SENZAGEN 2024

ANNUAL REPORT 2024

SENZAGEN AB (PUBL)

Innehåll

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SenzaGen AB is headquartered in Lund and listed on Nasdaq First North. (Ticker symbol: SENZA).

About SenzaGen

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

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

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

A market with great potential

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

Business model

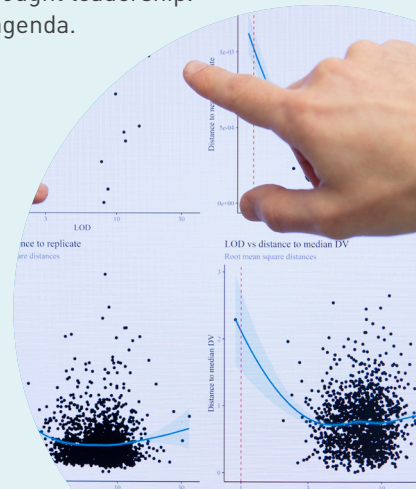
The majority of the Group's sales are direct sales with non-animal testing performed in the Group's own laboratories supplemented by a global partner network of licensed CROs. Direct sales build strong, long-term customer relationships while the global partner network provides flexibility and scalability.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

3-5 year growth strategy

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

Our contribution to a sustainable world

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



Our offering

With expertise in genomics, machine learning and human tissue models, SenzaGen helps companies assess the efficacy, risks and toxicity of chemicals. Our offering includes testing and advisory services.

PART OF THE VALUE CHAIN	OFFERING	GROUP COMPANIES
Testing strategy Advice and strategies for toxicology safety assessments	Consulting on how to combine tests	ToxHub
Efficacy testing Assessment of whether a chemical fulfills its intended function or produces the desired effect using 3D models and organoids.	• Patented test platform VitroScreenORA®. • Pre-clinical efficacy testing.	VitroScreen
Toxicology safety testing Cell-based identification of toxic properties in chemicals, cosmetics, medical devices and drug candidates.	• Patented test platform GARD®. • GLP Regulatory toxicology testing.	SenzaGen VitroScreen
Regulatory documentation and support Toxicological and pharmacological assessment of results and compilation of regulatory information.	Independent advice for regulatory compliance.	ToxHub

The year in numbers

2024 was a strong year for SenzaGen with record growth for our core business GARD®, which grew by 53%. The Group's total revenue increased by 16% to SEK 58 million, and the loss at the EBITDA level was cut in half compared to the previous year.

FINANCIAL SUMMARY

Net sales
SEK 57.7m
(SEK 49.9m)

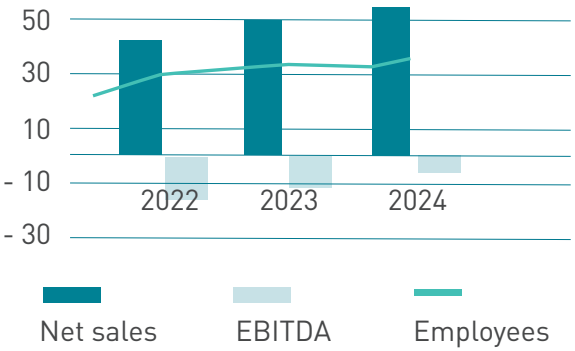
Gross margin
67%
(70%)

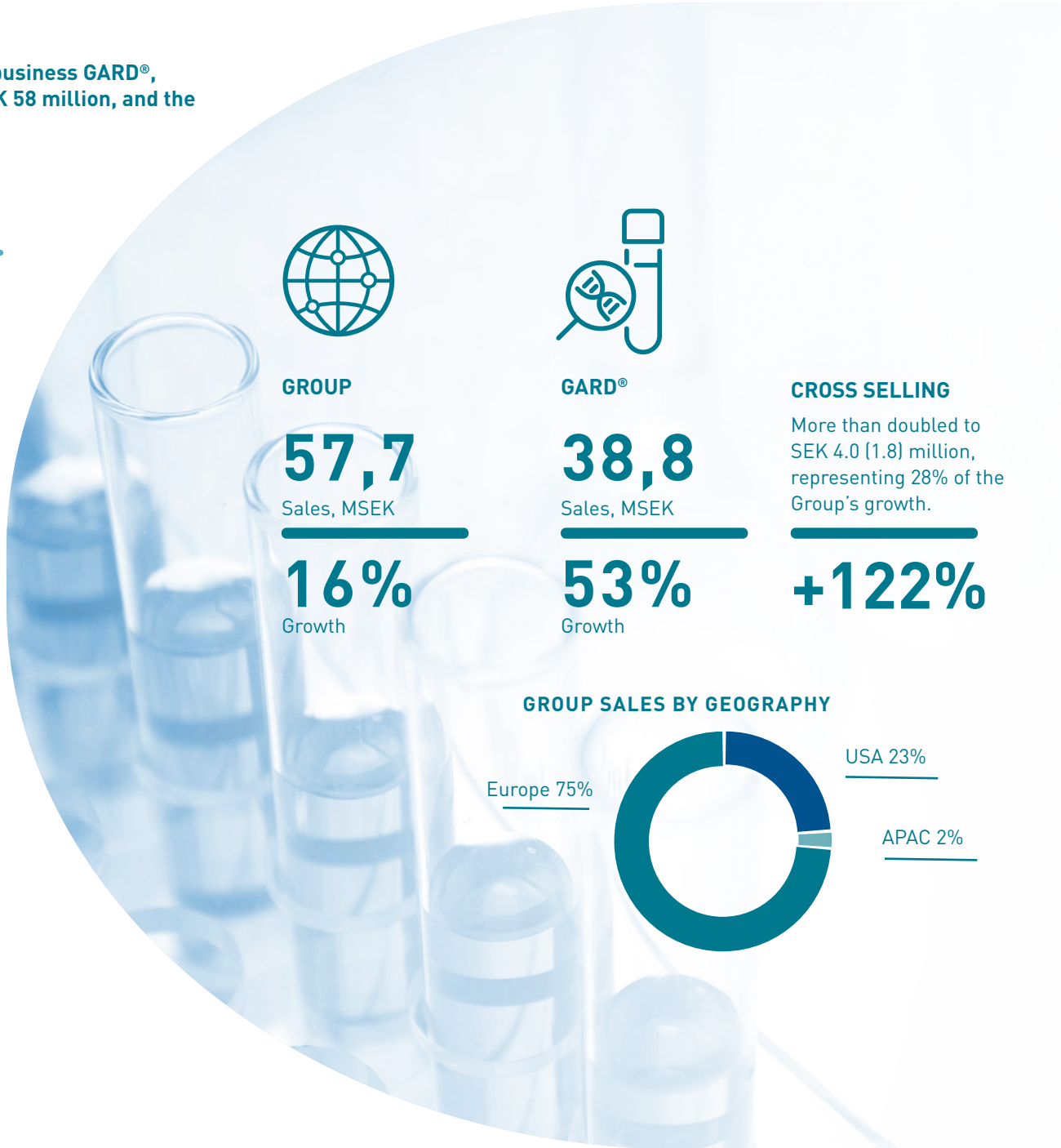
EBITDA
SEK -5.6m
(SEK -10.9m)

Expenses
SEK 47.2m
(SEK 49.9m)

Cash & cash equivalents
SEK 39.6m
(SEK 17.6m)

FINANCIAL PERFORMANCE





GROUP
57,7
Sales, MSEK
16%
Growth

GARD®
38,8
Sales, MSEK
53%
Growth

CROSS SELLING
More than doubled to SEK 4.0 (1.8) million, representing 28% of the Group's growth.
+122%

GROUP SALES BY GEOGRAPHY

The year at a glance

SIGNIFICANT EVENTS DURING THE YEAR

Growing confidence from chemicals companies

SenzaGen received a major order worth SEK 1.5 million for GARD®skin tests from an existing customer in the chemicals industry. The relationship with this global chemicals leader was further strengthened with a follow-up order worth SEK 0.8 million during the year. Additionally, a new SEK 1.3 million order for GARD®skin Dose-Response was secured from another global player in the chemicals sector, highlighting the growing interest in our solutions.

Strong relationships with the cosmetics industry

SenzaGen's collaboration with the US-based Research Institute for Fragrance Materials (RIFM) continued to grow stronger in fragrance safety with two orders for GARD®skin Dose-Response: one for quantitative risk assessment worth SEK 1.5 million and one for photosensitization worth SEK 3.0 million.

The results of SenzaGen's partnership with L'Oréal were presented at the worl's largest and most important toxicology event in the world, Society of Toxicology (SOT) Annual Meeting and ToxExpo in the US, serving as a key industry credential.

Increased presence in US

SenzaGen's market presence in the US was expanded via a license agreement with the Institute for In Vitro Sciences (IIVS), entitling the CRO to sell and perform the Company's non-animal GARD® tests at its US laboratory. This agreements strengthens SenzaGen's presence in the key US market.

Stronger cash position

A directed issue of shares equivalent to SEK 37.2 million was conducted to a number of professional investors. The proceeds of the issue enable investments in existing technology, expansion of the product portfolio, increased efficiency and a strengthened sales organization to drive further growth.

CEO kommentar

With growing and stable customer relationships along with a strong cash position and balance sheet, we are well equipped for continued expansion.

Continued strong growth and strategic progress in 2024

The year 2024 was characterized by continued strong growth and strategic progress for SenzaGen. With increased demand for our test solutions, we have continued consolidating our position as a leader in non-animal skin sensitization testing. With growing and stable customer relationships along with a strong cash position and balance sheet, we are well equipped for continued expansion.

Increased demand and growth

2024 was a strong year for SenzaGen, as we continued our successful journey and strengthened our position as a leader in non-animal skin sensitization testing. GARD®, our core business, continued its strong performance with a 53% sales increase and nearly SEK 40 million in sales. Today, we are recognized as a Key Opinion Leader, a position that reinforces our brand and builds trust throughout the industry.

The Group's total sales grew by 16% to SEK 58 million. This confirms the growing demand for our non-animal test solutions, which are not only ethically sustainable but also provide more accurate results than traditional methods.

Efficiency and cost control

Our loss at the EBITDA level was cut in half compared to the previous year, amounting to SEK -5.6 million. We exercised effective cost control during the year and enabled strong growth without increasing our expenses, resulting in strong operating leverage with a positive impact on profit. We see good prospects to sustain our profitable growth – a key part of our future strategy.

> We have reached a phase where our growth is driven by recurring sales and a growing customer base – a testament to the confidence in our non-animal test solutions and our long-term commercial potential.

Growing, loyal customer base for GARD®

Our market position has strengthened significantly in 2024. Our GARD® business has seen strong growth, and with 47 new customers during the year our customer base has grown by 30%. We are also pleased with the rise in customers' repeat purchase rate, which strengthens our long-term business model. In addition, cross-selling between Group companies performed well, which also contributed to our growth.

We have now reached a phase where we are no longer dependent on individual large orders to maintain high growth. Instead, we see stable growth driven by recurring sales from a broad customer base and an increased order value per customer. The increase in the number of returning customers along with the high order values on an annual basis signal high customer satisfaction and great commercial potential.

New phase for subsidiary

Our efforts to ensure positive growth for all Group companies are key to our success. VitroScreen, one of our subsidiaries in Italy, has recently undergone a change in leadership to streamline operations and create growth opportunities. I have great confidence in the new structure and am optimistic about the opportunities it presents.

> With a strong balance sheet and cash position, high demand, an established brand and several attractive growth initiatives, we are heading into 2025 strongly equipped to continue our growth journey.

Expanded sales organization

To strengthen our sales efforts, we recruited two new sales professionals with industry experience at the start of 2025. These new recruits have joined our subsidiary VitroScreen and are already contributing valuable expertise and energy to our team.

Strategy for continued growth

SenzaGen is well positioned to lead the transition from animal testing to non-animal alternatives, and we are looking forward to continuing our work to create more ethical, effective and relevant test solutions for our customers and society.

Now and for the next 3 to 5 years ahead, we will continue to drive organic growth by focusing on the following areas:

1. *Scale up our GARD® business:* We will continue to expand our test portfolio with new regulatory-approved tests to meet growing demand. Our work to adapt GARD® to further regulatory requirements, such as ISO-10993 and other international standards, is in full swing and will create major commercial advantages.

2. *Expand our global presence:* We are expanding our presence via a strengthened sales organization and complementary partnerships. The focus is on markets in which demand for non-animal testing is growing, including cosmetics, chemicals and medical devices in Europe, the US and parts of Asia.

3. *Optimize our internal resources:* We will increase collaboration between our Group companies to drive operational efficiency, increase testing capacity and provide a broad offering to our customers.

4. *Invest in innovation:* We will continue investing in research and development to broaden our offering within non-animal toxicology and pre-clinical efficacy testing. Our aim is to continually develop new test methods that provide unique customer value and are well-aligned with market needs.

I'm very optimistic about the future. With a strong balance sheet and cash position, high demand, an established brand and several attractive growth initiatives, we are heading into 2025 strongly equipped to continue our growth journey. In addition to our focus on organic growth, we are pursuing an acquisition strategy to create a leading group in non-animal testing.

I want to thank all our employees and shareholders for their dedication and support during 2024. We look forward to continuing our growth journey together.

Lund, April 2025

Peter Nählstedt, President and CEO, SenzaGenn

Market size and potential

The global market for non-animal toxicology and efficacy testing is growing rapidly, driven by increased demand for advanced methods suited for human biology. SenzaGen focuses on selected segments with great potential.

In the 2000s, non-animal *in vitro* methods emerged as a more effective alternative to traditional animal testing *(in vivo*). *In vitro*, Latin for "in glass", refers to tests performed in controlled laboratory environments such as test tubes and cell cultures, as opposed to *in vivo* tests, which are performed on animals or humans and mean "in a living organism".

Historically, animal testing has been important for research, but biological differences between humans and animals limit their relevance.

In vitro methods, which better reflect human biology, offer higher accuracy and better usability. They are also cost-efficient and save time, giving them a strategically important role in the development of safe and effective consumer products.

The global market for non-animal toxicology and efficacy

The value of the global market for non-animal toxicology and efficacy in 2024 was approximately SEK 140 billion (USD 13 billion). This market is expected to grow by 6.1%–9.5% per year during 2024–2028, reaching a value of approximately SEK 195 billion (USD 19 billion) by 2028.

Non-animal toxicology safety testing

Toxicology testing assesses the potential risks and toxicity of substances, including many chemical and cosmetic products that consumers are exposed to daily. The market is growing annually by 9.5% and estimated to have a value of approximately SEK 125 billion (USD 11.8 billion) in 2024.[1]

The market comprises ten subsegments categorized by the endpoint they address, and skin sensitization and skin irritation together constitute one of the three largest. Europe is the largest region followed by North America, and Several countries in the Asia-Pacific region are growing rapidly as they advance with alternative test methods and mandatory bans on animal testing.

Non-animal efficacy testing

Efficacy testing aims to determine whether a chemical fulfills its intended function or produces the desired effect. The market has an annual growth rate of approximately 6% and an estimated market value of at least SEK 15 billion (USD 1.55 billion), depending on differing industry definitions of this field.[2]

The pharmaceutical, biotech and cosmetics industries dominate the market, with the US as the largest region, followed by Europe – known for its strict regulations on non-animal cosmetics development – and then the Asia-Pacific region.

Total addressable market (TAM)

The total market for non-animal toxicology consists of five product segments: Consumables, tests, services, equipment and software. The services segment, in which SenzaGen operates, represents 23% of a total addressable market (TAM) for the Group valued at approximately SEK 35 billion (USD 3 billion).

