7
Property, plant and equipment	-	-	-	-	30.5	30.5
Financial non-current assets	0.1	-	-	0.1	18.3	18.4
Inventories	-	-	-	-	10.1	10.1
Trade receivables	27.5	-	-	27.5	-	27.5
Current tax assets	-	-	-	-	0.9	0.9
Other receivables	-	-	-	-	4.8	4.8
Prepaid expenses and accrued income	-	-	-	-	5.1	5.1
Cash and cash equivalents	363.6	-	-	363.6	-	363.6
<b>Total</b>	<b>391.2</b>	<b>-</b>	<b>-</b>	<b>391.2</b>	<b>109.4</b>	<b>500.6</b>
<b>Liabilities</b>						
Borrowings	-	0.6	-	0.6	-	0.6
Lease liabilities	-	-	-	-	15.1	15.1
Deferred tax liabilities	-	-	-	-	0.3	0.3
Provisions for other liabilities and charges	-	-	0.8	0.8	-	0.8
Other non-current liabilities	-	-	-	-	1.2	1.2
Short-term borrowings	-	0.1	-	0.1	-	0.1
Current lease liabilities	-	-	-	-	5.4	5.4
Trade payables	-	9.6	-	9.6	-	9.6
Current tax liabilities	-	-	-	-	3.1	3.1
Other liabilities	-	-	-	-	12.5	12.5
Accrued expenses and deferred income	-	-	-	-	20.6	20.6
<b>Total</b>	<b>-</b>	<b>10.3</b>	<b>0.8</b>	<b>11.1</b>	<b>58.1</b>	<b>69.2</b>

## Note 15 Financial instruments and financial risk management, cont.

### Categorization of financial assets and liabilities, cont.

Carrying amount and fair value of financial instruments:

Amounts in SEK million	Parent Company 2023					
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Total carrying amount	Non-financial assets and liabilities	Total statement of financial position
<b>Assets</b>						
Intangible assets	-	-	-	-	43.3	43.3
Financial non-current assets	-	-	-	-	89.5	89.5
Amounts owed by Group companies	30.4	-	-	30.4	-	30.4
Current tax assets	-	-	-	-	0.5	0.5
Other receivables	-	-	-	-	0.3	0.3
Prepaid expenses and accrued income	-	-	-	-	0.8	0.8
Cash and cash equivalents	218.6	-	-	218.6	-	218.6
<b>Total</b>	<b>249.0</b>	<b>-</b>	<b>-</b>	<b>249.0</b>	<b>134.4</b>	<b>383.4</b>
<b>Liabilities</b>						
Provisions for other liabilities and charges	-	-	1.0	1.0	-	1.0
Trade payables	-	0.9	-	0.9	-	0.9
Other liabilities	-	-	-	-	2.1	2.1
Accrued expenses and deferred income	-	-	-	-	2.9	2.9
<b>Total</b>	<b>-</b>	<b>0.9</b>	<b>1.0</b>	<b>1.9</b>	<b>5.0</b>	<b>6.9</b>

## Note 15 Financial instruments and financial risk management, cont.

### Categorization of financial assets and liabilities, cont.

Carrying amount and fair value of financial instruments:

Amounts in SEK million	Parent Company 2022					
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Total carrying amount	Non-financial assets and liabilities	Total statement of financial position
<b>Assets</b>						
Intangible assets	-	-	-	-	30.0	30.0
Financial non-current assets	-	-	-	-	76.9	76.9
Current tax assets	-	-	-	-	0.5	0.5
Other receivables	-	-	-	-	0.1	0.1
Prepaid expenses and accrued income	-	-	-	-	0.8	0.8
Cash and cash equivalents	324.1	-	-	324.1	-	324.1
<b>Total</b>	<b>324.1</b>	<b>-</b>	<b>-</b>	<b>324.1</b>	<b>108.3</b>	<b>432.4</b>
<b>Liabilities</b>						
Provisions for other liabilities and charges	-	-	0.8	0.8	-	0.8
Trade payables	-	0.7	-	0.7	-	0.7
Amounts owed to Group companies	-	9.2	-	9.2	-	9.2
Current tax liabilities	-	-	-	-	0.3	0.3
Other liabilities	-	-	-	-	1.4	1.4
Accrued expenses and deferred income	-	-	-	-	2.3	2.3
<b>Total</b>	<b>-</b>	<b>9.9</b>	<b>0.8</b>	<b>10.7</b>	<b>4.0</b>	<b>14.7</b>

The Group's financial instruments are mainly considered to belong to Level 1 under the current standard and fair value is determined by calculating the discounted cash flows. There were no transfers between levels or valuation categories during the period.

