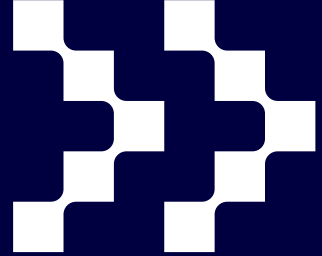


BICO GROUP AB (PUBL)

Brico

INTERIM REPORT JANUARY – MARCH 2023



Interim report

January-March 2023

JANUARY – MARCH 2023 (COMPARED WITH JANUARY – MARCH 2022)

- Net sales amounted to SEK 500.7m (477.2), which corresponds to an increase of 4.9% (268.5%) compared to the corresponding quarter previous year.
- Organic revenue growth for the quarter amounted to 3.7%, and 10.1% excluding covid-19 related sales in Ginolis (52.0% including Ginolis and 51.0% excluding Ginolis).
- Adjusted EBITDA amounted to SEK -9.3m (6.0), corresponding to a margin of -1.9% (1.3) and SEK 28.7m (14.3) excluding covid-19 related sales in Ginolis corresponding to a margin of 5.9% (3.3%).
- EBITDA amounted to SEK -22.5m (-19.4), corresponding to a margin of -4.5% (-4.1%)
- Net profit/loss for the quarter amounted to SEK -118.4m (-43.5), corresponding to earnings per share before and after dilution of SEK -1.67 (-0.68).
- The gross margin amounted to 70.4% (73.9%).
- Cash flow from operating activities amounted to SEK 60.4m (-69.2).

Q1 KEY TAKEAWAYS

- Stable quarter with strong proof points on cost and cash flow initiatives.
- Relatively strong organic growth compared with industry peers.
- Right-sizing of Ginolis.
- Continuous progress in Sartorius partnership.
- Cost savings program launched in Q3, 2022 developed according to plan.

JANUARY – MARCH 2023



4.9

TOTAL SALES GROWTH
/ %

JANUARY – MARCH 2023



3.7

ORGANIC SALES GROWTH
/ %

JANUARY – MARCH 2023



-9.3

ADJUSTED EBITDA
/ SEK M

JANUARY – MARCH 2023



-1.9

ADJUSTED EBITDA MARGIN
/ %

JANUARY – MARCH 2023



60.4

CASH FLOW FROM OPERATING
ACTIVITIES / SEK M



CEO COMMENT FOR THE FIRST QUARTER

Healthy operational cash flow and improved profitability from cost savings program

BICO reported sales of SEK 501m and adjusted EBITDA of SEK -9m in the first quarter which also included progress in our partnership with Sartorius. All in all, a stable quarter with strong proof points on cost and cash flow initiatives launched during 2022 and relatively strong organic growth compared to industry peers.

We are proud to start the year with such strong improvements in operating cash flow and continued development in our core Bioprinting business. The team has worked hard to deliver on our strategy during the previous year and it's finally showing effects throughout the organization, setting the right tone for the year.

During the first quarter, sales amounted to SEK 501m, corresponding to an improvement of 5 percent compared to an extraordinarily strong first quarter the previous year. The organic growth amounted to 4 percent and 10 percent excluding covid-19 related sales in Ginolis. Sales and organic growth were affected by the general post-pandemic normali-

zation, certain customer segmentation slowdown, and in line with seasonal effects. When excluding covid-19 related sales in Ginolis, Group sales amounted to SEK 489m. The significant decline in covid-19 related sales was, as expected, mainly reflected in the sales of the business area Bioautomation and resulted in Ginolis continuing in the previously communicated pathway of a post-pandemic, normalized commercial stride. Sales in Bioprinting and Biosciences were mildly impacted by normalized seasonal effects, yet overall, in line or better than industry peers.

We also saw the markets develop according to last year's predictions with the biotech customer segment continue to be in a difficult spot with lack of funding, hence resulting in varying demand. In general, this has resulted in longer sales cycles for larger orders.

We continue to see optimistic demand from the pharmaceutical and academic customer segments and will further focus on these customer segments, while further reducing our exposure to the biotech and pre-revenue segments.

While we are noticing longer sales cycles, some of the Group's larger companies are having a substantial share of project-based business catering to the pharmaceutical industry which will be gradually ramping up over the year.

EBITDA IMPROVEMENTS FROM COST SAVINGS PROGRAM

We are pleased to report that the focus on improving profitability continued, and we can now report that three of the four loss-making companies from 2022 have turned profitable this quarter. We are proud of the teams who have navigated these turnarounds in such rapid manner. The effect of these improvements can clearly be seen when excluding the Covid-19 related business in Ginolis, resulting in an adjusted EBITDA amounting to SEK 29m, corresponding to a margin of 6 percent. It is also encouraging that the previous loss-making companies, except for Ginolis, have an improved outlook throughout 2023.

The cost savings program, launched in Q3 2022, which targets yearly savings of SEK 100m developed according to plan during the quarter and cost savings have been implemented in the group companies mentioned above as well as group common costs in BICO Group AB. The Group is closely monitoring the external macro environments and customer demand, hence working continuously with cost control in all business areas to reach profitability.

POSITIVE CASH FLOW AND FOCUS ON ACCOUNTS RECEIVABLE

The cash flow from operating activities during the first quarter amounted to historically high SEK 60m, compared to SEK -69m in the comparative quarter last year, and was mainly due to improved collection across all business areas from strong sales during the end of 2022. Working capital management, including accounts receivable, will continuously be a priority for the Group.

CONTINUOUS PROGRESS IN SARTORIUS PARTNERSHIP

The strategic collaboration with Sartorius was further formalized during the quarter and consists of two main parts; one commercial and one covering R&D. BICO and Sartorius have entered into the planned sales & distribution frame agreement, where Sartorius will distribute a range of BICO products, such as 3D-bioprinting and liquid handling platforms as well as reagents, to customers in the Asia-Pacific region. We saw the first order already during the quarter. This will expand BICO's presence and accelerate growth in Asia-Pacific, where BICO today has considerable market potential.

BICO is also getting an R&D boost from value-adding, complementary technologies and products that will enhance our current customer offering within bioprinting and lab automation. In order to explore those opportunities, the companies have entered into a master R&D agreement, which is currently in its initial phase. Those projects are managed in collaboration between BICO's CTO, participating companies in all three business areas, and Sartorius. They target spheroids and 3D tissue models, 3D bioprinting and digital solutions for workflows in laboratory automation.

RIGHT-SIZING OF GINOLIS

Cost reduction was carried out during Q1 to right-size Ginolis to post-pandemic conditions. The main purpose of the right-sizing has been to give the company the scope required to accept new orders while minimizing the cost base, as well as achieve profitability over time. The company's ability to ensure solid support and deliveries as well as being able to honor current service obligations to customers has been of high importance.

More information on the right-sizing of Ginolis and Group's financials including and excluding Ginolis on pages 7-8.

FOCUS 2023

In 2023 we will continue building a robust BICO. We are strengthening internal processes, monitoring changes in the industry, taking actions to further improve profitability and cash flow, as well as ensuring that we keep a lean cost structure. This balance enables us to meet a potentially higher demand from customers, while at the same time having room to maneuver and handle a potentially weaker economy, global tensions, and external uncertainties.

I am also certain that this will lead to a more sustainable, stable, and stronger BICO with profitable growth and improved cash flow.

ERIK GATENHOLM, MSC / PRESIDENT & CEO

THIS IS BICO
– THE FUTURE OF LIFE-SAVING TREATMENTS

BICO is a leading provider of life science solutions and laboratory automation that enable more efficient development of new treatments with more specificity and less need for animal testing.

The company uses bioconvergence as its operating system, combining advanced technologies with biology to streamline and automate workflows within the pharmaceutical and biopharma industries.



65+

COUNTRIES



3.7%

Q1 2023
ORGANIC GROWTH



1,050+

EMPLOYEES



3

BUSINESS AREAS



32,000+

INSTRUMENTS
IN THE FIELD



11,000+

PUBLICATIONS



Our innovative technologies enable researchers and practitioners in the life sciences to conduct improved cell line development; perform high-throughput drug screening and diagnostics; print human tissues and organs for the medical, pharmaceutical, and cosmetic industries; and perform multiomic analyses more efficiently. We help prevent disease outbreaks and proactively plan for new diseases with better diagnostics, while eliminating costly, unnecessary animal testing.

Our three business areas contribute to our common vision of creating life-saving treatments.



BIOPRINTING

Bioprinting enables printing with cells and biomaterials, creating tissues and organ-like structures that mimic physiological conditions.



BIOSCIENCES

Biosciences provides user-friendly instruments to bring efficiency and speed to multiple application areas such as cell line development, drug screening, and microscopy.



BIOAUTOMATION

Bioautomation accelerates development and manufacturing of diagnostic and bioanalysis test platforms for patients, consumers, public health and environment.

Under bioconvergence, we live in a post-genomic era, where the lines between biology, engineering, nanotech, and data are becoming increasingly blurred, allowing synergies that are creating a fundamental shift in the global healthcare industry. We are discovering that biology is really just masterful engineering that's been refined over billions of years.