Serviceable addressable market (SAM)

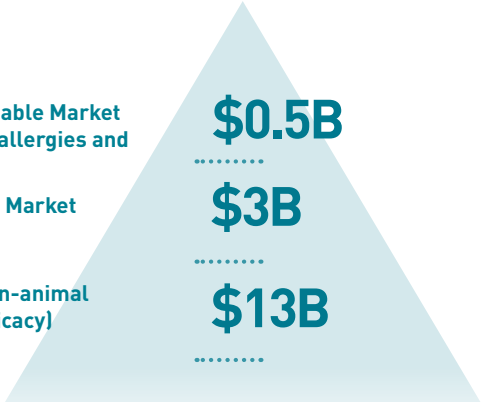
Based on the Group's primary endpoints, skin sensitization and efficacy testing, SenzaGen's serviceable addressable market (SAM) is estimated to be worth approximately SEK 5.8 billion (USD 0.5 billion). This represents the portion of the total addressable market that is currently serviceable based on the technology's present focus, applicable regulatory requirements, and global demand within the respective industry.

The most significant industries in toxicology for the Group are cosmetics, chemicals and medical devices, while efficacy is primarily measured in drug development, medical devices, cosmetics and nutrition.

Complementary revenue streams

In addition to skin sensitization and efficacy, the Group also offers advisory services and tests for other toxicology subsegments. These complementary tests, including cytotoxicity, eye irritation and phototoxicity, broaden the Company's offering and generate complementary revenue streams by attracting customers with broader testing needs.

Market size

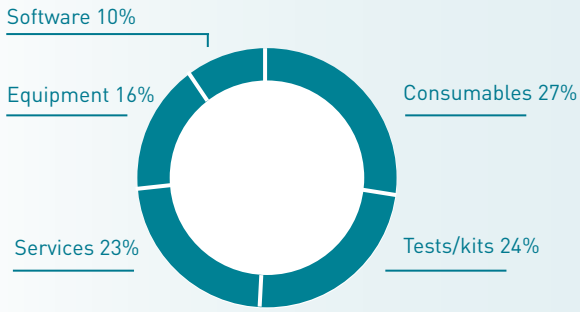


Toxicology endpoints	2024	2028	CAGR %
ADME	4,975.7	7,755.7	11.4
Genotoxicity	1,607.0	2,353.8	9.6
Skin Irritation, Corrosion & Sensitization	1,426.3	1,726.9	4.6
Cytotoxicity	1,007.5	1,462.5	9.4
Ocular Toxicity	594.5	917.5	11.1
Organ Toxicity	572.9	912.1	12.0
Dermal Toxicity	347.1	407.7	3.9
Phototoxicity	326.4	406.4	5.3
Other Toxicity Endpoints	895.8	1,189.2	7.0
Total	**11,753.3**	**17,131.7**	**9.5**

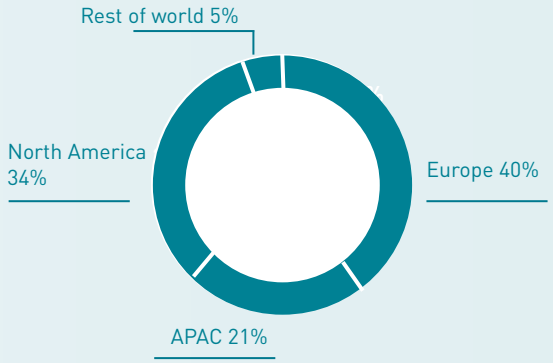
In non-animal toxicology, the market is divided into ten sub-segments (endpoints), and skin sensitization and skin irritation together constitute one of the three largest.

Total market for non-animal toxicology 2024[1]

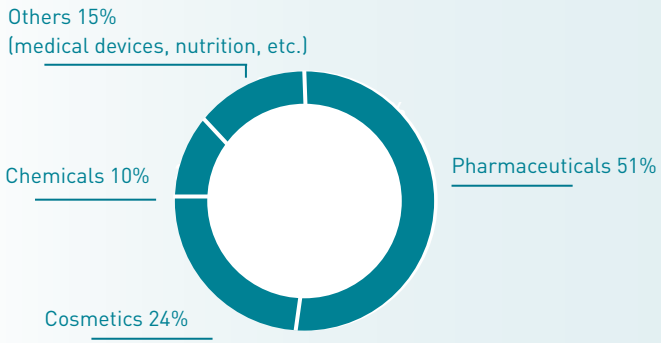
Products & Services



Geographies



Industries



Market data

The market analyses are based on new data for the 2024–2028 period, replacing prior data for 2018–2023. To ensure up-to-date information, we use 2024 as the base year and include forecasts up to 2028 to reflect the latest market trends.

[1] *In Vitro Toxicology Testing Market - Global Forecast to 2028. MarketsandMarkets 2023.*

[2] *Global efficacy testing market research report. Wise Guy Reports 2023.*

Trends and drivers

Demand for non-animal test methods is growing as the industry seeks more accurate, cost-effective and ethically sustainable alternatives, in parallel with tightening regulations and increasing bans on animal testing.

TRENDS

Thousands of new chemicals have been introduced into our everyday lives over the past decades, making it more important than ever to ensure their safety. Demand for alternative test methods is increasing as research is progressing, resulting in increased knowledge and new modern methods that deliver results more relevant to human biology. At the same time, animal testing is being banned and regulators are advocating for non-animal solutions. These trends create opportunities for SenzaGen.

MARKET DRIVERS

Industry data show that the market drivers behind the industry's preference for non-animal testing over animal testing are linked to scientific, regulatory, ethical and financial considerations.[3] With these drivers as a basis, SenzaGen estimates that industry needs for new technology and alternative testing methods are high and steadily increasing.

Scientific progress

Animal testing has been shown to be limited in its ability to predict human reactions, which is driving the development of better alternatives. Non-animal tests provide results with high human relevance by replicating human biological processes, offering a better basis for ensuring product safety and efficacy. This change aligns with the growing interest from both industry and the general public in sustainable and ethically responsible innovations.[3]

Regulations and compliance

In 2013, all forms of animal testing in the development of cosmetics and hygiene products were banned in the EU. This means that no new products that require testing can be developed without the use of an alternative test method.[4] Since then, more countries have followed in the footsteps of the EU, including Norway and individual states in the US and Brazil.[5]

Legislation such as the EU ban on animal testing in cosmetics, the FDA Modernization Act 2.0 removing mandatory animal testing in the US, and similar initiatives around the world have created a regulatory environment that strongly supports alternative test methods. Regulatory and standards bodies such as the European Chemicals Agency (ECHA), ISO, and the OECD are continuing to develop guidelines that encourage the use of non-animal methods. One example is the OECD approval of SenzaGen's GARD® test for skin sensitization, which strengthens the Company's position as an industry leader within non-animal skin sensitization testing.

As new markets in the Asia-Pacific region embrace non-animal testing, such as the cosmetics industry in South Korea and India, SenzaGen is well prepared to meet these needs with innovative solutions and experience.

Cost-effectiveness

Non-animal methods are both faster and more resource-efficient than traditional animal testing. This enables companies to identify substances with adverse effects and toxicological properties at an early stage of the research process, which reduces development costs. For instance, this is critical in the pharmaceuticals industry, where development cycles often span 10–15 years and delays can cost millions per day in lost revenue. Having to recall harmful products from the market can be both expensive and damaging to the company's brand.[6, 7]

Increased social engagement

Consumers are putting pressure on industries by demanding products developed and produced with a minimal impact on animals and the environment. As a result, companies and industries are implementing Corporate Social Responsibility (CSR) policies, and the Three Rs are a fixture of both Swedish and European legislation involving animal testing. The Three Rs aim to get researchers to use as few animals as possible and also work to alleviate and improve the situation of animals in animal testing. The Three Rs are replace, reduce and refine.[8]

For sources, see page 58.

Innovative tests with better results for humans

With its broad expertise and a growing test portfolio, SenzaGen helps companies assess the risks, toxicity and efficacy of chemicals, cosmetics, medical devices, drug candidates and nutrition/food additives. The Company's proprietary test platforms reflect human biology and offer high accuracy for humans. The Company's offering includes non-animal testing and advisory services.

Toxicology safety testing

SenzaGen offers skin sensitization testing with its proprietary GARD® platform, based on genomics and machine learning, as well as complementary regulatory tests for additional safety parameters.

GARD® FOR SKIN AND RESPIRATORY ALLERGIES

Testing the health impact of chemicals before they are used in consumer products enables replacements with safer chemicals, thus reducing clinical symptoms. Based on the GARD® technology platform, SenzaGen has developed tests that determine whether chemicals can cause allergies and provides information on whether the allergenicity of the substance is strong or weak.

GARD®skin

GARD®skin is used to assess whether chemicals can cause skin allergies. With proven accuracy up to 94% depending on the application area, the test helps developers and producers ensure that the products they bring to market are free of allergies.[9] The test handles pure chemicals but also substances traditionally considered difficult to assess, such as complex mixtures. The target group is companies in the cosmetics, chemicals and pharmaceuticals industries. The test has been approved by the OECD since 2022 as a test guideline (TG) for regulatory use.

GARD®skin Medical Device

GARD®skin Medical Device is the first skin allergy test on the market developed specifically for medical devices. GARD®skin Medical Device is an expanded application domain of GARD®skin and is designed for medical device companies that perform ISO risk assessments of their materials. GARD®skin Medical Device is included as an *in vitro* method in the annex to the most recent ISO standard 10993-10. Work is currently underway within the ISO framework to include non-animal methods in main standard, creating growth opportunities for SenzaGen.

GARD®skin Dose-Response

GARD®skin Dose-Response provides information on whether the allergenicity of the substance is strong or weak (potency) and on the dose level at which a substance can cause skin allergy. With this test, companies in the Company's prioritized industries can obtain information about the concentration at which skin sensitizing substances can be used in consumer products without causing skin allergies, ("the Point of Departure"). This serves as crucial information for prioritization and decision-making in research and development. The test is another application area for GARD®skin and is one of the first of its kind on the market. The test is undergoing OECD validation for regulatory use.

GARD®air

GARD®air is used to assess whether chemicals in product candidates can cause respiratory allergies. The test is the first on the market, and it is recommended for use during the research and development process. Evaluating whether chemicals can impact the respiratory system is also important in biotech and drug manufacturing.

TEST PORTFOLIO FOR REGULATORY TOXICOLOGY BROADENS OFFERING

Regulatory toxicology tests broaden the Company's offering and generate complementary revenue streams by attracting customers with broader testing needs. Complementary endpoint testing is performed at SenzaGen's laboratory in Lund and VitroScreen's laboratory in Milan according to the table below.

Endpoints	Test
Skin sensitization, GARD®skin	OECD TG 442E
Skin sensitization, others	OECD 442C/D/E
Skin irritation	OECD TG 439, ISO 10993-23
Skin corrosion	OECD TG 431
Phototoxicity	OECD TG 432
Eye irritation	OECD TG 492
Irritation for various tissues	ISO 10993-23
Cytotoxicity	ISO 10993-5
Skin toxicity/absorption	OECD TG 428

For sources, see page 58.

New opportunities in skin sensitization

GARD®'s competitive advantages are grounded in high accuracy relevant to human biology, combined with the capability to handle difficult-to-test substances and provide information on safe dosage levels.

Criterium	Traditional animal testing	GARD® (genomics + machine learning)	Open source *in vitro* methods
Accuracy	70–75 %[10]	90–95 %[11]	80–85 %
Human relevance	No	Yes	Yes
Number of biomarkers*	N/A	196 biomarkers	A few biomarkers
Capability to handle difficult-to-test substances	High	High	Limited
Capability to determine safe dosage levels	High	High	Limited
Ethically sustainable	No	Yes	Yes
Duration	Time-consuming process	Efficient process	Efficient process
Selected providers	Large CROs: Eurofins, Charles River, LabCorp, etc.	SenzaGen and license partners (CROs)	Large and small CROs: Eurofins, Charles River, LabCorp, etc.

> It's important to understand the broader value of GARD® – not only the accuracy but also how the method solves problems that other non-animal tests struggle to overcome.

*Depending on application area.

ILLUSTRATIVE EXAMPLE: Use of GARD® skin

Before developing a skin care product, it's important to ensure that the ingredients do not cause skin allergies. One of the ingredients is a botanical extract mixture with a complex composition, which makes it difficult to analyze. To meet regulatory requirements and ensure product safety, a non-animal test method is needed that can handle substances with challenging properties.

GARD®skin can assess the allergenic potential of the ingredients. GARD®skin has shown **high accuracy** in the identification of substances that can cause skin allergies. In addition, the method has **broad applicability** and can analyze substances that standardized non-animal tests have a limited capacity to assess, such as complex mixtures and chemicals with specific properties.

For sources, see page 58.

Pre-clinical efficacy testing

Via VitroScreen, the SenzaGen Group commands expertise in human tissue models, organoids and efficacy testing to determine whether a substance fulfills its intended function or produces the desired effect.

Penetration, absorption and distribution

Via VitroScreen, the SenzaGen Group provides tailored studies based on human 3D tissue models to see how substances penetrate tissues and how they are absorbed and distributed in the body.

The results can be used to classify substance-based medical devices and are also highly important for companies in the pharmaceuticals industry, where it is crucial to understand whether a product candidate is capable of reaching the right place in the body in the right concentration.

Mechanism of action

For drugs and medical devices, there is a need to identify or rule out a pharmacological, immunological or metabolic mechanism of action. The mechanism of action can be identified using data from 3D tissue models developed by VitroScreen, which are available for several indication areas: the skin, legs, eyes, respiratory tracts, gynecology, urology, the abdomen and the liver.

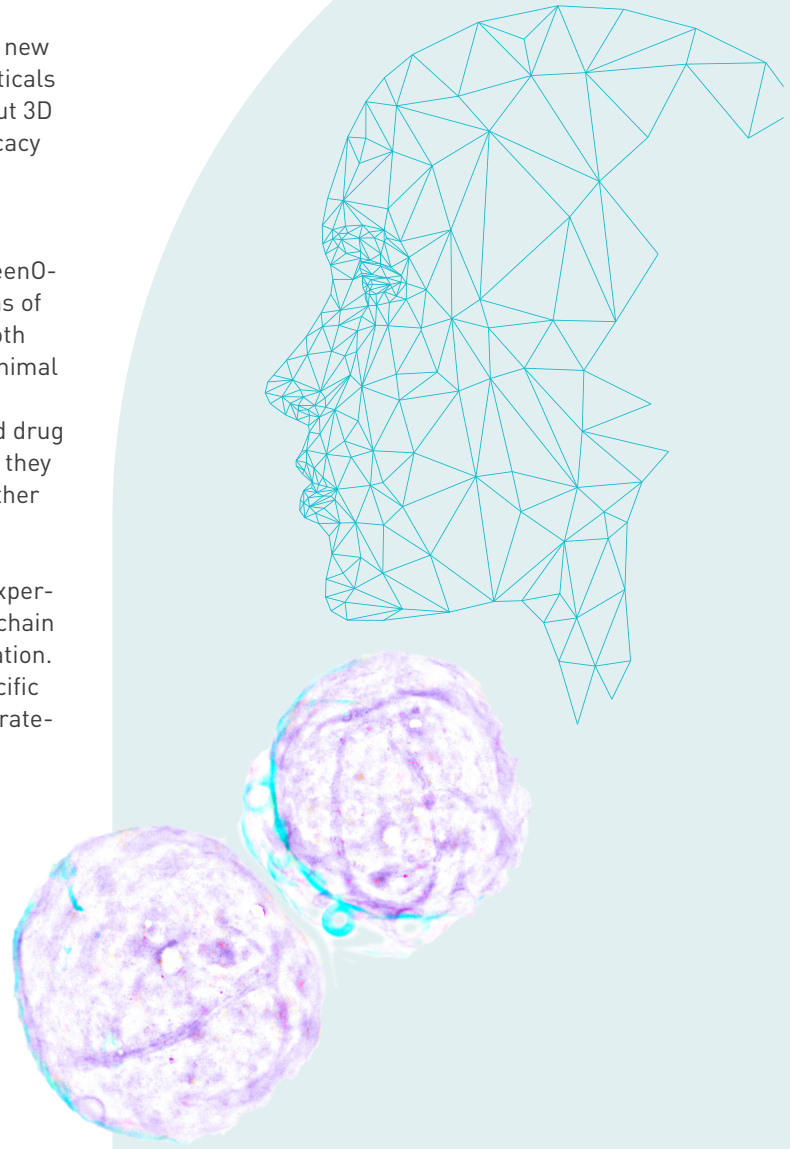
Microbiome platform

Testing new products in the microbiome domain requires specific tools that give researchers the capability to study how both hosts and microorganisms react when they are exposed to chemicals, changed external conditions or other variables. The SenzaGen Group offers colonized 3D tissue models, models made of human tissue that have been colonized by microorganisms, to study host-microbe interaction. The method is useful for new products produced in the nutrition and pharmaceuticals industries. Additionally, the tests are offered without 3D models to measure prebiotic and antibacterial efficacy and biofilm formation.