## Note 16 Inventory

### ACCOUNTING POLICIES

Inventory is reported at the lower of cost and net realizable value. The cost is determined using the first in, first out method (FIFO). For manufactured goods, the cost includes a reasonable percentage of indirect costs based on a normal capacity utilization. The net sales value is the estimated sales price in the current business, less applicable selling expenses. The provision required for obsolescence was made after an individual assessment.

Group		
Amounts in SEK million	2023-12-31	2022-12-31
Raw materials and supplies	6.9	5.6
Goods in progress	12.4	3.9
Finished goods and goods for resale	1.3	0.7
<b>Total</b>	<b>20.6</b>	<b>10.1</b>

There are no significant differences between the carrying amount of the inventory and its fair value. No part of the inventory has been adjusted due to an increase in the net sales value. No goods have been pledged as security for loans and other obligations.

The cost of goods sold includes the net change in the Group's obsolescence reserve and impairment losses during the year of SEK 0 million (0). The net change includes the realization of previously impaired items.

## Note 17 Other receivables

Amounts in SEK million		
Group	2023-12-31	2022-12-31
VAT receivables	2.1	2.0
Tax assets	3.4	0.5
Other items	4.2	2.3
<b>Total</b>	<b>9.7</b>	<b>4.8</b>

Parent Company	2023-12-31	2022-12-31
Other items	0.3	0.0
<b>Total</b>	<b>0.3</b>	<b>0.0</b>

## Note 18 Prepaid expenses and accrued income

Amounts in SEK million		
Group	2023-12-31	2022-12-31
Prepaid software licenses	4.0	2.2
Accrued income	-	0.1
Other items	9.0	2.8
<b>Total</b>	<b>13.0</b>	<b>5.1</b>

Parent Company	2023-12-31	2022-12-31
Prepaid software licenses	0.5	0.3
Accrued income	-	0.1
Other items	0.3	0.4
<b>Total</b>	<b>0.8</b>	<b>0.8</b>

## Note 19 Equity

### ACCOUNTING POLICIES

#### Share capital

Ordinary shares are classified as equity.

#### Other paid-in capital

Other paid-in capital consists of shareholder contributions, new share issues, statutory reserves and warrants. Transaction costs that can be directly attributed to the issuing of new shares are reported, net after tax, as a deduction from the issue proceeds. The premium paid for warrants issued by Devyser amounted to their market value.

#### Reserves

Reserves refer to translation reserves. The translation reserve includes all the currency translation differences generated from the translation of the financial statements of foreign operations. These prepare their financial statements in a different currency to the Group and the Parent Company, which reports in Swedish krona.

#### Retained earnings including profit for the year

Retained earnings include the earned profits of the Parent Company and its subsidiaries as well as a reserve for development expenditure. The reserve for development expenditure is not available for dividends.



## Note 19 Equity, cont.

### Earnings per share

Earnings per share are presented in connection with the consolidated income statement and are calculated as the profit for the year attributable to the Parent Company's shareholders divided by the average number of shares during each period.

Earnings per share after dilution are calculated by dividing the net profit attributable to the Parent Company's shareholders by the sum of the weighted average number of ordinary shares and potential ordinary shares that may give rise to a dilution effect.

The dilution effect of potential ordinary shares (stock option plans) is only reported if a conversion into ordinary shares would lead to a reduction in the diluted earnings per share.

### Capital management

The Group's capital structure is intended to safeguard its ability to continue operating as a going concern, so that it can continue to generate returns for shareholders and benefit other stakeholders, and maintain an optimal capital structure that keeps the costs of capital down.

Like other companies in the industry, Devyser assesses its capital using the debt-to-equity ratio. This key ratio is calculated as net debt divided by total capital. The net debt is calculated as total borrowing (comprising the items short-term borrowing and long-term borrowing in the consolidated balance sheet, including borrowing from financial lease contracts) less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheet plus net debt.

The Group prioritizes investments in the organization to support growth and therefore does not currently pay dividends.

### Share capital

At the end of 2022 and 2023, the Parent Company's share capital consisted solely of fully paid-up registered shares with a nominal value (quota value) of SEK 0.06 per share. All the shares carry the same entitlement to dividends and the repayment of paid-in capital. The shares are a class of shares that carry 1.0 votes at the Parent Company's General Meeting.

