

January – December

# 2022 Q4

## Year-end report



## Key figures

The figures in parentheses refer to the corresponding period last year.

KSEK

### Net sales Q4

**11 109** (9 156)  **+21%**

### Net sales FY 2022

**33 552** (26 447)  **+27%**

#### 2022-10-01 - 2022-12-31 (Q4)

- Net sales for the quarter amounted to 11 109 (9 156) kSEK
- EBIT for the quarter amounted to 1 846 (2 794) kSEK
- Net profit for the quarter amounted to 1 215 (2 672) kSEK
- Earnings per share for the quarter amounted to 0,12 (0,26) SEK

#### 2022-01-01 - 2022-12-31 (full year)

- Net sales for the full year amounted to 33 552 (26 447) kSEK
- EBIT for the full year amounted to 5 109 (4 944) kSEK
- Net profit for the full year amounted to 3 831 (4 582) kSEK
- Earnings per share for the period amounted to 0,37 (SEK 0,44) SEK
- Total cash and equivalents at the end of the period were 14 659 (17 998) kSEK

"BPC Instruments" refers to BPC Instruments AB with organization number 556687-2460. The number of shares in BPC Instruments as of December 31, 2022: 10 454 000 shares (10 454 000\*).

## Significant events during 2022

- **On March 1**, BPC announced the global launch of BPC® Go, the next generation instrument for ultra-low gas volume and flow measurement with high precision and accuracy for laboratory applications.
- **On March 24**, BPC Instruments announced that the Company has completed its objective in 2021 to expand its office, laboratory, and production warehouse, as well as complete the process of moving a large part of production in-house.
- **On April 4**, BPC informed about increased market potential as the Swedish government recently announced a long-term investment plan for boosting biogas/biomethane production to reduce the country's dependence on imports of fossil natural gas and contribute to achieving climate and environmental goals.
- **On April 4**, BPC announced that the Company has submitted a patent application that covers a new ultra-low gas volume and flow measurement technology for the Company's next-generation analytical instruments.
- **On April 5**, BPC announced that the Company has submitted a patent application for the development of a new product line in the future.
- **On April 20**, BPC announced that the Company had entered a new business segment – biodegradability evaluation of plastics.
- **On April 20**, BPC received a grant from the European Patent Office regarding the Company's core analytical technology in feedstock quality analysis for biogas production.
- **On June 16**, BPC announced a large order intake for delivery of six complete AMPTS® Systems with a total order value of 1,7 MSEK.
- **On August 25**, BPC submitted the third patent application for this year, which covers a novel incubation system for the Company's next-generation analytical instruments with applications in multiple biotech sectors.
- **On November 9**, BPC received two succession purchase orders from a UK-based green energy supplier for the delivery of six complete AMPTS® systems with a total order value of over 130 000 Euro.
- **On November 18**, BPC announced the global launch of BPC® Move – a compact standalone mechanical agitator ideal for easy and reliable mixing, dispersion, and dissolution of high solid suspension and particle-free solution.
- **On December 6**, BPC received one purchase order from a Japanese green energy company for the delivery of six complete Gas Endeavour® systems and accessories with a total order value of over 120 000 Euro.

## Significant events after 2022

- **On January 19, 2023**, BPC informed that the Company has been selected as member of the European Biomethane Industrial Partnership to enable increased biogas production in Europe.
- **On January 25, 2023**, BPC announces that the Company has signed an agreement to establish a new Joint Venture firm in Malmö for assembling the core modules and key components of Company's flagship products.
- **On January 31, 2023**, BPC received a purchase order of two Gas Endeavour® systems with a total order value of over 500 000 SEK from a Danish multinational industrial group after a successful product demonstration and technical evaluation for compostability analysis of new plastic materials.
- **On February 1, 2023**, BPC informed that the Company has joined the Swedish Biogas Solutions Research Center as an industrial partner.
- **On February 1, 2023**, BPC announced that Fore C Investment, founded by Göran Nordlund, acquired LU Holding's entire shareholding in BPC. Fore C thus becomes the new fourth major shareholder and holds 4.2 percent of ownership in BPC.
- **On February 10, 2023**, BPC received a purchase order from a Korean consortium consisting of five companies and a university for the delivery of multiple products of the Company's flagship analytical instruments with a total order value of over 81 000 Euro.

