

BICO GROUP AB (PUBL)

BICO#

YEAR-END REPORT JANUARY – DECEMBER 2022

All-time high revenue and improved profitability

OCTOBER – DECEMBER 2022

(COMPARED WITH OCTOBER – DECEMBER 2021)

- Net sales amounted to SEK 674.1 million (519.1), which corresponds to an increase of 30% (151) compared to the corresponding quarter previous year.
- Organic revenue growth for the quarter amounted to 8% (25).
- EBITDA amounted to SEK 24.3 million (13.0), corresponding to a margin of 3.6% (2.5).
- Adjusted EBITDA amounted to SEK 26.9 million (24.1), corresponding to a margin of 4.0% (4.6).
- Net profit/loss for the quarter amounted to SEK -901.8 million (-25.9), corresponding to earnings per share before and after dilution of SEK -13.73 (-0.41). This was affected by goodwill impairment of Ginolis amounting to SEK 625.0 million.
- The gross margin amounted to 71.6% (72.3).

JANUARY – DECEMBER 2022

(COMPARED WITH JANUARY – DECEMBER 2021)

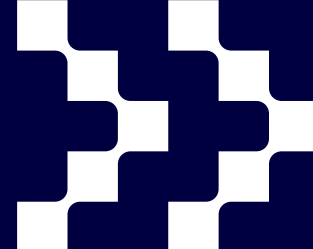
- Net sales amounted to SEK 2,239.5 million (1,257.3), which corresponds to an increase of 78% (244) compared to the corresponding period previous year.
- Organic growth for the period amounted to 17% (44).
- EBITDA amounted to SEK -56.3 million (-45.1), corresponding to a margin of -2.5% (-3.6).
- Adjusted EBITDA amounted to SEK 62.1 million (16.9), corresponding to a margin of 2.8% (1.3).
- Net profit/loss for the period amounted to SEK -835.7 million (-229.2), corresponding to earnings per share before and after dilution of SEK -12.94 (-3.97). This was affected by impairment of Ginolis amounting to SEK 625.0 million.
- The gross margin amounted to 73.6% (72.2).
- Strategic collaboration with Sartorius, resulting in commercial opportunities and a strengthened balance sheet.
- The Board proposes no dividend for 2022.

"We remain focused on executing our business plan for profitable growth and improved cash flow."

ERIK GATENHOLM / PRESIDENT & CEO

Q4 KEY TAKEAWAYS

- SEK 487 million directed share issue to Sartorius
- All-time high revenue
- Continued improvements on profitability and cash flow
- Continued focus on operational efficiency and portfolio synergies
- Cost savings program on target
- Impairment of goodwill in Ginolis



OCTOBER – DECEMBER 2022



30

TOTAL SALES GROWTH
/ %

OCTOBER – DECEMBER 2022



8

ORGANIC SALES GROWTH
/ %

OCTOBER – DECEMBER 2022



24.3

EBITDA
/ MSEK

OCTOBER – DECEMBER 2022



3.6

EBITDA MARGIN
/ %

OCTOBER – DECEMBER 2022



-69.1

CASH FLOW FROM OPERATING
ACTIVITIES / MSEK

10 NOVEMBER 2022 BICO ANNOUNCED NEW FINANCIAL TARGETS FROM 2023:

- Double-digit organic revenue growth in constant currency.
- EBITDA Margin less capitalized development cost > 10%.
- NET DEBT / EBITDA <3.0x.



CEO COMMENTS FOR THE FOURTH QUARTER

Record high sales and strategic collaboration with Sartorius

BICO reported sales of SEK 674 million and EBITDA of SEK 24 million in the fourth quarter, which also included an important strategic collaboration with Sartorius, resulting in further commercial opportunities ahead and a strengthened balance sheet.

ALL-TIME-HIGH REVENUE

We finished the year with strong quarterly sales of SEK 674 million, a sales performance that was driven by strong customer demand in most group companies, normal seasonal patterns, price increases and positive currency effects. On top of this, we continue to improve our EBITDA.

Organic growth was 8 percent, which was negatively impacted by comparison with strong sales in the same quarter last year, due to roll-over and supply chain effects from the previous quarter. Other factors included the exclusion of Biosero, acquired one year ago, from the organic growth calculation, as well as falling Covid-related sales at Ginolis, which is further elaborated on below. When excluding Ginolis, all business areas reported double-digit organic growth. In short, we are heading in the right direction.

IMPROVED PROFITABILITY AND COST SAVINGS

We were pleased to see the continued improvement in profitability this quarter. Reported EBITDA amounted to SEK 24.3 million (13.0), corresponding to a margin of 3.6 % (2.5). This improved profitability was driven by increased sales, lower operating expenses in relation to sales, and some currency tailwinds.

Great focus has been placed on improving profitability in the four group companies with negative EBITDA, as well as

reducing central overhead costs with the announced cost reduction program, which targets yearly savings of SEK 100 million with full effect from Q1 2023. The program is well on track, and in the fourth quarter we have seen positive developments in three of the four loss-making companies, with an improved outlook in the coming year.

POST-PANDEMIC DOWNTURN AT GINOLIS

While the Covid pandemic created supply and logistical problems in its wake, we experienced strong revenues in 2020 and 2021 in conjunction with the global medical response, via providing fast and innovative diagnostic automation equipment. This was especially relevant to one company, Ginolis, which successfully ramped up their organization to meet global demand. But by 2022, sales related to Covid diagnostic automation were dwindling much faster than anticipated.

In addition, new competition from Asia is undercutting in lateral flow automation pricing, which has become a commodity since the global pandemic brought heightened demands over the last two years. Ginolis has not been able to transition as fast as we had desired and address new customer segments and has therefore, faced challenges both in order intake and profitability.

Ginolis reported sales and EBITDA in 2022 of SEK 140 million (174) and SEK -74 million (5) respectively.

This impairment indicator, alongside our impairment test of goodwill, has led to the decision to write down goodwill in Ginolis, totaling SEK 625.0 million. This performance is far below our expectations and ambitions, and further drastic measures, such as extensive cost cuts, have been taken to right size the organization to the more normalized market situation. In parallel, we are also taking measures to assure continued customer support and deliverables as well as evaluating our strategic options related to the remaining core technologies in Ginolis.

Financials including and excluding Ginolis	2022 including Ginolis	2022 excluding Ginolis	Q4 including Ginolis	Q4 excluding Ginolis
Net sales	2,239.5	2,100.0	674.1	665.9
EBITDA	-56.3	17.9	24.3	82.0
Organic growth	17%	25%	8%	20%

SARTORIUS COLLABORATION AND INVESTMENT

In the fourth quarter, BICO reached an agreement with Sartorius – a global life sciences leader – on strategic cooperation, followed by a SEK 487 million directed share issue of shares to Sartorius. In conjunction with the share issue, BICO and Sartorius agreed to explore wide-ranging cooperation within technology, sales and marketing. Our primary focus will be on BICO's spheroid, 3D cell culturing, and bioprinting technologies, as well as digital solutions for laboratory automation workflows. Additionally, we are exploring commercial expansions of BICO products in the Asia-Pacific (APAC) region. The strategic collaboration with Sartorius is expected to significantly expand our presence and accelerate growth in APAC, where BICO today has considerable expansion potential. We will get access to value-adding, complementary technologies and products, which will enhance our current customer offering within bioprinting and lab automation. The collaboration agreements are currently being developed in detail and we expect them to be signed during the first quarter.

