

# Interim report Q1 2023

January - March



**INTRODUCTION**

- 3 This is AroCell
- 4 Events during the period
- 5 CEO's statement

**FINANCIAL INFORMATION**

- 6 Sales and operating profit

**Group**

- 8 Income statement
- 9 Balance sheet
- 10 Change of own capital
- 10 Cash flow analysis

**Parent company**

- 11 Income statement
- 12 Balance sheet

- 13 Stock data

- 13 Shareholder

**CALENDAR 2023**

24 May	Annual General Meeting 2023
23 August	Interim report 2 2023
25 October	Interim report 3 2023
22 Feb 2024	Year-end report 2023



# AROCCELL

AroCell is a Swedish Group that operates in in vitro diagnostics and develops, markets and sells blood and urine tests. AroCell has a complete infrastructure, from in-house research to sales, making the Group unique for its size.

The AroCell Group specializes in oncology and bacteriology. The Group has a broad product portfolio of tests used by clinics and hospitals to ensure that patients get the best possible treatment. The products are established in different markets and the Group has solid experience in bringing products to market.

Within oncology, AroCell's products measure the thymidine kinase 1 (TK1) and cytokeratin biomarkers in blood serum or urine and are available as express (Rapid) and laboratory-based tests. These biomarkers are used to support treatment of various forms of cancer, e.g., breast, prostate and bladder cancer. It is simple to measure biomarkers in bodily fluids, such as blood and urine, and relatively inexpensive compared to many of the other tests used today.

AroCell's product portfolio also includes a rapid bacteriological test, TUBEX® *TF*, for easy and safe diagnosis of typhoid fever. In countries with a high prevalence of typhoid fever, thorough diagnostics and basic antibiotic treatments are limited. Providing a rapid and accurate diagnosis and treatment is not only vital for the patient, but can also save a lot of money for both the individual and the healthcare system.

We strive to offer a portfolio of diagnostic tests that best contributes to shorter treatment times and improved quality of life. AroCell's tests should be the obvious choice within the product segments in the markets where we are established. The market for our products is enormous and as of yet, we are a small player with a substantial growth potential. AroCell (AROC) is listed on the NASDAQ First North Growth Market. For more information, please see [arocell.com](http://arocell.com)

## SUMMARY

### JANUARY - MARCH

Net sales amounted to KSEK 11,053 (7,770).

Profit after financial items amounted to KSEK -13,668 (-15,695)\*.

Cash flow from operating activities for the period amounted to KSEK -4,522 (-8,120).

Earnings per share before and after dilution amounted to SEK -0.06 (-0.09).

Cash and cash equivalents at the end of the period amounted to KSEK 59,956 (90,870).

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



## EVENTS DURING THE PERIOD

A new agreement has been signed with ZECEN Biotech for the automation of another one of the company's tumor markers, UBC®, on ZECEN Biotech's automated platforms.