Consolidated key data and ratios

In addition to financial measures defined by IFRS, BICO presents some alternative performance measures in this interim report that are not defined by IFRS. These alternative performance measures provide valuable additional information to investors and management for evaluating the financial

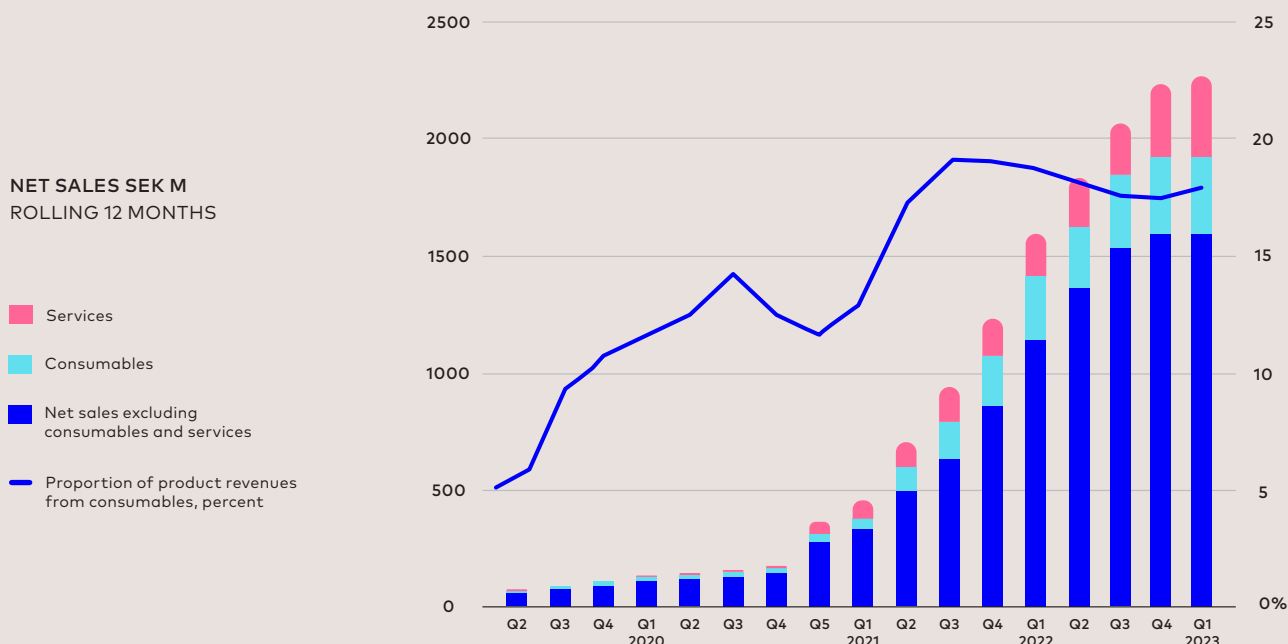
performance and position of BICO. These non-IFRS measures, as defined on pages 27-29 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. Neither should they be considered as substitutes to financial reporting measures prepared in accordance with IFRS.

SEK m	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Net sales	500.7	477.2	2,239.5
Organic growth, %	3.7%	52.0%	17.4%
Organic growth excluding currency effects, %	-5.3%	40.5%	4.2%
Gross profit	352.5	352.6	1,648.6
Gross margin, %	70.4%	73.9%	73.6%
Adjusted EBITDA	-9.3	6.0	62.1
Adjusted EBITDA, %	-1.9%	1.3%	2.8%
Operating profit before depreciation and amortization (EBITDA)	-22.5	-19.4	-56.3
Operating margin before depreciation and amortization (EBITDA), %	-4.5%	-4.1%	-2.5%
Operating profit (EBIT)	-102.9	-82.8	-996.9
Operating margin (EBIT), %	-20.6%	-17.4%	-44.5%
Profit/loss for the period	-118.4	-43.5	-835.7
Earnings per share before and after dilution, SEK	-1.67	-0.68	-12.94
Net debt (-)/Net cash (+)	-541.4	-59.8	-467.7
Cash flow from operating activities	60.4	-69.2	-269.4
Number of shares at the end of the period	70,574,895	64,086,269	70,494,895
Share price on closing day, SEK	54.2	166.9	105.8
Market capitalization on closing day, SEK billion	3.8	10.7	7.5
Average number of employees	1,069	1,197	1,159

Financial Performance

JANUARY – MARCH 2023

NET SALES SEK M
ROLLING 12 MONTHS



THE GROUP

Net Sales

Net sales in the first quarter amounted to SEK 500.7m (477.2), an increase of 4.9 percent (268.5) compared with the corresponding period last year.

Organic growth in the quarter amounted to 3.7 percent (52.0) and -5.3 percent excluding currency effects (40.5). Organic growth excluding covid-19 related sales in Ginolis was 10.1% (51.0) and 0.6% (39.7) excluding currency effects. Sales and organic growth were affected by the general post-pandemic normalization and in line with seasonal effects.

Bioprinting reported organic growth of 12.6 percent (41.8), and 3.8 percent (30.4) excluding currency effects. Biosciences reported organic growth of 8.5 percent (88.1), and -2.1 percent (72.8) excluding currency effects. Bioautomation reported organic growth of -11.2 percent (32.0), and -17.8 percent (22.9) excluding currency effects. Organic growth excluding currency effects for Bioautomation excluding Ginolis was 2.3 percent (16.8). For more information on each business area, see page 9.

Services accounted for 13.4 percent (10.1) of sales. Consumables accounted for 19.5 percent (15.2) of product sales for the quarter. For more information on the distribution of net sales, see Note 3.

Results

Gross profit in the first quarter amounted to SEK 352.5m (352.6), which meant a gross margin of 70.4 percent (73.9). Excluding Ginolis, the gross margin was 73.2 percent.

Adjusted EBITDA for the first quarter amounted to SEK

Items affecting comparability SEK m	Jan-March 2023	Jan-March 2022
EBITDA	-22.5	-19.4
Costs related to option programs	5.7	14.1
Legal costs	-	1.0
Acquisition-related costs and bonuses	3.7	2.8
ERP, Phase one implementation costs	-	8.3
Restructuring costs related to personnel changes	3.9	-
Revaluation of contingent considerations	-	-0.7
Adjusted EBITDA	-9.3	6.0

-9.3m (6.0) and excluding covid-19 related sales in Ginolis, adjusted EBITDA amounted to SEK 28.7m (14.8). Items in the adjusted EBITDA for the first quarter are shown on the previous page.

EBITDA for the first quarter amounted to SEK -22.5m (-19.4), corresponding to an EBITDA margin of -4.5 percent (-4.1). Operating profit for the first quarter amounted to SEK -102.9m (-82.8), corresponding to an operating margin of -20.6 percent (-17.4). Operating profit for the quarter was affected by amortization of acquired intangible assets of SEK -33.2m (-30.2).

Other operating income in the quarter amounted to SEK 9.6 million (18.7). Other operating income was mainly related to grants for research projects and positive currency effects.

Financial items were affected by market developments and dividends on the company's short-term investments of net SEK 0.0m (-7.2) in the quarter, since the short-term investments were converted into cash during 2022. Furthermore, there were net negative currency effects, mainly related to unrealized exchange rate effects on non-currency hedged intra-group loans in the Parent Company, of SEK -7.5m (61.0) in the quarter.

Financial items were also charged with costs related to convertible bonds totaling SEK -20.4m (-19.8) for the quarter; see further information in Note 4.

Net profit/loss for the period for the quarter amounted to SEK -118.4m (-43.5), corresponding to earnings per share before and after dilution of SEK -1.67 (-0.68).

Cash flow, investments and liquidity

Cash flow from operating activities for the quarter amounted to SEK 60.4 million (-69.2), of which SEK 97.0m (-58.4) consisted of changes in working capital.

The cash flow from changes in inventories amounted to SEK -18.6m (-58.6). Inventory increased somewhat in line with seasonal business planning after large outbound deliveries in the fourth quarter. While inventory levels are elevated, it remains a high priority for the Group. The Group is actively working with reducing inventory levels across all business areas.

The cash flow from changes in operating receivables amounted to SEK 181.9m (40.2). Operating receivables decreased, mainly due to good collection from strong Q4 sales and lower sales in Q1 2023 compared to Q4 2022. The cash flow from changes in operating liabilities amounted to SEK -66.2m (-40.0) and was mainly impacted by decreased contract liabilities converted to revenue.

Cash flow from investment activities during the quarter amounted to SEK -108.3m (-85.1), of which SEK 0.0m (-2.5) was attributable to the cash purchase price for acquisitions and contingent considerations paid during the quarter, as well as associated acquisition costs.

SEK 0.0m (52.1) was attributable to the purchase and sale of short-term interest rate funds and other short-term investments during the quarter. The Group invested SEK

-43.3m (-69.4) in intangible assets, mainly attributable to development of new products. Investments in tangible assets amounted to SEK -65.0m (-65.3), of which SEK -46.0m was attributable to the buildings that SCIENION and Ginolis are constructing for their operations in Berlin, Germany and Oulu, Finland respectively. The remaining investments scheduled for these buildings are estimated at SEK 70m in 2023.

Cash flow from financing activities for the quarter amounted to SEK -18.9m (47.2) and consisted mainly of a share issue from options of SEK 5.9m (52.6), less amortization of leasing liabilities of SEK -24.2m (-13.8).

The quarter's total cash flow amounted to SEK -66.8m (-107.1).