CONTINUED FOCUS ON CASH FLOW IMPROVEMENTS

Operating cash flow in the fourth quarter amounted to SEK -69.1 million and was impacted by an increase in operating receivables of SEK 98 million. This was a consequence of very strong sales in December, which are expected to be collected during the first quarter 2023.

We continue to work on reducing the time from invoice issuance to payment. After the end of the period, we entered into a factoring agreement and expect factoring to commence on a limited scale in the first quarter, reducing capital tied up in accounts receivable.

Inventory decreased by SEK 16 million in the quarter because of large outbound deliveries. However, we assess that the inventory level can be lowered further, given the improved global supply chain, and will focus on reducing it further in 2023. Once again, we are in a transition period, moving from a uncertain and volatile supply chain to one that is more stable and reliable, so we are changing our planning processes to keep us on the right track.

The investments in the construction projects in Germany and Finland continued and amounted to SEK 43 million during the fourth quarter. The project in Germany is progressing as planned. The project in Finland is delayed and is expected to be ready during the first quarter. The facility in Germany is expected to be ready in the summer and the plan is to sell and lease back the facility when it is ready, and the market is deemed attractive. We are evaluating short-term financing as a bridge until the sales process is completed, considering liquidity need and costs. Given the weak developments in Ginolis and the weak real estate market in Finland in general, we have postponed the sale and leaseback process until the situation is clarified.

Two significant additions after the end of the period signal our growing strength in operational and financial management:

- On January 2 Jacob Thordenberg joined the BICO executive team as Chief Financial Officer (CFO). Jacob became very familiar with all the companies in the Group as Head of M&A, and has integrated many of them throughout 2022, which has led to significant improvements. Jacob succeeds Mikael Engblom, who has been interim Group CFO since May 2022. Mikael will continue to advise the company on strategic projects.
- On March 1 Marius Balger joins the BICO executive team as Chief Operating Officer (COO) and will lead the strategic development of BICO's operational efficiency and cost control. Operational companies will directly report to him, aligning ideally with the Group strategic direction. Marius brings nearly 20 years of experience in the global life science industry to the task.

These key players will be an important asset for us on our ambitious journey of reorganizing, streamlining, and rightsizing our operations to further enhance our decentralization and efficiency strategy. Each operational company is enabled to provide the best products to customers, while we continue to operate in the three reporting segments.

OUTLOOK

We are seeing continuous signs of improvement following our major efforts in 2022 and are thankful to our personnel for their dedication and persistence in what has been a turbulent year, with major important adjustments.

Customer demand remains strong, supporting the near-term market outlook, even though seasonal patterns normally suggest that the first quarter is usually the weakest. A potentially weaker economy and external disturbances could impact the near-term future for the industries we operate in. On the more positive side, our strategic partnership with Sartorius leaves us well-positioned to capitalize on new technical and commercial opportunities, adding to the rest of our development pipeline.

We remain focused on executing our business plan for profitable growth and improved cash flow and have a new COO and CFO to help steer the organization towards our strategic goals. Our ambitions were defined in the new financial targets for 2023 onwards announced in connection with the capital markets day in November:

- Double-digit organic growth in constant currency
- EBITDA Margin less capitalized development cost > 10%
- NET DEBT / EBITDA <3.0x

These new financial targets are designed to support self-financed profitable growth and our Vision 2030 – Be the world's leading laboratory automation company for treatment development application by 2030.

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



17%

2022
ORGANIC GROWTH



1,200+

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 pro-actively 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

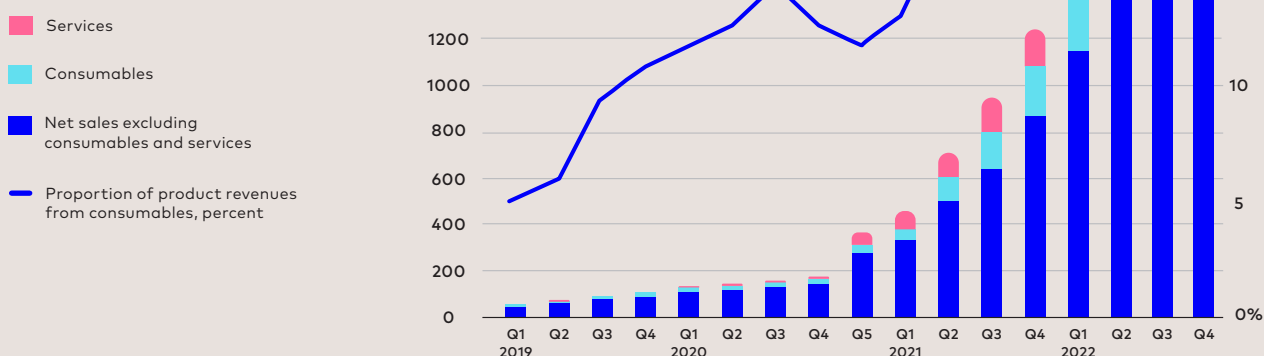
performance and position of BICO. These non-IFRS measures, as defined on page 30-32 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. Neither should they be considered as substitutes to financial reporting measures prepared in accordance with IFRS.

Amounts in MSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	674.1	519.1	2,239.5	1,257.3
Organic growth, %	8%	25 %	17%	44 %
Organic growth excl currency, %	-5%	29%	4%	52%
Gross profit	482.5	375.1	1,648.6	908.3
Gross margin, %	71.6%	72.3 %	73.6%	72.2 %
Operating profit before depreciation and amortization (EBITDA)	24.3	13.0	-56.3	-45.1
Operating margin before depreciation and amortization (EBITDA), %	3.6%	2.5 %	-2.5%	-3.6 %
Adjusted EBITDA	26.9	24.1	62.1	16.9
Adjusted EBITDA, %	4.0%	4.6%	2.8%	1.3 %
Operating profit (EBIT)	-703.4	-53.4	-996.9	-236.9
Operating margin (EBIT), %	-104.4%	-10.3 %	-44.5%	-18.8 %
Profit/loss for the period	-901.8	-25.9	-835.7	-229.2
Earnings per share before and after dilution, SEK	-13.73	-0.41	-12.94	-3.97
Net debt (-)/Net cash (+)	-467.7	119.7	-467.7	119.7
Cash flow from operating activities	-69.1	-112.4	-269.4	-409.3
Number of shares at the end of the period	70,494,895	62,130,269	70,494,895	62,130,269
Share price on closing day, SEK	105.8	277.8	105.8	277.8
Market capitalization on closing day, BSEK	7.5	17.3	7.5	17.3
Number of employees at the end of the period	1,210	1,159	1,210	1,159

Financial Performance

OCTOBER – DECEMBER 2022

NET SALES SEK MILLIONS
ROLLING 12 MONTHS



THE GROUP

Net Sales

Net sales in the fourth quarter amounted to SEK 674.1 millions (519.1), an increase of 30 percent (151) compared with the corresponding period last year.

