

arCell

Interim report Q2 2024

January - June



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### CALENDAR 2024

24 October	Interim report Q3 2024
19 Feb 2025	Year-end report 2024

### HIGHLIGHTS

» **Positive cash flow during the period**  
During the second quarter, the cash flow from current operations amounted to KSEK 2,767 (-2,342).

» **Sales continue to increase**  
Turnover during the second quarter was KSEK 15,273 (11,775). That is an increase of 30% compared to last year.

» **Focus on growth and business development**  
The company is now conducting a strategic review with a focus on growth and business development. Our strong cash position enables expansion, either through in-licensing or acquisition.

# About AroCell AB

**AroCell is a Swedish diagnostic company with a vision to simplify and enhance the monitoring of oncological and bacterial diseases. Our product range encompasses a wide spectrum of indications, from urological cancers to typhoid fever. We offer various types of tests, including rapid tests, laboratory tests, and platform tests, which provide tangible solutions to enhance global patient care.**

AroCell's organizational scope encompasses the entire value chain, from research and development to manufacturing and marketing. We are a small company with great flexibility, while we possess the characteristics associated with large companies, allowing us to navigate the rapidly expanding field of IVD tests. This is essential for us to realize our vision of being a valuable and relevant diagnostic partner in oncological care.

Using biomarkers, we develop tests that are not only clinically useful but also economically sustainable. Our focus is on providing rapid, non-invasive, and cost-effective tests that improve decision-making for healthcare professionals and thus the well-being of patients.

The COVID-19 pandemic demonstrated the need and significance of diagnostics, and we are proud to be part of the global effort to improve it. We believe that the increased awareness of diagnostic tests will change the expectations of both healthcare professionals and patients regarding availability, speed, and accuracy. With the aging population on the rise in today's society and chronic diseases becoming more prevalent, the importance of accurate diagnostics becomes increasingly crucial.

Diagnostics play a key role in every stage of the patient's journey, from the initial diagnosis to continuous monitoring, screening, and final prognosis. Therefore, our work is not only business-oriented but also has a strong patient focus to continue developing and improving our diagnostic solutions. We strive to be a reliable partner for healthcare professionals and contribute to improving patient care at all levels. At AroCell, we believe in being part of the solution to today's and tomorrow's challenges in healthcare.

Our goal is to continue creating value for our shareholders by expanding our presence in existing markets, obtaining market approvals in new priority areas, and continuously developing the next generation of IVD tests. With our commitment to innovation and high-quality care, we aim to become the standard in oncological diagnostics and the obvious choice for healthcare providers worldwide.

AroCell (AROC) is listed on Nasdaq First North Growth Market. More information is available at [arocell.com](https://www.arocell.com).

## Summary

### April - June

Net sales amounted to KSEK 15,273 (11,775).

Profit after financial items amounted to KSEK -13,054 (-15,490)\*.

Cash flow from operating activities for the period amounted to KSEK 2,767 (-2,342).

Earnings per share before and after dilution amounted to SEK -0.06 (-0.07).

Cash and cash equivalents at the end of the period amounted to KSEK 48,705 (57,548).

\* Includes costs for goodwill amortization of KSEK 9,895 (9,895) for the quarter.

### January - June

Net sales amounted to KSEK 28,076 (22,828).

Profit after financial items amounted to KSEK -23,594 (-29,158)\*.

Cash flow from operating activities for the period amounted to KSEK -1,447 (-6,864).

Earnings per share before and after dilution amounted to SEK -0.10 (-0.13).

Cash and cash equivalents at the end of the period amounted to KSEK 48,705 (57,548).

\* Includes costs for goodwill amortization of KSEK 19,789 (19,789) for the quarter.

# Events during the period

## April 5-8

AroCell's marketing and clinical team alongside with our partners Prof Thorsten Ecke and Dr. Sarah Weiss from Germany participated in the 39th annual European Association of Urology Congress. Where our team presented a poster titled "*Effect of hematuria on the performance of BTAsta<sup>®</sup>, UBC<sup>®</sup> Rapid, and NMP22 as urine-based biomarker for bladder cancer detection*".