The VitroScreenORA® platform for efficacy

VitroScreen's proprietary organoid model VitroScreenORA® helps produce better and safer results in terms of drug absorption in the body, making the method both more effective and more reliable than traditional animal tests. Organoids, which are mini culture models of human organs, are used in both basic research and drug development to test the efficacy of substances, but they are also used for safety testing of chemicals and other substances.

Via VitroScreen, the SenzaGen Group commands expertise spanning the entire organoid platform testing chain with development, production, testing and consultation. VitroScreenORA® platform can be tailored to a specific test method, cell or organ type and represents a strategically important growth opportunity for the group.



Advisory services

With the SenzaGen Group as an advisory partner, companies can make well-informed decisions early on in their development projects and then receive regulatory guidance towards a product filing.

Regulatory expert support

Independent experts at ToxHub provide advice on how necessary and scientifically significant tests should be combined for each customer project. The test models are based on regulatory requirements but are also tailored to the specific preferences of each customer.

Companies receive support through expert advice, regulatory documentation, and assistance in regulatory interactions, helping them meet regulatory requirements on the path towards a product filing. This expertise is available in both toxicology and pharmacology.

Leading companies rely on GARD®

During the year, SenzaGen continued to successfully position itself as a leader in skin sensitization. New findings about the GARD® technology have been presented at several scientific venues in collaboration with Key Opinion Leaders (KOLs).

Dr Nathalie Alépée presented on how GARD®skin Dose-Response can be used to derive a point of departure (PoD) for safe dosage levels of cosmetic ingredients.

Deriving a Point-of-Departure (PoD) from GARD® for downstream Quantitative Risk Assessment

L'ORÉAL®

Dr Camilla Taxvig from Lundbeck elaborated on how GARD®skin Dose-Response has been used in initiatives to minimize skin allergy risks for staff during drug production.

The application of the GARDskin Dose-Response assay for assessing skin sensitizer properties of drug products and active substances

Lundbeck

Marie Tintin from Cargill shared her insights on how GARD®-skin can be used to assess the skin sensitization properties of poorly soluble chemicals, such as hydrophobic esters, during cosmetics development.

The applicability of GARD®skin for assessing skin sensitization potential of hydrophobic esters during product development

Cargill

Georgia Reynolds, Unilever, explored the integration of GARD®skin Dose-Response into their Skin Allergy Risk Assessment (SARA) model for assessing the allergenic properties of chemicals.

Skin Allergy Risk Assessment (SARA) Model: GARD®-skin Dose-Response as a possible input

Unilever

In collaboration with Dr Isabelle Lee at RIFM, GARD®skin Dose-Response has been used to perform quantitative risk assessment of fragrances in cosmetics and household products using a next-generation risk assessment (NGRA) framework.

Quantitative Risk Assessment of fragrance materials using a NGRA framework

RIFM®

> GARD® can identify signals from diluted and complex extracts from solid materials with higher sensitivity than animal tests.
>
> Poster with Sonova, 2024 SOT Annual Meeting and ToxExpo

sonova

Buying patterns for GARD®

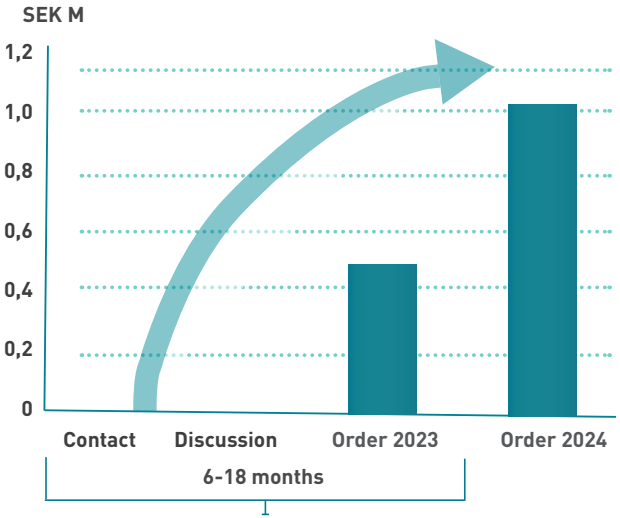
SenzaGen's services are needed when customers introduce a new product in the market or reformulate an existing product. Most of the testing takes place in the product development phase, which is when new product candidates are assessed to determine if they meet regulator safety requirements.

Growing customer base with returning customers

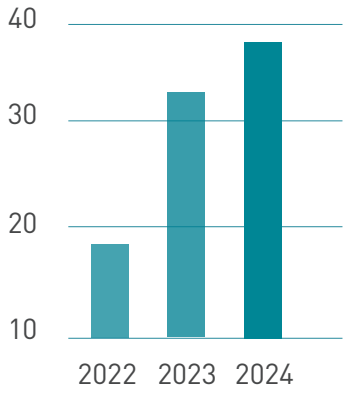
The Company's customer base is growing steadily, driven by relationships with global companies that demonstrate high customer loyalty. Expertise and customer focus keep customers coming back – with higher volumes.

CASE IN POINT: Double order size in year 2

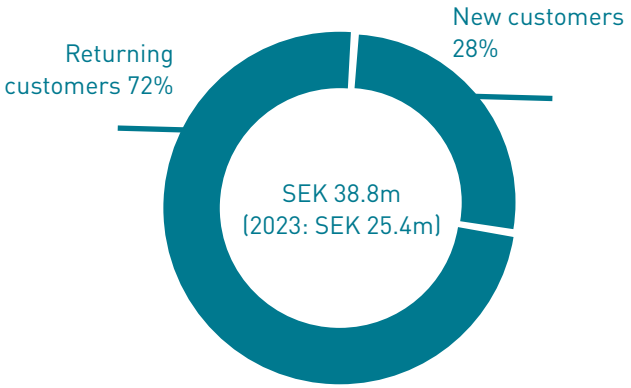
A large global skincare company evaluated GARD® in 2023. After implementing the test in 2024, the total order value doubled.



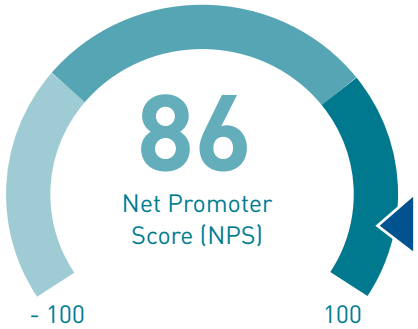
NEW CUSTOMERS



REVENUE BREAKDOWN RETURNING AND NEW CUSTOMERS



HIGH CUSTOMER LOYALTY



AVERAGE VOLUME PER CUSTOMER

+15%

NUMBER OF PAYING CUSTOMERS

+30%

Growth strategy

SenzaGen's strategy for the next 3-5 years is designed to expand the Company's business and make it a leading supplier of high-performance non-animal tests. The strategy combines organic growth with acquisition activities.

Prioritized markets

Product safety and quality rules and requirements differ between different geographic markets and industry segments. SenzaGen has chosen to primarily focus on Europe and North America and on segments where regulations and industry forces are driving the need for more accurate and non-animal tests: cosmetics, chemicals, medical devices, pharmaceuticals and nutrition/food additives.

Test capacity and operational efficiency

The Group has two laboratories that are GLP-approved (Good Laboratory Practice), forming the foundation of its operations.

- SenzaGen, Lund, Sweden: One of the only Nordic GLP-certified CROs for cell-based toxicology testing serving as the Company's hub for customer toxicology studies, innovation and development of the GARD® platform.
- VitroScreen, Milan, Italy: The laboratory has more than 20 years of experience in non-animal testing based on 3D models. The company focuses on preclinical efficacy testing and development of the VitroScreenORA® platform.

ORGANIC GROWTH

Focus on strengthening market position in established and new markets through:

- **Direct sales**
- **Partner sales**
- **Broaden test portfolio**
- **Thought leadership**

ACQUISITION-DRIVEN GROWTH

Focus on profitable and growing companies with complementary offerings via:

- **Increased presence in value chain**
- **Complementary product portfolio**

Read more on next page.

ORGANIC GROWTH

Direct sales

The largest share of SenzaGen's revenue comes from direct sales of tests performed in the Company's own laboratories. Sales work is performed by in-house sales forces based in Sweden and Italy that combine scientific expertise and commercial experience. The focus is on broadening the customer base of large, multinationals with in-house product development and recurring testing needs.

Partner sales

To complement sales, the Company also works with a global network of distribution partners comprising CROs with non-animal testing expertise and a network of customers in various industries and geographies.

Several partners in Europe and the US perform GARD® under license, which gives the Company flexible testing capacity. These include Eurofins, one of the largest CROs in Europe, and the US-based Institute for In Vitro Sciences, Inc. (IIVS), with which an agreement was signed in 2024.

The Company is also exploring opportunities to expand its partner network with a focus on Asia.

Thought leadership

To promote knowledge exchange and position the Company as a leader in non-animal testing, SenzaGen drives scientific communication initiatives as part of its thought leadership efforts. By collaborating with customers and thought leaders on presentations, posters and articles, the Company contributes to the scientific dialogue – enhancing credibility and attracting new customers.

Broaden test portfolio

Regulatory status

SenzaGen tracks relevant regulations and standards to ensure that it can make the most of opportunities and market potential. The OECD, ISO and FDA are among the regulators and standard setters for non-animal tests. Regulatory approval broadens the area of usage and enables customers to use test results not only in the product development phase but also for product filings.

Complementary endpoints

A key part of SenzaGen's strategy is to strengthen its regulatory test portfolio by integrating relevant tests into the Group's laboratories. One example is the implementation of EpiSensA at the laboratory in Italy, a test for skin sensitization, which was completed early in 2025.

In-house innovation

SenzaGen continuously evaluates innovation opportunities. Close customer relationships provide key insights into market needs. Combined with the company's expertise in genomics, machine learning, and 3D tissue models, there is significant potential to develop new innovative tests tailored to market demands. For example, work is underway to adapt GARD® to identify substances that may cause skin allergies upon exposure to sunlight, known as photosensitization.

ACQUISITION-DRIVEN GROWTH

Increased presence in value chain and more endpoints

Complementary mergers and acquisitions are a part of SenzaGen's growth strategy. The Company looks for acquisition opportunities with a focus on profitable and growing companies with complementary offerings, in terms of increased value chain presence, tests for more endpoints, and a customer portfolio with access to new segments and geographies.

Realize synergies

SenzaGen has an effective integration plan in place to optimize synergy effects within the Group. These involve commercial, administrative and operational aspects, such as cross-selling, allocating tests to specific laboratories and conducting joint R&D projects.

Growth projects will accelerate sales

The Group's primary technology platform GARD® is the market's most versatile method for assessing the risk of chemicals causing skin allergies. Several initiatives are underway to strengthen the platform's market presence and further broaden its applicability in skin sensitization. At the same time, VitroScreenORA® is being further developed for new applications across several therapeutic areas.

Drive future growth

The ongoing initiatives strengthen the GARD® platform's competitiveness in both product development and regulatory testing for skin sensitization. At the same time, the VitroScreenORA® platform's applicability is being broadened with business opportunities in pharmaceuticals, biotech, cosmetics and nutrition. The initiatives are expected to generate additional ~SEK 100 million of revenue and a significant gross margin improvement within the next 3-5 years. The completion of the initiatives will create a growth platform for many years to come.

Regulatory initiatives and market potential

GARD®skin, inclusion in OECD TG DA497

The approval process is underway for inclusion of GARD®skin in the recently adopted OECD Test Guideline 497 (DA 497). The guideline specifies which tests should be combined for regulatory testing. It is estimated that inclusion could be completed in the third quarter of 2025, depending on how long the OECD approval process takes, and it is expected to significantly increase the demand for regulatory testing with GARD®skin.

GARD®skin is approved in accordance with OECD guideline TG 442E to address a critical step in the skin's allergic reaction, where the immune system is activated (Key Event 3). In regulatory testing, OECD often requires combining it with other tests that cover earlier stages of the reaction (Key Event 1 or 2). No such requirements are imposed on product development, meaning that industry can use GARD®skin separately and benefit from its broad applicability and high accuracy.

GARD®skin Medical Device, inclusion in ISO-10993-10

A technical adaptation of GARD®skin enables testing of solid materials and extracts from medical devices in compliance with ISO-10993-10. Non-animal skin sensitization methods are currently being evaluated within the ISO framework, with the aim of transitioning them from the annex into the main standard, paving the way for broader industry adoption. It is estimated that inclusion could be completed in 2027, depending on how long the ISO approval process takes.

GARD®skin Dose-Response, inclusion in OECD TG 442E

GARD®skin has been further developed to provide both quantitative and qualitative information on a substance's allergenic potential or potency – meaning to assess whether its allergenicity is strong or weak, and to determine safe dosage levels. With regulatory approval, the method delivers unique value to customers and is clearly differentiated from other non-animal methods. It is estimated that inclusion could be completed in 2027, depending on how long the OECD approval process takes.

Technology platform, updated gene expression analysis

To maintain its technological edge, a technology update is underway for the GARD® platform's gene expression analysis, which is expected to improve efficiency and profitability in license sales. Completion is planned for 2027.

Organoid development with VitroScreenORA®

The Group's VitroScreenORA® platform consists of mini culture models that replicate the physiological and biological functions of human organs. The models are used to assess toxicity and efficacy, particularly in the development of pharmaceuticals and cosmetics. Ongoing work includes the development of organoid models for applications such as dermatology (skin, hair follicles, and adipose tissue). Commercialization will take place continuously from 2025 to 2027.

SenzaGen's sustainability efforts

SenzaGen's contributes to safe, ethical and more sustainable products reaching the market while also reducing the number of animal tests. Through the Company's testing and advisory services, businesses across various industries can provide safe and effective products, while also creating better working environments for their employees.

The United Nations Global Compact

SenzaGen's sustainability efforts are based on the United Nations Global Compact and the 17 Sustainable Development Goals (SDGs). SenzaGen's operations in innovative non-animal toxicology and efficacy testing are directly related to the following SDGs:

Goal 3 – Good Health and Well-Being, particularly Target 3.9, by reducing the risks of hazardous chemicals and pollution.
Goal 9 – Industry, Innovation and Infrastructure, by developing advanced, sustainable technologies based on genomics and machine learning.
Goal 12 – Responsible Consumption and Production, by promoting sustainable production processes and reducing negative environmental impact.

Good business practices throughout value chain

It is important for SenzaGen to always maintain a high level of ethics in business-related situations. This boosts competitiveness and contributes to a strong reputation. In support of this, the Company has had frameworks in place since 2020 that are based on the fundamental values expressed in the UN Global Compact's ten principles, including a code of conduct. The principles include human rights, working conditions, the environment and anti-corruption, and they provide guidelines for how employees should behave in their day-to-day work and in contact with customers, suppliers, competitors and other external parties.