Organic growth in the quarter amounted to 8 percent (25), and -5 percent excluding currency effects. The organic growth in the quarter was negatively impacted by supply chain issues shifting revenue from Q3 to Q4 in 2021, as well as the post pandemic downturn in Ginolis.

Bioprinting reported organic growth of 21 percent, and 7 percent excluding currency effects. Biosciences reported organic growth of 18 percent, and 1 percent excluding currency effects. Bioautomation reported organic growth of -11 percent, and -20 percent excluding currency effects. For more information on each business area, please see page 10

Contributing to the total sales growth in the quarter were the acquisitions made in 2021, with acquired growth mainly coming from the Biosciences business area. Sequentially towards the third quarter, no acquisitions were carried out.

Services accounted for 16.7 percent (11.9) of sales. Consumables accounted for 13.8 percent (16.1) of product sales for the quarter. For more information on the distribution of net sales, see Note 3.

Results

Gross profit in the fourth quarter amounted to SEK 482.5 million (375.1), which meant a gross margin of 71.6 percent (72.3).

EBITDA for the fourth quarter amounted to SEK 24.3 million (13.0), corresponding to an EBITDA margin of 3.6 percent (2.5). EBITDA was negatively impacted by restructuring costs, and positively impacted by revaluation of contingent considerations, see table below.

Adjusted EBITDA for the fourth quarter amounted to SEK 26.9 million (24.1). Items in the adjusted EBITDA measure for the fourth quarter are shown below.

Items affecting comparability SEK millions	Oct-Dec 2022	Oct-Dec 2021
EBITDA	24.3	13.0
Costs related to option programs	5.2	11.3
Legal costs	-	5.0
Acquisition-related costs	7.3	13.1
ERP, Phase one implementation costs	-	4.6
Restructuring costs related to personnel changes	15.3	-
Revaluation of contingent considerations	-25.2	-25.0
Re-branding	-	2.0
Adjusted EBITDA	26.9	24.1

Operating profit for the fourth quarter amounted to SEK -703.4 million (-53.4), corresponding to an operating margin of -104.4 percent (-10.3). Operating profit for the quarter was affected by amortization of acquired intangible assets of SEK -33.5 million (-28.7) as well as impairment of goodwill related to Ginolis with SEK -625.0 million (0.0). For more information on impairment in Ginolis, see note 6.

Other operating income in the quarter amounted to SEK 37.3 million (51.3). Other operating income was mainly related to grants for research projects and positive effects of currency. Furthermore, a revaluation of contingent considerations relating to Visikol was performed, which resulted in an other income effect of SEK 25.2 million (25.0).

Financial items were affected by market developments and dividends on the company's short-term investments of net SEK -2.7 million (1.1) in the quarter. 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 -188.7 million (85.0) in the quarter.

Financial items were also charged with costs related to convertible bonds totaling SEK -20.4 million (-20.1) for the quarter, see further information in Note 4.

Net profit/loss for the period for the fourth quarter amounted to SEK -901.8 million (-25.9), corresponding to earnings per share before and after dilution of SEK -13.73 (-0.41).

Cash flow, investments and liquidity

Cash flow from operating activities for the quarter amounted to SEK -69.1 million (-112.4), of which SEK -118.4 million (-145.2) consisted of changes in working capital.

The cash flow from changes in inventories amounted to SEK 16.3 million (-42.5). Inventory decreased as a result of large outbound deliveries in the fourth quarter. The cash flow from changes in operating receivables amounted to SEK -98.0 million (-222.7). Operating receivables increased mainly due to large outbound deliveries and invoicing in December. The cash flow from changes in operating liabilities amounted to SEK -36.7 million (120.4) and was mainly impacted by decreased contract liabilities converted to revenue.

Cash flow from investment activities during the quarter amounted to SEK 55.3 million (-1,738.1), of which SEK -27.9 million (-1,423.6) was attributable to the cash purchase price for acquisitions and contingent considerations paid during the quarter, as well as associated acquisition costs. In Q4, the Group paid installments of the contingent considerations to former owners of Advanced Biomatrix, as well as an extra purchase price to the former owners of Biosero. QInstruments and Biosero were acquired in the comparison period.

SEK 199.1 million (-223.9) 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 -66.7 million (-35.1) in intangible assets, mainly attributable to development of new products. Investments in tangible assets amounted to SEK -49.1 million (-55.4), of which SEK -43.2 million was due to the buildings that SCIENION and Ginolis are constructing for their operations in Berlin and Oulo, respectively. The remaining investments scheduled for these buildings are estimated at SEK 60 million in 2023.

Cash flow from financing activities for the quarter amounted to SEK 452.9 million (1,992.5) and consisted

mainly of the directed share issue to Sartorius, less related share issue costs. Amortization of leasing liabilities was SEK -24.9 million (-12.5) in the quarter. During the comparison period, the Group carried out a new share issue of SEK 2,040 million. The quarter's total cash flow amounted to SEK 439.1 million (141.9).

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to SEK 925.5 million (481.2). The short-term investments have been converted to cash during the fourth quarter. The Group's external financing consisted of interest-bearing liabilities of SEK 1,393.0 million, of which SEK 1,365.4 million relates to convertible debentures, net after transaction costs. In addition, the Group has leasing liabilities totaling SEK 460.2 million. Reported contingent considerations to be paid amount to SEK 278.3 million, of which SEK 83.6 million is reported as due within 12 months. See note 6 for more information on the contingent considerations.

Trade receivables and factoring update

Per December 31, 2022, gross trade receivables amount to SEK 787 million, of which SEK 87 million are reserved as doubtful. In Q4, gross receivables overdue more than 90 days amounts to SEK 120 million. The provision for the overdue more than 90 days amounts to SEK 63 million, meaning that the Group's net exposure for these receivables amounts to SEK 57 million.

Accounts receivable increased during the fourth quarter, partly due to very high December sales, which are expected to be collected in Q1 2023. The company continues to focus on improving accounts receivable processes with reminders and collections.

After the end of the period, BICO entered into an agreement with a factoring provider. The company plans to initiate factoring in several Group companies during the first quarter, primarily to reduce accounts receivable.

Facilities update

The investments in the construction projects in Germany and Finland continued and amounted to SEK 43 million during the fourth quarter.

The project in Germany is progressing as planned, and is expected to be ready in the summer 2023. The plan is to sell the facility when it is ready and the market is deemed attractive. The company is evaluating short-term financing as a bridge until the sales process is completed, considering liquidity need and costs.

The project in Finland is delayed and is expected to be ready during the first quarter. Given the weak developments in Ginolis and the weak real estate market in Finland in general, BICO has postponed the sales process until the situation is clarified.

Financial performance

JANUARY – DECEMBER 2022

THE GROUP

Net Sales

Net sales for the full year amounted to SEK 2,239.5 million (1,257.3), an increase of 78 percent (244) compared with the corresponding period last year.

Organic growth for the full year amounted to 17 percent (44), and 4 percent excluding currency effects. The organic growth in 2022 is negatively impacted by the post pandemic downturn in Ginolis.

Bioprinting reported organic growth of 31 percent, and 16 percent excluding currency effects. Biosciences reported organic growth of 29 percent, and 12 percent excluding currency effects. Bioautomation reported organic growth of -1 percent, and -10 percent excluding currency effects. For more information on these business areas, please see pages 10-11.