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to SEK 859.5m (1,313.4). The Group's external financing consisted of interest-bearing liabilities of SEK 1,400.9m, of which SEK 1,374.9m relates to convertible debentures, net after transaction costs. In addition, the Group has leasing liabilities totaling SEK 437.5m. Reported contingent considerations to be paid amount to SEK 279.0m, of which SEK 84.6m is reported as due within 12 months. See note 6 for more information on the contingent considerations.

Factoring update

In Q1 2023, BICO successfully entered into an agreement with a factoring provider. The company has initiated factoring in several European Group companies during the first quarter, however this only had a minor effect of SEK 5m in the improved collection in Q1 2023.

Facilities update

Investments in the two state-of-the-art facility projects in Berlin, Germany and Oulu, Finland continued and amounted to SEK 46m during the first quarter. The project in Berlin is progressing as planned and is expected to be ready in the summer of 2023 for SCIENION to consolidate its local operations within. The facility is a sustainable facility ideal for SCIENIONs continued profitable growth. The plan is to sell the facility when it's complete, and the market is deemed attractive. Selling or leasing of the facility in Oulu is actively being evaluated.

Right-sizing of Ginolis

Cost reduction was carried out during the quarter to right-size Ginolis to post-pandemic conditions. The main purpose of the right-sizing of Ginolis has been to give the company the scope required to accept new orders while minimizing the cost base, as well as achieve profitability over time. The company's ability to ensure solid support and deliveries as well as being able to honor current service obligations to customers has been guiding for the action plan for 2023 which has been developed and launched during the quarter. The plan entails close monitoring of the development of order intake and cost savings of approximately SEK 55m on an annual basis.

Financial impact on BICO

Ginolis' sales were SEK 12.1m and adjusted EBITDA was SEK -38.0m in Q1 2023, due to the low level of sales, cost savings being gradually implemented during the quarter and write-downs in inventory. The table to the right shows the Group's financials including and excluding Ginolis for full year 2022 as well as Q1 2023.

Financials including and excluding Ginolis	FY 2022 including Ginolis	FY 2022 excluding Ginolis	Q1 2023 including Ginolis	Q1 2023 excluding Ginolis
SEK m				
Net sales	2,239.5	2,100.0	500.7	488.6
Organic growth, %	17,4%	24,5%	3.7%	10.1%
Adjusted EBITDA	62.1	129.1	-9.3	28.7
Adjusted EBITDA margin, %	2.8%	6.1%	-1.9%	5.9%



Our Business Areas

BIOPRINTING

Bioprinting is a world leader in 3D bioprinters and bioinks with a wide range of technologies for different demanding applications, resolutions (50 – 10 micro), and volume/speed requirements. Our hardware, software and biomaterials have earned us a premier position in reliable in vitro human tissue model innovation. These models are used to assess safety and efficacy throughout the cosmetics, chemical, pharmaceutical, and household product industries – while lowering testing costs and reducing animal testing. Our pioneering work in additive microfabrication uses 2-photon polymerization 3D printing with a resolution down to 200 nanometers, enabling applications in microoptics, micromechanics, biomedical engineering, and photonics. In addition, we provide CRO services focused on accelerating drug discovery and development, with advanced tissue imaging and cell culture services. Customers include research labs and pharma companies, as well as semiconductor and optics manufacturers.

In the first quarter, the Bioprinting business area reported net sales of SEK 144.3m (123.0), corresponding to a growth of 17.3 percent compared to the same quarter the previous year. Organic growth was 12.6 percent (41.8), and 3.8 percent (30.4) excluding currency effects.

The business area's adjusted EBITDA was SEK 11.8m (1.5), corresponding to a margin of 8.2 percent (1.2). The business area's EBITDA was SEK 9.5m (-4.9), corresponding to a margin of 6.6 percent (-4.0).

The business area delivered healthy sales levels this quarter, especially in relation to the first quarter usually seasonally being the weakest. Cost control and the cost savings program contributed to the profitability for the quarter.

BIOSCIENCES

Biosciences supplies advanced lab instrumentation and smart workflow connectivity software to analyze data from applications in cell culture, cell imaging, cell sorting, and sample preparation for different analytics, such as genomics. We also deliver laboratory integration and automation solutions that enable researchers to orchestrate and accelerate their discoveries at every stage. Customers include pharma and biotech companies, as well as academic research labs. Our instruments are sold with proprietary consumables and/or proprietary software.

In the first quarter, the Biosciences business area reported net sales of SEK 230.2m (212.1), corresponding to a growth of 8.5 percent compared to the same quarter the previous year. Organic growth was 8.5 percent (88.1), and -2.1 percent (72.8) excluding currency effects.

The business area's adjusted EBITDA was SEK 18.9m (15.9), corresponding to a margin of 8.2 percent (7.5). The segment's EBITDA was SEK 11.7m (10.2), corresponding to a margin of 5.1 percent (4.8).

The business area's sales was hampered by normalized seasonal effects. However currency tailwind dampened the effect. The improved profitability during the quarter was a result of cost control in general and implementation of 2022 cost savings program.

BIOAUTOMATION

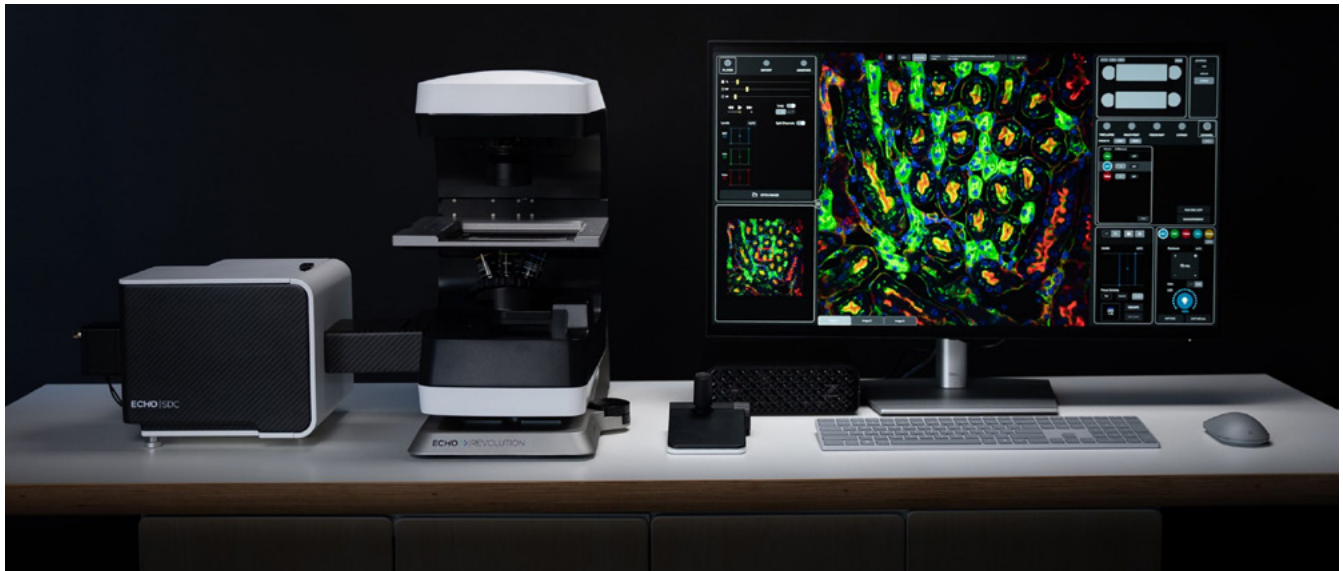
Bioautomation offers scientific instruments and solutions for scalable manufacturing of diagnostics as well as consumables to enable single cell and other workflows. The business area also offers innovative solutions for mixing and temperature control of molecular samples on robotic platforms. Our customer base is mainly in diagnostics, with increasing interest from biopharma CROs and pharma companies. A typical customer journey might start as an R&D project, then turn the results into manufacturing for clinical studies, and finally full-scale manufacturing for worldwide use. Our main differentiator is that we can scale projects to any size, while utilizing only marginal volumes (e.g. 100 pl) of typically expensive biological reagents, or just a single cell. This results in savings of resources and costs. We also offer contract manufacturing services for all the technologies we offer, letting customers decide if they want to invest in equipment or just obtain a service. All services can later be tech transferred to customers at any time.

In the first quarter, the Bioautomation business area reported net sales of SEK 126.2m (142.1), corresponding to a decline of 11.2 percent compared to the same quarter the previous year. Organic growth was -11.2 percent (32.0), and -17.8 percent (22.9) excluding currency effects.

The business area's adjusted EBITDA was SEK -24.6m (11.4), corresponding to a margin of -19.5 percent (8.0). The business area's EBITDA amounted to SEK -27.9m (6.2), corresponding to a margin of -22.1 percent (4.4).

The quarter was negatively impacted by continued challenges in Ginolis. When excluding Ginolis, the business area reported organic growth excluding currency effects of 2.3 percent and adjusted EBITDA of SEK 13.3m, corresponding to a margin of 11.6 percent.

The heavy decline in covid-19 related sales was, as expected, clearly reflected in the sales of the business area, and resulted in Ginolis having yet another challenging quarter. The latter has resulted in extensive cost reduction during the quarter and an action plan. The decline in covid-19 related sales as well as the challenges in Ginolis resulted in a negative EBITDA for the quarter.