SenzaGen also expects the supply chain and other business partners to apply similar standards and principles in their operations and act in accordance with agreed contracts.

In addition to these policies, the Company also has separate anti-corruption directives throughout the value chain. The Company has a zero-tolerance policy for all forms of corruption.

SenzaGen's high ethical standards in the value chain support:

Goal 8 – Decent Work and Economic Growth, by ensuring fair treatment and safe working conditions for employees and partners.
Goal 16 – Peace, Justice and Strong Institutions, by combating corruption and strengthening the rule of law.

Quality

By being open and transparent, SenzaGen takes responsibility for quality in its offering to customers. SenzaGen's products and services must comply with regulations, applicable legislation, standards and regulatory requirements. Therefore, quality and quality management are an integral part of the Company's operations.

SenzaGen's quality management system in Lund ensures that its products and services are developed and rendered in compliance with set requirements and support systematic improvements. The quality management system's foundation is the Company's quality manual, which describes what activities to perform and how to shape processes to assure quality.

The Company's quality policy is an extension of the quality manual and is based on the seven quality management principles of ISO standard 9001, including customer focus, continual improvement and engagement of people. The policy reflects SenzaGen's views on quality, and all employees must follow and integrate the policy into their daily work.

VitroScreen's laboratory in Milan is certified to ISO 9001 and ISO 13485.

GLP-approved lab operations

To meet both customer quality requirements and the regulatory requirements for study data used in product filings with regulators like the Swedish Medical Products Agency or the FDA, the Group's lab operations in Lund and Milan are GLP-approved. The approval affirms that the Group has ensured that customer studies subject to GLP requirements can be performed with the quality specified by regulators when the study is used as documentation for regulatory purposes. The approval is assured via recurring inspections by national regulators: Swedac in Sweden and the Ministry of Health in Italy.

GLP stands for Good Laboratory Practice and is a quality system of requirements and principles to assure the quality of non-clinical safety studies. What constitutes GLP is defined by the OECD for use as a global standard requirement to ensure high-quality and reliable results for product filings and regulatory approval.

Supplier evaluations are conducted with a focus on quality and GLP compliance, including audits of supplier systems and processes.

SenzaGen's focus on quality efforts contributes to:

Goal 9 – Industry, Innovation and Infrastructure, by ensuring high standards for products and services in line with regulatory requirements and innovation.
Goal 12 – Responsible Consumption and Production, by taking a systematic approach to quality and the efficient use of resources.

Highly satisfied customers

Satisfied customers are decisive for repeat purchases. SenzaGen in Lund performed very well in the customer satisfaction survey conducted in 2024. On a scale from 1 to 10, we scored 9.28 on customer willingness to recommend us to others, corresponding to a high Net Promoter Score (NPS) of 86.

Environmental efforts

The Group's day-to-day work both within and outside of its laboratory operations is not energy-intensive and does not have any significant impact on the environment. Also, the Group's operations do not require any permits under Swedish environmental law. At the same time, SenzaGen advocates for and takes measures to improve the environment in every area possible in line with the UN's principles for corporate sustainability. We aim to always use energy, materials and other resources sparingly.

Our main focus is on following the precautionary principle and meeting the Company's strategic initiatives to create efficient workflows, processes and ways of working with the least possible environmental impact. For example, SenzaGen has procedures in place for chemical and waste management in its lab environment and its Swedish lab operations follow the Swedish Environmental Protection Agency's new digital systems for tracking hazardous waste. Procedures are also in place for energy-efficient technical equipment, digital meetings and source-separated recycling.

The Company's headquarters at Medicon Village in Lund, Sweden is connected to the science park's technical energy solution, ectogrid™. As a result, the buildings in the area share surplus heat and cooling with one another. The solution disposes of waste heat and reduces the energy needs of SenzaGen and the other businesses in the area.

SenzaGen's environmental initiatives address:

Goal 12 – Responsible Consumption and Production, by implementing procedures for resource efficiency and waste management.
Goal 13 – Climate Action, by minimizing energy use and applying technical solutions such as ectogrid™.

Attract and empower employees

SenzaGen strives to be an attractive and respected employer, where employees have the opportunity to grow and contribute meaningfully to the organization. A strong culture of collaboration – both within and between the companies – is also a key factor in our success, strengthening our ability to act decisively and making us both agile and adaptable.

Growing together

The SenzaGen Group sees employees as the Company's most valuable resource. Lifelong learning, new skills development and efficient ways of working are the key to achieving business goals. Attracting, developing and retaining qualified employees is decisive – as is identifying and nurturing the potential of current employees. With a high level of business know-how and specialized expertise, SenzaGen plays the role of reliable problem solver for customers.

Business focus and efficient teams

To succeed in its mission, SenzaGen strives to create a culture where everyone individually takes responsibility for their tasks and collaborates efficiently on projects and solving problems, both within and between the companies. A shared approach and common values foster engagement, support better decision-making, and also improve clarity for customers: Business focus, efficiency and engagement.

Sustainable work environment

SenzaGen seeks to offer a healthy and safe work environment with good working conditions where everyone has equal rights and opportunities and is treated equally in terms of working conditions and terms of employment.

All Group employees have employment agreements that comply with national legislation and regulations. In addition, the Company has an established framework with a code of conduct based on the UN human rights that serves as a complement to local legislation and regulations as well as policies for issues including the work environment, gender equality, and harassment and discrimination.

To promote health and well-being, SenzaGen offers its employees in Lund a wellness allowance and encourages health initiatives. Employees are encouraged to maintain a good work-life balance to avoid stress and illness. Questions of well-being, job satisfaction and perceived health situation are taken up during the Company's annual performance reviews.

The rate of absence due to illness at SenzaGen's headquarters is continuously analyzed to discover changes.

At the end of the year, the number of Group employees was 34 (34), 20 were women (22) and 14 were men (12).

Positive employee experiences

The foundation of SenzaGen's continued success is being an attractive and respected employer, offering employees opportunities to grow, contribute and perform. With ongoing dialogue and employee surveys, a foundation is laid for how the Company will work to continue developing the organization. In the 2024 employee survey, the overall average score was 9.0 (8.4) on a ten-point scale, which is high and a strong endorsement of SenzaGen as an employer.

SenzaGen's efforts to advance gender equality, engagement and a positive work environment contribute to:

Goal 5 – Gender Equality, by ensuring equal rights and opportunities for women and men.
Goal 8 – Decent Work and Economic Growth, by creating a safe and sustainable workplace.

Advancing our sustainability efforts

The United Nations Global Compact and the sustainable development goals (SDGs) serve as the foundation for SenzaGen's sustainability strategy. The Company aims to establish measurable sustainability targets over time to support the development of the entire business and to continuously improve its contribution to a more sustainable future.

GROUP

Gender and education

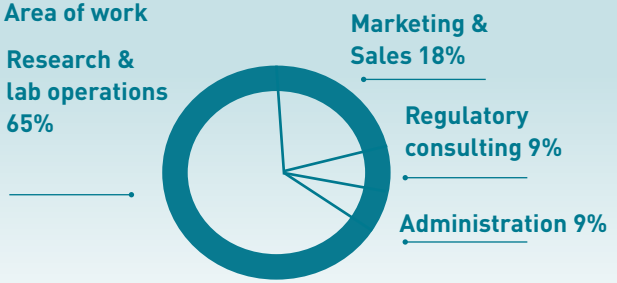
Women 59%

Men 41%

PhDs 24%

Number of employees 34

Area of work



DIRECTORS' REPORT

The Board of Directors and CEO of SenzaGen AB (publ) (556821-9207), based in Lund, hereby present the annual report and consolidated financial statements for the 2024 financial year.

Business

The SenzaGen Group aims to be a non-animal testing leader, driving the transition from animal testing to methods better suited to reflect human biology. The Group provides high-performance, non-animal test methods and advisory services based on state-of-the-art technology. Non-animal methods are more effective, more accurate and less expensive than traditional animal-based methods while also helping to reduce the number of laboratory animals. SenzaGen's growth strategy is centered around strengthening the market position in established and new markets through direct sales and partnerships, a broadened test portfolio and thought leadership. There is also a long-term M&A agenda. Italy-based CRO VitroScreen (since 2021) and ToxHub (since 2022) specialize in efficacy testing and regulatory toxicology advisory, respectively.

Group

SenzaGen is a corporate group consisting of SenzaGen AB, the Parent Company headquartered in Lund, and three wholly-owned subsidiaries, SenzaGen North America Inc (North Carolina, USA), VitroScreen S.r.l. (Milan, Italy) and ToxHub s.r.l. (Rome, Italy). The Group's employees primarily work at the Parent Company in Lund and the subsidiaries in Italy, which are where tests are conducted and the product development and sales functions are performed. The function of the US subsidiary is primarily sales and marketing support for partners.

The number of employees in the Group, converted to full-time equivalent (FTE), was 34 (34) at year-end. 20 (22) of the employees were women and 14 (12) were men. More information is provided under the Section about employees in the sustainability report on page 27.

Research and development

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

In 2024, the company continued to invest in the GARD® platform's IP protection. Patents were granted in Australia, South Korea and China for SenzaCell™, which protects the biological cell system used in all GARD®-tests. In addition, a patent was granted for GARD®air in Japan.

Financial performance

Consolidated net sales for full year 2024 totaled SEK 57.7 (49.9) million, a 16% year-on-year increase. GARD® sales accounted for SEK 38.8 million, corresponding to a 53% increase. The gain in GARD® sales was driven by a 30% increase in the number of paying customers and a 76% increase in the average value per customer.

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

Consolidated gross profit was SEK 38.6 (34.9) million, corresponding to a gross margin of 67% (70%). The gross margin was impacted temporarily by the subsidiaries' product mix and an adjustment of the COGS attributable to accruals for the second half of the year.

Operating expenses for the year totaled SEK 60.6 (58.1) million. Operating expenses include depreciation, amortization and impairment losses amounting to SEK 13.4 (11.6) million, and SEK 8.3 (7.5) million of this amount is for depreciation and amortization on acquired assets. The impairment losses are attributable to savings on patent expenses for undeveloped products amounting to SEK 2.6 (0) million.

Consolidated EBITDA improved by 49% to SEK -5.6 (-10.9) million. The improvement in profit was driven by the strong increase in GARD® sales and cost focus throughout the Group.

SenzaGen capitalizes new development expenditure and recognizes patents in the balance sheet on an ongoing basis. Total investments in intangible assets for the year were SEK 3.9 (1.4) million, with patents and trademarks accounting for SEK 1.1 (1.4) million of this amount. Capitalized expenditure for in-house development projects totaled SEK 2.8 (0) million.

The Group's cash and cash equivalents at the end of the year totaled SEK 39.6 (17.6) million.

Net cash from operating activities for year period improved to SEK -9.3 (-16.4) million.

During the year, 535,000 stock options were subscribed by employees under the incentive program adopted by the 2024 AGM. The 2024 Annual General Meeting (AGM) resolved to authorize the board to resolve to issue new shares, of which the combined total results in no more than a 20% increase in share capital based on the total share capital at the time of the 2024 AGM.

A directed share issue totaling SEK 37.2 million was conducted in Q2 2024. After expenses, the issue raised cash and cash equivalents amounting to SEK 34.6 million for the Company. The number of shares increased by 5,315,701 to 29,504,026 and the share capital increased by SEK 265,785.05 to SEK 1,475,201.30.

Significant events during the year

- 10 JAN. SenzaGen received an order worth SEK 1.5 million for GARD®skin tests from an existing customer in the chemicals industry.
- 6 MAR. The results of SenzaGen's partnership with L'Oréal were presented at the largest toxicology event in the world, SOT Annual Meeting and ToxExpo in the US, serving as a key industry credential.
- 25 MAR. Orders from the chemicals industry continued to increase with a follow-up order for GARD®skin worth SEK 0.8 million from the global chemicals leader that ordered tests in January the same year.
- 12 JUN. A directed issue of shares equivalent to SEK 37.2 million was conducted to a number of professional investors. The proceeds of the issue enable several ambitious initiatives to secure future growth.
- 03 JUL: SenzaGen's collaboration with RIFM was expanded with a new order for quantitative risk assessment worth SEK 1.5 million.
- 12 AUG: SenzaGen won an order for GARD®skin Dose-Response worth SEK 1.3 million from a global chemicals leader.
- 21 AUG: A license agreement with CRO IIVS expanded SenzaGen's US market presence.
- 10 SEP: SenzaGen's non-animal testing collaboration with RIFM was expanded with a new order for photosensitization worth SEK 3.0 million.

Risks and uncertainties
SenzaGen's business is exposed to several operational risks. These risks mainly comprise uncertainty concerning market growth, product development and supplier agreements.

Financing needs and capital

SenzaGen's future plans may result in increased expenses for the Company. A delay in penetrating new markets could result in poorer earnings for the Company. The possibility that SenzaGen may need to raise additional capital cannot be ruled out. Additionally, the Company cannot guarantee that it will be able to raise such additional capital.

Key personnel and employees

SenzaGen's key personnel have great expertise and long-standing experience in the Company's area of activity. Losing one or more key employees could have negative consequences for the Company's business and results of operations.

Competitors

Extensive investment and product development from a competitor could cause risks in the form of poorer sales. Additionally, companies with global operations that currently operate in adjacent areas could decide to expand to SenzaGen's area of activity. Increased competition could have a negative impact on sales and earnings for the Company in the future.

Business cycle and foreign exchange risk

External factors such as changes in inflation, exchange rates and interest rates, supply and demand and expansions and contractions can have an impact on operating expenses, sales prices and share value. SenzaGen's future revenue and share value could be negatively impacted by these factors, which are beyond the Company's control. The majority of sales revenue will be received in international currencies. Exchange rates could fluctuate significantly.

Market growth

SenzaGen plans to expand in the coming years by increasing market share in the countries and regions in which it already has sales and by expanding to new countries. Expanding to new countries and regions could result in challenges and risks that are difficult to anticipate. In addition, expansions could be delayed, thus causing losses in revenue. Growth could result in organizational challenges. It could be difficult to find and integrate the right personnel into the organization.

Patents

SenzaGen holds several patents. The Company cannot guarantee that an approved patent will provide effective commercial protection in the future.

Product development

SenzaGen will continue to develop new products and refine existing products in its area of activity. Time and cost aspects of product development could be difficult to estimate accurately in advance. This results in a risk that planned product development activities will cost more in terms of time and money than planned.

Product liability

Considering the nature of SenzaGen's business, it is relevant to take the Company's product liability into account, which arises when the Company develops and commercializes products. The board considers the Company's current insurance coverage to be satisfactory in consideration of the nature and extent of its business. However, there is no guarantee that the Company's insurance coverage will be able to cover any future legal claims in full, which could impact SenzaGen's business and results of operations negatively.

Suppliers

SenzaGen works with several suppliers. It cannot be ruled out that one or more of these suppliers may choose to stop working with the Company, which could have a negative impact on the Company's operations. The Company is dependent on its suppliers meeting agreed requirements in terms of quantity, quality and delivery time. Incorrect or missed deliveries from suppliers could lead to delayed deliveries to customers, resulting in lost sales.

Distributors and license partners

Partner sales currently account for a small share of SenzaGen's total revenue but play an important role in the long term for the Company's marketing and sales activities. Agreements with distributors make it easier to scale up sales, and license agreements provides flexible testing capacity. There is no guarantee that the partners with which the Company has signed partnership agreements will be able to fulfil their obligations, and it cannot be ruled out that disruptions to partners or termination of partnerships could lead to delayed or lost revenue.

Customers

SenzaGen conducts direct sales primarily targeting large corporations with global operations. The customers operate in stable industries, and orders can amount to several million Swedish kronor. It cannot be ruled out that some of these customers may fail to pay invoices on time or become insolvent, which could negatively impact the company's results of operations.

Legislation and regulations

If SenzaGen's business were to be subject to regulatory restrictions or if the Company does not receive required future regulatory authorizations, this could negatively impact SenzaGen commercially and financially.