	2023	2022
<b>Number of shares</b>		
<b>Subscribed and paid-up shares:</b>		
At the start of the year	16,122,469	15,188,100
Option issues	162,000	242,400
New share issues	-	691,969
<b>Subscribed and paid-up shares at year-end</b>	<b>16,284,469</b>	<b>16,122,469</b>

## Note 20 Other liabilities

Amounts in SEK million Group	2023-12-31	2022-12-31
VAT liabilities	1.8	1.5
Personnel-related liabilities	9.0	3.8
Other items	0.1	7.2
<b>Total other liabilities</b>	<b>10.9</b>	<b>12.5</b>

Parent Company	2023-12-31	2022-12-31
VAT liabilities	1.0	0.7
Personnel-related liabilities	1.1	0.7
<b>Total other liabilities</b>	<b>2.1</b>	<b>1.4</b>

## Note 21 Accrued costs and deferred income

Amounts in SEK million Group	2023-12-31	2022-12-31
Personnel costs	15.6	16.8
Other items	4.4	3.8
<b>Total accrued expenses and deferred income</b>	<b>20.0</b>	<b>20.6</b>

Parent Company	2023-12-31	2022-12-31
Personnel costs	2.6	1.8
Other items	0.3	0.6
<b>Total accrued expenses and deferred income</b>	<b>2.9</b>	<b>2.3</b>

## Note 22 Pledged assets and contingent liabilities

### ACCOUNTING POLICIES

A contingent liability is recognized when a possible or actual obligation arises from events that have occurred and is not recognized as a liability or provision. This occurs either where there is a low probability that an outflow of resources will be required to settle the obligation or where the amount cannot be reliably determined.

Amounts in SEK million Group	2023-12-31	2022-12-31
Collateral provided		
Floating charges	-	6.0
	-	6.0

The Parent Company has a general rental guarantee for Devyser AB. The guarantee only covers the rental of premises.

The Parent Company also held endowment policies pledged as security for pension commitments. See Note 7. The fair value of the endowment policies including payroll tax amounted to SEK 5,078 thousand (3,892) as of December 31, 2023. This amount includes payroll tax of SEK 991 thousand (760).

## Note 23 Transactions with related parties

### ACCOUNTING POLICIES

Related-party transactions arise in the normal course of business and are carried out at arm's length and market prices. A disclosure is made if a related-party transaction has taken place, i.e. a transfer of resources, services or obligations, whether or not remuneration has been paid.

For a description of the salaries and other benefits granted to senior executives, see Note 7. Employee benefits.

The Company has identified Company management, the Board of Directors of the Parent Company Devyser Diagnostics AB, Devyser Diagnostics AB's shareholders and the Group's subsidiaries as related parties.

Shares in subsidiaries and transactions between companies that belong to the Group are eliminated in the consolidated financial statements, which is why no further account is given of these amounts.

The Group purchased marketing services from a related party of Ulf Klangby for SEK 0 thousand (93). At the end of June 2023, Ulf Klangby left his position and moved to an advisory role as a consultant. For the period from July to December

2023, the Group purchased services of a value of SEK 626.3 thousand (0).

The Group also purchased software licenses from a company that is a related party of Sabina Berlin worth SEK 30 thousand (30). The CEO and senior executives hold options. For a description of the terms, see Note 7.

CEO Fredrik Alpsten and two members of Group management hold 51,000 and 80,000 warrants respectively under the 2021/2024 program.

Two members of Group management hold 100,000 employee stock options under the 2022/2026 plan.

CEO Fredrik Alpsten and four members of Group management hold 50,000 and 50,000 employee stock options respectively under the 2023/2027 plan.

## Note 24 Investments in Group companies

### ACCOUNTING POLICIES

The Parent Company reports all shares in subsidiaries at amortized cost less any accumulated impairment losses. Where there is an indication that shares in subsidiaries have lost value, the recoverable value is calculated. If this is less than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in the Profit/loss from investments in Group companies item.

Impairment testing involves comparing the carrying amount of shares in subsidiaries with consolidated equity. No impairment testing of the carrying amount of shares in subsidiaries was required during the year.

