

## BICO changes method for impairment test of goodwill resulting in retroactive impairment of goodwill for 2022 and 2023 and provides preliminary figures for Q1 2024

**BICO Group AB (publ) ("BICO or the company") has resolved to change method for impairment test of goodwill. This results in a retroactive impairment of goodwill and other intangible assets with an accumulated non-cash effect on EBIT in 2022 and 2023 of SEK -1,788m. The impairment follows discussions with the Council for Swedish Financial Reporting Supervision regarding impairment tests of goodwill made by BICO in 2022 and 2023. The retroactive adjustments regarding impairment of goodwill will be disclosed in the Q1 interim report 2024, to be released tomorrow on May 7, 2024. BICO is also providing preliminary figures for Q1 2024.**

### **Impairment tests of goodwill, IAS 36**

The Council for Swedish Financial Reporting Supervision ("the Council") is responsible for reviewing periodic financial information that all Swedish listed companies are obliged to provide pursuant to the Securities Market Act (2007:528).

The Council has, as part of their normal oversight of listed companies, reviewed BICO's Annual report 2022 and more specifically the impairment tests of goodwill, IAS 36, prepared by the Company in 2022. As disclosed in its Annual Reports BICO has historically in its impairment test applied a forecast period of ten years (note 12, Annual report 2022). The ten-year forecast period has also been applied to the goodwill impairments made during 2023 (note 12, Annual report 2023). The chosen period, which has been audited and accepted, was used to reflect the value of the business given its growth prospects. The Company's auditors have reviewed and approved the Annual reports of 2022 and 2023.

### **BICO changes method to a five-year forecast period**

The Council has advocated that the Company should use a five-year forecast period. BICO has therefore decided to change method for impairment test of goodwill resulting in retroactive effects on the balance sheet and profit and loss statements described further below.

The adjustments will have the following effects:

#### *Financial reporting*

- When applying a five-year forecast period BICO has concluded an adjusted impairment need in goodwill and other intangible assets with an EBIT effect in 2022 of SEK -2,574m and in 2023 of SEK +785m. The goodwill value per December 31, 2023, has decreased by SEK -1,736m.
- The adjustments will be disclosed in the Q1 interim report 2024 which will be released, tomorrow, on May 7 2024, 07:00 am CEST. The retroactive impairment of goodwill and other intangible assets and is non-cashflow affecting and will not negatively impact the P&L Q1 2024 figures.
- The retroactive impairment in the Q1 report will lead to adjustments in the Annual report 2023 and a new adjusted version will be published as soon as possible and before the Annual General Meeting 2024.
- The table below shows how the adjustment affects the balance sheet for 2022 and 2023:

|  | December 31, 2023   |                 |                    | December 31, 2022   |                 |                     |
|--|---------------------|-----------------|--------------------|---------------------|-----------------|---------------------|
|  | Previously reported | Adjustment      | Adjusted reporting | Previously reported | Adjustment      | Previously reported |
| <b>BALANCE SHEET</b>                                       |                     |                 |                    |                     |                 |                     |
| Intangible assets  | 5,026.2             | -1,838.0        | 3,188.2            | 6,712.9             | -2,667.9        | 4,045.0             |
| Deferred tax assets  | 57.8                | -               | 57.8               | 101.9               | -               | 101.9               |
| Total other non-current assets                             | 772.8               | -               | 772.8              | 945.0               | -               | 945.0               |
| Current assets   | 2,041.0             | -               | 2,041.0            | 2,437.0             | -               | 2,437.0             |
| <b>Total assets</b>  | <b>7,897.8</b>      | <b>-1,838.0</b> | <b>6,059.8</b>     | <b>10,196.8</b>     | <b>-2,667.9</b> | <b>7,528.9</b>      |
|  |                     |                 |                    |                     |                 |                     |
| Share capital  | 1.8                 | -               | 1.8                | 1.8                 | -               | 1.8                 |
| Other contributed capital                                  | 7,580.5             | -               | 7,580.5            | 7,590.5             | -               | 7,590.5             |
| Translation reserve  | 394.6               | -49.0           | 345.6              | 419.3               | -93.9           | 325.4               |
| Retained earnings incl. profit/loss for the year           | -3,094.4            | -1,758.6        | -4,853.0           | -1,106.5            | -2,569.0        | -3,675.5            |
| <b>Equity attributable to owners of the Parent Company</b> | <b>4,882.5</b>      | <b>-1,807.6</b> | <b>3,074.9</b>     | <b>6,905.1</b>      | <b>-2,662.9</b> | <b>4,242.2</b>      |
| Non-controlling interests                                  | 25.4                | -               | 25.4               | 27.2                | -               | 27.2                |
| <b>Total equity</b>  | <b>4,907.9</b>      | <b>-1,807.6</b> | <b>3,100.3</b>     | <b>6,932.2</b>      | <b>-2,662.9</b> | <b>4,269.3</b>      |
|  |                     |                 |                    |                     |                 |                     |
| Deferred tax liabilities                                   | 254.9               | -30.4           | 224.5              | 345.1               | -5.0            | 340.1               |
| Other non-current liabilities                              | 1,888.0             | -               | 1,888.0            | 1,980.0             | -               | 1,980.0             |
| Current liabilities  | 847.0               | -               | 847.0              | 939.5               | -               | 939.5               |
| <b>Total equity and liabilities</b>                        | <b>7,897.8</b>      | <b>-1,838.0</b> | <b>6,059.8</b>     | <b>10,196.8</b>     | <b>-2,667.9</b> | <b>7,528.9</b>      |