Contributing to the total sales growth for the full year were the acquisitions made in 2021. The acquired growth mainly came from the Biosciences business area.

Services accounted for 14.3 percent (12.7) of sales. Consumables accounted for 16.7 percent (19.5) of product sales in the period. For more information on the distribution of net sales, see Note 3.

Results

Gross profit for the full year amounted to SEK 1,648.6 million (908.3), which meant a gross margin of 73.6 percent (72.2). The gross margin is slightly higher than previous periods, which is partly due to positive impact from currency effects by approximately 1.0 percentage points. EBITDA for the full year amounted to SEK -56.3 million (-45.1), corresponding to an EBITDA margin of -2.5 percent (-3.6). EBITDA was negatively impacted by one-off bad debt and restructuring costs, and positively impacted by currency and revaluations of contingent considerations, see table below.

Adjusted EBITDA for the full year amounted to SEK 62.1 million (16.9). Items in the adjusted EBITDA amount for the full year are shown below.

Items affecting comparability SEK millions	Jan-Dec 2022	Jan-Dec 2021
EBITDA	-56.3	-45.1
Costs related to option programs	39.0	16.4
One-off provision for bad debt	43.9	-
Restructuring costs related to personnel changes	27.1	-
Acquisition-related costs	24.3	47.4
Governmental support	-	-1.1
Re-branding	-	7.1
Revaluation of contingent considerations	-25.2	-25.0
ERP, Phase one implementation costs	8.3	9.5
Legal costs	1.0	7.6
Adjusted EBITDA	62.1	16.9

Operating profit for the full year amounted to SEK -996.9 million (-236.9), corresponding to an operating margin of -44.5 percent (-18.8). Operating profit for the period was affected by amortization of acquired intangible assets of SEK -131.4 million (-81.5), as well as impairment of goodwill related to Ginolis with SEK -625.0 million (0.0). For more information on impairment in Ginolis, see note 6. The increased amortization compared to the corresponding period last year is the result of the number of acquisitions made in 2021 as well as a weakened SEK in relation to USD and EUR.

Other operating income for the period amounted to SEK 110.8 million (73.8). Other operating income consisted mainly of grants for research projects and positive effects of currency exchange rates due to the weakened SEK. Furthermore, a revaluation of contingent considerations relating to Visikol was performed, which resulted in an Other Income effect of SEK 25.2 million (25.0).

Financial items were affected by negative market development and dividends on the company's short-term investments of net SEK -28.9 million (12.9) in the period. Furthermore, there were net positive currency effects, mainly related to unrealized exchange rate effects on non-currency hedged intra-group loans in the Parent Company, of SEK 374.5 million (79.7) in the period.

Financial items were also charged with costs related to convertible bonds totaling SEK -80.0 million (-57.8) for the period, see further information in Note 4.

Net profit/loss for the full year amounted to SEK -835.7 million (-229.2), corresponding to earnings per share before and after dilution of SEK -12.94 (-3.97).

Cash flow, investments and liquidity

Cash flow from operating activities for the full year amounted to SEK -269.4 million (-409.3), of which SEK -266.1 million (-348.0) consisted of changes in working capital.

The cash flow from changes in inventories amounted to SEK -162.1 million (-169.6). The inventory increased to support future growth and mitigation of supply chain risks. The cash flow from changes in operating receivables amounted to SEK -189.4 million (-352.9). Operating receivables increased mainly due to increased contract assets and trade receivables as a result of the further growth in the company. The cash flow from changes in operating liabilities amounted to SEK 85.4 million (174.4) and was mainly impacted by increased contract liabilities.

Cash flow from investing activities during the full year amounted to SEK 212.9 million (-4,453.8), of which SEK -218.2 million (-3,540.2) was attributable to the cash purchase price for the acquisitions and contingent considerations paid during the period, as well as associated acquisition costs. During the full year, the Group acquired Allegro 3D and paid installments of the contingent considerations to former owners of Nanoscribe, Advanced Biomatrix and Biosero. In the comparison period, Ginolis, MatTek, Visikol, Nanoscribe, Discover Echo, Advanced Biomatrix, Hurel, QInstruments and Biosero were acquired.

SEK 960.7 million (-646.6) was attributable to the purchase and sale of short-term interest rate funds and other short-term investments during the period. During the full year, the Group invested SEK -255.5 million (-156.1) in intangible fixed assets, mainly attributable to development of new products. Investments in tangible fixed assets amounted to SEK -274.1 million (-110.9), of which SEK -167.2 million was due to the buildings that SCIENION and Ginolis are constructing for their operations in Berlin and Oulo, respectively. The remaining investments scheduled for these buildings are estimated at SEK 60 million in 2023.

Cash flow from financing activities for the full year amounted to SEK 455.3 million (4,900.1) and consisted mainly of exercised options in one of the Group's option programs, directed share issue to Sartorius and amortization of lease liabilities. During the comparison period, the Group carried out two new share issues of SEK 1,500 million and SEK 2,040 million respectively, as well as a convertible issue of SEK 1,500 million.

The total cash flow for the full year amounted to SEK 398.8 million (37.1).

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to SEK 925.2 million (481.2). The short-term investments were converted to cash during the fourth quarter. The Group's external financing consisted of interest-bearing liabilities of SEK 1,393.0 million, of which SEK 1,365.4 million relates to convertible debentures, net after transaction costs. In addition, the Group has leasing liabilities totaling SEK 460.2 million. Reported contingent considerations to be paid amount to SEK 278.3 million, of which SEK 83.6 million is reported as due within 12 months. See note 6 for more information on the contingent considerations.