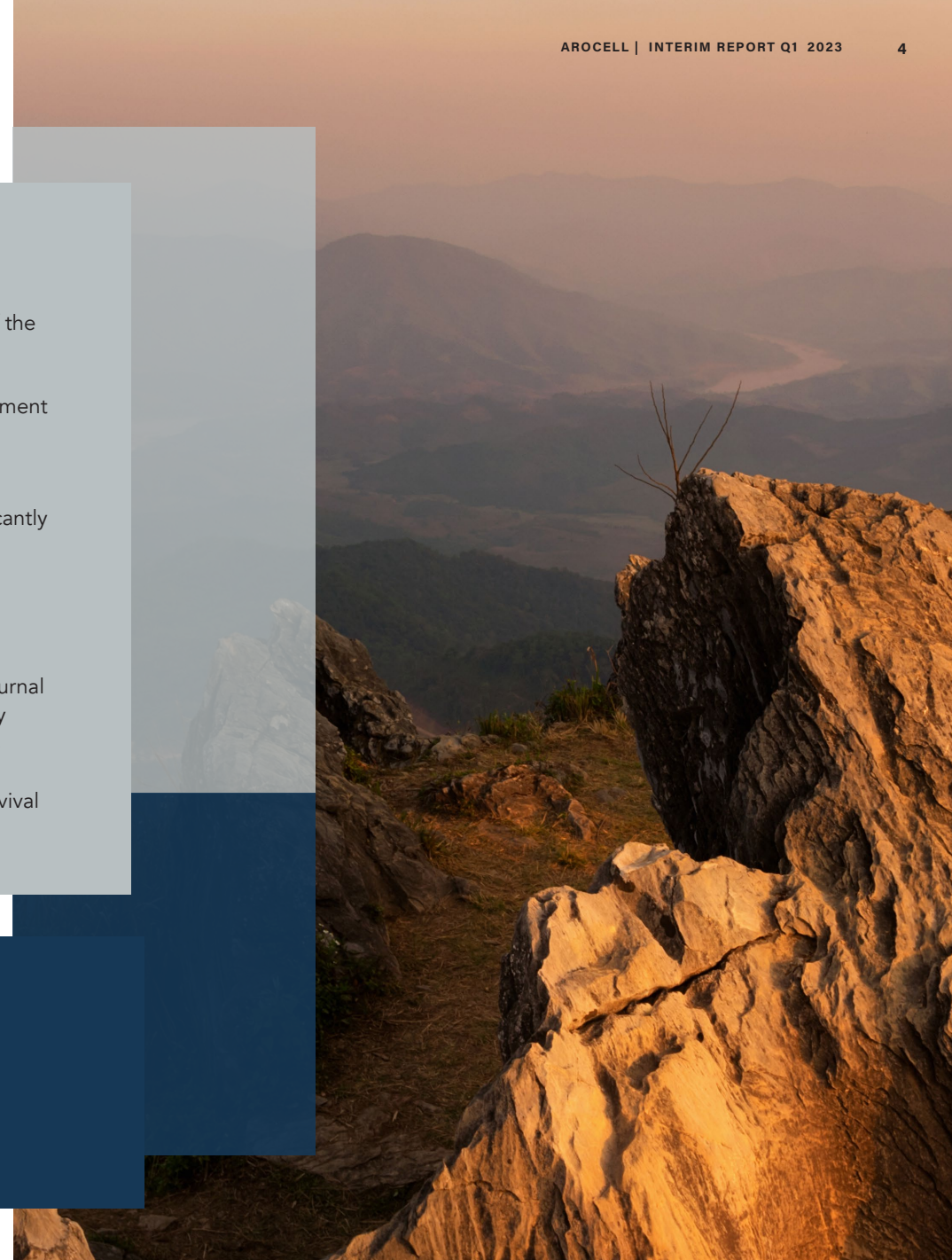
AroCell is expanding its sales and distribution network in Africa by signing a distributor agreement with Sub-Saharan Biomedical P.L.C. for the sale of TUBEX® *TF* in Ethiopia.

A study has been published in the peer-reviewed journal "Cancers" showing that the use of AroCell TK 210 ELISA in combination with traditional biomarkers CA 125 and HE4 can significantly improve sensitivity and outperform the ROMA index in early detection of ovarian cancer. The study, titled "A Dual Biomarker TK1 Protein and CA125 or HE4-Based Algorithm as a Better Diagnostic Tool than ROMA Index in Early Detection of Ovarian Cancer" was conducted in collaboration with the University Medical Centre Ljubljana, Slovenia.

An expert-reviewed article on thymidine kinase 1 (TK1) has been published in the scientific journal International Journal of Molecular Sciences. The study, titled "Prediction of overall survival by thymidine kinase 1 combined with prostate specific antigen in men with prostate cancer" was conducted by a research group at Karolinska Institutet and Karolinska University Hospital. It showed that the combination of TK1 and PSA provides a new biomarker that can indicate survival length in prostate cancer patients at an early stage.

## AFTER THE REPORTING PERIOD


No significant events have occurred after the end of the period.





# CEO'S STATEMENT

CEO



AroCell began 2023 with a strong first quarter, building on the positive momentum of 2022. We are experiencing significant and consistent sales growth in our two primary market categories, oncology and bacteriology. In addition, we are beginning to see results from clinical studies, as well as new collaborations with strategic partners. During the quarter, we also made significant progress toward putting our biomarkers on automated CLIA platforms.