Outlook
SenzaGen's growth strategy, which combines organic growth with acquisition activities, is expected to continue to create new opportunities and potential for strong sales performance. The global market for *in vitro* toxicology testing, in which SenzaGen operates, is growing rapidly according to several industry reports. The market drivers of the industry preference for non-animal tests over traditional animal models are correlated with regulatory, scientific, ethical and financial aspects. Chemicals, pharmaceuticals, medical device and cosmetics companies are looking for alternative test methods that are ethically and scientifically superior while also being cost-effective in the long term. In consideration of these market drivers, the Company estimates that industry needs for new technology and alternative test methods are high and rising steadily.

Proposed appropriation of retained earnings

SEK	
The following retained earnings are available for appropriation by the AGM:	
Retained earnings	72,286,031
Share premium reserve	34,903,737
Profit/loss for the year	-5,864,491
The board proposes that the following amount be carried forward	101,325,277

Dividend
The board proposes no dividend for the 2024 financial year.

CONSOLIDATED INCOME STATEMENT

SEK thousand	Note	2024	2023
	1		
Operating income			
Net sales	2	57,695	49,870
Cost of goods sold		-19,101	-14,938
Gross profit/loss		**38,594**	**34,932**
Operating expenses	4,5,6,7,8		
Selling expenses		-25,933	-26,787
Administrative expenses		-18,379	-19,138
Research and development expenditure		-7,088	-3,747
Acquisition-related expenses		-8,327	-7,518
Other operating income		3,019	689
Other operating expenses		-835	-917
Operating profit/loss		**-18,949**	**-22,486**
Profit/loss from financial items			
Interest income and similar items	8	1,065	764
Interest expenses and similar items	8	-477	-254
Profit/loss after financial items		**-18,361**	**-21,976**
Profit/loss before tax		**-18,361**	**-21,976**
Tax on profit/loss for the year	9	511	-121
PROFIT/LOSS FOR THE YEAR		**-17,850**	**-22,097**
Share of profit/loss attributable to Parent Company shareholders		-17,850	-22,097
Share of profit/loss attributable to minority interests		-	-

CONSOLIDATED BALANCE SHEET

SEK thousand	Note	2024	2023
	1		
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	10	15,683	20,993
Capitalized development expenditure	11	5,333	4,389
Concessions, patents, licenses, trademarks and similar rights	12	26,719	29,628
Total intangible assets		**47,735**	**55,010**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	13	1,763	1,811
Total property, plant and equipment		**1,763**	**1,811**
Total non-current assets		**49,498**	**56,821**
Current assets			
Inventories		3,739	6,228
Total inventories		**3,739**	**6,228**
Current receivables			
Trade receivables		13,689	10,589
Other receivables		2,663	1,769
Earned but not invoiced revenue	17	1,287	2,328
Prepaid expenses and accrued income	17	1,422	1,817
Total current receivables		**19,061**	**16,503**
Cash and bank balances		39,608	17,624
Total current assets		**62,408**	**40,355**
TOTAL ASSETS		**111,906**	**97,176**

CONSOLIDATED BALANCE SHEET

SEK thousand	Note	2024	2023
	1		
EQUITY AND LIABILITIES			
Equity	19		
Share capital		1,475	1,209
Other contributed capital		35,805	55
Retained earnings		61,025	84,721
Profit/loss for the year		-17,850	-22,097
Translation differences		6,186	3,720
Total equity attributable to Parent Company shareholders		**86,641**	**67,608**
Non-current liabilities			
Liabilities to credit institutions		1,781	1,673
Total non-current liabilities		**1,781**	**1,673**
Current liabilities			
Trade payables		3,087	5,691
Other provisions		7,011	6,571
Current tax liabilities		-	421
Other liabilities		3,082	2,916
Invoiced but not earned revenue		947	367
Accrued expenses and deferred income	18	9,357	11,929
Total current liabilities		**23,484**	**27,895**
TOTAL EQUITY AND LIABILITIES		**111,906**	**97,176**

CONSOLIDATED CASH FLOW STATEMENT

SEK thousand	Note	2024	2023
	1		
Cash flows from operating activities			
Profit/loss after tax		-17,850	-22,097
Adjustments for non-cash items			
Depreciation and amortization	10,11,12,13	10,798	11,585
Impairment losses	12	2,583	-
Foreign currency translation, unrealized		208	-178
Tax		-578	-579
Changes in working capital			
Changes in inventories		2,573	-2,623
Changes in current receivables		-4,309	-2,860
Changes in current liabilities		-3,333	296
Deferred tax liabilities		578	3
Net cash from operating activities		**-9,330**	**-16,453**
Cash flows from investing activities			
Acquisitions of intangible assets, including capitalized development expenditure	10,11,12	-3,875	-3,679
Acquisitions of property, plant and equipment	13	-656	-129
Acquisitions/disposals of subsidiaries		283	-2,295
Acquisitions/disposals of financial assets		-	21
Net cash from investing activities		**-4,248**	**-6,082**
Cash flows from financing activities			
New share issue		37,210	-
Transaction expenses attributable to new share issue		-2,654	-
Change in non-current liabilities to credit institutions		913	147
Net cash from financing activities		**35,469**	**147**

SEK thousand	Note	2024	2023
NET CASH FLOW FOR THE YEAR		**21,891**	**-22,388**
Cash and cash equivalents at start of period		17,624	39,976
Translation difference on cash and cash equivalents		93	36
Cash and cash equivalents at end of period		39,608	17,624
Supplementary cash flow statement disclosures			
Interest received during the year		817	564
Interest paid during the year		-55	-37

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK thousand	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	ACCUMULATED LOSS	TOTAL EQUITY
Opening balance at 1/1/2022	**1,203**	**258,410**	**-149,371**	**110,243**
2022 loss			-24,912	-24,912
Non-cash issue	6	1,623		1,629
Issue expenses		-42		-42
Foreign currency effects			2,783	2,783
Closing balance at 31/12/2022	**1,209**	**259,991**	**-171,500**	**89,701**
2023 loss			-22,097	-22,097
Foreign currency effects			4	4
Closing balance at 31/12/2022	**1,209**	**259,991**	**-193,593**	**67,608**
2024 loss			-17,850	**-17,850**
New share issue	266	36,944		**37,210**
Stock options		613		**613**
Issue expenses		-2,653		**-2,653**
Foreign currency effects		1,713		**1,713**
Closing balance at 31/12/2024	**1,475**	**296,608**	**-211,443**	**86,641**

PARENT COMPANY INCOME STATEMENT

SEK thousand	Note	2024	2023
	1		
Operating income			
Net sales	2.3	38,796	25,350
Cost of goods sold		-11,559	-7,612
Gross profit/loss		**27,237**	**17,738**
Operating expenses	4,5,6,7,8		
Selling expenses		-17,051	-18,300
Administrative expenses		-12,417	-13,081
Research and development expenditure		-5,609	-3,034
Other operating income		1,023	670
Other operating expenses		-833	-921
Operating profit/loss		**-7,650**	**-16,928**
Profit/loss from financial items			
Interest income and similar items	8	2,151	776
Interest expenses and similar items	8	-365	-196
Profit/loss after financial items		**-5,864**	**-16,348**
Tax on profit/loss for the year	9	-	-
PROFIT/LOSS FOR THE YEAR		**-5,864**	**-16,348**

PARENT COMPANY BALANCE SHEET

SEK thousand	Note	2024	2023
	1		
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenditure	11	1,712	811
Concessions, patents, licenses, trademarks and similar rights	12	8,629	11,125
Total intangible assets		**10,341**	**11,936**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	13	315	548
Total property, plant and equipment		**315**	**548**
Financial assets			
Investments in Group companies	14	48,095	48,378
Receivables from Group companies		3,140	1,779
Total financial assets		**51,235**	**50,157**
Total non-current assets		**61,891**	**62,641**
Current assets			
Inventories		2,847	3,559
Total inventories		**2,847**	**3,559**

SEK thousand	Note	2024	2023
Current receivables			
Trade receivables		9,010	3,742
Receivables from Group companies		289	603
Other receivables		707	1,139
Earned but not invoiced revenue	17	1,287	2,328
Prepaid expenses and accrued income	17	1,371	1,664
Total current receivables		**12,664**	**9,476**
Cash and bank balances		38,474	16,096
Total current assets		**53,985**	**29,131**
TOTAL ASSETS		**115,876**	**91,772**

PARENT COMPANY BALANCE SHEET

SEK thousand	NOTE	2024	2023
EQUITY AND LIABILITIES			
Equity	19		
Restricted equity			
Share capital		1,475	1,209
Development expenditure fund		901	-
Non-restricted equity			
Share premium reserve		34,291	37,622
Stock options		613	-
Retained earnings		72,285	51,913
Profit/loss for the year		-5,864	-16,348
Total equity		**103,701**	**74,396**
Current liabilities			
Trade payables		1,155	3,979
Current tax liabilities		-	421
Liabilities to Group companies		157	142
Other liabilities		845	829
Invoiced but not earned revenue		947	367
Accrued expenses and deferred income	18	9,071	11,638
Total current liabilities		**12,175**	**17,376**
TOTAL EQUITY AND LIABILITIES		**115,876**	**91,772**

PARENT COMPANY CASH FLOW STATEMENT

SEK thousand	Note	2024	2023
	1		
Cash flows from operating activities			
Profit/loss after tax		-5,864	-16,348
Adjustments for non-cash items			
Depreciation and amortization	10,11,12,13	1,942	3,480
Impairment losses	11	2,583	-
Tax		-	-
Changes in working capital			
Changes in inventories		712	-2,586
Changes in current receivables		-5,423	-1,076
Changes in current liabilities		-4,328	46
Net cash from operating activities		**-10,378**	**-16,484**
Cash flows from investing activities			
Acquisitions of intangible assets, including capitalized development expenditure	10,11,12	-2,694	-1,369
Acquisitions of property, plant and equipment	13	-2	-19
Acquisitions/disposals of financial assets		-	-
Acquisitions of subsidiaries		282	-2,274
Net cash from investing activities		**-2,414**	**-3,662**
Cash flows from financing activities			
New share issue		37,210	-
Transaction expenses attributable to non-cash and new share issues		-2,654	-
Stock options		614	
Net cash from financing activities		**35,170**	**-**

SEK thousand	Note	2024	2023
NET CASH FLOW FOR THE YEAR		**22,378**	**-20,146**
Cash and cash equivalents at start of period		16,096	36,242
Cash and cash equivalents at end of period		38,474	16,096
Supplementary cash flow statement disclosures			
Interest received during the year		824	576
Interest paid during the year		-34	-

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK thousand	SHARE CAPITAL	DEVELOPMENT EXPENDITURE FUND	SHARE PREMIUM RESERVE	SHARE CAPITAL IN PROCESS OF REGISTRATION	SHAREHOLDERS' CONTRIBUTIONS	RETAINED EARNINGS INCLUDING PROFIT/LOSS FOR THE YEAR	TOTAL EQUITY
Opening balance at 1/1/2022	**1,203**	**3,037**	**33,348**	**0**	**0**	**72,924**	**110,513**
2022 loss						-21,357	-21,357
AGM resolution			-33,348			33,348	0
Non-cash issue	6		1,623				1,629
Issue expenses			-42				-42
Development expenditure		-2,131				2,131	0
Closing balance at 31/12/2022	**1,209**	**906**	**1,581**	**0**	**0**	**87,047**	**90,744**
2023 loss						-16,348	-16,348
AGM resolution			-1,581			1,581	0
Development expenditure		-906				906	0
Closing balance at 31/12/2023	**1,209**	**0**	**0**	**0**	**0**	**73,186**	**74,396**
2024 loss						-5,864	-5,864
AGM resolution							
New share issue	266		36,944				37,210
Issue expenses			-2,653				-2,653
Stock options			613				613
Development expenditure		901				-901	0
Closing balance at 31/12/2023	**1,475**	**901**	**34,904**	**0**	**0**	**66,421**	**103,701**

NOTES

NOTE 1
Accounting policies

Financial statements are prepared in compliance with the Swedish Annual Accounts Act and the general advice of the Swedish Accounting Standards Board in BFNAR 2012:1 (K3). These policies have not been changed since the previous year.

Receivables

Receivables have been recognized at the amount expected to be received.

Other assets, provisions and liabilities

Other assets, provisions and liabilities have been measured at cost unless otherwise specified below.

Revenue recognition

Revenue is measured at the fair value of the amount received or receivable. As a result, the Company recognizes revenue at its nominal value (invoice amount) if the consideration is received in cash or cash equivalents immediately upon delivery. Any discounts provided are deducted.

Work in progress

Revenue from work in progress billed on an ongoing basis is recognized as work is performed and materials are delivered or consumed. Work in progress at a fixed price is recognized using the general rule, which means that revenue and expenses attributable to a project are recognized by reference to the stage of completion at the balance sheet date (percentage-of-completion method). As a result of this, revenue, expenses and profit are recognized in the financial year in which the work is performed.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. The assets are depreciated on a straight-line basis over their expected useful lives except for non-depreciable land. The useful lives are reassessed at each balance sheet date. The following useful lives are applied:

	Number of years
Equipment, tools, fixtures and fittings	5

Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses. The assets are amortized on a straight-line basis over their expected useful lives.

The useful lives are reassessed at each balance sheet date. Projects in progress are not amortized. Instead they are tested for impairment annually.

Patents are amortized over their term.

	Number of years
Concessions, patents, licenses, trademarks and similar rights	1-20

Capitalization of internally generated intangible assets

Capitalization model

The Company recognizes internally generated intangible assets in compliance with the capitalization model. Under this model, all expenses incurred during the research phase are expensed as incurred. All expenses incurred during the development phase are capitalized if they meet the criteria of BFNAR 2012:1.

Cost includes employee benefit expenses and consulting expenses incurred during development activities along with a reasonable share of relevant overhead costs and any borrowing costs.

Leases

All leases are expensed on a straight-line basis over the term of the lease.

Income tax

Current tax is the income tax for the current financial year on the taxable profit or loss for the year and the share of the income tax of previous financial years that has not yet been recognized.

Current tax is measured at the probable amount using the tax rates and tax laws in force at the balance sheet date.

Receivables and liabilities in foreign currency

Monetary receivables and liabilities in foreign currency have been translated using the exchange rate at the balance sheet date.

Exchange differences arising when monetary items are settled or translated are recognized in profit or loss during the financial year they arise, either as an operating item or as a financial item depending on the underlying transaction.

Estimates and judgements

Management makes estimates and assumptions about the future. These estimates do not always correspond to the actual results. The estimates and assumptions that may lead to risks of substantial adjustments to the carrying amounts of assets and liabilities are primarily those that involve the measurement of capitalized development expenditure. Assets are tested each year for any indication that the value of an asset is lower than its carrying amount. If such an indication is found, the asset's recoverable amount is calculated, which is the lower of the asset's fair value less costs of disposal and its value in use.

NOTES

NOTE 2
Operating income

SenzaGen's business is to provide complete toxicology solutions for assessing the safety of chemicals, which includes testing and advice. Italy-based CRO VitroScreen S.r.l has been a Group company since 2021 and ToxHub has also been a Group company since 2022. The latter is active in toxicological risk assessment and regulatory strategy consulting within the Group.

NOTE 3
Intra-Group purchases and sales

Of the Parent Company's total purchases and sales, SEK 1,891 (466) thousand is from intra-Group purchases and SEK 1,955 (735) thousand from intra-Group sales.

NOTE 4
Leases

The Group has the following operating leases

	Group		Parent Company	
	2024	2023	2024	2023
Paid during the year	3,707	3,327	1,752	1,494
Future operating leases:				
Maturing within one year	4,239	3,408	2,403	1,698
Maturing within 2–5 years	20,953	7,161	13,811	486
Maturing later than 5 years	-	-	-	-
Total future leases	**25,192**	**10,569**	**16,214**	**2,184**

The lease payments are for cars, machinery and premises.