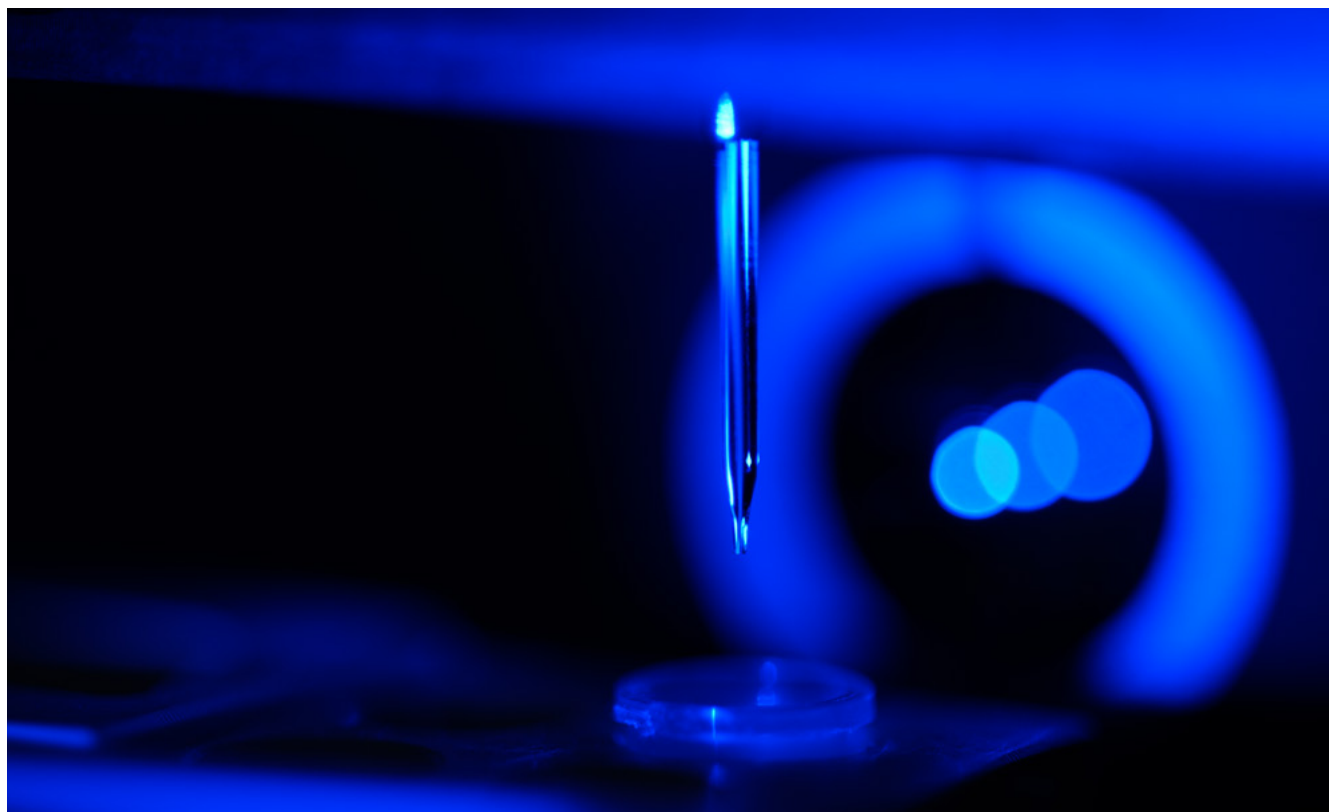
PARENT COMPANY

The Parent Company's net sales during the full year amounted to SEK 70.4 million (217.7), of which SEK 63.4 million (88.1) pertained to intra-group revenues. Sales for 2022 mainly consisted of invoiced costs from the parent company to the subsidiaries, while operating activities were still ongoing in the parent company during the comparison period.

Profit after financial items amounted to SEK -87.1 million (59.3) and profit for the period amounted to SEK -314.5 million (22.0). The result is impacted by write-down of shares in subsidiaries of SEK -436.1 million (whereof an absolute majority related to Ginolis) and unrealized currency gains and interest income from intra-company receivables denominated in USD of SEK 583.5 million.

During the second half of 2021, the Group carried out a gradual restructuring, in which personnel, intellectual property, inventories and fixed assets were transferred from the parent company to three subsidiaries. The restructuring also led to a reorganization of the invoicing flow, which has led to the parent company's net sales decreasing in favor of the subsidiaries. As of December 1, 2021, external invoicing takes place directly from subsidiaries.

At the end of the quarter, the parent company's cash and cash equivalents and short-term investments amounted to SEK 620.0 million (1,084.7). The parent company's external financing consisted of a convertible debt of SEK 1,365.4 million, external loans of SEK 4.0 million and other long-term financing of SEK 0.6 million. For more information on convertible debt, see Note 4.



Our Business Areas

Our three business areas – Bioprinting, Biosciences and Bioautomation – operate with a decentralized approach under focused leadership teams.

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.

Comments on the quarterly result

In the fourth quarter, the Bioprinting business area reported net sales of SEK 232.6 million, corresponding to a growth of 25.4 percent compared to the same quarter the previous year. Organic growth was 21 percent, and 7 percent in constant currency. The segment generated an adjusted EBITDA of SEK 58.5 million, representing a margin of 25.2 percent. Reported EBITDA was SEK 56.0 million, corresponding to a margin of 24.1 percent. The improved profitability during the quarter was a result of lower operating costs in relations to sales following increased sales driven by high customer demand and seasonality patterns.

Comments on the annual result

For the full year 2022, the Bioprinting business area reported net sales of SEK 654.9 million, corresponding to a growth of 73.4 percent compared to the previous year. Organic growth was 31 percent, and 16 percent in constant currency. The segment generated an adjusted EBITDA of SEK 68.7 million, representing a margin of 10.5 percent. Reported EBITDA was SEK 33.7 million, corresponding to a margin of 5.1 percent.

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.

Comments on the quarterly result

In the fourth quarter, the Biosciences business area reported net sales of SEK 298.8 million, corresponding to a growth of 79.2 percent compared to the same quarter the previous year. Organic growth was 18 percent, and 1 percent in constant

currency. The segment generated an adjusted EBITDA of SEK 8.5 million, representing a margin of 2.8 percent. Reported EBITDA was SEK 0.3 million, corresponding to a margin of 0.1 percent. The quarter was negatively impacted by higher costs in a few large customer automation projects as well as the fact that personnel in Germany who were on short-term leave in Q3 returned to full time in Q4 during their termination notice period according to labor laws.

Comments on the yearly result

For the full year 2022, the Bioscience business area reported net sales of SEK 959.3 million, corresponding to a growth of 154.5 percent compared to the previous year. Organic growth was 29 percent, and 12 percent in constant currency. The segment generated an adjusted EBITDA of SEK 46.3 million, representing a margin of 4.8 percent. Reported EBITDA was SEK -14.1 million, corresponding to a margin of -1.5 percent.

BIOAUTOMATION

Bioautomation offers scientific instruments and solutions for scalable manufacturing of diagnostics as well as consumables to enable single cell and other workflows. 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 enormous savings of resources and costs. We also offer contract manufacturing services on 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.

Comments on the quarterly result

In the fourth quarter, the Bioautomation business area reported net sales of SEK 170.4 million, corresponding to a decline of 8.8 percent compared to the same quarter the previous year. Organic growth was -11 percent, and -20 percent in constant currency. The segment generated an adjusted EBITDA of SEK -4.1 million, representing a margin of -2.4 percent. Reported EBITDA was SEK -8.8 million, corresponding to a margin of -5.1 percent. The quarter was negatively impacted by continued challenges at Ginolis related to order intake and internal efficiency, see further note 6 for information. When excluding Ginolis, the business area reported organic growth of 22.1 percent and reported EBITDA of SEK 49.0 million, corresponding to a margin of 30.2 percent.

Comments on the yearly result

For the full year 2022, the Bioautomation business area reported net sales of SEK 652.9 million, corresponding to a growth of 26.3 percent compared to the previous year. Organic growth was -1 percent, and -10 percent in constant currency. The segment generated an adjusted EBITDA of SEK 47.0 million, representing a margin of 7.2 percent. Reported EBITDA was SEK 28.8 million, corresponding to a margin of 4.4 percent. The year was negatively impacted by challenges at Ginolis related to order intake and internal efficiency. When excluding Ginolis, the business area reported organic growth of 13.2 percent and reported EBITDA of SEK 102.7 million, corresponding to a margin of 19.1 percent.