As we continue to grow in our existing markets, we are also increasing our geographical coverage through new collaborations and sales partners. In fact, we saw a sales increase of over 40% during the quarter compared to the corresponding quarter last year. Both of our product categories continue to expand. Our TUBEX® product for typhoid fever has seen the strongest growth, thanks to persistent and systematic sales activities with our local partners. Even within the oncology segment, we have seen a continued stable increase in sales, with our bladder cancer test UBC® Rapid, being the largest product in the segment and Germany the largest market for UBC®. We have also launched a new cube reader, which is both easier to use and less expensive, increasing test usage and therefore sales.

An important part of AroCell's strategy is to make our biomarkers available on automated platforms, so-called CLIA platforms, which are fully automated closed systems. Together with our partner ZECEN, we registered TPS® CLIA on the Chinese market at the end of last year, and TPS® CLIA sales have now begun. We have also expanded coverage in the Chinese market by including TPS® CLIA on Fosun Diagnostics' fully automated system, doubling

our market coverage in the Chinese market for tumor markers, which is a big step forward for AroCell. During the quarter, we took another important step forward regarding UBC® for bladder cancer by signing a development agreement with ZECEN. We are actively working to set up additional products on fully automatic CLIA platforms and also spreading the markers geographically via additional partners. Our goal is for all our markers to be on CLIA platforms in the future.

In addition to sales, we run development projects and clinical studies for new indications of our products. The development of a new upgraded version of our rapid bladder cancer test, UBC® rapid, is progressing, and we are now working on the validation of the test, which will be part of the registration process. During the quarter, and in collaboration with the University of Vienna, we conducted a prostate cancer study using our proprietary products TK210 and TPS® for prostate cancer. We are currently analyzing the results and will share them when the analysis is complete. This is the first large-scale study that combines products based on the measurement of thymidine kinase 1 with products based on the measurement of cytoke-ratins.

AroCell's organization has the extent and competence to bring in new products through licensing or partnerships, and our ambition is to do so when the opportunity arises and launch them in our existing markets. With a strong cash position, strong sales growth, and a dedicated and competent team covering research and development, sales, production, and distribution, AroCell is in an advantageous position. Thanks to our highly dedicated and competent employees, we see progress in all areas. During the quarter, we also had the privilege of welcoming several new employees to the organization, adding important new skills and strengthening the company further.

Overall, AroCell has had a very successful start to the year, and the organization has adapted to the increased demand for our products. I can proudly state that the team we have built delivers results and continues to deliver. The five-point strategy that we are following with devotion has proven to be successful, indicating another good year ahead.

# SALES AND OPERATING RESULTS

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

## Sales

Bacteriology segment sales are driven by the TUBEX® product family and the oncology segment by our UBC® *Rapid* product. Bacteriology's share of sales for the period was 51% (46%) and oncology's share was 49% (54%).

## Gross margin

The amount for KSV KSEK 10,956 (8,873) includes goodwill amortization of KSEK 4,947 (4,947) for the quarter. The margin excluding goodwill is 45.6% (49.4%).

## Other operating income

Other operating income mainly refers to positive currency differences in EUR and USD and income linked to the collaboration with Attana AB, which started in the second quarter of 2022.

## Costs

During the quarter, overhead costs amounted to KSEK 14,369 (14,794) and are divided between sales 32% (29%), administration 21% (28%), and development 47% (43%). Goodwill amortization of KSEK 4,947 (4,947) is included in overheads for the quarter.

## Outcome

Profit after financial costs for the quarter amounted to KSEK -13,668 (-15,695). The amount includes goodwill amortization of KSEK 9,895 (9,895).

## Cash flow, investments and financial position

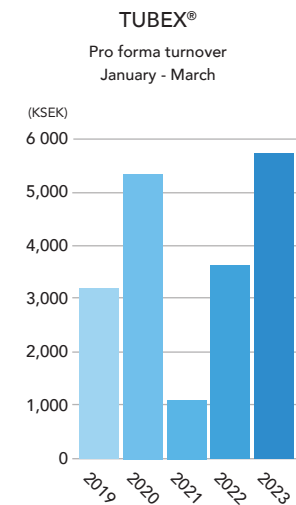
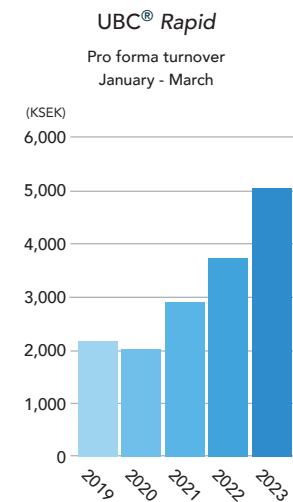
Cash flow from operating activities amounted to KSEK -4,522 (-8,120) in the first quarter.