Parent Company Amounts in SEK million	2023-12-31	2022-12-31
Opening cost	59.1	48.0
Acquisitions of subsidiaries	-	10.2
Capital contributions	9.3	-
Incentive programs	1.2	0.9
Closing carrying amount	69.6	59.1
Opening accumulated impairment	-0.3	-0.3
Closing carrying amount	-0.3	-0.3
<b>Total</b>	<b>69.3</b>	<b>58.8</b>

According to the impairment tests of the carrying amounts of the Parent Company's investments in Group companies, no impairment losses needed to be recognized as of December 31, 2023.

The Group's direct and indirect holdings in subsidiaries as of December 31, 2023 are presented in the table below. Unless otherwise stated, their share capital consists solely of ordinary shares held directly by the Group, and the ownership percentages are the same as the percentages of the votes.

## Note 24 Investments in Group companies, cont.

Name	Corporate registration number	Registered office	Share of capital, %	Number of shares	Carrying amount	
					2023-12-31	2022-12-31
Devyser AB	556698-2996	Stockholm	100	2,000	57.9	47.8
Devyser Italia S.r.l.*)	8640300961	Milan	5	5,000	0.2	0.1
TrenDx AB	556787-5835	Stockholm	100	10,000	0.3	0.3
SmartSeq S.r.l con socio unico	2388400034	Novara	100	42,000	10.2	10.2
Owned through Devyser AB*						
Devyser GmbH*)	HRB 9633	Butzbach	0	-	0.3	0.2
Devyser Inc*)	5503431	Atlanta	0	-	0.2	0.1
Devyser UK Ltd*)	13472517	Chester	0	-	0.1	0.0
Devyser SRL*)	0783.330.626	Brussels	0	-	0.1	0.0
Devyser Iberia S.L.*)	B-16752685	Madrid	0	-	0.0	0.0
Devyser France S.A.S.*)	905,068,888	Neuilly sur Seine	0	-	0.0	0.0
<b>Total carrying amount</b>					<b>69.3</b>	<b>58.8</b>

\* Indirect ownership consists solely of the cost of incentive programs. For more information, see Note 7.

## Note 25 Proposed appropriation of earnings

Proposed appropriation of earnings:

Amounts in SEK	2023-12-31	2022-12-31
<b>The following profits are at the disposal of the Annual General Meeting:</b>		
Share premium reserve	507,796,376	501,813,725
Retained earnings	-131,210,424	-69,162,838
Profit/loss for the year	-48,214,894	-49,632,272
<b>Total</b>	<b>328,371,058</b>	<b>383,018,615</b>

**The Board of Directors and the CEO propose that the available profits of SEK 328,371,058 be appropriated so that:**

the amount carried forward is	328,371,058	383,018,615
<b>Total</b>	<b>328,371,058</b>	<b>383,018,615</b>

Given the above and what has otherwise come to the attention of the Board, the Board's opinion is as follows: Based on a comprehensive assessment of the Parent Company's and the Group's financial position, SEK 328,371,058 is justifiable taking into account the demands made on the Group's equity and liquid assets due to the business's nature, scope and risks. The Group's equity ratio is 75.5 percent.

## Note 26 Events after the balance sheet date

### *IVD development agreement with Illumina Inc*

An IVD (in-vitro diagnostic) development agreement was signed with Illumina to enable regulatory registrations and end-to-end solutions for Devyser's tests on the MiSeqDx, Illumina's FDA-regulated and CE-IVD-marked NGS instrument.

### *Cystic fibrosis contract won in Italy*

Devyser won a tender for CFTR in Italy. The contract with the University Hospital of Verona is for twelve months. The value of the order is estimated at approximately SEK 1.5 million a year.

### *Devyser Genomic Laboratories signed its first commercial contract*

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

### *Devyser strengthened its management team*

The management team was expanded in February 2024 when it was joined by CSO Michael Uhlin. Michael Uhlin has extensive experience in the global life sciences sector and has long been engaged in translational research and development in the areas relevant to Devyser's activities. Following Michael Uhlin's appointment, senior management now consists of CEO Fredrik Alpsten, CFO Sabina Berlin, CCO Theis Kipling, COO Göran Rydin, CSO Michael Uhlin and CHRO Camilla Wiberg.

### *Devyser made a breakthrough in the US with an NGS-based cystic fibrosis test*

Devyser signed an agreement with UNC Hospitals for Devyser's NGS-based cystic fibrosis test. Devyser CFTR NGS detects all the mutations in the cystic fibrosis gene and is one of the few products that meet the newly implemented ACMG recommendations. The contract with UNC Hospitals is for up to four years. The value of the order is estimated at approximately SEK 2.5 million a year.