OLAF SIMMAT / CEO QINSTRUMENTS GMBH

QInstruments was founded in 2003 and recently surpassed 30 employees. Our solutions improve human health by automating sample preparation. The company designs and builds innovative solutions for mixing and temperature control of molecular samples on

robotic liquid handling platforms that accelerate and streamline research, drug discovery and clinical diagnostics. Part of BICO's Bioautomation business area since October 2021, the company is headquartered in Jena, Germany and has a global supplier network. We serve multiple markets through strategic alliances with lab automation partners who have well-established marketing and distribution capabilities.

SPIRIT OF INNOVATION

QInstruments combines life science applications with innovative customer-centric products and systems, based on a broad range of proprietary technologies covered by an extensive portfolio of international patents. Internal R&D is the technological basis for our growing range of innovative products for lab automation.

Our flexible and modular solutions allow customers to upgrade and reconfigure their automation equipment as their assays, technology, or workflows change. These application-specific solutions and small devices are used in laboratory processes ranging from flow cytometry and cell sorting to next-generation sequencing analyses.

SPIRIT OF TECHNOLOGY

QInstruments is the industry leader in mixing technology for life science applications, spanning a wide spectrum of enterprise products. BioShake mixing products have been sold worldwide for over 15 years, establishing a reputation for quality and continually reinforcing it with world-class support and novel methods for keeping critical customer systems operating.

Our engineers are also the first pioneers to invent a uniquely designed miniature heater shaker equipped with an automatic microplate clamping mechanism. Coupled with integrated electronic controls and proprietary mixing technology, it has become the gold standard in laboratory mixing processes. These combinations enable users to continually improve their workflow processes, accelerating scientific innovations, discoveries, and cures. We also run an endurance test lab to support our customers with service on the approval and conformity side.

ACCELERATING SCIENCE AND MEDICINE

Our customers include life-science research laboratories, university medical centers and drug discovery laboratories in pharmaceutical and biotechnology firms. Our solutions enable rapid and reliable production of trustworthy data, enabling compelling research that drives the world of science forward. Our team invents user-friendly and intuitive systems that enable multi-disciplinary research in a rapid, cost-efficient manner. With BICO, we share a common vision of applying precision engineering to biomedical processes, and our systems can be seamlessly integrated in BICO's existing workflows.

SUSTAINABILITY

The future embraces 3-D printed food

HIGHLIGHTS IN Q4



OUR OFFERING

KPI: Lead the industry to continuously reduce animal testing

- 86,000 animal lives saved in 2022
- FDA Modernization Act approved in the US Senate



OUR PEOPLE

Code of Conduct training completed by 96% of employees during 2022



OUR PLANET

KPI: Minimize the use of materials

A Life Cycle Assessment was performed at Cellink Bioprinting for refurbished vs new instrument sales.

KPI: Reducing CO2 emissions

Biosero moved in to a 37,500 sq ft self-sufficient building powered by solar panels, the third company in the BICO Group to do so.

Financial Comments

SIGNIFICANT EVENTS

DURING THE FOURTH QUARTER (2022)

- **December:** Increased number of shares and votes.
- **December:** BICO agrees with Sartorius on strategic cooperation, followed by a SEK 487m directed share issue.
- **November:** Notice of extraordinary general meeting in BICO Group AB.
- **November:** BICO announces new financial targets for 2023 onwards.
- **November:** Publication of Interim Report January–September 2022.

SIGNIFICANT EVENTS

AFTER THE END OF THE QUARTER (2023)

- **January:** BICO Group AB appoints New CFO, Jacob Thordenberg. Mr. Thordenberg most recently comes from his role as Head of M&A at BICO, where he has been since December 2021.
- **January:** BICO appoints COO, Marius Balger. Mr. Balger will take office March 1, 2023, and be part of the Executive Management team.
- **January:** BICO announces an increase in number of shares and votes. As of January 31, 2023, the total number of registered and outstanding shares in BICO Group AB (publ) amounts to 70,574,895.
- **February:** Rolf Classon proposed as new Chairman of BICO Group AB (publ).
- **February:** BICO announces an impairment of goodwill in one of the portfolio companies, Ginolis.

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. Due to the lack of relevant financial information for the new segments in the comparison periods, information is provided according to both the old and the new segmentation. 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 2021, Note 29, page 119.

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 2021 on pages 65-68 and 82-84.

During 2022, the company has been impacted by disruptions in the macroeconomic environment such as rising interest

rates, rising inflation, war in Ukraine and covid lockdowns in China. These factors have impacted the Group's sales both directly but mostly indirectly. The inflation risk has been mitigated through price increases during the year in all Group companies. The other risks have been proactively mitigated through discussions with customers, redirected sales and cost-cutting measures.

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 consisted from May 2022 to December 2022 of: President and CEO Erik Gatenholm (Founder), EVP and CTO Hector Martinez (Co-founder), Interim Group CFO Mikael Engblom, SVP and General Counsel Lotta Bus, Interim SVP and Head of Investor Relations Åsa Hillsten, SVP and Chief People Officer Erica Bell, SVP and Business Area Director Dr. Jonas Schöndube, SVP and Business Area Director Dr. Holger Eickhoff, SVP and Business Area Director Artur Aira.

The Executive Management of BICO Group as of January 2023 consists of: President and CEO Erik Gatenholm; EVP and CTO Hector Martinez; CFO Jacob Thordenberg and SVP & General Counsel & HR Lotta Bus. As of March 1, 2023, both COO Marius Balger and Head of Corporate Development & M&A Artur Aira are included in the Executive Management team.

EMPLOYEES

As of December 31 2022, the Group had a total of 1,210 employees, of whom 769 were men and 441 were women. Expressed as percentages, men represented 64 percent of the total number of employees, while women represented 36 percent.

Financial Comments

CAPITAL MARKETS DAY

On November 10, 2022 BICO Group hold its digital Capital Markets Day. Erik Gatenholm and members of management team as well as CEOs for portfolio companies covered company strategy, financials, and operations momentum as well as present case studies.

NEW FINANCIAL TARGETS

On November 10, 2022 Bico Group announced new financial targets for 2023 onwards.

New financial targets:

- Double-digit organic growth in constant currency
- EBITDA Margin less capitalized development cost > 10%
- NET DEBT / EBITDA <3.0x

SHARE CAPITAL

As of December 30, 2022, share capital amounted to SEK 1,762,372.375 divided among 70,494,895 ordinary shares. As of December 30, 2022, the closing price for the BICO Group share was SEK 105.8. The Company has two (2) classes of shares: 1,500,000 A-shares which entitle the owner to ten (10) votes per share, and 68,994,895 shares which entitle the owner to one (1) vote per share at the General Meeting. The total number of shareholders as of December 30, 2022 was approximately 26,000.

SHAREHOLDER STRUCTURE

Ten largest shareholders as of December 30, 2022
%

Erik Gatenholm	13.64%
Sartorius AG	10.11%
Hector Martinez Avila	8.96%
Handelsbanken Funds	8.88%
Fourth Swedish National Pension Fund	4.54%
Third Swedish National Pension Fund	3.87%
ARK Investment Management LLC	2.31%
Deka Investments	2.22%
Vanguard	1.68%
Carl Bennet	1.68%
Subtotal, 10 largest shareholders	57.88%
Other shareholders	42.12%
Total	100%

SARTORIUS SECOND LARGEST OWNER

On December 8, 2022 BICO announced an agreement with Sartorius on a strategic cooperation, followed by a SEK 487m directed share issue of shares to Sartorius. The Board of Directors of BICO Group AB exercised the authorization granted by the Annual General Meeting to issue up to 6,408,626 class B shares, equivalent to ten percent (10%) of outstanding shares in the company prior to the transaction, through a directed share issue to Sartorius AG. The subscription price of the Share Issue amounted to SEK 76.00, equivalent to a premium of 2.7 percent. Through the share issue the BICO Group received gross proceeds of approximately SEK 487m.