NOTE 5
Employees and employee benefit expenses

	Group		Parent Company	
	2024	2023	2024	2023
5.1 Average number of employees				
Men	12	11	8	9
Women	20	22	11	12
Total	**32**	**33**	**19**	**21**
5.2 Number of employees at 31 December				
Men	14	12	9	9
Women	20	22	12	11
Total	**34**	**34**	**21**	**20**
5.3 Expensed salaries and other benefits:				
Salaries and benefits – board and CEO	6,354	6,680	3,746	3,979
Salaries and benefits – other employees	15,419	14,831	11,730	11,992
Total	**21,773**	**21,511**	**15,476**	**15,971**
5.4 Social security expenses				
Pension expenses including social security contributions for CEO	971	938	410	398
Pension expenses including social security contributions for other employees	2,804	3,143	1,916	1,768
Other social security contributions	4,629	4,726	4,629	4,672
Total	**8,404**	**8,807**	**6,955**	**6,838**

	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Gender distribution among senior executives				
Percentage of men on board	60%	60%	60%	60%
Percentage of men among senior executives	43%	38%	43%	43%

NOTES

NOTE 6
Agreed remuneration of senior executives

Salaries and other benefits	Base salary / directors' fees	Variable remuneration	Other benefits	Pension expenses	Total
Carl Borrebaeck, Chairman	400	-	-	-	400
Anki Malmborg Hager, Director	200	-	-	-	200
Ian Kimber, Director	200	-	-	-	200
Paul Yianni, Director	200	-	-	-	200
Paula Zeilon, Director	200	-	-	-	200
Total for board	**1,200**	**-**	**-**	**-**	**1,200**
CEO and other senior executives					
Peter Nählstedt, CEO	1,923	361	-	330	2,614
Other senior executives (5 people)	4,732	233	17	810	5,792
Total for senior executives	**6,655**	**594**	**17**	**1,140**	**8,406**
Total for board and senior executives	**7,855**	**594**	**17**	**1,140**	**9,606**

Policies

Fees are paid to the board chairman and directors as per AGM resolution. Remuneration of the CEO and other senior executives consists of a base salary and other benefits (company car). Apart from the CEO, the Group's senior executives comprise five employees and one external member.

The 2024 Annual General Meeting (AGM) resolved on the fees set out above.

Deliberation and decision-making process

A resolution on the CEO's remuneration and benefits was passed by the SenzaGen Board of Directors. The CEO is preparing a proposal on the remuneration and benefits of other senior executives that will be presented to the board.

Comments on tables

Termination benefits

Both SenzaGen and the CEO shall observe a six month notice period. The CEO is entitled to special severance pay for six months. During the notice period, the CEO is entitled to unchanged fringe benefits, including bonuses. Other senior executives are subject to a notice period of between three and six months in the event of termination by either party. No special severance pay will be due.

Share-based remuneration

No directors or other senior executives hold any share-related remuneration (options, convertibles or the like).

SenzaGen has an employee stock option plan for employees and directors that are not employed by SenzaGen (see Note 19).

The cost of this plan for senior executives and the board was charged to profit or loss in the amount of SEK 380 (0) thousand.

Related party transactions

Via his company Ocean Capital, Board Chairman Carl Borrebaeck has been hired by SenzaGen on a consulting basis to provide scientific and strategic project support for the Company. In 2024, a total of SEK 147 thousand was paid in remuneration to Ocean Capital.

Via his company Kimber Biomedical, Director Ian Kimber has been hired by SenzaGen on a consulting basis to provide scientific and strategic support for the Company. In 2024, a total of SEK 41 thousand was paid in remuneration to Kimber Biomedical.

Via his company Yianni Consulting, Director Paul Yianni has been hired by SenzaGen on a consulting basis to provide strategic support for the Company. In 2024, a total of SEK 5 thousand was paid in remuneration to Yianni Consulting.

Agreements were based on market terms.

Apart from the remuneration disclosed above, the Company did not engage in any transactions with directors or other related individuals and subsidiaries in 2024.

NOTES

NOTE 7
Fees and remuneration of Company's auditors

	2024		2023	
	Group	Parent Company	Group	Parent Company
Audit engagement, Mats-Åke Andersson, HLB Auditoriet	375	375	425	425
HLB Analisi, Italy	114	-	101	-
Total	**489**	**375**	**526**	**425**

At the AGM on 15 May 2024, Mats-Åke Andersson was appointed SenzaGen's auditor and Martin Gustafsson was appointed alternate auditor. Mats-Åke Andersson and Martin Gustafsson are authorized public accountants and members of the Institute for the Accountancy Profession in Sweden (FAR). HLB Analsi in Italy was hired to audit the Italian subsidiaries.

Audit engagements involve auditing the annual report, the accounting records and the management on the part of the board and CEO, other duties that the Company's auditor is required to perform and providing advice or other assistance prompted by observations during the audit or the performance of other tasks.

NOTE 8
Interest income and interest expenses

Interest income and similar items	Group		Parent Company	
	2024	2023	2024	2023
Interest income	817	564	824	576
Other items	248	200	269	200
Total	**1,065**	**764**	**1,093**	**776**

Interest expenses and similar items	Group		Parent Company	
	2024	2023	2024	2023
Interest expenses	-55	-37	-34	-
Other items	-422	-217	-331	-196
Total	**-477**	**-254**	**-365**	**-196**

NOTE 9
Tax on this year's result

	Group		Parent Company	
	2024	2023	2024	2023
Current tax	-27	-676	-	-
Deferred tax	577	579	-	-
Other taxes	-39	-24	-	-
Total	**511**	**-121**	**-**	**-**

NOTES

NOTE 10
Goodwill

	2024-12-31	2023-12-31
Accumulated cost		
Opening cost	29,217	24,851
Acquisition balance	-	4,438
Translation difference	1,029	-72
Closing accumulated cost	**30,246**	**29,217**
Accumulated amortization		
Opening amortization	-8,224	-3,204
Depreciation for the year	-6,049	-5,029
Translation difference	-290	9
Closing accumulated depreciation	**-14,563**	**-8,224**
Closing carrying amount	**15,683**	**20,993**

NOTE 11
Capitalized development expenditure

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Opening cost	29,526	29,544	23,393	23,393
Acquisitions	2,800	-	1,613	-
Translation difference	216	-18	-	-
Closing accumulated cost	**32,542**	**29,526**	**25,006**	**23,393**
Accumulated amortization				
Opening amortization	-12,395	-9,043	-9,840	-7,710
Depreciation for the year	-1,976	-3,399	-712	-2,130
Translation difference	-97	47	-	-
Closing accumulated depreciation	**-14,468**	**-12,395**	**-10,552**	**-9,840**
Accumulated impairment losses				
Opening impairment losses	-12,742	-12,742	-12,742	-12,742
Closing accumulated impairment losses	**-12,742**	**-12,742**	**-12,742**	**-12,742**
Closing carrying amount	**5,332**	**4,389**	**1,712**	**811**

Through 2019, SenzaGen received an EU grant for funding development expenditure. These expenses were capitalized as per Company policy and were written down by the same amount because this is funded by the EU grant. Capitalized research and development expenditure for the year totaled SEK 2.8 (0) million.

Capitalized development expenditure was for the development of new products. The amortization period for intangible assets such as capitalized development expenditure is 5–10 years. The amortization period depends on parameters such as the product life cycle and agreement terms, which should match the period during which the asset gives the Company economic benefits. Amortization begins when development projects are ready for launch.

Disclosure on impairment testing: In the event of an indication that the carrying amount exceeds the recoverable amount, differences are charged to the profit or loss for the period on a rolling basis when they arise. The recoverable amount for capitalized development expenditure is measured based on the expected useful life and volume. This calculation uses estimated future cash flows based on financial forecasts approved by Management and covering the product life cycles. In consideration of the above, Management believes that there is no indication of impairment at 31 December 2024.

NOTE 12
Concessions, patents, licenses, trademarks and similar rights

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accumulated cost				
Opening cost	36,255	34,932	15,437	14,068
Acquisition balance	-	-	-	-
Acquisitions	1,081	1,383	1,081	1,369
Translation difference	732	-60	-	-
Closing accumulated cost	**38,068**	**36,255**	**16,518**	**15,437**
Accumulated scheduled depreciation				
Opening depreciation	-6,627	-4,584	-4,312	-3,294
Acquisition balance	-	-	-	-
Depreciation for the year	-2,056	-2,049	-994	-1,018
Translation difference	-83	7	-	-
Closing accumulated depreciation	**-8,766**	**-6,627**	**-5,306**	**-4,312**
Accumulated impairment losses				
Opening impairment losses	-	-	-	-
Impairment losses for the year	-2,583	-	-2,583	-
Closing accumulated impairment losses	**-2,583**	**-**	**-2,583**	**-**
Closing carrying amount	**26,719**	**29,628**	**8,629**	**11,125**

The impairment loss is attributable to savings on patent expenses for undeveloped products.

NOTES

NOTE 13
Equipment, tools, fixtures and fittings

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
EQUIPMENT				
Accumulated cost				
Opening cost	13,600	13,514	4,298	4,279
Acquisition balance	-	-	-	-
Acquisitions	621	126	-	19
Retirement of equipment	-	-	-	-
Translation difference	323	-40	-	-
Closing accumulated cost	**14,544**	**13,600**	**4,298**	**4,298**
Accumulated scheduled depreciation				
Opening depreciation	-11,966	-11,216	-3,810	-3,529
Acquisition balance	-	-	-	-
Retirement of equipment	-	-	-	-
Depreciation for the year	-648	-786	-217	-281
Translation difference	-286	36	-	-
Closing accumulated depreciation	**-12,900**	**-11,966**	**-4,027**	**-3,810**
Closing carrying amount	**1,644**	**1,634**	**271**	**488**

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
FIXTURES AND FITTINGS				
Accumulated cost				
Opening cost	1,577	1,581	453	453
Acquisitions	2	-	2	-
Retirement of fixtures and fittings	-	-	-	-
Translation difference	40	-4	-	-
Closing accumulated cost	**1,619**	**1,577**	**455**	**453**
Accumulated scheduled depreciation				
Opening depreciation	-1,400	-1,304	-393	-342
Retirement of fixtures and fittings	-	-	-	-
Depreciation for the year	-65	-99	-18	-51
Translation difference	-35	3	–	-
Closing accumulated depreciation	**-1,500**	**-1,400**	**-411**	**-393**
Closing carrying amount	**119**	**177**	**44**	**60**
Total closing carrying amount	**1,763**	**1,811**	**315**	**548**

NOTES

NOTE 14
Investments in Group companies

Parent Company	2024	2023
Accumulated cost		
Opening cost	50,663	46,103
Shareholder contribution	574	-
Acquisitions	-	4,560
Closing accumulated cost	**51,237**	**50,663**
Accumulated impairment losses		
Opening impairment losses	-2,285	-
Impairment losses for the year	-857	-2,285
Closing accumulated impairment losses	**-3,142**	**-2,285**
Closing carrying amount	**48,095**	**48,378**

Name	Headquarters	Company reg. no.	Ownership	Number of shares	Carrying amount
SenzaGen Inc.	North Carolina, USA	C3870650	100%	1,000 shares	84
VitroScreen S.r.l.	Milan, Italy	MI-1653696	100%	15,000 quotas	40,060
ToxHub S.r.l.	Rome, Italy	MI-2690194	100%	10,000 quotas	7,950

NOTE 15
Disclosures on share capital and earnings per share

	Number of shares	Quotient value per share	Share capital
Number/quotient value of shares at start of year	24,188,325	0.05	1,209,416
Number/quotient value of shares at end of year	29,504,026	0.05	1,475,201

	2024	2023
Earnings per share		
Earnings per share (SEK)	-0.65	-0.91
Fully diluted earnings per share (SEK)	-0.65	-0.91

Earnings per share is calculated as profit or loss for the year as a percentage of the weighted average of the number of outstanding shares during the year. Per-share data was calculated based on the following numbers of shares.

	2024	2023
Number of outstanding shares (thousands)		
Weighted average during the year	27,289	24,188
At the end of the year,	29,504	24,188

NOTE 16
Pledged assets and contingent liabilities

	2024	2023
For the Group's own liabilities		
Floating charges	9,500	7,500
Contingent liabilities	None	None

Floating charges refer to an unpledged mortgage deed with Skandinaviska Enskilda Banken (SEB).

NOTES

NOTE 17
Prepaid expenses and accrued income

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Prepaid rent	463	390	392	386
Prepaid insurance	119	198	119	97
Earned but not invoiced revenue	1,287	2,328	1,287	2,328
Other items	840	1,229	860	1,181
Total	**2,709**	**4,145**	**2,658**	**3,992**

NOTE 18
Accrued expenses and deferred income

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accrued employee benefit expenses	2,499	2,225	2,180	1,941
Additional consideration – acquisition	4,161	8,877	4,161	8,877
Other items	2,697	827	2,730	820
Total	**9,357**	**11,929**	**9,071**	**11,638**

NOTE 19
Equity

At 31 December 2024, the share capital comprised 29,504,026 shares with a quotient value of SEK 0.05.

Each share entitles the holder to one vote and each shareholder with voting rights may vote at the general meeting on the basis of the full number of shares held and represented by him or her without any voting right restrictions. All shares confer equal rights to a share in the Company's assets and profits. The Company itself does not hold any shares.

Convertibles, stock options and similar rights

2022/2025 stock option plan
The AGM on 5 May 2022 resolved to approve the board's proposal to issue a maximum of 812,500 stock options, as a result of which the Company's share capital may increase by a maximum of SEK 40,625.

With the shareholders' preemptive rights waived, employees of the Company and the Group shall be entitled to subscribe for the stock options as follows:

The Group CEO will be offered to subscribe for a maximum of 75,000 options.
Members of Group Management and key personnel comprising up to ten positions will each be offered to subscribe for between 25,000 and 50,000 options, altogether comprising a maximum of 450,000 options.

Other employees and consultants considered key personnel in the Group, comprising twenty-one individuals, will be offered to subscribe for between 12,500 and 25,000 options each, altogether comprising a maximum of 287,500 stock options.

The subscriber is entitled to subscribe for stock options free of charge. The market value of the option has been calculated using the Black-Scholes pricing model, adjusted for barrier conditions to calculate the Company's social security expenses.

The stock options are subject to barrier conditions and cannot be exercised to subscribe for shares until the barrier level has been reached. The barriers are calculated as 158% and 300% of the average of the listed volume-weighted price paid for each trading day as per the Nasdaq First North Growth Market's official price list for shares in the Company during the period from 21 April 2022 to 4 May 2022. Stock options subject to barriers cannot be exercised until the volume-weighted price paid measured per trading day as per the Nasdaq First North Growth Market's official price list for shares in the Company during the share subscription period is higher than the barrier level.

Each stock option entitles the holder to subscribe for one new share in the Company in exchange for cash payment, provided that the barrier conditions have been met, during the period from 1 June 2025 to 30 September 2025 or the earlier date set out in the option rules.

The maximum dilutive effect of the 2022/2025 series is estimated to be no more than 3.27% of the total number of shares and votes in the Company (calculated based on the number of existing shares in the Company without taking into account other outstanding stock options), provided that all offered stock options are issued and exercised.

NOTES

2023/2026 stock option plan
The AGM on 4 May 2023 resolved to approve the board's proposal to issue a maximum of 1,015,000 stock options, as a result of which the Company's share capital may increase by a maximum of SEK 50,750.

With the shareholders' preemptive rights waived, employees of the Company and the Group shall be entitled to subscribe for the stock options as follows:

The Group CEO will be offered to subscribe for a maximum of 200,000 options.
Members of Group Management and key personnel comprising up to eleven positions will each be offered to subscribe for a maximum of 50,000 options, altogether comprising a maximum of 500,000 options.