DISCOVER ECHO IS REVOLUTIONIZING MICROSCOPES – AGAIN AND AGAIN

Discover Echo has been a leading innovator in microscopy and imaging technologies since starting up in San Diego, California in 2013, and joined the BICO Group in June 2021. Their secret formula for the mature microscopy market has been to offer hybrid automated microscopes with greater versatility and usability than any other system.

Microscopes are important to a wide scientific community, but especially life science solutions that advance scientific discovery in everything from cell biology to drug development and neurobiology.

Challenging conventions with design evolution

All Discover Echo models replace traditional eyepieces with ultra high-resolution displays and include unique software that advances the workflow of acquiring, sharing, and analyzing images. Moreover, each product generation has turned the previous generation on its head. Sometimes literally.

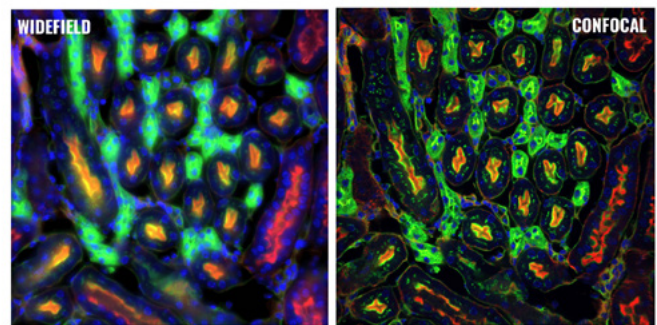
Around 70% of today's research labs use both upright and inverted microscopes to handle different types of samples. Echo's entry level model, Rebel, easily converts between either configuration, so labs no longer need two separate systems. The next step, Revolve, uniquely combines four microscopes into one, covering upright, inverted, transmitted light and fluorescence. It significantly reduces equipment costs and frees up valuable laboratory space.

The next generation, suitably called Revolution, amped up the versatility, accommodating a variety of core imaging techniques viewed on an ultra-high resolution display. And its unique, automated hybrid design provides more capability than any other widefield microscope. Samples can be viewed and captured in seconds, and its intuitive software reduces the learning curve, making microscopy easier than ever for a wider range of lab personnel.

New Confocal microscope for high-resolution imaging

In February, Discover Echo launched its latest product: the Echo Confocal microscope – delivering images of biological samples with exceptional clarity and detail. It blocks out-of-focus light, providing higher-resolution images than a traditional widefield microscope.

Confocal microscopes are used to study living cells and tissues, providing three-dimensional images with exceptional detail. They are particularly useful for investigating cellular



processes, protein localization, and fluorescently-labeled molecules in living cells. Every aspect of workflow, usability, and performance have been pushed to create a more modern and powerful product.

Confocal microscopes are normally incredibly expensive and challenging to operate. Researchers who have seen the Echo Confocal system are specifically impressed with its ease of use, value, and performance.

The Echo Confocal microscope is the first of its kind – with a range of automated functions to simplify image acquisition. Its intuitive user interface makes it easy for researchers of all skill levels to operate, while its compact design allows it to fit easily into any lab setting, making it a high-value instrument that is much easier to use. It also includes a range of advanced imaging features, including 3D imaging capabilities and time-lapse imaging, as well as mosaic tiling and multi-point capture. The system also reduces photobleaching, suiting live cell applications.

The Echo Confocal system complements BICO's cell biology technologies – including 3D cell culture, organoids, and bio-printing products – with a high-speed, 3D imaging microscopy platform that expands access to scientists around the globe.

More information on www.discover-echo.com.

Financial Comments

SIGNIFICANT EVENTS

DURING THE FIRST QUARTER 2023

- **January:** Jacob Thordenberg appointed new CFO.
- **January:** Marius Balger appointed COO in January and joined BICO in March, 2023.
- **January:** BICO announced an increase in number of shares and votes. As of January 31, 2023, the total number of registered and outstanding shares amounted to 70,574,895.
- **February:** Rolf Classon proposed as new Chairman of BICO Group AB (publ).
- **February:** BICO announced an impairment of goodwill in one of the portfolio companies, Ginolis.
- **February:** BICO published Year-end report 2022.
- **March:** BICO published Annual report 2022.

SIGNIFICANT EVENTS

AFTER THE END OF THE FIRST QUARTER 2023

- **April:** BICO published Notice to attend Annual General Meeting 2023.

PARENT COMPANY

BICO Group AB (publ) is the parent company for the Group with Group-wide functions and with a focus on delivering on the agenda for bioconvergence, identifying synergies, developing the offering and technologies, and contributing to the development of the Group's various companies.

REPORTING SEGMENTS

Since Q1 2022, the BICO Group consists of three reporting segments, mirroring the three business areas: Bioprinting, Biosciences and Bioautomation. For more information, see Note 3.

RELATIONSHIPS WITH RELATED PARTIES

No transactions that materially affected the company's earnings and financial position were carried out with related parties during the quarter. Certain members of the Group's management team and the Board of Directors hold options in BICO; see Note 5. For information on related party relationships, see the annual report for 2022, Note 29, page 99.

SIGNIFICANT RISKS AND UNCERTAINTIES

The Group is exposed to various types of risks through its operations. Risks can be divided into external risks, operational risks and financial risks. External risks include changes in economic conditions, commodity prices and the legal environment. Operational risks include BICO's ability to develop, patent and sell new innovative products and solutions, and that the Group can attract and retain qualified employees. The main operational risk is that the acquired companies will not develop in line with expectations. The financial risks are summarized under currency risk, liquidity and financing risk,

market risk, credit risk and interest rate risk. BICO's risks and uncertainties are described in the Annual Report for 2022 on pages 44-46 and 59-61.

SEASONAL VARIATIONS

BICO's sales are affected by seasonal effects. Historically, the Group has gradually increased sales and profit during the calendar year, with a certain decline during the holiday period (July-August). Q1 is normally the weakest quarter, and Q4 the strongest.

EXECUTIVE MANAGEMENT

The Executive Management of BICO Group consists of: President and CEO Erik Gatenholm; EVP and CTO Héctor Martínez; CFO Jacob Thordenberg; SVP & General Counsel & HR Lotta Bus, COO Marius Balger and Head of Corporate Development & M&A Artur Aira.

EMPLOYEES

During Q1 2023, the average number of employees in the Group was 1,069, of whom 714 were men and 355 were women. Expressed as percentages, men represented 67 percent of the average number of employees, while women represented 33 percent.

FINANCIAL TARGETS

BICO Group's financial targets valid from 2023 on a mid-term basis:

- Double-digit organic growth in constant currency
- EBITDA margin less capitalized development cost > 10%
- Net debt / EBITDA <3.0x

Financial Comments

SHARE CAPITAL

As of March 31, 2023, share capital amounted to SEK 1,764,372.375 divided among 70,574,895 ordinary shares. As of March 31, 2023, the closing price for the BICO Group share was SEK 54.18. The Company has two (2) classes of shares: 1,500,000 A-shares which entitle the owner to ten (10) votes per share, and 69,074,895 shares which entitle the owner to one (1) vote per share at the General Meeting. The total number of shareholders as of March 31, 2023 was approximately 25,000.

SHAREHOLDER STRUCTURE

Ten largest shareholders as of March 31, 2023	%
Erik Gatenholm	13.63%
Sartorius AG	10.09%
Handelsbanken Funds	9.22%
Héctor Martínez	8.95%
Fourth Swedish National Pension Fund	4.82%
Third Swedish National Pension Fund	3.87%
Vanguard	2.15%
Deka Investments	1.90%
Carl Bennet	1.67%
Claes Dinkelspiel	1.49%
Subtotal, 10 largest shareholders	57.79%
Other shareholders	42.21%
Total	100%

ANNUAL GENERAL MEETING 2023

The 2023 Annual General Meeting will be held on May 9, 2023 at the company's premises, Långfilsgatan 9, Gothenburg, Sweden. All documents, e.g., Notice to the Annual General Meeting, Nomination Committee proposal and statement, Proxy form, Notification of attendance and Form of advance voting are available on BICO's website, under the Investor section and Annual General Meeting 2023 tab.

FUNCTIONAL REPORTING

As presented in the annual report 2022, certain disclosures on what an income statement by function would have looked like will be given during 2023, before full implementation in the first quarter 2024. The change to functional reporting is being implemented to increase comparability in the company's cost structure and adapt to the most common market practice. This change will affect the reported gross margin negatively as more costs than before (e.g., production staff, depreciation on production equipment) will be included in the reported cost of goods sold. In the cost-based method used today, only the cost of physical goods is included.

During Q1 2023, the gross margin with the cost-based method as presented in the income statement is 73.2%, excluding Ginolis. If a functional income statement would have been implemented, the gross margin would have been approximately 20 percentage points lower, excluding Ginolis. Net sales, EBITDA, EBIT and net profit will be unchanged, as the new presentation format only affects allocation of costs from OPEX to COGS.

REVIEW

This interim report has not been subject to review by the company's auditors.