ANNUAL GENERAL MEETING 2022

2022 year's Annual General Meeting was held on Tuesday April 26, 2022, at Biotech Center, Arvid Wallgrens backe 20, Gothenburg, Sweden. In accordance with the Nomination Committee's proposal Carsten Browall, Bengt Sjöholm, Christian Wildmoser, Erik Gatenholm, Helena Skåntorp and Susan Tousi were re-elected as members of the Board of Directors. Further, Rolf Classon and Ulrika Dellby were elected new members of the Board of Directors. Carsten Browall was re-elected as Chairman of Board of Directors.

EXTRA GENERAL MEETING 2022

On December 14 an Extra General Meeting was held with the proposal of the Company's Board to update the Co-worker LTIP 2022 programme, with the rational of creating higher motivation and commitment among the employees and strengthen the bonds between the employees and the Company.

ANNUAL GENERAL MEETING 2023

The 2023 Annual General Meeting will be held May 9, 2023 in Gothenburg, Sweden.

NOMINATION COMMITTEE

In accordance with the decision by the Annual General Meeting 2022, the Nomination Committee of BICO Group AB shall consist of five members, one of whom shall be the Chairman of the Board. On October 28, 2022 the company announced the committee have been appointed based on the ownership structure per September 30, 2022 and consists of: Mats Engström (representing Erik Gatenholm), Claes Dinkelspiel (representing Hector Martinez), Malin Björkmo (representing Handelsbanken), Jannis Kitsakis (representing Fourth Swedish National Pension Fund) and Carsten Browall, Chairman of the Board for Directors BICO Group.

FUNCTIONAL REPORTING

Starting Q1 2023, the company intends to change its presentation format of the profit and loss statement from a cost-based presentation to a functional-based presentation. The rationale for the change is to increase the transparency of the cost structure of the company and to align with the most common market practice. The change will impact the presented gross margin negatively since more costs (e.g production employees) will be included in costs of goods sold than before. However net sales, EBITDA, EBIT and net result will remain unchanged. Adjusted numbers for 2022 will be calculated and presented at the latest at the release of the Group's Q1 report 2023.

DIVIDEND

According to the current dividend policy, BICO will focus on growth, meaning that dividends may be low or not occur at all in the medium term. There was no dividend paid for the financial period ending December 31, 2022.

REVIEW

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

Financial Comments



PRESENTATION TO INVESTORS AND MEDIA

A combined webcast with telephone conference, with the opportunity to ask questions, will be held on 22 February 2023 at 10:00 am CET, at which President & CEO Erik Gatenholm and CFO Jacob Thordenberg will present the Q4 report. The presentations will be given in English.

Audiocast, at 10:00 am CET:

<https://ir.financialhearings.com/bico-Q4-2022>

To participate via telephone, please call:

SE: +46 8 525 07003

UK: +44 20 7043 5048

US: +1 (774) 450 9900

Conference ID: 5005818#

If you wish to ask a question, please dial *5, on your telephone keypad, to enter the queue.

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 re-search including engineering, computerized systems, technology such as robotics, artificial intelligence, Big Data and biology.

TRENDS SHAPING THE FUTURE OF BIOCONVERGENCE

- 1/ GROWTH AND DEVELOPMENT IN REGENERATIVE MEDICINE
- 2/ ALTERNATIVES TO ANIMAL TESTING
- 3/ CONTINUOUS FOCUS ON BIOLOGICAL DRUGS
- 4/ INCREASED FOCUS OF PERSONALIZED MEDICINE
- 5/ GENE THERAPIES
- 6/ HEALTH 4.0, DIGITAL TECHNOLOGIES, SMART MACHINES AND DATA

» Supplemental Information

FOR FURTHER INFORMATION PLEASE CONTACT

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This information is information that BICO Group AB 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 to the left, on February 22, 2023 at 07:00 CET.

Upcoming Events

MARCH 17, 2023 / Annual Report 2022

The report will be available on our website for download in a DDF format.

MAY 4, 2023 / Interim report January - March 2023

MAY 9, 2023 / Annual General Meeting

Please find all the related documents on:
<https://bico.com/investors/governance/annual-general-meetings/>

AUGUST 22, 2023 / Interim report January - June 2023

NOVEMBER 9, 2023 / Interim report January - September 2023

Condensed consolidated income statements

Amounts in MSEK	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	3	674.1	519.1	2,239.5	1,257.3
Other operating income		37.3	51.3	110.8	73.8
Change in inventories*		0.5	3.3	4.5	13.2
Capitalized work for own account		47.9	28.1	182.0	94.0
OPERATING EXPENSES					
Raw materials and supplies		-192.0	-147.3	-595.4	-362.2
Other external costs		-195.1	-164.3	-719.0	-433.1
Personnel expenses		-347.3	-262.9	-1,256.6	-669.8
Depreciation and amortization of fixed assets		-102.7	-66.4	-315.6	-191.8
Impairment of goodwill	6	-625.0	-	-625.0	-
Other operating expenses		-1.0	-14.3	-22.1	-18.3
Operating profit/loss		-703.4	-53.4	-996.9	-236.9
FINANCIAL ITEMS					
Financial income		6.5	84.2	432.2	96.3
Financial expenses		-225.9	-26.7	-188.4	-72.8
Profit/loss after financial items		-922.8	4.1	-753.1	-213.4
Tax for the period		21.1	-30.0	-82.6	-15.8
Net profit/loss for the period		-901.8	-25.9	-835.7	-229.2
ATTRIBUTABLE TO					
Parent company shareholders		-899.3	-25.6	-832.9	-227.6
Non-controlling interest		-2.5	-0.3	-2.8	-1.6
Earnings per share before dilution, SEK		-13.73	-0.41	-12.94	-3.97
Earnings per share after dilution, SEK		-13.73	-0.41	-12.94	-3.97
Average number of shares before dilution		65,479,449	61,771,652	64,348,627	57,265,416
Average number of shares after dilution**		67,985,199	63,283,537	66,876,838	58,847,217

* The row change in inventories was retroactively changed in 2021 due to incorrect classification in earlier quarters. The corresponding amounts have been accounted as raw material and supplies. The adjustment has no impact on accounted gross profit or EBITDA.