## April 5-10

AroCell visited American Association for Cancer Research (AACR) Annual Meeting 2024 in San Diego, where our team delivered two impactful poster presentations. Professor Teemu Murtola highlighted the TK 210 ELISAs predictive role of castration resistance in metastatic prostate cancer, while Kiran Jagarlamudi, CSO from AroCell, presented the clinical applications of TK 210 ELISA in DLBCL therapy.

## April 12

AroCell published the Annual Report for 2023.

## April 18

A new patent has been approved in the USA. The patent protects AroCell's specific antibodies that bind to the C-terminal region of TK1. These antibodies are used to measure TK1 protein in serum for cancer diagnostics.

## April 22

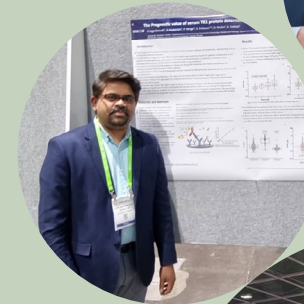
AroCell published the notice for the Annual General Meeting for 2024.

## May 22

AroCell published the report from the Annual General Meeting for 2024.

## June 19

A delegation from Airlangga University and Dr. Soetomo General Hospital visited the AroCells office in Stockholm. Airlangga University, one of the oldest medical schools in Indonesia, and Dr. Soetomo General Hospital, the largest teaching hospital in Eastern Indonesia, both have centers for Tropical Disease and Cancer research.



## CEO's statement



**I am very pleased to announce that our growth focus within existing markets is yielding results. We are experiencing a significant increase in sales while simultaneously adjusting our organization and production capacity in an economically sustainable manner to ensure continued stable growth. In parallel, we also aim to broaden our product portfolio through in-licensing or acquisition. During the second quarter, we achieved a positive cash flow of SEK 2.4 million, which marks an important step forward in our efforts to build a successful diagnostics company.**

Revenue increased by 30% compared to the same quarter last year and by nearly 20% compared to the first quarter. We are now in our fourth consecutive year of strong sales growth. Compared to the first half of 2023, sales have grown by 23%, and we continue to see very strong order intake.

Sales are progressing well in both segments, bacteriology and oncology, and we are gradually expanding our presence in our two main markets, Indonesia and Germany. This lays the foundation for continued growth. It can be noted that the bacteriology segment accounts for the largest growth, comprising 59% of our sales during the quarter, while the oncology segment accounted for 41%.

Our production is running at full capacity, and we are working to meet the continued increase in demand by expanding our production capacity. This places significant demands on us as an organization, as well as on our external partners and suppliers, which we are managing on an ongoing basis.

The stable foundation on which the company now stands, in the form of strong sales growth, a competent organization, and a strong cash position, puts us in a favorable position to broaden our product portfolio. This can be achieved either through company acquisition or in-licensing of products. We are continuously working on this, which could further strengthen the company and enhance our growth.

Alongside expanding existing product sales, we continue to advance our development programs and partnerships. During the quarter, we participated in several conferences and also welcomed a delegation from Indonesia at our office in Stockholm.

In April, we attended the European Association of Urology Congress in Paris, where our team presented a study titled "Effect of hematuria (blood in urine) on the performance of BTAstata<sup>®</sup>, UBC<sup>®</sup> Rapid, and NMP22 as urine-based biomarkers for the detection of bladder cancer". The study, conducted in collaboration with our partners, shows that hematuria does not affect the performance of UBC<sup>®</sup> Rapid, in contrast to other urine-based cancer markers.

In June, we hosted a delegation from Airlangga University, one of the oldest medical schools in Indonesia, and Dr. Soetomo General Hospital, the largest teaching hospital in eastern Indonesia. Both institutions have research centers focused on tropical diseases and cancer. Indonesia is one of our most important markets, and we look forward to continuing our discussions on future collaboration.

In summary, sales have increased significantly during the first half of the year, and the order in-take remains strong. The accelerating sales growth in recent quarters indicates a promising future. We are continuously working to improve and streamline our organization, laying the foundation for sustainable and long-term economic growth.

**ANDERS HULTMAN**  
CEO at AroCell



# Sales and operating result

The Group's revenue, profit and financial position are shown in the financial statements on pages 8-10. The parent company's revenue, profit and financial position are shown in the financial statements on pages 11-13.