CEO Dr. Jing Liu comments:

# A bright 2022 sets the tone for an eventful 2023

As we close the books on the financial year of 2022 we recognize that BPC's strong growth continued with an impressive net sales increase of +27 percent, amounting to over SEK 33.5 million, compared to SEK 26.4 million in 2021. Our EBIT for the full year increased to SEK 5.1 million in 2022, compared to SEK 4.9 million in 2021. The financial results once again prove that BPC is a solid green-tech company with good growth potential as our business expands in both biogas and new market segments.

## Customer satisfaction

BPC continues to be the top choice of intelligent analytical instruments and for good reasons. BPC conducted a customer survey during November and December 2022 with over 140 customers globally. The results confirm customer satisfaction as we have obtained exceptional ratings in all categories. We found that our customers value high product quality, user-friendliness, software features, and easy access to technical support. All of which received a rating above 90 percent. A stunning majority of 95 percent are likely to recommend our products to other companies. These results make us very proud because they confirm our hard work and can serve as a great recommendation for future orders. I would therefore like to take the opportunity to thank each customer for taking the time to answer the survey as it will help BPC to improve its products and operations, and develop next-generation analytical instruments.

## Financial development

2022 is yet another year in which we keep exceeding our financial targets. Our net sales amounted to over SEK 33.5 million, an impressive increase of +27 percent compared to 2021. Our EBIT for the full year amounted to SEK 5,1 million, compared to SEK 4,9 million. The lower net profit is a result of significant investments made during the year, such as new offices, warehouse, laboratory, and an expanded team, costs relating to BPC now being a publicly listed company, and an increased focus on our product development. Given that 2021 was a record year in BPC's history, I am very proud of the efforts our team has made during 2022 as we have exceeded several of our financial targets for the year. Remarkably, BPC has made a well-balanced business development between investment of expansion and maintaining profit even during world conflicts, a turbulent financial market, and an energy crisis.

## Future-proofing our production

In recent years, there has been an increasing challenge and demand for securing the supply chain and production during the ongoing global supply chain crisis. BPC has been working on its long-term strategy for better management of the Company's manufacturing capacity by teaming up with partners to standardize and modularize the entire production process for more cost-

efficient production and shortening the delivery time to our clients. This is why we, in January, communicated the establishment of a new joint venture firm (JV) in Malmö. The JV will assemble core modules and components of our flagship products.

## New major shareholder

Just recently, we announced a new major shareholder in BPC. Fore C Investment acquired LU Holding's entire shareholding in BPC, totaling 4.2 percent, making them the new 4th major shareholder. We are thrilled to have Fore C as a major shareholder since they focus on long-term investments with great growth potential. BPC is a typical company of their portfolio driven by a strong entrepreneurship spirit, having an offensive growth business plan, and being active in the right business field with good market growth potential. We are grateful to LU Holding's team for their endless trust and professional support throughout these years and look forward to a close cooperation with Fore C's team for a long-term continuous value development of BPC.

## Sustainability development

BPC's business development activities, with core competence and focus on clean technologies, renewable resources, sustainability, and innovation in biotechnology analysis, perfectly matches global business trends. Driven by the board directors and management, we are working toward the integration of suitable sustainable development goals in BPC's business strategy and ensuring sustainability work is implemented in our business processes.

## Towards a bright 2023

I am proud to say that we are off to a great start in the new financial year of 2023. The new year began even more eventful than the end of the last, with many long-term strategic milestones executed. Membership in the European Biomethane Industrial Partnership (BIP), a joint venture firm to increase production, a major investment in BPC by Göran Nordlund's Fore C Investment, and several significant orders from both Asia and Europe are only a few of the events in the first a couple of weeks of 2023.

Looking ahead, BPC is working with a clear focus and high energy as we will soon launch new generations of our existing flagship products and new instruments. We will continue to be an active voice and member in the biogas industry along with European policymakers, and other stakeholders to support the achievement of the target of 35 billion cubic meters of annual production and use of sustainable biomethane by 2030. I am confident that BPC's major business expansion has just begun. Thank you for following us on our exciting journey.

**Dr. Jing Liu**  
CEO, BPC Instruments AB



# Why is it important to measure and analyze gas volume and flows?

As with any kind of production, it's critical to control the quality of the raw material to ensure high-quality, large, and stable production of the end product. The same is true with biogas/biomethane. BPC offers smart and automated analytical instruments to measure and control the raw material, whether it may be food waste, manure, and field biomass from agriculture or wastewater.

BPC's flagship products such as AMPTS® and BPC® Go help to ensure stable and large-scale production of biogas/biomethane by analyzing the potential of biogas and biomethane production from biomass feedstock in a precise and automated procedure that limits the costs and error of conventional manual analysis. Making sure the biogas industry gets the most out of their product at any given moment.