# Signing of the Annual Report

The Board of Directors and the CEO hereby certify that the annual report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 and gives a true and fair view of the Company's position and performance, and that the management report gives a true and fair view of the development of the Company's business, position and performance and describes the principal risks and uncertainties that the Company faces. The Board of Directors and the Chief Executive Officer hereby certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and give a true and fair view of the Group's financial position and performance, and that the Group management report gives a true and fair view of the development of the Group's activities, position and performance and describes the significant risks and uncertainties faced by the Group.

The annual report and the consolidated financial statements were approved for publication by the Board of Directors on April 10, 2024.

The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be subject to approval at the Annual General Meeting on May 14, 2024.

Stockholm, April 10, 2024

**Mia Arnhult**

Chair of the Board

**Lars Höckenström**

**Fredrik Mattsson**

**Fredrik Dahl**

**Pia Gideon**

**Fredrik Alpsten**

Chief Executive Officer

Our audit report was submitted on April 10, 2024

**Grant Thornton Sweden AB**

**Mikael Östblom**

Authorized Public Accountant

# Audit report

To the General Meeting of Devyser Diagnostics AB  
Corp. reg. No. 556669-7834

## ***Report on the annual report and consolidated final statements***

### **Opinion**

We have audited the annual report and consolidated financial statements of Devyser Diagnostics AB (publ.) for the year 2023. The Company's annual report and consolidated financial statements are included on pages 38 to 93 of this document.

In our opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and gives a true and fair view, in all material respects, of the Parent Company's financial position as of December 31, 2023, and of its financial performance and cash flows for the year then ended, in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the Group's financial position as of December 31, 2023, and of its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act.

The management report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the General Meeting approve the Parent Company and consolidated income statements and balance sheets.

### **Basis for our opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISA) and the auditing standards generally accepted in Sweden. Our responsibilities under these standards are described in more detail in the section *Responsibilities of the auditor*. We are independent of the Parent Company and the Group in accordance with the auditing standards generally accepted in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these standards.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Information in addition to the annual report and consolidated final statements**

This document also contains information in addition to the annual report and consolidated financial statements. This information can be found on pages 1 to 37. This other information is the responsibility of the Board of Directors and the Chief Executive Officer.

Our opinion of the annual report and consolidated financial statements does not cover this information and we do not express an audit opinion of this other information.

When auditing the annual report and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated financial statements. In performing our review, we also consider the other knowledge that we have obtained during the audit and whether the information otherwise appears to contain material misstatements.

If we conclude, based on our analysis of this information, that the other information contains material misstatements, we are required to report this. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors and the Chief Executive Officer**

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the annual report and consolidated financial statements in accordance with the Swedish Annual Accounts Act and, in the case of the consolidated financial statements, in accordance with the IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal controls as they deem necessary to enable the preparation of an annual report and consolidated financial statements that are free from material misstatements, due to either fraud or error.

In preparing the annual report and consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the ability of the Company and the Group to continue operating as a going concern. They disclose, where applicable, any circumstances that might affect the ability of the Company and the Group to continue operating as a going concern and to apply the going concern assumption. The going concern assumption does not apply, however, if the Board of Directors and the Chief Executive Officer intend to liquidate the Company, cease operations, or have no realistic alternative to doing either of these things.

### **Responsibilities of the auditor**

Our objectives are to obtain reasonable assurance that the annual report and consolidated financial statements as a whole are free from material misstatements, due to either fraud or error, and to submit an audit report that presents our opinions. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the ISA and the auditing standards generally accepted in Sweden will always detect a material misstatement if one exists. Misstatements may arise from fraud or error and are considered material if, individually or in combination, they might reasonably be expected to influence the financial decisions of users taken on the basis of the annual report and consolidated financial statements.