Cash flow from investment activities amounted to KSEK -711 (-676) for the first quarter.

Cash flow from financing activities amounted to SEK 0 (81,264) in the first quarter.

## Liquidity and equity

As of 31 March, cash and cash equivalents amounted to KSEK 59,956 (90,870). Available overdraft is about KSEK 3,500. As of March 31, equity amounted to KSEK 209,025 (277,996).



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

## FUTURE DEVELOPMENTS

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

## SIGNIFICANT RISKS AND UNCERTAINTIES

No significant change in material risks or uncertainties has occurred during the period except as described below. Other risks remain unchanged compared to the description of AroCells' risks, uncertainties and management included in AroCell's 2022 Annual Report.

## SHARES

As of June 30, 2016, AroCell AB (publ) is listed on NASDAQ First Growth Market Sweden under AROC. Certified Adviser: Redeye Aktiebolag, Certifiedadviser@redeye.se, +46 (0)8 121 576 90. As of March 31, 2023, the number of shares amounted to 230,361,066 (quota value SEK 0.10).

## ACCOUNTING PRINCIPLES

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

The accounting policies are unchanged from those stated in the 2022 Annual Report.

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

## REPORT AUDIT

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

## CONTACT DETAILS

CEO: Anders Hultman, anders.hultman@arocell.com, 08-799 67 50  
 IR Contact: Alona Nyberg, alona.nyberg@arocell.com, 08-502 375 73  
 Visiting address: Karlsbodavägen 39, 168 67 Bromma, Stockholm, Sweden  
 Organization number: 556596-6107  
 www.arocell.com

## BOARD OF DIRECTORS

Stockholm, Sweden, May 03, 2023

**JOHAN HÄGGBLAD**  
Shareman

**EVA NORDSTRÖM**  
Member

**CHARLOTTA LJUNGQVIST**  
Member

**MAX PIHLQVIST**  
Member

**AGNETA TUFVESSON ALM**  
Member

**CEO**  
**ANDERS HULTMAN**

## GROUP'S INCOME STATEMENT

	2023 January-March	2022 January-March	2022 January-December
(KSEK)			
Net revenues	11 053	7 770	36 986
Cost of goods sold	-10 956*	-8 873*	-39 091*
- Gross profit	97	-1 104	-2 106
Selling expenses	-4 548**	-4 248**	-16 359**
Administrative expenses	-3 084	-4 176	-19 464
Research and development expenses	-6 736***	-6 368***	-24 425***
Other operating income	608	206	3 065
Other operating expenses	-6	-4	-15
<b>Operating earnings (EBIT)</b>	<b>-13 670</b>	<b>-15 695</b>	<b>-59 304</b>
Net profit financial items	2	0	5
Profit after financial items	-13 668	-15 695	-59 299
<b>Net earnings for the period</b>	<b>-13 668</b>	<b>-15 695</b>	<b>-59 299</b>
<b>Attributable to the shareholders of the parent company</b>	<b>-13 668</b>	<b>-15 487</b>	<b>-58 973</b>
<b>Attributable to non-controlling interest</b>	<b>0</b>	<b>-208</b>	<b>-326</b>
<b>Earnings per share (SEK), before and after dilution</b>	<b>-0,06</b>	<b>-0,09</b>	<b>-0,28</b>