Upcoming Events

MAY 9, 2023 / Annual General Meeting 2023

Please find all the related documents on:

<https://bico.com/investors/governance/annual-general-meetings/agm-2023/>

AUGUST 22, 2023 / Interim report

January - June 2023

NOVEMBER 14, 2023 / Interim report

January - September 2023

FEBRUARY 20, 2024 / Year-end report

January - December 2023

PRESENTATION TO INVESTORS AND MEDIA

A telephone conference, with the opportunity to ask questions, will be held on May 4, 2023 at 10:00 am CEST, at which President & CEO Erik Gatenholm and CFO Jacob Thordenberg will present the Q1 report. The presentation will be given in English.

Telephone conference at 10:00 am CEST:

The presentation will be available on BICO's website from 09:00am CEST.

<https://bico.com/investors/>

If you wish to participate via webcast, please use the link below:

Via the webcast you can ask written questions.

<https://ir.financialhearings.com/bico-q1-2023/register>

If you wish to participate via teleconference, please register on the link below:

After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=200738>

Bioconvergence is enabling the future of health

Bioconvergence is an industry segment within healthcare and research in life science that emphasizes the synergies between multidisciplinary fields of research including engineering, computerized systems, technology such as robotics, artificial intelligence, Big Data and biology.

TRENDS SHAPING THE FUTURE OF BIOCONVERGENCE



GROWTH AND DEVELOPMENT
IN REGENERATIVE MEDICINE



ALTERNATIVES TO ANIMAL TESTING



CONTINUOUS FOCUS ON
BIOLOGICAL DRUGS



INCREASED FOCUS OF
PERSONALIZED MEDICINE



GENE THERAPIES



HEALTH 4.0, DIGITAL TECHNOLOGIES,
SMART MACHINES AND DATA

Condensed consolidated income statements

SEK m	Note	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Net sales	3	500.7	477.2	2,239.5
Other operating income		9.6	18.7	110.8
Change in inventories		-0.1	-0.3	4.5
Capitalized work for own account		36.9	41.5	182.0
OPERATING EXPENSES				
Raw materials and supplies		-148.1	-124.3	-595.4
Other external costs		-122.4	-142.1	-719.0
Personnel expenses		-294.4	-281.6	-1,256.6
Depreciation and amortization of fixed assets		-80.4	-63.4	-315.6
Impairment of goodwill		-	-	-625.0
Other operating expenses		-4.6	-8.5	-22.1
Operating profit/loss		-102.9	-82.8	-996.9
FINANCIAL ITEMS				
Financial income		11.2	71.2	432.2
Financial expenses		-39.1	-35.9	-188.4
Profit/loss after financial items		-130.8	-47.5	-753.1
Tax for the period		12.3	4.0	-82.6
Net profit/loss for the period		-118.4	-43.5	-835.7
ATTRIBUTABLE TO				
Parent company shareholders		-117.7	-43.6	-832.9
Non-controlling interest		-0.7	0.1	-2.8
Earnings per share before dilution, SEK		-1.67	-0.68	-12.94
Earnings per share after dilution, SEK		-1.67	-0.68	-12.94
Average number of shares before dilution		70,563,339	63,726,136	64,348,627
Average number of shares after dilution*		73,069,089	66,615,782	66,876,838

* Average number of shares including potential ordinary shares.

Condensed consolidated statements of comprehensive income

SEK m	Note	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Net profit/loss for the period		-118.4	-43.5	-835.7
<i>Items that may be reclassified subsequently to profit or loss</i>				
Translation differences on foreign operations		26.9	60.5	396.7
Tax attributable to items that have been transferred or can be transferred to profit		0.0	0.0	-5.2
Total comprehensive income		-91.5	17.0	-444.2
ATTRIBUTABLE TO				
Parent company shareholders		-91.0	17.1	-442.6
Non-controlling interest		-0.5	-0.1	-1.6

Condensed consolidated statements of financial position

SEK m	Note	2023-03-31	2022-03-31	2022-12-31
ASSETS				
Fixed assets				
Intangible assets	6	6,707.5	6,635.5	6,712.9
Property, plant and equipment		512.5	264.5	459.8
Right-of-use assets		455.7	277.5	441.8
Financial fixed assets	4	42.3	25.1	43.4
Deferred tax assets		119.1	113.2	101.9
Total fixed assets		7,837.1	7,315.8	7,759.7
Current assets				
Inventories		546.3	416.5	531.0
Current tax receivable		11.6	12.4	28.3
Contract assets		179.6	122.0	160.3
Accounts receivable		457.4	553.0	699.7
Prepaid expenses		57.0	26.7	32.5
Other current assets	4	93.6	87.3	60.0
Short-term investments	4	-	934.7	-
Cash and cash equivalents		859.5	387.7	925.2
Total current assets		2,205.0	2,531.3	2,437.1
Total assets		10,042.1	9,847.1	10,196.8
EQUITY AND LIABILITIES				
Equity attributable to parent company shareholders		6,825.0	6,857.5	6,905.0
Non-controlling interest		26.7	28.7	27.2
Total equity		6,851.7	6,886.2	6,932.2
Long-term liabilities				
Long-term interest-bearing liabilities	4	1,392.7	1,357.7	1,384.9
Long-term lease liabilities		380.5	222.3	370.5
Other provisions		25.3	20.2	24.9
Other long-term liabilities	4	198.9	366.3	199.7
Deferred tax liabilities		332.7	269.7	345.1
Total long-term liabilities		2,330.1	2,236.2	2,325.0
Current liabilities				
Short-term interest-bearing liabilities		8.2	15.5	8.0
Short-term lease liabilities		93.0	58.4	89.7
Accounts payable		147.1	151.7	132.6
Contract liabilities		252.6	173.6	300.9
Other current liabilities	4	158.0	182.2	164.3
Accrued expenses		201.4	143.3	244.0
Total current liabilities		860.3	724.7	939.5
Total liabilities		3,190.4	2,960.9	3,264.6
Total equity and liabilities		10,042.1	9,847.1	10,196.8

Condensed consolidated cash flow statements

SEK m	Note	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Profit/loss after financial items		-130.8	-47.5	-753.1
Adjustments for non-cash items		103.5	41.7	780.6
Income tax paid		-9.4	-5.1	-30.8
Increase (-)/Decrease (+) in inventories		-18.6	-58.6	-162.1
Increase (-)/Decrease (+) in operating receivables		181.9	40.2	-189.4
Increase (+)/Decrease (-) of operating liabilities		-66.2	-40.0	85.4
Cash flow from operating activities		60.4	-69.2	-269.4
Acquisition of property, plant and equipment		-65.0	-65.3	-274.1
Acquisition of intangible fixed assets		-43.3	-69.4	-255.5
Acquisition of subsidiaries/operations, net proceeds		-	-2.5	-218.2
Acquisition/disposal of short-term investments, net		-	52.1	960.7
Cash flow from investing activities		-108.3	-85.1	212.9
Option premiums received		-	-	0.9
New issues		5.9	52.6	539.6
Issue costs		-0.6	-0.2	-7.2
Borrowings, net arrangement fees		-	9.5	-
Repayment of loans		-	-0.9	-4.3
Amortization of lease liabilities		-24.2	-13.8	-73.8
Cash flow from financing activities		-18.9	47.2	455.3
Cash flow for the period		-66.8	-107.1	398.8
Opening cash and cash equivalents		925.2	481.2	481.2
Exchange difference in cash and cash equivalents		1.1	4.6	45.2
Closing cash and cash equivalents		859.5	378.7	925.2

Consolidated changes in equity

SEK m	Share capital	Other contributed capital	Translation reserve	Balanced profit including profit for the period	Non-controlling interest	Total equity
Opening balance as of January 2022	1.6	7,017.1	29.0	-273.8	28.8	6,802.7
Net profit/loss for the period	-	-	-	-43.6	0.1	-43.5
Other comprehensive income	-	-	60.7	-	-0.2	60.5
New share issue	0.0	52.6	-	-	-	52.6
Transaction costs, net of tax	-	-0.2	-	-	-	-0.2
Share-based compensation	-	14.1	-	-	-	14.1
Closing balance as of March 31, 2022	1.6	7,083.6	89.7	-317.4	28.7	6,886.2
Opening balance as of January 1, 2023	1.8	7,590.5	419.3	-1,106.6	27.2	6,932.2
Net profit/loss for the period	-	-	-	-117.7	-0.7	-118.4
Other comprehensive income	-	-	26.7	-	0.2	26.9
New share issue	0.0	5.9	-	-	-	5.9
Transaction costs, net of tax	-	-0.6	-	-	-	-0.6
Share-based compensation	-	5.7	-	-	-	5.7
Closing balance as of March 31, 2023	1.8	7,601.5	446.0	-1,224.3	26.7	6,851.7

Condensed income statements for the parent company

SEK m	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Net sales	12.1	11.8	70.4
Other operating income	0.4	4.7	46.9
OPERATING EXPENSES			
Raw materials and supplies	-	-0.1	-6.4
Other external costs	-11.0	-23.6	-129.9
Personnel expenses	-13.1	-17.8	-84.2
Depreciation and amortization of fixed assets	-0.3	-0.5	-3.2
Other operating expenses	-0.2	-3.5	-6.3
Operating profit/loss	-12.1	-29.0	-112.7
FINANCIAL ITEMS			
Profit/loss from shares in Group companies	-	-	-436.1
Financial income	65.8	102.5	634.0
Financial expenses	-39.1	-26.4	-172.3
Profit/loss after financial items	14.6	47.1	-87.1
Appropriations	-	-	-211.9
Tax for the period	-5.0	-	-15.5
Net profit/loss for the period*	9.6	47.1	-314.5

* Profit for the year and comprehensive income for the year amount to the same amount for all reported periods.