In conducting an audit in accordance with the ISA, we use our professional judgment and maintain a professional skeptical attitude throughout the audit. In addition:

- we identify and assess the risks of material misstatements in the annual report and consolidated financial statements, due to either fraud or error, design and carry out audit procedures, including procedures based on these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, falsifications, deliberate omissions, misrepresentations or the bypassing of internal controls.
- we gain an understanding of the Company's internal controls that are relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not so as to express an opinion of the effectiveness of the Company's internal controls.
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- we draw conclusions on the appropriateness of the going concern assumption's use by the Board of Directors and the Chief Executive Officer in the preparation of the annual report and consolidated financial statements. We also draw conclusions, based on the audit evidence obtained, on whether there are any material uncertainties about events or conditions that might cast significant doubt on the ability of the Company and the Group to continue operating as a going concern. If we conclude that material uncertainties exist, we must highlight, in the audit report, the disclosures in the annual report and consolidated financial statements regarding the material uncertainties or, if such disclosures are inadequate, amend our opinion of the annual report and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause a company or a group to cease to operate as a going concern.
- we evaluate the overall presentation, structure and content of the annual report and consolidated financial statements, including the disclosures, and whether or not the annual report and consolidated financial statements give a true and fair view of the underlying transactions and events.
- we obtain sufficient appropriate audit evidence about the financial information regarding the Group's entities and business activities to express an opinion of the consolidated financial statements. We are responsible for the management, supervision and execution of the Group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of, among other things, the planned scope and focus of the audit and its timing. We must also disclose any significant observations made during the audit, including any significant shortcomings that we have identified in internal controls.

#### *Report on other legal and regulatory requirements*

#### **Opinion**

In addition to our audit of the annual report and consolidated financial statements, we also audited the management of Devyser Diagnostics AB (publ.) for the year 2023 by the Board of Directors and the Chief Executive Officer and the proposed appropriation of the Company's earnings.

We recommend that the Annual General Meeting approve the appropriation of earnings as proposed in the management report and discharge the Directors and the Chief Executive Officer from liability for the fiscal year.

#### **Basis for our opinion**

We conducted our audit in accordance with the auditing standards generally accepted in Sweden. Our responsibilities under these standards are described in more detail in the section "Responsibilities of the auditor". We are independent of the Parent Company and the Group in accordance with the auditing standards generally accepted in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these standards.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of the Board of Directors and the Chief Executive Officer**

The Board of Directors is responsible for proposing the appropriation of the Company's earnings. When proposing a dividend, this includes, among other things, an assessment of whether the dividend is justifiable taking into account the demands made on the Parent Company's and the Group's equity, consolidation requirements, liquid assets and general position due to the nature, scope and risks of the Company's and the Group's business.

The Board of Directors is responsible for the organization of the Company and the management of its affairs. This includes continuously assessing the financial position of the Company and the Group, and ensuring that the Company's organization is such that the Company's accounting, cash management and financial matters in general are adequately controlled. The Chief Executive Officer must ensure day-to-day management in accordance with the guidelines and instructions issued by the Board of Directors and must, inter alia, take the measures necessary for the Company's accounts to be kept in accordance with the law and for the proper management of its funds.

## Responsibilities of the auditor

Our objective for the management audit, and therefore the forming of our opinion of the granting of discharge, is to obtain audit evidence to provide reasonable assurance as to whether any Directors or the Chief Executive Officer has in any material respect:

- taken any actions or made any omissions that may give rise to a claim for compensation against the Company; or
- otherwise acted in breach of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective in auditing the proposed appropriation of the Company's earnings, and therefore forming our opinion thereon, is to obtain reasonable assurance as to whether the proposed appropriation of the Company's earnings is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the auditing standards generally accepted in Sweden will always detect actions or omissions that might give rise to claims for compensation against the Company, or the fact that a proposed appropriation of the Company's profit or loss is not in accordance with the Swedish Companies Act.

In conducting an audit in accordance with the auditing standards generally accepted in Sweden, we use our professional judgment and maintain a professional skeptical attitude throughout the audit. The audit of the Company's management and the proposed appropriation of its earnings is based primarily on the audit of the accounts. The additional audit procedures performed are based on our professional judgement regarding risk factors and materiality. This means that we focus our audit on those actions, areas and circumstances that are material to the business and where deviations and infringements would have a particular impact on the Company's position. We review and examine the decisions made, the decision-making documents, the actions taken, and any other matters relevant to our opinion of the granting of discharge. We examined whether the appropriation of the Company's earnings proposed by the Board of Directors was in accordance with the Swedish Companies Act as the basis for our opinion of the proposal.

Stockholm, April 10, 2024

## Grant Thornton Sweden AB

### Mikael Östblom,

Authorized Public Accountant



## Contact details

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SE-126 53 Hägersten  
Sweden

## Financial calendar

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

This annual report has been produced by Devyser using Xplir Reporting Pilot.

Graphics: Käthrine Yan and Charlotte Gudmundsson

Text: Kanton

Translation: Translator Scandinavia

Photo: Devyser.

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