A similar concept also applies to other biological fermentation processes, such as biodegradability of plastics, wastewater treatment and animal feed analyses, where either gas production or consumption can be used as a process indicator for optimizing and controlling fermentation processes and performing the quality control of end products.



## BPC Instruments in brief

**BPC Instruments is a global Swedish-based technology company developing and offering analytical instruments enabling more efficient, reliable, and higher quality research and analysis for industries in renewable energy and environmental technology. The result is not only higher accuracy and precision, but also significant reduction in time consumption and labour requirement for performing analysis. The BPC Instruments innovative products offer high quality hardware and software based on deep knowledge and experience of target applications.**

The business is based on a foundation built on results and experiences by scientists who have created a well-established and IP-protected niche product portfolio. BPC Instruments continues to develop new solutions based on innovative ideas. This has enabled the company to continuously become cash flow positive over ten years and establish a client base across near 70 nations.

The company is a pioneer in its field, and the Board of Directors estimates that the company's current share of the global market of feedstock quality analysis in biogas production equals approx. 90 percent. BPC Instruments has recently expanded towards other biotech business fields including biodegradability of plastics and in-vitro feed analysis for animal farming. The company aims to expand from a single niche market to multiple biotech industrial markets and have a substantial first-mover advantage.

### Based on cutting edge research

The company was founded in 2005 and brought about 20 years of industry-leading research in the areas of instrumentation, control, and automation of anaerobic digestion processes.

### A Green-tech investment

BPC Instruments business development activities, with a core competence and focus on green technologies, renewable resources, sustainability, and innovation in biotechnology analysis, perfectly match global business trends. BPC Instruments products make a positive difference – for the Company's customers as well as for the environment and climate.

### Business model

The core business model is to develop and manufacture analytical instruments to analyze different types of bioprocesses. BPC Instrument's business focuses on developing, producing, and selling high-margin and niche analytical instruments in multiple biotech sectors.

### Business-related risks and uncertainties

The risks and uncertainties to which BPC Instruments operations are exposed are, in summary, key staff and employees, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred. For a more detailed description of significant risk factors in BPC Instruments operations, please see the company's prospectus published in November 2021. Since then, no significant changes have occurred regarding risks or uncertainty factors.

### Owners and insider trade

For BPC Instruments' list of owners and insider trading, please refer to Spotlight Stock Markets via the following link: <https://spotlightstockmarket.com/sv/bolag/irabout?InstrumentId=XSAT00008YY2>

## Financial information

### Income

Net sales mainly consist of the company's products such as instruments. Net sales for the fourth quarter amounted to 11 109 kSEK (9 156 kSEK). Net sales for the full year amounted to 33 552 kSEK (26 447 kSEK).

### Costs

The operating expenses consist of mainly other external costs, personnel cost, raw material and consumables. The operating expenses during the fourth quarter amounted to 10 250 kSEK (7 535 kSEK). The operating expenses for 2022 amounted to 31 198 kSEK (24 709 kSEK). The capitalized development costs for the full year amounted to 1 868 kSEK (3 076 kSEK).

### Results

The profit after financial items for the fourth quarter amounted to 1 600 kSEK (2 797 kSEK). The profit after financial items for 2022 amounted to 4 900 kSEK (5 206 kSEK).

### Financing and financial position

Total cash and equivalents as of December 31, 2022, amounted to 14 659 kSEK (17 998 kSEK).

### Equity

At the end of the period, BPC Instruments' equity/asset ratio was 81 % (81 %).

### Number of employees

As of December 31, 2022, the number of employees was 13 (9).

### Audit of the report

This year-end report has not been reviewed by the company's auditor.

### BPC Instruments share

BPC Instruments share is listed on Spotlight Stock Market as of 16 December 2021. The share has the ticker name BPCINS and ISIN code SE0017130826. The number of outstanding shares as of December 31, 2022, was 10 454 000.

### Accounting and accounting principles

BPC Instruments AB is preparing annual reports according to the Annual Accounts Act and K3 accounting principles. Quarterly reports are prepared under the same principles.

### Proposal for disposition of BPC Instruments' results

The Board and the CEO propose that no dividend be paid for the financial year 2022-01-01 – 2022-12-31.

### Annual General Meeting and availability of the Annual report

The Annual General Meeting will be held on May 25, 2023, in Lund. The annual report will be available on the Company's website ([www.bpcinstruments.com](http://www.bpcinstruments.com)) no later than three weeks before the Annual General Meeting.