- Intangible assets including goodwill: the retroactive change has decreased intangible assets with SEK -2,668m as per December 31, 2022, compared to the previously reported balance. The corresponding effect as per December 31, 2023, was SEK -1,838m.
- Deferred tax liabilities: the retroactive change has decreased deferred tax liabilities with SEK -5m as per December 31, 2022, compared to the previously reported balance. The corresponding effect as per December 31, 2023, was SEK -30m.
- Equity: the retroactive change has decreased equity with SEK -2,663m as per December 31, 2022, compared to the previously reported balance. The corresponding effect as per December 31, 2023, was SEK -1,808m.

**Preliminary figures Q1 2024**

Net sales is expected to amount to SEK 510.3m (488.7). Adjusted EBITDA is expected to amount to SEK -9m (26.1) corresponding to a margin of -1.8 percent (5.3) and EBITDA is expected to amount to SEK -19.0m (15.7) corresponding to a margin of -3.7 percent (3.2).

The cash flow from operating activities is expected to amount to SEK -17.3m (60.4) and cash and cash closing balance per March 31, 2024, amounted to SEK 795.7m.

| SEKm                                       | Q1 2024 | Q1 2023 | FY 2023 |
|--|---------|---------|---------|
| <b>Profit &amp; loss</b>                   |         |         |         |
| Net sales                                  | 510.3   | 488.7   | 2,249.9 |
| EBITDA                                     | -19.0   | 15.7    | 360.4   |
| EBITDA margin, %                           | -3.7%   | 3.2%    | 16.0%   |
| Adjusted EBITDA                            | -9.0    | 26.1    | 217.7   |
| Adjusted EBITDA margin, %                  | -1.8%   | 5.3%    | 9.7%    |
| EBITDA less own work capitalized           | -26.5   | -15.3   | 257.7   |
| EBITDA less own work capitalized margin, % | -5.2%   | -3.1%   | 11.5%   |
| <b>Cash flow</b>                           |         |         |         |
| Cash flow from operating activities        | -17.3   | 60.4    | 178.4   |
| Cash flow from investing activities        | -43.5   | -108.3  | -129.7  |
| Cash flow from financing activities        | -16.4   | -18.9   | -102.0  |

All amounts stated in this press release are preliminary and unaudited. As communicated in the Year-end report 2023, Ginolis has been classified as discontinued operations from Q4 2023 with retroactive effect.

BICO's full financial performance will be presented in the interim report January – March 2024 which will be released, tomorrow, on May 7, 2024, at 07:00am CEST.

**For further information, please contact:**

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*This information is information that BICO Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-05-06 20:02 CEST.*

**About BICO**

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.

With 46,000+ instruments installed in over 65 countries, BICO products and solutions are found in more than 3,500 laboratories, including the world's top 20 pharmaceutical companies, and have been cited in over 12,000 publications.

Operating through three business areas – Bioprinting, Biosciences and Bioautomation – the BICO Group strives towards the long-term ambition of enabling the reduction of the world's organ shortage and speeding up drug development to create the future of life-saving treatments.

BICO is listed on Mid-Cap, Nasdaq Stockholm under BICO. [www.bico.com](http://www.bico.com)

**Attachments**

[BICO changes method for impairment test of goodwill resulting in retroactive impairment of goodwill for 2022 and 2023 and provides preliminary figures for Q1 2024](#)