Condensed parent company statements of financial position

SEK m	Note	2023-03-31	2022-03-31	2022-12-31
ASSETS				
Fixed assets				
Intangible fixed assets		2.5	4.5	2.5
Property, plant and equipment		3.3	2.1	3.7
Shares in Group companies		3,789.1	4,187.0	3,789.1
Receivables from Group companies		3,378.4	3,648.1	3,323.8
Other financial fixed assets		3.7	4.5	3.7
Deferred tax assets		0.7	-	1.3
Total fixed assets		7,177.7	7,846.2	7,124.0
Current assets				
Inventories		-	-	0.5
Accounts receivable		0.5	22.9	1.0
Receivables from Group companies		1,393.6	120.3	1,328.1
Other current assets		16.7	21.7	2.6
Prepaid expenses and accrued income		13.4	7.2	6.0
Short-term investments		-	934.7	-
Cash and cash equivalents		532.5	-	620.0
Total current assets		1,956.7	1,106.8	1,958.2
Total assets		9,134.4	8,953.0	9,082.3
EQUITY AND LIABILITIES				
Equity				
Untaxed reserves		23.9	-	23.9
Long-term liabilities				
Deferred tax liability		1.5	-	-
Other provisions		3.0	-	3.0
Long-term interest-bearing liabilities		1,377.0	1,341.0	1,368.0
Other long-term liabilities		194.4	360.4	194.8
Total long-term liabilities		1,575.9	1,701.4	1,565.7
Current liabilities				
Short-term interest-bearing liabilities		2.0	11.5	2.0
Liabilities to Group companies		139.6	3.8	114.4
Accounts payable		11.0	13.4	2.9
Other current liabilities		109.4	126.0	99.9
Accrued expenses and deferred income		25.3	23.4	40.9
Total current liabilities		287.3	178.1	260.2
Total equity and liabilities		9,134.4	8,953.0	9,082.3

Notes to the financial reports

NOTE 1.

ACCOUNTING PRINCIPLES

This interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting and the applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and RFR 2. For the Group and the Parent Company, the same accounting principles and calculation criteria have been applied as in the most recent annual report.

In addition to the financial statements and its accompanying notes, disclosures pursuant to IAS 34.16A are also included in other parts of the interim report.

NOTE 2.

ESTIMATES AND ASSESSMENTS

The preparation of the interim report requires management to make assessments and estimates and make assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates during 2023 are generally the same as described in the annual report for 2022, Note 3, pages 61-62.

NOTE 3.

OPERATING SEGMENTS AND BREAKDOWN OF REVENUES

Revenue recognition

BICO's promised performance obligations to customers normally consist of sales of products that are self-manufactured, as well as the performance of services. These performance obligations are stated in the agreement with the customer. The Group reports revenue from the transfer of promised products or services to customers, in an amount that reflects the compensation to which the company expects to be entitled in exchange for these products or services.

The Group's products offered on the market consist of instruments, bioinks, tissues and consumables. BICO also sells services in the form of service contracts linked to products, contract manufacturing, contract studies and software. See below for a more detailed description of the market offerings in each segment.

Products have been assessed as separate performance obligations. Sales of products are reported as revenue at the time control of the products was transferred to the customer, which is when the products have been delivered in accordance with agreed shipping terms. However, the Group also recognizes revenue over time on certain major product projects that run over several periods. This is done in cases where the company's performance does not create an asset with an alternative use for the company, and the company is

entitled to payment for performance achieved to date. For these projects, BICO estimates the degree of completion of the projects based on the actual cost incurred compared to the total expected cost of completing the delivery, and reports the project's revenue over time in accordance with this assessment.

Services are to some extent invoiced in advance, and are recognized as revenue over time or at a point in time depending on the nature of the service. Non-recognized service income is reported as prepaid income (contract liabilities) in the balance sheet.

Of the Group's other operating income, the majority consists of different types of government grants that the Group receives to run research and development projects. Revaluation of contingent considerations is also classified as other operating income, or other operating expenses.

Segments

The Group consists of three reporting segments: Bioprinting, Biosciences and Bioautomation.

The Group's operations are divided into operating segments based on which parts of the operations the company's highest executive decision-maker, the Group's CEO, follows up. The business is organized in such a way that the CEO monitors the sales and earnings generated by the Group's segments. Since the CEO monitors the results of operations and decides on the distribution of resources based on the description of segments below, these constitute the Group's operating segments.

The Group's segments are identified on the basis that different market offerings have been merged into one segment in cases where they have similar financial properties, products, production processes, customers and distribution methods. Follow-up of the Group's segments is mainly on sales and EBITDA, which is why these performance measures are presented in tables on the next page.

Bioprinting

Bioprinting consists of CELLINK, MatTek, Visikol, Nanoscribe, Advanced BioMatrix and Allegro 3D. The segment offers 3D bioprinters and bioinks with a wide range of technologies for different demanding applications, resolutions (50 micro – 200 nanometer), and volume/speed requirements, as well as services focused on accelerating drug discovery and development, with advanced tissue imaging and cell culture services.

Biosciences

Biosciences consists of CYTENA, CYTENA Bioprocess Solutions, DISPENDIX, Discover Echo and Biosero. The segment supplies advanced lab instrumentation and smart workflow connectivity software to analyze data from applications in cell culture, cell imaging, cell sorting, and sample preparation for different analytics, such as genomics. The instruments are sold with proprietary consumables and/or proprietary software.

Bioautomation

Bioautomation consists of SCIENION with the subsidiary Cellenion, Ginolis and QInstruments. The segment offers scientific instruments and solutions for scalable manufacturing of diagnostics, as well as consumables to enable single-cell and other workflows. The segment also offers contract manufacturing services using the technologies.

Group

Group consists of costs that cannot be allocated to any of the segments, such as Group-wide administration and shareholder costs.

Segment reporting SEK m	Bioprinting Jan–March 2023	Biosciences Jan–March 2023	Bioautoma- tion Jan–March 2023	Group Jan–March 2023	Elimina- tions	Total Jan–March 2023
Net sales	144.3	230.2	126.2	0.0	-	500.7
Raw materials and supplies reduced with changes in inventories	-24.2	-80.4	-43.6	0.0	-	-148.2
Capitalized work for own account	13.1	11.7	12.1	-	-	36.9
Other operating income	3.0	5.7	0.8	11.7	-11.6	9.6
Other external costs	-38.6	-40.1	-40.9	-14.4	11.6	-122.4
Personnel expenses	-86.5	-113.2	-81.6	-13.1	-	-294.4
Other operating expenses	-1.5	-2.2	-0.8	-0.1	-	-4.6
EBITDA	9.5	11.7	-27.9	-15.8	-	-22.5
EBITDA, %	6.6%	5.1%	-22.1%	N/A	-	-4.5%
Depreciation and amortization of fixed assets	-	-	-	-	-	-80.4
Financial income	-	-	-	-	-	11.2
Financial expenses	-	-	-	-	-	-39.1
Result before tax	-	-	-	-	-	-130.8

Segment reporting SEK m	Bioprinting Jan–March 2022	Biosciences Jan–March 2022	Bioautoma- tion Jan–March 2022	Group Jan–March 2022	Elimina- tions	Total Jan–March 2022
Net sales	123.0	212.1	142.1	-	-	477.2
Raw materials and supplies reduced with changes in inventories	-22.6	-56.8	-45.2	-	-	-124.6
Capitalized work for own account	12.0	17.1	12.4	-	-	41.5
Other operating income	7.6	0.2	5.6	5.3	-	18.7
Other external costs	-38.2	-53.8	-36.4	-13.7	-	-142.1
Personnel expenses	-83.4	-108.3	-71.3	-18.6	-	-281.6
Other operating expenses	-3.3	-0.3	-1.0	-3.9	-	-8.5
EBITDA	-4.9	10.2	6.2	-30.9	-	-19.4
EBITDA, %	-4.0%	4.8%	4.4%	N/A	-	-4.1%
Depreciation and amortization of fixed assets	-	-	-	-	-	-63.4
Financial income	-	-	-	-	-	71.2
Financial expenses	-	-	-	-	-	-35.9
Result before tax	-	-	-	-	-	-47.5

BICO Group

Net sales by geographic region and by business area

	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
SEK m	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022
Europe	41.1	31.8	41.5	42.5	59.8	52.6	142.3	126.9
North America	61.7	65.8	149.6	139.1	46.3	75.1	257.6	280.1
Asia	40.3	15.5	34.0	27.3	18.8	7.0	93.1	49.8
Rest of the world	1.2	9.9	5.1	3.1	1.4	7.4	7.7	20.4
Total	144.3	123.0	230.2	212.1	126.2	142.1	500.7	477.2

Net sales broken down by products and services

	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
SEK m	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022
Products	120.0	105.3	208.3	204.1	105.5	119.4	433.7	428.9
Services	24.3	17.6	21.9	8.0	20.8	22.7	67.0	48.3
Total	144.3	123.0	230.2	212.1	126.2	142.1	500.7	477.2

Net sales of products broken down by consumables and instruments

	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022	Jan– March 2023	Jan– March 2022
SEK m								
Instruments	61.4	57.0	202.8	197.7	84.8	108.8	349.0	363.5
Consumables	58.6	48.3	5.5	6.5	20.7	10.6	84.7	65.3
Total	120.0	105.3	208.3	204.1	105.5	119.4	433.7	428.9

NOTE 4.