### Financial calendar:

Events	Date
Interim report Q1	2023-05-04
Annual report 2022	2023-05-04
Annual General Meeting	2023-05-25
Interim report Q2/H1	2023-08-29
Interim report Q3	2023-11-16
Year-end report	2024-02-28

### Definitions

Equity/asset ratio, % = Equity as a percentage of total assets.

Earnings per share, SEK, = Net income divided by the average number of shares.

## Income statement

(KSEK)	2022 Oct–Dec 3 months	2021 Oct–Dec 3 months	2022 Jan–Dec full year	2021 Jan–Dec full year
Net sales	11 109	9 156	33 552	26 447
Activated work for own account	582	1 121	1 868	3 076
Other income	405	52	887	130
<b>Operating income</b>	<b>12 096</b>	<b>10 329</b>	<b>36 306</b>	<b>29 653</b>
<i>Operating expenses</i>				
Raw materials and consumables	-4 206	-2 618	-11 357	-9 627
Other external costs	-1 639	-1 580	-6 987	-4 960
Personnel costs	-3 713	-2 842	-10 636	-8 507
Depreciation of tangible and intangible assets	-490	-478	-1 985	-1 514
Other operating expenses	-201	-17	-232	-101
	<b>-10 250</b>	<b>-7 535</b>	<b>-31 198</b>	<b>-24 709</b>
<b>EBIT</b>	<b>1 846</b>	<b>2 794</b>	<b>5 109</b>	<b>4 944</b>
<i>Result from financial investments</i>				
Other interest income and similar items	-224	55	76	472
Other interest expenses and similar items	-22	-52	-284	-210
<b>Total result from financial investments</b>	<b>-246</b>	<b>3</b>	<b>-209</b>	<b>262</b>
<b>Profit after financial items</b>	<b>1 600</b>	<b>2 797</b>	<b>4 900</b>	<b>5 206</b>
Tax	-386	-125	-1 069	-624
<b>Net Profit</b>	<b>1 215</b>	<b>2 672</b>	<b>3 831</b>	<b>4 582</b>
Earnings per share before and after dilution (SEK)	0,12	0,26	0,37	0,44
Total number of shares	10 454 000	10 454 000	10 454 000	10 454 000

## Balance sheet – Assets

(KSEK)	2022-12-31	2021-12-31
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Capitalized expenditure on development and similar work	6 162	5 488
Patent	537	903
<b>Total intangible assets</b>	<b>6 700</b>	<b>6 391</b>
<b>Tangible assets</b>		
Equipment, tools, fixtures, and fittings	1 670	781
<b>Total tangible assets</b>	<b>1 670</b>	<b>781</b>
<b>Financial assets</b>		
Investment in associated companies	5 081	5 081
Endowment insurance	5 021	2 421
<b>Total financial assets</b>	<b>10 102</b>	<b>7 502</b>
<b>Total fixed assets</b>	<b>18 471</b>	<b>14 674</b>
<b>Current assets</b>		
Inventories		
Raw materials and consumables	<b>7 676</b>	<b>2 478</b>
<b>Short-term receivables</b>		
Accounts receivables	6 689	4 930
Tax receivables	108	55
Other receivables	1 077	1 270
Prepaid expenses and acquired income	742	1 043
<b>Total current receivables</b>	<b>8 615</b>	<b>7 298</b>
<b>Other short-term investments</b>		
Other short-term investments	5 697	0
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	3 941	15 577
<b>Total current assets</b>	<b>25 930</b>	<b>25 353</b>
<b>Total assets</b>	<b>44 401</b>	<b>40 027</b>

## Balance sheet – Equity

(KSEK)	2022-12-31	2021-12-31
<b>Equity and liabilities</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	575	575
Reserve development costs	6 700	5 950
<b>Total restricted equity</b>	<b>7 275</b>	<b>6 525</b>
<b>Non restricted equity</b>		
Share premium reserve	16 925	16 925
Profit or loss brought forward	8 240	4 408
Profit/loss for the year	3 831	4 582
<b>Total non-restricted equity</b>	<b>28 996</b>	<b>25 915</b>
<b>Total equity</b>	<b>36 271</b>	<b>32 440</b>
<b>Long term liabilities</b>		
Loan to credit institutions	750	1 750
<b>Total long-term liabilities</b>	<b>750</b>	<b>1 750</b>
<b>Current liabilities</b>		
Credit institutions	1 000	1 000
Account payables	3 813	2 802
Tax liabilities	0	0
Other liabilities	337	298
Accrued expenses and deferred income	2 231	1 737
<b>Total current liabilities</b>	<b>7 380</b>	<b>5 837</b>
<b>Total equity and liabilities</b>	<b>44 401</b>	<b>40 027</b>