\* Includes costs for goodwill amortization of KSEK 4,947 for the quarter

\*\* Includes costs for goodwill amortization of SEK 2,474 for the quarter

\*\*\* Includes costs for goodwill amortization of SEK 2,474 for the quarter



## GROUP'S BALANCE SHEET

	2023	2022	2022		2023	2022	2022
	March 31	March 31	December 31		March 31	March 31	December 31
(KSEK)							
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Intangible fixed assets</b>				<b>Equity</b>			
Goodwill	128 678	168 257	138 573	Share capital	23 036	23 036	23 036
Balanced expenses for development work	9 916	15 563	10 469	Other contributed capital	440 757	441 397	440 757
Patent	255	459	306	Balanced result	-241 099	-174 467	-181 801
Other intangible assets	1 348	0	0	The result of the period	-13 668	-15 695	-59 299
	<b>140 198</b>	<b>184 280</b>	<b>149 349</b>	<b>Equity attributable to the parent company's shareholders</b>	<b>209 025</b>	<b>274 271</b>	<b>222 694</b>
<b>Tangible fixed assets</b>				<b>Holdings without controlling influence</b>	<b>0</b>	<b>3 725</b>	<b>0</b>
Machinery and other technical facilities	2 966	135	3 045	<b>Total equity</b>	<b>209 025</b>	<b>277 996</b>	<b>222 694</b>
Equipment, tools and installations	251	900	273				
	<b>3 217</b>	<b>1 034</b>	<b>3 319</b>	<b>Current liabilities</b>			
<b>Total fixed assets</b>	<b>143 415</b>	<b>185 314</b>	<b>152 667</b>	Accounts payable	3 659	10 406	6 124
<b>Inventories etc.</b>	<b>7 956</b>	<b>6 860</b>	<b>7 375</b>	Other liabilities	1 439	1 075	896
<b>Short-term receivables</b>				Accrued costs and prepaid revenues	6 579	5 677	6 299
Accounts receivable	6 456	6 373	7 115		<b>11 677</b>	<b>17 158</b>	<b>13 319</b>
Current tax receivables	1 049	929	907	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>220 702</b>	<b>295 154</b>	<b>236 013</b>
Other receivables	765	3 690	1 536				
Prepaid expenses and accrued income	1 106	1 118	1 223				
	<b>9 376</b>	<b>12 110</b>	<b>10 782</b>				
<b>Cash and bank balances</b>	<b>59 956</b>	<b>90 870</b>	<b>65 189</b>				
<b>Total current assets</b>	<b>77 288</b>	<b>109 840</b>	<b>83 346</b>				
<b>TOTAL ASSETS</b>	<b>220 702</b>	<b>295 154</b>	<b>236 013</b>				

## GROUP'S CHANGE IN EQUITY

	Share capital	Other contributed capital	Other capital incl. result of the period	Holdings without controlling influence	Total
(KSEK)					
<b>Equaty 2022-01-01</b>	<b>11 461</b>	<b>376 734</b>	<b>-174 673</b>	<b>3 932</b>	<b>217 453</b>
Non-cash issue	11 575	75 236			86 811
Issue costs		-10 574			-10 574
Result of the period			-15 487	-208	-15 695
<b>Equaty2022-03-31</b>	<b>23 036</b>	<b>441 397</b>	<b>-190 162</b>	<b>3 725</b>	<b>277 996</b>
Issue costs		-639			-639
Refund of shareholder contribution/dividend			-5 000		-5 000
Result of the period			-43 486	-118	-43 604
Transaction with minority			-2 452	-3 606	-6 058
<b>Equaty2022-12-31</b>	<b>23 036</b>	<b>440 757</b>	<b>-241 099</b>	<b>0</b>	<b>222 694</b>
Result of the period			-13 668		-13 668
<b>Equaty 2023-03-31</b>	<b>23 036</b>	<b>440 757</b>	<b>-254 767</b>	<b>0</b>	<b>209 025</b>

## GROUP'S CASH FLOW STATEMENT

	2023 January-March	2022 January-March	2022 January-December
(KSEK)			
Cash flow from current operations	-4 522	-8 120	-13 694
Cash flow from investment activities	-711	-676	-10 117
Cash flow from financing activities	0	81 264	70 598
Cash flow for the period	-5 233	72 468	46 787
Liquid funds at the beginning of the period	65 189	18 402	18 402
<b>Liquid funds at the end of the period</b>	<b>59 956</b>	<b>90 870</b>	<b>65 189</b>

## PARENT COMPANY'S INCOME STATEMENT

	2023	2022	2022
	January-March	January-March	January-December
(KSEK)			
Net revenues	13	9	229
Cost of goods sold	-6	-3	-1 919
- Gross profit	7	6	-1 690
Selling expenses	-181	-399	-1 117
Administrative expenses	-2 069	-2 895	-9 884
Research and development expenses	-1 831	-2 521	-7 252
Other operating income	17	7	0
Other operating expenses	-6	-4	-38
<b>Operating earnings (EBIT)</b>	<b>-4 062</b>	<b>-5 807</b>	<b>-19 981</b>
Net profit financial items	1	0	9
Profit from shares in group companies	0	0	0
<b>Profit after financial items</b>	<b>-4 061</b>	<b>-5 807</b>	<b>-19 972</b>
<b>Result of the period</b>	<b>-4 061</b>	<b>-5 807</b>	<b>-19 972</b>