## April - June 2024

### Sales

Sales during the second quarter amounted to KSEK 15,273 (KSEK 11,775). The sales of the bacteriology segment are driven by the TUBEX® product family and the oncology segment by our UBC® *Rapid* product. Bacteriology's share of sales during the period was 59% (49%) and oncology's share was 41% (51%).

### Gross margin

The amount for COGS KSEK 12,498 (KSEK 12,325) includes goodwill amortization of KSEK 4,947 (KSEK 4,947) for the quarter. The margin excluding goodwill is 50.5% (37.3%).

### Other operating income

Other operating income mainly comprises positive currency differences in EUR and USD.

### Overhead costs

During the quarter, overhead costs amounted to KSEK 16,088 (KSEK 15,167), and distributed between sales 33% (28%), administration 26% (31%) and development costs 42% (41%). Goodwill amortization of KSEK 4,947 (KSEK 4,947) is included in overhead costs for the quarter.

### Result

Profit after financial costs for the quarter amounted to KSEK -13,054 (KSEK -15,490). The amount includes goodwill amortization of KSEK 9,895 (KSEK 9,895).

## January - June 2024

### Sales

Sales during the period January - June amounted to KSEK 28,076 (KSEK 22,828). The sales of the bacteriology segment are driven by the TUBEX® product family and the oncology segment by our UBC® *Rapid* product. Bacteriology's share of sales during the period was 59% (41%) and oncology's share was 50% (50%).

### Gross margin

The amount for COGS KSEK 22,475 (KSEK 23,498) includes goodwill amortization of KSEK 9,895 (KSEK 9,895) for the period. The margin excluding goodwill is 55.2% (44.8%).

### Other operating income

Other operating income mainly comprises positive currency differences in EUR and USD. In the comparative figures for 2023, there are also revenues linked to the project collaboration with Attana AB, which began in the second quarter of 2022 and ended in the first quarter of 2023. During the period, other operating revenues in this regard amounted to KSEK 0 (KSEK 350).

### Overhead costs

Overhead costs during the period amounted to KSEK 30,278 (KSEK 29,319), and are distributed between sales 33% (30%), administration 25% (26%) and development costs 42% (44%). Goodwill amortization of KSEK 9,895 (KSEK 9,895) is included in overhead costs for the period.

### Result

Profit after financial costs for the period amounted to KSEK -23,594 (KSEK -29,258). The amount includes goodwill amortization of KSEK 19,789 (KSEK 19,789).

### Cash flow, investments and financial position

Cash flow from operating activities amounted to KSEK 2,767 (KSEK -2,342) during the second quarter and KSEK -1,447 (KSEK - 6,864) for the period January - June.

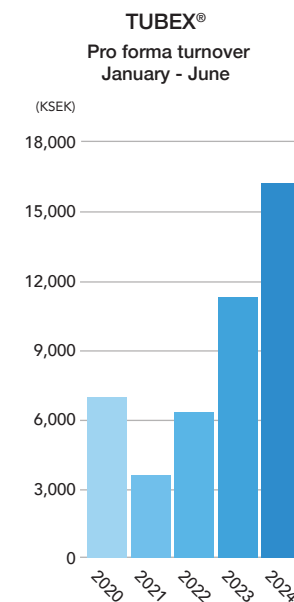
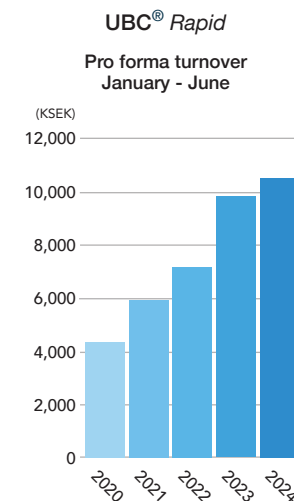
Cash flow from investment activities amounted to KSEK -409 (KSEK -66) for the second quarter and KSEK -572 (KSEK -777) for the period January - June.

Cash flow from financing activities amounted to KSEK 0 (KSEK 0) in the second quarter and KSEK 0 (KSEK 0) for the period January - June.

### Liquidity and equity

As of June 30, 2024, cash and cash equivalents amounted to KSEK 48,705 (KSEK 57,548). Available overdrafts are about KSEK 3,500.

As of June 30, 2024, equity amounted to KSEK 140,053 (KSEK 193,537).



\* The figures in comparison with year 2021 and back regarding turnover refer to pro forma.