## Changes in shareholder equity full year 2022

KSEK	Share capital	Reserve development costs	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	Shareholder's equity
<b>Share equity 2022-01-01</b>	<b>575</b>	<b>6 275</b>	<b>16 925</b>	<b>4 084</b>	<b>4 582</b>	<b>32 440</b>
Brought forward				4 582	-4 582	0
Reserve development costs		425		-425		0
Profit for the year					3 831	3 831
<b>Share equity 2022-12-31</b>	<b>575</b>	<b>6 700</b>	<b>16 925</b>	<b>8 240</b>	<b>3 831</b>	<b>36 271</b>

## Changes in shareholder equity full year 2021

KSEK	Share capital	Reserve development costs	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	Shareholder's equity
<b>Share equity 2021-01-01</b>	<b>243</b>	<b>4 214</b>	<b>4 937</b>	<b>2 225</b>	<b>3 920</b>	<b>15 538</b>
Brought forward				3 920	-3 920	0
Dividend			-1 000			-1 000
Reserve development costs		2 061		-2 061		0
Issue of new shares	332		14 966			15 298
Issuance cost			-2 294			-2 294
Warrants			316			316
Profit for the year					4 582	4 582
<b>Share equity 2021-12-31</b>	<b>575</b>	<b>6 275</b>	<b>16 925</b>	<b>4 084</b>	<b>4 582</b>	<b>32 440</b>

## Statement of cash flow

(KSEK)	2022 Oct-Dec 3 months	2021 Oct-Dec 3 months	2022 Jan-Dec full year	2021 Jan-Dec full year
<b>Operating activities</b>				
Profit after financial items	1 600	2 797	4 900	5 206
Adjustment depreciations, other	489	478	1 961	1 514
Paid income tax	167	-287	-1 122	-1 434
<b>Cash flow from changes in working capital</b>				
Changes in inventory	-2 129	-439	-5 198	-1 274
Changes in account receivables	-2 453	-853	-1 759	-735
Changes in other receivables	80	-568	495	-428
Changes in account payables	390	414	1 011	-137
Changes in other liabilities	261	379	532	558
<b>Cash flow from operating activities</b>	<b>-1 595</b>	<b>1 921</b>	<b>820</b>	<b>3 270</b>
<b>Investment activities</b>				
Investment in intangible assets	-582	-1 121	-1 868	-3 076
Investment in tangible assets	-186	-40	-1 292	-259
Investment in associated companies	0	-300	0	-4 139
Increase/decrease short term financial investments and receivables	-897	0	-8 297	0
<b>Cash flow from investment activities</b>	<b>-1 665</b>	<b>-1 461</b>	<b>-11 456</b>	<b>-7 474</b>
<b>Financing activities</b>				
Share Issue	0	13 004	0	13 004
Warrants	0	316	0	316
Dividend, payment	0	0	0	-1 000
Changes in long-term loan	-250	-250	-1 000	-1 000
<b>Cash flow from financing activities</b>	<b>-250</b>	<b>13 070</b>	<b>-1 000</b>	<b>11 320</b>
<b>Cash flow for the period</b>	<b>-3 511</b>	<b>13 530</b>	<b>-11 636</b>	<b>7 116</b>
Cash at the beginning of the period	7 452	2 047	15 577	8 461
<b>Cash at the end of the period</b>	<b>3 941</b>	<b>15 577</b>	<b>3 941</b>	<b>15 577</b>
Short-term investment	10 718	2 421	10 718	2 421
<b>Total cash and equivalents at the end of the period</b>	<b>14 659</b>	<b>17 998</b>	<b>14 659</b>	<b>17 998</b>

# Statement by the Board of Directors

The Board of Directors provide their assurance that the Year-end report provides a fair and true overview of the Company's operations, financial position, and results.

**Lund, February 21, 2023**  
BPC Instruments AB (publ)

**Gustaf Olsson**  
*Chairman of the Board*

**Jing Liu**  
*CEO and Board member*

**Kristofer Cook**  
*Board member*

**Anita Sindberg**  
*Board member*

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# What problems are we solving for our costumers?

The general problems for bioanalysis with conventional analysis that is operated manually are:

- ➔ Large random error due to manual operation.
- ➔ Poor data quality and quantity.
- ➔ Individual skill dependence and lack of standardization.
- ➔ Due to labor-intensive work in conventional analysis, the cost of skilled labor is very high.



**Excellence is built  
on precision and  
accuracy**

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