Other employees and consultants considered key personnel in the Group, comprising twenty-three individuals, will be offered to subscribe for between 10,000 and 25,000 options each, altogether comprising a maximum of 315,000 stock options.

The subscriber is entitled to subscribe for stock options free of charge. The market value of the option has been calculated using the Black-Scholes pricing model, adjusted for barrier conditions to calculate the Company's social security expenses.

The stock options are subject to barrier conditions and cannot be exercised to subscribe for shares until the barrier level has been reached. The barriers are calculated as 158% and 300% of the average of the listed volume-weighted price paid for each trading day as per the Nasdaq First North Growth Market's official price list for shares in the Company during the period from 19 April 2023 to 3 May 2023. Stock options subject to barriers cannot be exercised until the volume-weighted price paid measured per trading day as per the Nasdaq First North Growth Market's official price list for shares in the Company during the share subscription period is higher than the barrier level.

Each stock option entitles the holder to subscribe for one new share in the Company in exchange for cash payment, provided that the barrier conditions have been met, during the period from 1 June 2026 to 30 September 2026 or the earlier date set out in the option rules.

The maximum dilutive effect of the 2023/2026 series is estimated to be no more than 4% of the total number of shares and votes in the Company (calculated based on the number of existing shares in the Company without taking into account other outstanding stock options), provided that all offered stock options are issued and exercised.

2024/2027 stock option plan
The AGM on 15 May 2024 resolved to approve the board's proposal to issue a maximum of 750,000 stock options, as a result of which the Company's share capital may increase by a maximum of SEK 37,500.

With the shareholders' preemptive rights waived, employees of the Company and the Group shall be entitled to subscribe for the stock options as follows:

The Group CEO will be offered to subscribe for a maximum of 100,000 options.
Members of Group Management and key personnel comprising up to eight positions will each be offered to subscribe for a maximum of 50,000 options, altogether comprising a maximum of 375,000 options.

Other employees and consultants considered key personnel in the Group, comprising twenty-three individuals, will be offered to subscribe for between 5,000 and 25,000 options each, altogether comprising a maximum of 275,000 stock options.

The subscriber is entitled to subscribe for stock options free of charge. The market value of the option has been calculated using the Black-Scholes pricing model, adjusted for barrier conditions to calculate the Company's social security expenses.

The stock options are subject to barrier conditions and cannot be exercised to subscribe for shares until the barrier level has been reached. The barriers are calculated as 158% and 300% of the average of the listed volume-weighted price paid for each trading day as per the Nasdaq First North Growth Market's official price list for shares in the Company during the period from 29 April 2024 to 14 May 2024. Stock options subject to barriers cannot be exercised until the volume-weighted price paid measured per trading day as per the Nasdaq First North Growth Market's official price list for shares in the Company during the share subscription period is higher than the barrier level.

Each stock option entitles the holder to subscribe for one new share in the Company in exchange for cash payment, provided that the barrier conditions have been met, during the period from 1 June 2027 to 30 September 2027 or the earlier date set out in the option rules.

The maximum dilutive effect of the 2024/2027 series is estimated to be no more than 3.0% of the total number of shares and votes in the Company (calculated based on the number of existing shares in the Company without taking into account other outstanding stock options), provided that all offered stock options are issued and exercised.

ANNUAL REPORT SIGNATURES

Carl Borrebaeck
Chairman

Ian Kimber
Director

Anki Malmborg Hager
Director

Paul Yianni
Director

Paula Zeilon
Director

Peter Nählstedt
CEO

The annual report and consolidated financial statements were adopted by the board on 10 April 2025.

My auditor's report was submitted on 10 April 2025.

Mats-Åke Andersson
Authorized Public Accountant

SHARE CAPITAL CHANGES

Share capital changes

The table below shows the history of changes in share capital since 2010.

Year	Transaction	Increase in share capital	Increase in number of shares	Total share capital	Number of shares	Quotient value (SEK)
2010	Founding of company			50,000	1,000,000	0.05
2014	Bonus issue	2,500	50,000	52,500	1,050,000	0.05
2015	New share issue	55,660	1,113,200	108,160	2,163,200	0.05
2017	Bonus issue	432,640	-	540,800	2,163,200	0.25
2017	1:5 share split	-	8,652,800	540,800	10,816,000	0.05
2017	New share issue	232,250	4,645,000	773,050	15,461,000	0.05
2018	Option redemption	5,850	117,000	778,900	15,578,000	0.05
2019	Option redemption	7,925	158,500	768,825	15,736,500	0.05
2019	New share issue	281,057	5,621,136	1,067,882	21,357,636	0.05
2021	New share issue	114,535	2,290,694	1,182,417	23,648,330	0.05
2021	Non-cash issue	20,829	416,586	1,203,246	24,064,916	0.05
2022	Non-cash issue	6	123,409	1,209,416	24,188,325	0.05
2024	New share issue	265,785	5,315,701	1,475,201	29,504,026	0.05

Shareholders[1]	Number of shares	Percentage of share capital and votes
Caceis Bank, Germany Branch, W8IMY	1,936,586	6.6
Carl Borrebaeck	1,694,000	5.7
Ålandsbanken in place of owner	1,683,722	5.7
Malin Lindstedt	1,614,830	5.5
Hans Westberg	1,323,231	4.5
Nordnet Pensionsförsäkring AB	1,287,311	4.4
Suad Nimani	1,162,913	3.9
Försäkringsaktiebolaget Avanza Pension	797,233	2.7
Jonas Pålsson	750,000	2.5
Futur Pension Försäkringsaktiebolag	721,033	2.4
Total for 10 largest shareholders	**12,970,859**	**44.0**
Other shareholders	16,533,167	56.0
Total	**29,504,026**	**100.0**

[1]The total number of shareholders at 30/12/2024 was 2,683 (2,869) (Euroclear).

SenzaGen stock

SenzaGen's stock has been listed on the Nasdaq First North Growth Market since 21 September 2017.

Ticker symbol: SENZA

ISIN code: SE0010219626

Sector: Health Care

AUDITOR'S REPORT

To the Annual General Meeting of SenzaGen AB (publ) Company registration number 556821-9207

Report on the annual report
I have performed an audit of the annual report and consolidated financial statements of SenzaGen AB (publ) for the 2024 financial year. The Company's annual report and consolidated financial statements are presented on pages 26–49 of this document.

In my opinion, the annual report and consolidated financial statements have been presented in accordance with the Swedish Annual Accounts Act and, in all material respects, provide a true and fair view of the Parent Company and the Group's financial position at 31 December 2024, financial performance and cash flows for the year in accordance with the Swedish Annual Accounts Act. The directors' report is consistent with the other parts of the annual report and consolidated financial statements.

I therefore recommend the consolidated and Parent Company income statements and balance sheets for adoption by the annual general meeting.

Basis for opinions
I have performed the audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. My responsibility under theses standards is described in more detail in the section entitled Responsibility of the auditor. I am independent of the Parent Company and the Group in accordance with generally accepted auditing practices in Sweden and I have fulfilled our other ethical responsibilities under these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our opinions.

Information apart from the annual report and consolidated financial statements
The board of directors and CEO are responsible for this other information. The other information is in the document entitled Annual report for 2024 but does not include the annual report, consolidated financial statements and our auditor's report on these.

My opinion on the annual report and consolidated financial statements does not include this information and I do not provide any opinion on adoption of this other information.

In conjunction with my audit of the annual report and consolidated financial statements, I am responsible for reading the information identified above and considering whether the information is inconsistent with the annual report and consolidated financial statements to a material extent. During this review, I also consider the other knowledge I have obtained during the audit and determine whether the information otherwise seems to contain material misstatements.

If, based on the work performed with respect to this information, I come to the conclusion that this other information contains a material misstatement, then I am required to report this. I have nothing to report in this respect.

Responsibility of the board of directors and CEO
The board of directors and CEO are responsible for the preparation of an annual report and consolidated financial statements that provide a true and fair view in accordance with the Swedish Annual Accounts Act. The board of directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of an annual report and consolidated financial statements that are free of material misstatement, whether due to fraud or error.

During preparation of the annual report and consolidated financial statements, the board of directors and CEO are responsible for assessing the Company and Group's ability to continue business. They provide disclosures, where applicable, on circumstances that could affect the ability to continue business and to apply the going concern assumption. However, the going concern assumption is not applied if the board of directors and CEO plan to liquidate the company, discontinue the business or do not have any realistic alternative to doing this.

Responsibility of the auditor
My objectives are to obtain a reasonable degree of certainty on whether the annual report and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to submit an auditor's report expressing our opinions. Reasonable certainty is a high degree of certainty, but does not serve as a guarantee that an audit performed in accordance with the ISAs and generally accepted auditing practices in Sweden will always discover a material misstatement if there is one. Misstatements may occur due to fraud or error and may be considered material if they individually or jointly can be reasonably expected to influence the financial decisions made by users on the basis of the annual report and consolidated financial statements.

As part of an audit in accordance with the ISAs, I use my professional judgment and take a professionally skeptical approach throughout the audit. In addition:
- I identify and evaluate the risks of material misstatement in the annual report and consolidated financial statements, whether due to fraud or error, I design and perform audit procedures based in part on these risks, and I obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of failing to discover a material misstatement due to fraud is higher than for a material misstatement due to error, because fraud may include collusion, forgery, deliberate omissions, incorrect information or neglect of internal controls.
- I obtain an understanding of those elements of the company's internal controls that are of significance to my audit in order to design audit procedures that are appropriate in consideration of the circumstances, but not to express an opinion on the effectiveness of internal controls.
- I also evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and CEO.
- I form an opinion on the suitableness of application of the going concern assumption by the board of directors and CEO in the preparation of the annual report and consolidated financial statements. On the basis of the audit evidence obtained, I also form an opinion as to whether there is any material factor of uncertainty with respect to such events or circumstances as could lead to significant doubt about the Company and Group's ability to continue business. If, in my opinion, there is a material factor of uncertainty, my audit report must call attention to the disclosures in the annual report and consolidated financial statements on this material factor of uncertainty or, if such disclosures are insufficient, I must modify my opinion on the annual report and consolidated financial statements. My opinions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in a company and group being unable to continue business.

AUDITOR'S REPORT

- I evaluate the overall presentation, structure and contents of the annual report and consolidated financial statements, including the disclosures, and whether the annual report provides a true and fair view of the underlying transactions and events.
- I obtain sufficient and appropriate audit evidence on the financial information for the units and business activities within the Group in order to express an opinion on the consolidated financial statements. I am responsible for the control, monitoring and performance of the audit of the consolidated financial statements. I am solely responsible for my opinions.

I must inform the board of directors of the planned scope, focus and timing of the audit. I must also inform the board of directors of significant observations during the audit, including any material internal control deficiencies I have identified.

Report on other legal and regulatory requirements

Opinions
In addition to my audit of the annual report and the consolidated financial statements, I have audited the management of SenzaGen AB (publ) for the 2024 financial year on the part of the Board of Directors and CEO and the proposed appropriation of the Company's profit or loss.

I recommend that the annual general meeting distribute the earnings in accordance with the proposal in the directors' report and discharge the board directors and CEO from liability for the financial year.

Basis for opinions
I have performed the audit in accordance with generally accepted auditing practices in Sweden. My responsibility under theses practices is described in more detail in the section entitled Responsibility of the auditor. I am independent of the Parent Company and the Group in accordance with generally accepted auditing practices in Sweden and I have fulfilled my other ethical responsibilities under these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibility of the board of directors and CEO
The board of directors is responsible for the proposed appropriation of the Company's profit or loss. Proposed dividends include an assessment of whether the dividend is justifiable in consideration of the requirements posed by the Company and Group's type of business, scope and risks on the size of the Parent Company and Group's equity, consolidation needs, liquidity and financial position in other respects.

The board of directors is responsible for the Company's organization and for management of the company's affairs. This includes assessing the Company and the Group's financial situation on an ongoing basis and ensuring that the Company's organization is structured in such a way as to ensure other adequate controls on bookkeeping, asset management and the company's financial affairs. The CEO shall take responsibility for day-to-day management in accordance with the guidelines and instructions of the board of directors and shall take the actions necessary to ensure compliance of the Company's bookkeeping with the law and adequate asset management.

Responsibility of the auditor
My objective in my audit of management, and thus our opinion on discharge from liability, is to obtain audit evidence to enable an assessment with a reasonable degree of certainty as to whether any board director or the CEO, in a material respect:
- has taken an action or is guilty of negligence that could incur liability for damages to the Company, or
- has otherwise infringed the Swedish Companies Act, the Swedish Annual Accounts Act or the Company's articles of association.

My objective in my audit of the proposed appropriation of the Company's profit or loss, and thus my opinion on this proposal, is to assess with a reasonable degree of certainty whether the proposal is in harmony with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but does not serve as a guarantee that an audit performed in accordance with generally accepted auditing practices in Sweden will always discover actions or negligence that could incur liability to pay damages to the Company, or that the proposed appropriation of the Company's profit or loss is in harmony with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing practices in Sweden, I use my professional judgment and take a professionally skeptical approach throughout the audit. My review of management and the proposed appropriation of the Company's profit or loss is mainly based on the my audit of the financial statements. My selection of additional audit procedures to perform is based on our professional judgement in consideration of the risk and materiality. This means that I focus my audit on those actions, areas and circumstances that are material to the business and where divergences and breaches would have particular significance for the Company's situation. I review and assess decisions made, decision-making documentation, actions taken and other circumstances relevant to my opinion on discharge from liability. As the basis for my opinion on the board of directors' proposed appropriation of the company's profit or loss, I have assessed whether the proposal is in harmony with the Swedish Companies Act.

Lund,
10/04/2025

Mats-Åke Andersson
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

SenzaGen AB (publ) is a Swedish public limited liability company (svenskt publikt aktiebolag). Its headquarters are in Lund and its stock is traded on the Nasdaq First North Growth Market. SenzaGen has around 3,000 shareholders. In addition to the Parent Company, the Group comprises the following wholly-owned subsidiaries: SenzaGen Inc (USA), VitroScreen s.r.l. (Italy) and ToxHub s.r.l. (Italy).

Responsibility for management and control of SenzaGen is divided between the shareholders at the annual general meeting, the board of directors and the CEO as per the Swedish Companies Act, applicable rules for companies whose stock is listed on the Nasdaq First North Growth Market, the Company's articles of association and the board's internal policy documents.

Annual General Meeting (AGM)
The right of the shareholders to decide on SenzaGen's affairs is exercised at the AGM, which is the Company's highest decision-making body. The AGM decides on several key agenda items, including the appropriation of the Company's retained earnings, the adoption of the income statement and balance sheet, the discharge from liability for the board and CEO, the election of the board and auditors and the board and auditor's fees. Extraordinary general meetings may be held if the board believes such is needed or if the Company's auditors or shareholders with at least 10% shareholdings request such. SenzaGen's principal owners are disclosed under the Changes in share capital heading on page 49.

Seven shareholders representing 16% of the total shares and votes in the Company attended SenzaGen's AGM on 15 May 2024 in Lund. All board directors and the Company's auditors were present or represented at the AGM. The AGM resolved to pass all proposals presented by the board and shareholders, including authorization for the board to resolve to issue new shares.

Nomination Committee
The 2019 AGM resolved on policies for SenzaGen's Nomination Committee that are applicable until further notice. The main task of the Nomination Committee is to propose board candidates to the AGM, who are then elected by the AGM. The work of the Nomination Committee starts with reading the evaluation of the board's work commissioned by the board. Then, the Nomination Committee nominates directors and the chairman of the board for the upcoming term. In addition, the Nomination Committee proposes candidates for the position of auditor and presents proposals for the remuneration of the board and auditors.