## FUTURE DEVELOPMENTS

AroCell sees a substantial market for the company's biomarkers as the overall cancer diagnostics market grows rapidly. The cancer diagnostics market size and growth reached USD 10.9 billion in 2019 and is expected to grow to USD 26.9 billion by 2027, an increase of 147%. According to Kalorama Information, expectations for biomarkers and new technologies are behind the exponential increase in in-vitro cancer diagnostics. There is a need for patient-friendly, cost-effective approaches in healthcare. AroCell tests can often streamline monitoring and follow-up compared to other traditional methods.

## SIGNIFICANT RISKS AND UNCERTAINTIES

No significant change in material risks or uncertainties has occurred during the period except as described below. Other risks remain unchanged compared to the description of AroCell's risks, uncertainties and management included in AroCell's 2023 Annual Report.

## SHARES

As of June 30, 2016, AroCell AB (publ) is listed on NASDAQ First North Growth Market Sweden under AROC. Certified Adviser: Redeye Aktiebolag, Certifiedadviser@redeye.se, +46 (0)8 121 576 90. As of June 30, 2024, the number of shares amounted to 230,361,066 (quota value SEK 0.10).

## ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

The accounting policies are unchanged from those stated in the 2023 Annual Report.

This is a financial report in which AroCell prepares consolidated financial statements. Until June 30, 2021, the Group consisted of the parent company and AroCell Incentive AB. As of July 1, 2021, IDL Biotech AB is also part of the Group and has been consolidated as of that date.

## REPORT AUDIT

This interim report has not been audited by the parent company's auditor.

## CONTACT DETAILS

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Visiting address: Karlsbodavägen 39, 168 67 Bromma, Stockholm, Sweden

Organization number: 556596-6107

www.arocell.com

## Board of directors

Stockholm, Sweden, August 20, 2024

### Max Pihlqvist

Chairman

### Eva Nordström

Member

### Agneta Tufvesson Alm

Member

### Fredrik Lindgren

Member

### Clas Runnberg

Member

### Anders Hultman

CEO

# Group

## Income Statement

	2024 April - June	2023 April - June	2024 Jan - June	2023 Jan - June
(KSEK)				
Net revenue	15,273	11,775	28,076	22,828
Cost of goods sold	-12,498*	-12,325*	-22,475‡	-23,498‡
<b>Gross profit</b>	<b>2,774</b>	<b>-550</b>	<b>5,601</b>	<b>-670</b>
Selling expenses	-5,240**	-4,187**	-9,978**	-8,736**
Administrative expenses	-4,168	-4,747	-7,594	-7,614
Research and development expenses	-6,680***	-6,233***	-12,706***	-12,969***
Other operating income	22	235	578	843
Other operating expenses	-8	-4	-10	-9
<b>Operating earnings (EBIT)</b>	<b>-13,300</b>	<b>-15,485</b>	<b>-24,109</b>	<b>-29,155</b>
Net profit financial items	246	-5	515	-3
Profit after financial items	<b>-13,054</b>	<b>-15,490</b>	<b>-23,594</b>	<b>-29,158</b>
<b>Net earnings for the period</b>	<b>-13,054</b>	<b>-15,490</b>	<b>-23,594</b>	<b>-29,158</b>
Attributable to the shareholders of the parent company	-13,054	-15,490	-23,594	-29,158
Attributable to non-controlling interest	0	0	0	0
Earnings per share (SEK), before and after dilution	-0.06	-0.07	-0.10	-0.13

\* Includes costs for goodwill amortization of KSEK 4,947 for the quarter, and ‡ of KSEK 9,894 for the current year.

\*\* Includes costs for goodwill amortization of KSEK 2,474 for the quarter, and \*\* of KSEK 4,947 for the current year.

\*\*\* Includes costs for goodwill amortization of KSEK 2,474 for the quarter, and \*\*\* of KSEK 4.947 for the current year.