## PARENT COMPANY'S BALANCE SHEET

	2023 March 31	2022 March 31	2022 December 31		2023 March 31	2022 March 31	2022 December 31
(KSEK)							
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Intangible fixed assets</b>				<b>Equity</b>			
Balanced expenses for development work	5 339	9 610	6 407	Share capital	23 036	23 036	23 036
Patent	255	459	306	Fund for development expenses	1 700	3 059	2 040
Other intangible assets	1 348	0	0		<b>24 736</b>	<b>26 096</b>	<b>25 076</b>
	<b>6 942</b>	<b>10 070</b>	<b>6 713</b>	Premium fund	440 757	441 396	440 757
<b>Tangible fixed assets</b>				Balanced result	-195 204	-176 592	-175 572
Machinery and other technical facilities	86	135	98	The result of the period	-4 061	-5 807	-19 972
Equipment, tools and installations	214	262	226		<b>241 492</b>	<b>258 997</b>	<b>245 213</b>
	<b>300</b>	<b>397</b>	<b>324</b>	<b>Total equity</b>	<b>266 228</b>	<b>285 093</b>	<b>270 289</b>
<b>Financial assets</b>				<b>Current liabilities</b>			
Shares in group companies	<b>216 587</b>	<b>210 529</b>	<b>216 587</b>	Accounts payable	472	6 834	928
				Liabilities to group companies	14 400	19 400	14 400
<b>Total fixed assets</b>	<b>223 829</b>	<b>220 995</b>	<b>223 624</b>	Other liabilities	473	498	413
<b>Inventories etc.</b>	<b>1 137</b>	<b>1 738</b>	<b>1 698</b>	Accrued costs and prepaid revenues	2 174	1 983	2 206
<b>Short-term receivables</b>				<b>Total current liabilities</b>	<b>17 519</b>	<b>28 715</b>	<b>17 947</b>
Accounts receivable	13	8	0	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>283 747</b>	<b>313 808</b>	<b>288 236</b>
Current tax receivables	223	223	175				
Other receivables	181	2 842	508				
Prepaid expenses and accrued income	441	168	466				
	<b>858</b>	<b>3 241</b>	<b>1 149</b>				
<b>Cash and bank balances</b>	<b>57 924</b>	<b>87 834</b>	<b>61 765</b>				
<b>Total current assets</b>	<b>59 919</b>	<b>92 813</b>	<b>64 612</b>				
<b>TOTAL ASSETS</b>	<b>283 747</b>	<b>313 808</b>	<b>288 236</b>				

## STOCK DATA

	2023 January-March	2022 January-March	2022 January-December
Opening balance	230 361 066	114 613 133	114 613 133
Non-cash issue			
Rights issue		115 747 933	115 747 933
Number of shares per balance sheet date	230 361 066	230 361 066	230 361 066
Average number of shares before and after dilution	230 361 066	169 498 830	215 353 939
<b>Quota value shares</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>

## SHAREHOLDERS

Date: 2023-03-29

Name	Holding	Votes
Labbex Förvaltnings AB	26,643,432	11.57%
Avanza Pension	17,738,689	7.70%
Greg Dingizian via Agartha AB	15,600,000	6.77%
Nordnet Pensionsförsäkring	6,538,237	2.84%
Jon Eiken	6,237,984	2.71%
Mikael Lönn	5,020,537	2.18%
Gunvald Berger	3,724,237	1.62%
Didrik Hamilton	3,110,913	1.35%
Gerhard Dal	3,000,000	1.30%
Anders Svennberg	3,000,000	1.30%
<b>A total of 10 largest owners</b>	<b>90,614,029</b>	<b>39.34%</b>

## **AROCELL**

**Visiting address:**

Karlsbodavägen 39  
Bromma, Stockholm  
Sweden

**Address:**

P.O Box 11151  
SE-161 11 Bromma

**Email:**

[info@arocell.com](mailto:info@arocell.com)

**Phone:**

08-799 67 50

**Web:**

[www.arocell.com](http://www.arocell.com)

**Organization number:**

556596-6107