FINANCIAL INSTRUMENTS

The Group's financial instruments consist of long-term investments, long-term receivables, accounts receivable, contractual assets, derivatives, receivables and liabilities to Group companies, short-term investments, cash and cash equivalents, interest-bearing liabilities, contingent considerations, and accounts payable. All instruments except long-term and short-term investments, derivatives and contingent considerations are valued at amortized cost. With the exception of convertible bonds, financial instruments that are not reported at fair value have fair values that do not differ significantly from the reported values. For fair value of the convertible bonds, see below.

Long-term investments

The Group's long-term investments consist of strategic investments in other companies, which as a result of the ownership interest are not considered subsidiaries or associated companies. These holdings are reported in accordance with IFRS 13 level 3, as they are not traded on an active market.

Short-term investments

The Group's short-term investments, consisting of interest-bearing funds and market-listed bonds, are valued at fair value in accordance with IFRS 13 level 1 (listed market values on the active market).

Valuation at fair value regarding short-term investments during the year generated an impact on the income statement of SEK 0.0m (-7.0). This effect is reported among financial items. During the fourth quarter 2022, the short-term investments were converted into cash.

Derivatives

Outstanding derivatives are intended to minimize financial impact from currency fluctuations. The derivatives are valued at fair value in accordance with IFRS 13 level 2 by comparing the derivative's exchange rate with the Group's exchange rate on the balance sheet date.

Contingent considerations

In connection with acquisitions of Visikol, Nanoscribe, Advanced BioMatrix, QInstruments and Biosero in 2021, and Allegro 3D in 2022, part of the purchase price is contingent on the companies meeting certain financial targets in future periods and that certain senior executives (not including the previous shareholders) remain in the acquired companies for a period after the acquisitions.

In connection with preparing the purchase price allocation, the contingent considerations have been valued at fair value through a weighted probability assessment of the various possible outcomes, which has subsequently been discounted to present value. Significant non-observable input data in the calculation are future sales and the discount rate. An increase in future sales or a decrease in the discount rate increases the outcome of the contingent considerations.

The contingent considerations have been classified as other long-term liabilities and other current liabilities, respectively, and are valued at fair value in accordance with IFRS 13 level 3. Renewed assessments of the potential outcome of the contingent consideration are performed quarterly. Information received after the acquisition is assessed with respect to whether new information has emerged that relates to circumstances that existed at the time of the acquisition or that relates to subsequent events. In the latter case, any adjustments to the previously reported amount are reported as other income or other operating expenses in the period in which the change arises. In the former case, any adjustments are reported as an adjustment to goodwill in the purchase price allocation, provided that this is still preliminary.

Convertible bonds

On March 19, 2021, the company issued a convertible bond totalling SEK 1,500m. The number of promissory notes amounts to 750 and the nominal value per convertible is SEK 2.0m. As of March 19, 2026, the holders of the promissory notes have the right to convert them into shares at a conversion price of SEK 598.5/share, which corresponded to a premium of 42.5% against the share price at issue. Debentures that are not converted into shares will be redeemed at the nominal amount on March 19, 2026. The coupon rate amounts to 2.875% and is paid semi-annually in September and March.

The liability for convertible bonds is reported at amortized cost, which means that reported financial expenses exceed the cash flow-affecting coupon interest that is paid semi-annually. During the first quarter 2023, the cost of coupon interest amounted to SEK 10.8m (10.8) (affecting cash flow) and the implicit interest expense to SEK 8.2m (7.7) (not affecting cash flow). Accrued issue costs amounted to SEK 1.4m (1.3).

The convertible bonds are traded on the Frankfurt stock exchange. As of March 31, 2023, they traded at a value of approximately 68% of nominal value.

SEK m	Level	2023-03-31	2022-03-31	2022-12-31
FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE				
Short-term investments	1	-	934.7	-
Long-term investments	3	3.4	3.4	3.4
Contingent considerations	3	-279.0	-469.8	-278.3
Derivatives	2	7.4	5.4	-

Fair values – level 3

The table below presents a reconciliation between opening and closing balances for financial instruments valued at level 3.

SEK m	Contingent considerations	Long-term investments
FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE AT LEVEL 3		
Fair value January 1, 2023	-278.3	3.4
Acquisitions	-	-
Adjustment from contingent considerations to goodwill within 12 months of preliminary purchase price allocation	-	-
Total reported gains and losses in this year's operating profit	-	-
Payments to sellers	-	-
Total reported gains and losses in this year's net financial items	-0.7	-
Fair value March 31, 2023	-279.0	3.4

Sensitivity analysis

Contingent considerations

BICO has as of March 31, 2023 six historical acquisitions where a liability for contingent considerations is accounted for. The remaining contingent considerations are mainly connected to future revenue in the acquired companies.

The contingent considerations have been discounted with an interest rate of 1.25-4.68%. They are 74% denominated in USD and 26% in EUR.

In total, contingent considerations of SEK 279.0m are reported. If all contingent consideration had been assessed to fall out with a 100 percent probability, the reported liability for contingent consideration (short and long-term) would amount to SEK 453.7m as of March 31, 2023, all else being equal.

Other reasonably possible changes to non-observable inputs would, all other things being equal, have the following effect on the reported liability:

SEK m	Increase	Decrease
Discount rate (1% change)	-3.2	3.2
FX rates EUR and USD (10% change)	27.9	-27.9
Future revenue (10% change)	59.9	-179.5

NOTE 5.

INCENTIVE PROGRAMS

During Q1 2023, BICO had three active long-term incentive programs aimed at the Group's staff and board members. The purposes of the incentive programs are to encourage broad shareholding among BICO's employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed the Group's goals.

The first program included 80,000 remaining options for the Board, each redeemable for a share at a price of SEK 74.34. The program expired in January 2023, when these options were converted to shares.

LTIP 2019

The second program included a maximum of 1,600,000 options for employees and 220,000 options for board members. For employees, each of the options was initially redeemable for a share at a price of SEK 126.46 in January 2023. For board members, each of the options will be redeemable for a share at a price of SEK 143.32 during the period December 2024 to December 2025.

In January 2023, the vesting period for 364,200 options issued to employees in this program was extended to July 2023. The remaining 1,235,800 options for employees were canceled since the market price was below the redemption price.

LTIP 2021

The Annual General Meeting 2021 resolved on April 26, 2021 to introduce an additional incentive program aimed at employees within the BICO Group. The program comprises a maximum of 3,000,000 options, of which 2,500,000 are free of charge. For employees, options may be redeemed against a share at a price of SEK 598.50 during the period May 2025 to May 2026, provided that certain financial conditions are met during the vesting period.

LTIP 2022

An extraordinary general meeting in December 2022 decided to introduce an additional incentive program of a total of 2,500,000 free options to employees. The options will be redeemable for one share at a price of SEK 150 during the period June-September 2026, provided that a number of financial conditions for the group are met during the vesting period. As of the balance sheet date, none of these options have yet been assigned to the employees.

Other disclosures

Valuation and accounting policies for the incentive programs are described in Note 6 of the Annual Report for 2022.

As of March 31, 2022, a total of 2,404,602 options are outstanding, of which 1,739,968 options are reported within the framework of IFRS 2. The remaining outstanding options are issued at market price and do not contain any consideration requirements for the participants and are thus not covered by the rules in IFRS 2.

Of the total number of outstanding options, 346,482 are held by members of the Executive management team and the Board of Directors.

If all outstanding options were to be redeemed against shares, this would correspond to a total increase of approximately 3.4 percent of the number of outstanding shares as of March 31, 2023. In addition, there is a potential increase effect of 3.5 percent related to the incentive program decided in December 2022, but not yet allocated to the employees.

NOTE 6.

ACQUISITIONS AND GOODWILL

Purchase price allocations

On May 5, 2022, BICO Group AB acquired 100% of the shares in Allegro 3D Inc. (corporate id number C3956310 based in San Diego, California, USA). During Q1 2023, the purchase price allocation for Allegro was finalized, whereby no changes compared to what was presented in the annual report for 2022, Note 26, page 94 were implemented.

Acquisition costs

Acquisition costs amounted to SEK 0.0m (2.5) during the first quarter. Any expense are reported as other external costs in the consolidated income statement and in acquisitions of subsidiaries/operations within the net cash flow from investing activities in the group's cash flow statement.

Goodwill

Below is a reconciliation of the reported value of goodwill at the beginning and end of the reporting period.

SEK m	Goodwill
Book value January 1, 2023, net	5,273.7
Translation difference	-1.3
Book value March 31, 2023, net	5,272.4

NOTE 7.

NEW ISSUE OF SHARES

Exercise of options

During Q1 2023, the subscription price was paid for the corresponding 80,000 shares at a price of SEK 74.34 per share in the first incentive program described in Note 5. This added SEK 5.9m to the company.

Gothenburg May 4, 2023

Erik Gatenholm

CEO and President, BICO Group AB

Alternative Key Ratios

In this interim report, alternative key ratios are stated, which supplement the measures defined or specified in the applicable rules for financial reporting. Some of these measures are defined in IFRS, while others are alternative measures and are not recognized in accordance with applicable financial reporting frameworks or other legislation.