# Group

## Balance Sheet

	2024 June 30	2023 June 30	2023 December 31
(KSEK)			
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Goodwill	79,205	118,783	98,994
Balanced expenses for development work	5,033	8,856	6,818
Patent	0	204	102
Other intangible assets	993	1,277	1,134
	<b>85,231</b>	<b>129,121</b>	<b>107,048</b>
<b>Tangible fixed assets</b>			
Machinery and other technical facilities	2,269	2,744	2,581
Equipment, tools and installations	134	232	162
	<b>2,403</b>	<b>2,976</b>	<b>2,743</b>
<b>Total fixed assets</b>	<b>87,635</b>	<b>132,097</b>	<b>109,792</b>
<b>Inventories etc.</b>	<b>6,101</b>	<b>7,103</b>	<b>6,071</b>
<b>Short-term receivables</b>			
Accounts receivable	7,224	4,839	6,083
Current tax receivables	679	1,226	245
Other receivables	578	792	729
Prepaid expenses and accrued income	1,963	921	1,248
	<b>10,444</b>	<b>7,777</b>	<b>8,306</b>
<b>Cash and bank balances</b>	<b>48,705</b>	<b>57,548</b>	<b>50,723</b>
<b>Total current assets</b>	<b>65,250</b>	<b>72,429</b>	<b>65,100</b>
<b>TOTAL ASSETS</b>	<b>152,884</b>	<b>204,526</b>	<b>174,892</b>

	2024 June 30	2023 June 30	2023 December 31
(KSEK)			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	23,036	23,036	23,036
Other contributed capital	441,008	440,758	441,007
Balanced result	-300,396	-238,548	-241,100
The result of the period	-23,595	-31,710	-59,297
<b>Equity attributable to the parent company's shareholders</b>	<b>140,053</b>	<b>193,536</b>	<b>163,646</b>
<b>Total equity</b>	<b>140,053</b>	<b>193,536</b>	<b>163,646</b>
<b>Current liabilities</b>			
Accounts payable	4,432	2,590	3,209
Other liabilities	807	1,176	1,579
Accrued costs and prepaid revenues	7,593	7,224	6,458
	<b>12,832</b>	<b>10,990</b>	<b>11,246</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>152,884</b>	<b>204,526</b>	<b>174,892</b>

# Group

## Change in Equity

	Share capital	Other contributed capital	Other capital incl. result of the period	Holdings without controlling influence	Total
(KSEK)					
<b>Equity 2023-01-01</b>	<b>23,036</b>	<b>440,757</b>	<b>-241,098</b>	<b>0</b>	<b>222,694</b>
Result of the period			-29,158		-29,158
<b>Equity 2023-06-30</b>	<b>23,036</b>	<b>440,757</b>	<b>-270,256</b>	<b>0</b>	<b>193,537</b>
Transaction with minority		250			250
Result of the period			-30,139		-30,139
<b>Equity 2023-12-31</b>	<b>23,036</b>	<b>441,007</b>	<b>-300,395</b>	<b>0</b>	<b>163,647</b>
Result of the period			-23,595		-23,595
<b>Equity 2024-06-30</b>	<b>23,036</b>	<b>441,007</b>	<b>-323,990</b>	<b>0</b>	<b>140,053</b>

# Group

## Cash Flow Statement

	2024 April - June	2023 April - June	2024 January - June	2023 January - June
(KSEK)				
Cash flow from current operations	2,767	-2,342	-1,447	-6,864
Cash flow from investment activities	-409	-66	-572	-777
Cash flow from financing activities	0	0	0	0
Cash flow for the period	2,358	-2,408	-2,019	-7,641
Liquid assets at the beginning of the period	46,347	59,956	50,723	65,189
<b>Liquid assets at the end of the period</b>	<b>48,705</b>	<b>57,548</b>	<b>48,705</b>	<b>57,548</b>

# Parent Company

## Income Statement

	2024 April - June	2023 April - June	2024 Jan - June	2023 Jan - June
(kSEK)				
Net revenue	0	0	143	13
Cost of goods sold	-522	-107	-624	-330
<b>Gross profit</b>	<b>-522</b>	<b>-107</b>	<b>-481</b>	<b>-318</b>
Selling expenses	-76	-106	-267	-287
Administrative expenses	-1,991	-2,104	-3,505	-3,956
Research and development expenses	-1,726	-1,130	-3,275	-2,961
Other operating income	22	8	27	25
Other operating expenses	-8	-4	-10	-9
<b>Operating earnings (EBIT)</b>	<b>-4,301</b>	<b>-3,443</b>	<b>-7,511</b>	<b>-7,505</b>
Net profit financial items	246	0	514	2
Profit after financial items	0	0	0	-1
<b>Net earnings for the period</b>	<b>-4,055</b>	<b>-3,443</b>	<b>-6,997</b>	<b>-7,503</b>
<b>Result of the period</b>	<b>-4,055</b>	<b>-3,443</b>	<b>-6,998</b>	<b>-7,503</b>