As per its policies, the SenzaGen Nomination Committee shall comprise the board chairman and one representative from each of the three largest shareholders in terms of the number of votes. The Nomination Committee for the 2025 AGM comprises Malin Lindstedt, Nomination Committee Chair, Matthias Durner representing ShapeQ, Hans Westberg and the Company's board chairman Carl Borrebaeck. The Nomination Committee had one meeting in 2024 at which minutes were taken.

Board of Directors
The board of directors is responsible for SenzaGen's organization and for management of the Company's affairs. The work of the board is governed by the Swedish Companies Act, the articles of association and the work plan adopted by the board. According to the articles of association, the board shall comprise a minimum of three and a maximum of ten directors with a maximum of five alternates.

The 2024 AGM re-elected Carl Borrebaeck, Ian Kimber, Ann-Christin Malmborg Hager, Paul Yianni and Paula Zeilon. The Company does not have specific committees for auditing and remuneration issues. The full board addresses these issues. Biographies of the directors and their independence can be found on page 54.

Board work and evaluation
The board adopts a formal work plan each year. The work plan is adopted at the first board meeting after the AGM (Statutory Board Meeting) and updated after that as needed. The work plan describes the board's responsibilities and tasks, the division of responsibilities and tasks within the board as well as its working methods, and the division of responsibilities and tasks between the board and the CEO. The currently applicable work plan was adopted on 15 May 2024. The chairman evaluates the work of the board once a year.

Board meetings
The SenzaGen Board of Directors held 12 meetings at which minutes were taken during the year; one was the Statutory Board Meeting. At all regular board meetings, the CEO informed directors of the Group's financial position and of significant events in the Company's business. Director attendance at the meetings is shown in the table below.

The Company's CEO and CFO regularly attend board meetings. Other executives attend board meetings as needed. The Company's CFO normally serves as secretary at board meetings. The Company's auditor attended at least one of the regular meetings during the year.

Board remuneration
The 2024 AGM set directors' fees for the board chairman at SEK 400,000 and for each of the other directors at SEK 200,000. Board remuneration is described further in Note 6.

Auditor
The Company's auditor, Mats-Åke Andersson, HLB Auditoriet AB, was elected at the 2024 AGM for a term lasting until 2025.

CEO and Management
The CEO is appointed by the board and manages the Company in accordance with the policies and directives adopted by the board. The applicable terms of reference issued to the CEO were adopted by the board on 15 May 2024. The CEO prepares informative and decision-making documentation for board meetings and maintains ongoing dialogue with the board chairman regarding the performance of the Group. The CEO is assisted by a management team consisting of the VPs for each of the Company's functional areas. A more detailed description of the CEO and management team can be found on page 55.

Remuneration of the CEO and other senior executives
The 2024 AGM resolved that the pay of Group Management shall comprise a fixed base salary and variable performance-based remuneration. The variable remuneration includes an individual variable annual fee and may also include a long-term incentive program as a complement. The total remuneration for members of Group Management shall be on market terms. Salaries and other benefits for the CEO and other senior executives are disclosed in Note 6.

Internal control
The board is responsible for keeping an effective system in place for internal control and risk management. The CEO is delegated responsibility for creating a solid foundation for working on these issues. Both Management and managers at various levels of the Company have this responsibility in their respective areas. Powers and responsibilities are defined in guidelines, specifications of responsibilities, policies for approval permissions, and other policies. SenzaGen does not have an internal audit function because the need for such is not justified by the extent and risk exposure of the Company's business.

Director attendance at board meetings

Carl Borrebaeck, chairman	12 of 12
Ian Kimber	11 of 12
Ann-Christin Malmborg Hager	12 of 12
Paula Zeilon	12 of 12
Paul Yianni	12 of 12

BOARD OF DIRECTORS

CARL BORREBAECK

Chairman since 2015, director since February 2010.
Born in 1948.

Education and experience:
Professor of immunotechnology, DSc major in molecular immunology, MSc in chemical engineering, MSc in life science.

Carl Borrebaeck is a professor at the Department of Immunotechnology and chairman of the CREATE Health translational cancer research center at Lund University. He is an entrepreneur and founded SenzaGen AB and several other life science companies, including Immunovia AB, Alligator Bioscience AB and BioInvent International AB. He is also a founding mentor for the Nordic Mentor Network for Entrepreneurship (NOME), a member of the Royal Swedish Academy of Engineering Sciences (IVA) and former vice-chancellor at Lund University. Carl has won a number of awards for his entrepreneurship and groundbreaking research, including AkzoNobel's Science Prize in 2009, the Royal Swedish Academy of Engineering Sciences (IVA) Gold Medal in 2012, and the Biotech Builder Award in 2017.

Other significant appointments:
Board chairman of PainDrainer AB and CB Ocean Capital AB.

Shareholding:
1,694,000 shares.

Independence:
Independent of the Company, Management and major shareholders.

ANKI MALMBORG HAGER

Director since 2019.
Born in 1965.

Education and experience:
PhD in immunotechnology, MSc in chemical engineering, Pharma MBA.

Anki Malmborg Hager has extensive experience from starting life science companies originating from Lund university research. Anki served as CEO of SenzaGen from 2014 to 2019. Her past experience includes CEO of PainDrainer AB, Cantargia AB, XImmune AB and Diaprost AB, and before that, Investment Director at LU Bioscience AB and VP Business Development at Alligator Bioscience AB.

Other significant appointments:
CEO of Lead Biologics International AB. Board director at NanoEcho AB, Pharma Holdings and Hager Consulting AB.

Shareholding:
385,000 shares.

Independence:
Independent of the Company, Management and major shareholders.

IAN KIMBER

Director since 2015.
Born in 1950.

Education and experience:
Emeritus professor of toxicology, PhD and MSc in immunology, BSc in biology.

Ian Kimber is Emeritus Professor of Toxicology at the University of Manchester. He has extensive experience in academia, as well as in the pharmaceutical, biopharmaceutical, and agrochemical industries, and as an independent consultant. Professor Kimber has won several prestigious awards for his scientific and research contributions, including the Society of Toxicology Distinguished Toxicology Scholar Award (2015). He received the OBE for Services to Science in the Queen's Birthday Honours List (2011). He also serves on numerous expert committees and scientific advisory groups both in the UK and internationally.

Other significant appointments:
Emeritus Professor of Toxicology at the University of Manchester.

Shareholding:
1,500 shares.

Independence:
Independent of the Company, Management and major shareholders.

PAULA ZEILON

Director since 2020.
Born in 1962.

Education and experience:
MSc in chemical engineering and business administration.

Paula Zeilon has 30 years of management experience from the life science industry including a consulting business in the field of business development and management focusing on the commercialization of new products on international markets. Her past experience includes CEO of Life Science Foresight Institute, CEO of Alligator Biosciences AB, Director Marketing at Dako A/S, Director Marketing at Biotage AB, and management positions with Pharmacia Biotech (now Cytiva).

Other significant appointments:
None.

Shareholding:
7,800 shares.

Independence:
Independent of the Company, Management and major shareholders.

PAUL YIANNI

Director since 2020.
Born in 1959.

Education and experience:
PhD in chemistry.

Paul Yianni runs his own consulting business with a focus on business development, strategy and business coaching. Paul has over 30 years of management experience from the chemicals industry, and he has broad international experience from various technical and commercial functions, including at Dow Corning and Shell Chemicals. His previous positions include CEO of Spolchemie in Czechia and head of M&A at DIC Europe in Germany.

Other significant appointments:
None.

Shareholding:
60,000 shares.

Independence:
Independent of the Company, Management and major shareholders.

SENIOR EXECUTIVES

PETER NÄHLSTEDT
President and CEO.

CEO since 2021, involved with Company since 2019. Director 2018-2021.
Born in 1974.

Education and experience:
MSc in chemical engineering and BSc in business administration from Lund University.

Peter Nählstedt has extensive experience in developing global growth companies in the life sciences industry with a focus on both organic and acquisition-driven growth. In recent years, he had led several international growth projects as a consultant and a board professional. His most recent operational role was as CEO of Probi AB. His past experience includes management positions in strategy, marketing and sales with GE Healthcare Life Science and Trelleborg Marine Systems.

Other significant appointments:
Board chairman at Super Synbiotics AB and board director at Bio-Works AB.

Shareholding:

74,408 shares and 375,000 stock options.

MARIANNE OLSSON
VP Finance.

Employee since 2016 and part of management team since 2016.
Born in 1961.

Education and experience:
Certified Financial Manager via FAR.

Marianne Olsson has over 25 years of experience at Lund University where she has served as department economist, financial officer and most recently administrative manager for the Department of Immunotechnology. In addition, Marianne has been a member of the Lund University Faculty of Engineering (LTH) board and a member of the management team and department board at the Department of Immunotechnology.

Other significant appointments:
None.

Shareholding:
114,285 shares and 150,000 stock options.

ANNA CHÉROUVRIER HANSSON
VP Business Development & Strategy.

Employee since 2017 and part of management team since 2017.

Born in 1973.

Education and experience:
MSc in European business administration and business law from Lund University, BSc in business administration at Groupe ESC-Reims in France and Fachhochschule Reutlingen in Germany.

Anna Chérouvrier Hansson has extensive experience in marketing, sales and business development at companies including Camurus, Novo Nordisk, Gambro and DuPont. In addition, Anna has been a partner at Zitha Consulting, where she focused on commercialization strategy in the pharmaceutical industry, and head of life science investments at Invest in Skåne.

Other significant appointments:
None.

Shareholding:

19,153 shares and 130,000 stock options.

TINA DACKEMARK LAWESSON
VP Marketing & Communications.

Employee since 2018 and part of management team since 2019.

Born in 1968.

Education and experience:
Bachelor of education (languages) from Malmö Lärarhögskola and journalism studies at Humber College in Canada.

Tina Dackemark Lawesson has long-standing and broad experience in marketing, IR and communications at life science and technology companies in the build-up and growth phases. She has previously held similar positions, including at INVISIO, Cellavision and Enzymatica.

Other significant appointments:
Board director at Medimi AB.

Shareholding:

3,000 shares and 150,000 stock options.

SENIOR EXECUTIVES

ANDY FORRERYD
VP Sales.

Employee since 2017 and part of management team since 2022.
Born in 1984.

Education and experience:
PhD in immunotechnology and MSc in biotechnology engineering from Lund University.

Andy Forreryd has many years of experience in the field of *in vitro* assay development, genomics and machine learning. He is a specialist in biomarker discovery, a skilled research communicator and a co-developer of the GARD® technology platform.

Other significant appointments: None.

Shareholding:
500 shares and 40,000 stock options.

HENRIK JOHANSSON
Chief Scientist.

Employee since 2014 and part of management team since 2020.
Born in 1982.

Education and experience:
PhD in immunotechnology and MSc in biotechnology engineering from Lund University.

Henrik Johansson has more than 15 years of research and development experience in the fields of cell and molecular biology. *In vitro* assays for predictive immunotoxicology are his specialty and he is a co-developer of the GARD® technology platform, which was first described in detail in his doctoral thesis.

Other significant appointments: None.

Shareholding:

526 shares and 10,000 stock options.

HELEN OLSSON
VP HR.

Involved with Company since February 2020 and part of management team since 2021.
Born in 1965.

Education and experience:
Degree in behavioral science from Lund University and Linnaeus University.

Helen Olsson has over 20 years of experience in organization development, change management, and both operational and strategic HR, including as VP HR at BioGaia.

Other significant appointments: None.

Shareholding:

7,500 shares and 100,000 stock options.

FINANCIAL SUMMARY

	2024	2023	2022	2021	2020
Net sales, SEK thousand	57,695	49,870	41,770	15,422	7,958
Capitalized developed expenditure, SEK thousand	2,800	-	-	31	334
Profit/loss for the year	-17,850	-22,097	-24,912	-31,346	-27,168
Equity ratio (%)	77	70	75	82	97
Quick ratio, %	244	115	179	332	2,477
Equity, SEK thousand	86,641	67,608	89,701	110,243	107,792
Average number of employees	32	33	31	21	18
Number of employees at year-end, converted to full-time equivalents	34	34	35	31	17
Average number of shares	27,289,151	24,188,325	24,085,484	21,808,849	21,357,636
Number of shares at end of period	29,504,026	24,188,325	24,188,325	24,064,916	21,357,636
Earnings per share, SEK[1]	-0.65	-0.91	-1.03	-1.35	-1.27
Fully diluted earnings per share, SEK[2]	-0.65	-0.91	-1.03	-1.35	-1.27
Equity per share (SEK)	2.94	2.80	3.71	4.58	5.05
Dividend per share, SEK	-	-	-	-	-

[1] Based on average weighted number of outstanding shares.

[2] Dilutive effects are only recognized in cases where they result in lower earnings per share.

Definitions

Equity per share

Reported consolidated equity divided by the number of outstanding shares.

Earnings per share

Profit/loss for the year as a percentage of the average number of outstanding shares.

Fully diluted earnings per share

Profit/loss for the year as a percentage of the average weighted number of shares plus the number of shares added upon full dilution. Dilution occurs in conjunction with stock option plans when the redemption price is less than the current share price.

Equity ratio

Equity as a percentage of total assets.

Quick ratio

Current assets excluding inventories as a percentage of current liabilities.

Financial calendar

14 May 2025 January-March 2025 Interim Report

14 May 2025 Annual General Meeting

20 August 2025 January-June 2025 Interim Report

5 November 2025 January-September 2025 Interim Report

13 February 2026 January-December 2025 Year-End Report

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

GLOSSARY AND SOURCES

Allergen
A substance that causes an allergic reaction.

Biomarker
A measurable indicator of a biological condition.

CRO
Contract research organization. A contract lab that provides research services.

Efficacy
In pre-clinical testing, efficacy refers to the ability of a drug or treatment to produce the desired biological effect in laboratory or animal studies. It is a key factor in evaluating the potential effectiveness of a substance.

GLP
GLP (Good Laboratory Practice). A GLP laboratory is used for non-clinical safety studies of certain products prior to registration and approval.

In vivo
Latin for "in a living organism". In vivo tests are done on animals.

In vitro
Latin for "in glass". *In vitro* tests are done in test tubes.

OECD
Organization for Economic Cooperation and Development, consisting of 36 member countries. The OECD's mission includes creating guidelines for assessing the safety of chemical substances.

Microbiome
The microbiome is the collective set of microorganisms (bacteria, fungi, viruses, etc.) living in or on a specific biological environment, such as on the skin, in the mouth, or in the gastrointestinal tract.

Predictive accuracy
The test objects correctly classified as a percentage of the total number of tested objects.

Sensitization
The process by which the body develops an (over)sensitivity to something, in other words, an allergy.

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

Sources

1 In Vitro Toxicology Testing Market–Global Forecast to 2028. MarketsandMarkets 2023.

2 Global efficacy testing market research report. Wise Guy Reports 2023.

3 In Vitro Toxicology Testing Market–Global Forecast to 2028. MarketsandMarkets 2023.

4 Swedish Medical Products Agency, Förbud mot djurförsök.

5 Swedish Fund for Research Without Animal Experiments (Forska utan djurförsök)

6 Compound Interest – compoundchem.com/2016/01/16/drug-discovery.

7 National Center for Biotechnology Information 2010 - ncbi.nlm.

8 Swedish Board of Agriculture.

9 Validation study, OECD Test Guideline Program (TGP no. 4,106). Johansson H. et al. Toxicological Sciences 2019.

10 Journal of Allergy, 2011 – ncbi.nlm.nih.gov/pmc/articles/PMC3124934/.

11 Validation study, OECD Test Guideline Program (TGP no. 4,106). Johansson H. et al. Toxicological Sciences 2019.

SENZA GEN

The SenzaGen Group aims to be a leader in non-animal testing, driving the transition from animal testing to methods better suited to reflect human biology. The Group provides high-performance, non-animal test methods and advisory services based on state-of-the-art technology.

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