The alternative key ratios are derived from the company's consolidated financial statements. The measures are used by BICO to provide clearer or more in-depth information in their context than the measures defined in the applicable rules for financial reporting, and thus to help investors and management alike to analyze its operations. Here are descriptions of the measures in this interim report, together with definitions and the reason why they are used.

ALTERNATIVE KEY RATIO	DEFINITION	PURPOSE
Equity ratio	Equity divided by total assets.	BICO considers that solvency is a useful measure for the company's survival.
Gross profit	Net sales less raw materials and supplies reduced by inventory change. Personnel costs and depreciation of fixed assets in production are not included in the gross profit, but are reported on separate lines in the income statement	Shows efficiency in BICO's operations and together with EBITDA gives an overall picture of the ongoing profit generation and expenses.
Gross margin	Gross profit as a percentage of net sales.	The ratio is used for analysis of the Company's effectiveness and profitability.
Net debt (-)/Net cash (+) excl. leasing	Short-term investments and cash and cash equivalents, reduced by interest-bearing long-term and short-term liabilities excluding leasing liabilities. Contingent considerations are not included in the net debt measure. A positive number indicates net cash.	BICO believes that net debt/net cash is a useful measure of the company's survival and the ability to execute on an established business plan.
Adjusted EBITDA	EBITDA adjusted for income and costs affecting comparability.	The same definition as EBITDA, but with the addition of adjustment for income and costs affecting comparability, which improves the possibility of comparisons over time by excluding items with irregularity in frequency or size.
Adjusted EBITDA, %	Adjusted EBITDA as percentage of net sales.	BICO considers that adjusted EBITDA, % to be a useful measure for showing results generated in the operating activities.
Operating profit before depreciation and amortization (EBITDA)	Earnings before interest, tax, depreciation, amortization and impairment.	This alternative key ratio is a useful measure for demonstrating the result generated in day-to-day operations. As operating profit is burdened by amortization of surplus values linked to the acquisitions made by BICO, the Group's management considers that operating profit before depreciation and amortization (EBITDA) is a fair measure of the Group's earning capacity.
Operating margin (EBITDA), %	EBITDA as a percentage of net sales.	BICO considers operating margin (EBITDA, %) to be a useful measure for showing the performance generated in operating activities.
Operating profit (EBIT)	Earnings before interest and similar items and tax.	BICO considers operating profit (EBIT) to be a useful measure for demonstrating the result generated in operating activities.
Operating margin (EBIT), %	EBIT as a percentage of net sales.	BICO considers that operating margin (EBIT, %) is a useful measure for showing the result generated in operating activities.
Organic revenue growth	Growth generated from operations in companies that existed in the Group during the corresponding comparison period.	Shows the growth in the existing business adjusted for acquisitions in the last 12 months.
Organic revenue growth excluding currency effects	Growth generated from operations in companies that existed in the Group during the corresponding comparison period excluding currency effects.	Shows the growth in the existing business adjusted for acquisitions in the last 12 months excluding currency effects.

Reconciliation of Alternative Key Ratios

SEK m	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
GROSS PROFIT			
Net sales	500.7	477.2	2,239.5
Raw materials and supplies reduced by inventory change	-148.2	-124.6	-590.8
Gross profit	352.5	352.6	1,648.6
GROSS MARGIN, %			
Gross profit	352.5	352.6	1,648.6
Net sales	500.7	477.2	2,239.5
Gross margin, %	70.4%	73.9%	73.6%
ADJUSTED EBITDA			
EBITDA	-22.5	-19.4	-56.3
Costs related to option programs	5.7	14.1	39.0
Acquisition related costs and bonuses	3.7	2.8	24.3
Restructuring costs related to personnel changes	3.9	-	27.1
One-off provision for bad debt	-	-	43.9
Revaluation of contingent consideration	-	-0.7	-25.2
ERP, Phase one implementation costs	-	8.3	8.3
Legal costs	-	1.0	1.0
Adjusted EBITDA	-9.3	6.0	62.1
ADJUSTED EBITDA, %			
Adjusted EBITDA	-9.3	6.0	62.1
Net sales	500.7	477.2	2,239.5
Adjusted EBITDA, %	-1.9%	1.3%	2.8%
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)			
Operating profit	-102.9	-82.8	-996.9
Depreciation, amortization and impairment	80.4	63.4	940.6
Operating profit before depreciation and amortization (EBITDA)	-22.5	-19.4	-56.3
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION, (EBITDA), %			
EBITDA	-22.5	-19.4	-56.3
Net sales	500.7	477.2	2,239.5
EBITDA margin, %	-4.5%	-4.1%	-2.5%

Reconciliation of Alternative Key Ratios

SEK m	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
OPERATING MARGIN (EBIT), %			
Operating profit	-102.9	-82.8	-996.9
Net sales	500.7	477.2	2,239.5
EBIT margin, %	-20.6%	-17.4%	-44.5%
ORGANIC REVENUE GROWTH, % AND ORGANIC REVENUE GROWTH EXCL. CURRENCY EFFECTS, %			
Net sales	500.7	477.2	2,239.5
Net sales generated from companies acquired in the last 12 months	-5.8	-280.4	-764.2
Organic net sales	494.9	196.8	1,475.3
Net sales comparison period	477.2	129.5	1,257.2
Organic revenue growth, %	3.7%	52.0%	17.4%
Currency effect	-42.7	-14.8	-165.9
Organic net sales excluding currency effects	452.2	182.0	1,309.4
Net sales comparison period	477.2	129.5	1,257.2
Organic revenue growth excluding currency effects, %	-5.3%	40.5%	4.2%
EQUITY RATIO, %			
Equity	6,851.7	6,886.2	6,932.2
Total assets	10,042.1	9,847.1	10,196.8
Equity ratio, %	68%	70%	68%
NET DEBT (-)/NET CASH (+) EXCL. LEASING			
Short-term investments	-	934.7	-
Cash and cash equivalents	859.5	378.7	925.2
Long-term interest-bearing liabilities excl. leasing liabilities	-1,392.7	-1,357.7	-1,384.9
Short-term interest-bearing liabilities excl. leasing liabilities	-8.2	-15.5	-8.0
Net debt (-)/Net cash (+)	-541.4	-59.8	-467.7

ADJUSTED EBITDA PER BUSINESS AREA	Bioprinting Jan-March 2023	Biosciences Jan-March 2023	Bioautomation Jan-March 2023	Group Jan-March 2023	Total Jan-March 2023
Amounts in SEK m					
EBITDA	9.5	11.7	-27.9	-15.8	-22.5
Costs related to option programs	1.7	3.8	-0.2	0.3	5.7
Acquisition related costs and bonuses	0.6	3.1	-	-	3.7
Restructuring costs related to personnel changes	-	0.3	3.6	-	3.9
Adjusted EBITDA, SEK m	11.8	18.9	-24.6	-15.5	-9.3
Net sales	144.3	230.2	126.2	-	500.7
Adjusted EBITDA, %	8.2%	8.2%	-19.5%	N/A	-1.9%

Consolidated Income Statements by Quarter

SEK m	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net sales	500.7	674.1	550.6	537.6	477.2	519.1	315.6	293.1
Other operating income	9.6	37.3	29.1	25.7	18.7	51.3	8.2	9.0
Change in inventories	-0.1	0.5	8.4	-4.1	-0.3	3.3	3.3	3.3
Capitalized work for own account	36.9	47.9	43.5	49.1	41.5	28.1	23.5	26.3
OPERATING EXPENSES								
Raw materials and supplies	-148.1	-192.0	-137.9	-141.1	-124.3	-147.3	-88.2	-94.0
Other external costs	-122.4	-195.1	-168.9	-212.9	-142.1	-164.3	-113.8	-84.1
Personnel expenses	-294.4	-347.3	-313.6	-314.1	-281.6	-262.9	-182.3	-138.0
Depreciation and amortization of fixed assets	-80.4	-102.7	-76.1	-73.4	-63.4	-66.4	-57.5	-42.0
Impairment of goodwill	-	-625.0	-	-	-	-	-	-
Other operating expenses	-4.6	-1.0	-9.4	-3.2	-8.5	-14.3	-0.1	-5.0
Operating income	-102.9	-703.4	-74.2	-136.3	-82.8	-53.4	-91.3	-31.4
FINANCIAL ITEMS								
Financial income	11.2	6.5	258.3	240.6	71.2	84.2	6.3	5.5
Financial expenses	-39.1	-225.9	-23.6	-47.3	-35.9	-26.7	-29.2	-23.1
Profit/loss after financial items	-130.8	-922.8	160.5	56.9	-47.5	4.1	-114.2	-49.0
Tax for the period	12.3	21.1	-93.9	-13.8	4.0	-30.0	9.2	-1.5
Net profit/loss for the period	-118.4	-901.8	66.5	43.1	-43.5	-25.9	-105.0	-50.5
ATTRIBUTABLE TO								
Parent company shareholders	-117.7	-899.3	66.4	43.6	-43.6	-25.6	-104.2	-50.3
Non-controlling interest	-0.7	-2.5	0.1	-0.5	0.1	-0.3	-0.8	-0.2

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