# Parent Company

## Balance Sheet

	2024 June 30	2023 June 30	2023 December 31
(KSEK)			
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Balanced expenses for development work	0	4,271	2,136
Patent	0	204	102
Other intangible assets	993	1,277	1,135
	<b>993</b>	<b>5,752</b>	<b>3,373</b>
<b>Tangible fixed assets</b>			
Machinery and other technical facilities	24	73	49
Equipment, tools and installations	124	202	144
	<b>148</b>	<b>276</b>	<b>193</b>
<b>Financial assets</b>			
Shares in group companies	216,587	216,587	216,587
<b>Total fixed assets</b>	<b>217,728</b>	<b>222,615</b>	<b>220,152</b>
<b>Inventories etc.</b>	<b>147</b>	<b>1,137</b>	<b>1,127</b>
<b>Short-term receivables</b>			
Accounts receivable	8	14	0
Current tax receivables	173	271	76
Other receivables	111	136	252
Prepaid expenses and accrued income	945	419	503
	<b>1,237</b>	<b>840</b>	<b>832</b>
<b>Cash and bank balances</b>	<b>42,340</b>	<b>54,827</b>	<b>49,525</b>
<b>Total current assets</b>	<b>43,724</b>	<b>56,803</b>	<b>51,484</b>
<b>TOTAL ASSETS</b>	<b>261,453</b>	<b>279,418</b>	<b>271,636</b>

	2024 June 30	2023 June 30	2023 December 31
(KSEK)			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	23,036	23,036	23,036
Fund for development expenses	0	1,360	680
	<b>23,036</b>	<b>24,396</b>	<b>23,716</b>
<b>Premium fund</b>	<b>441,007</b>	<b>440,757</b>	<b>441,007</b>
Balanced result	-208,425	-194,864	-194,184
The result of the period	-6,997	-7,504	-14,921
	<b>225,585</b>	<b>238,389</b>	<b>231,902</b>
<b>Total equity</b>	<b>248,621</b>	<b>262,785</b>	<b>255,618</b>
<b>Current liabilities</b>			
Accounts payable	413	405	1,022
Liabilities to group companies	10,900	14,400	12,400
Other liabilities	258	477	243
Accrued costs and prepaid revenues	1,260	1,351	2,354
	<b>12,831</b>	<b>16,633</b>	<b>16,020</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>261,453</b>	<b>279,418</b>	<b>271,637</b>

# The share

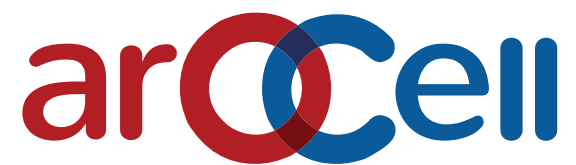
## Share Data

	2024 April - June	2023 April - June	2024 Jan - June	2023 Jan - June
Opening balance	230,361,066	230,361,066	230,361,066	230,361,066
Rights issue	0	0	0	0
Number of shares per balance sheet date	230,361,066	230,361,066	230,361,066	230,361,066
Average number of shares before and after dilution	230,361,066	230,361,066	230,361,066	230,361,066

## Shareholders

Date  
2024-06-30

Name	Holding	Votes
Labbex Förvaltnings AB	26,643,432	11.57%
Avanza Pension	21,487,252	9.33%
Greg Dingizian	15,600,000	6.77%
Jon Eiken	8,976,248	3.90%
Nordnet Pension Insurance	6,556,636	2.85%
Mikael Lönn	5,020,537	2.18%
Gunvald Berger	3,724,237	1.62%
Mikael Jacobsson	3,677,204	1.60%
Didrik Hamilton	3,110,913	1.35%
Gerhard Dal	3,000,000	1.30%
<b>A total of 10 largest owners</b>	<b>97,796,459</b>	<b>42.45%</b>



## AROCELL

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Karlsbodavägen 39, Bromma, Stockholm

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Email:  
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