** Average number of shares including potential ordinary shares.

Condensed consolidated statements of comprehensive income

Amounts in MSEK	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net profit/loss for the period		-901.8	-25.9	-835.7	-229.2
<i>Items that may be reclassified subsequently to profit or loss</i>					
Translation differences on foreign operations		-15.7	-14.5	396.7	81.0
Tax attributable to items that have been transferred or can be transferred to profit		-	2.4	-5.2	1.6
Total comprehensive income		-917.5	-38.0	-444.2	-146.6
ATTRIBUTABLE TO					
Parent company shareholders		-914.3	-37.9	-442.6	-146.0
Non-controlling interest		-3.2	-0.1	-1.6	-0.6

Condensed consolidated statements of financial position

Amounts in MSEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed assets			
Intangible assets	6	6,712.9	6,522.7
Property, plant and equipment		459.8	209.1
Right-of-use assets		441.8	248.5
Financial fixed assets	4	43.4	23.8
Deferred tax assets		101.9	96.5
Total fixed assets		7,759.7	7,100.6
Current assets			
Inventories		531.0	353.5
Tax receivable		28.3	9.1
Contract assets		160.3	129.5
Accounts receivable		699.7	576.9
Prepaid expenses		32.5	21.8
Other current assets		60.0	88.2
Short-term investments	4	0.0	993.8
Cash and cash equivalents		925.2	481.2
Total current assets		2,437.1	2,654.0
Total assets		10,196.8	9,754.6
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders		6,905.0	6,773.9
Non-controlling interest		27.2	28.8
Total equity		6,932.2	6,802.7
Long-term liabilities			
Long-term interest-bearing liabilities	4	1,384.9	1,350.3
Long-term lease liabilities		370.5	198.2
Other provisions		24.9	19.5
Other long-term liabilities	4, 6	199.7	393.2
Deferred tax liabilities		345.1	260.2
Total long-term liabilities		2,325.0	2,221.4
Current liabilities			
Short-term interest-bearing liabilities		8.0	5.0
Short-term lease liabilities		89.7	53.5
Accounts payable		132.6	129.1
Contract liabilities		300.9	201.5
Other current liabilities	4, 6	164.3	161.3
Accrued expenses		244.0	180.3
Total current liabilities		939.5	730.5
Total liabilities		3,264.6	2,951.9
Total equity and liabilities		10,196.8	9,754.6

Condensed consolidated cash flow statements

Amounts in MSEK	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Profit/loss after financial items		-922.8	4.1	-753.1	-213.4
Adjustments for non-cash items		983.5	25.4	780.6	173.7
Income tax paid		-11.2	3.2	-30.8	-21.5
Increase (-)/Decrease (+) in inventories		16.3	-42.5	-162.1	-169.5
Increase (-)/Decrease (+) in operating receivables		-98.0	-222.7	-189.4	-352.9
Increase (+)/Decrease (-) of operating liabilities		-36.7	120.4	85.4	174.4
Cash flow from operating activities		-69.1	-112.4	-269.4	-409.3
Acquisition of property, plant and equipment		-49.1	-55.4	-274.1	-110.9
Acquisition of intangible fixed assets		-66.7	-35.1	-255.5	-156.1
Acquisition of subsidiaries/operations, net proceeds		-27.9	-1,423.6	-218.2	-3,540.2
Acquisition/disposal of short-term investments, net		199.1	-223.9	960.7	-646.6
Cash flow from investing activities		55.3	-1,738.1	212.9	-4,453.8
Option premiums received		-	-	52.6	-
New issues		487.1	2,043.6	488.0	3,609.5
Issue costs		-6.6	-33.5	-7.2	-97.9
Issue of convertible loan		-	-	-	1,500.0
Repayment of loans		-2.7	-5.1	-4.3	-73.9
Amortization of lease liabilities		-24.9	-12.5	-73.8	-37.6
Cash flow from financing activities		452.9	1,992.5	455.3	4,900.1
Cash flow for the period		439.1	141.9	398.8	37.1
Opening cash and cash equivalents		465.3	333.2	481.2	434.9
Exchange difference in cash and cash equivalents		20.8	6.1	45.2	9.2
Closing cash and cash equivalents		925.2	481.2	925.2	481.2

Consolidated changes in equity

Amounts in MSEK	Share capital	Other contributed capital	Translation reserve	Balanced profit including profit for the period	Non-controlling interest	Total equity
Opening balance as of January 2021	1.3	2,299.5	-52.5	-46.4	6.6	2,208.5
Net profit/loss for the period	-	-	-	-227.5	-1.7	-229.2
Other comprehensive income	-	-	81.5	-	1.1	82.6
New share issue	0.2	3,586.2	-	-	22.8	3,609.2
Non-cash issue	0.1	1,012.8	-	-	-	1,012.9
Convertible bonds	-	-	-	-	-	-
Equity part of convertible loan	-	167.1	-	-	-	167.1
Transaction costs, net of tax	-	-60.6	-	-	-	-60.6
Share-based compensation	-	12.1	-	-	-	12.1
Closing balance as of December 31, 2021	1.6	7,017.1	29.0	-273.8	28.8	6,802.7
Opening balance as of January 1, 2022	1.6	7,017.1	29.0	-273.8	28.8	6,802.7
Net profit/loss for the period	-	-	-	-832.8	-2.8	-835.7
Other comprehensive income	-	-	390.3	-	1.2	391.5
New share issue	0.2	539.4	-	-	-	539.6
Premium from issuing share options	-	0.9	-	-	-	0.9
Transaction costs, net of tax	-	-5.9	-	-	-	-5.9
Share-based compensation	-	39.0	-	-	-	39.0
Closing balance as of December 31, 2022	1.8	7,590.5	419.3	-1,106.6	27.2	6,932.2

Condensed income statements for the parent company

Amounts in MSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	45.9	42.5	70.4	217.1
Other operating income	28.7	184.5	46.9	195.5
Change in inventories*	-	-0.3	-	-1.3
Capitalized work for own account	-	0.5	-	14.2
OPERATING EXPENSES				
Raw materials and supplies*	-0.3	-21.2	-6.4	-134.8
Other external costs	-57.7	-19.7	-129.9	-131.6
Personnel expenses	-23.2	-44.1	-84.2	-120.5
Depreciation and amortization of fixed assets	-1.8	-4.2	-3.2	-22.1
Other operating expenses	-6.0	-8.6	-6.3	-10.5
Operating profit/loss	-14.5	-129.5	-112.7	6.7
FINANCIAL ITEMS				
Profit/loss from shares in Group companies	-390.0	-40.0	-436.1	-40.3
Financial income	62.1	125.5	634.0	156.8
Financial expenses	-222.6	-11.4	-172.3	-63.9
Profit/loss after financial items	-565.0	203.5	-87.1	59.3
Appropriations	-211.9	-	-211.9	-
Tax for the period	59.2	-50.9	-15.5	-37.3
Net profit/loss for the period**	-717.7	152.6	-314.5	22.0

* The row change in inventories was retroactively changed in 2021 due to incorrect classification in earlier quarters. The corresponding amounts have been accounted as raw material and supplies. The adjustment has no impact on accounted gross profit or EBITDA.

** 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

Amounts in MSEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed assets			
Intangible fixed assets		2.5	4.7
Property, plant and equipment		3.7	2.1
Shares in Group companies		3,789.1	4,221.7
Receivables from Group companies		3,323.8	3,405.9
Other financial fixed assets		3.7	4.7
Deferred tax assets		1.3	-
Total fixed assets		7,124.0	7,639.1
Current assets			
Inventories		0.5	-
Accounts receivables		1.0	38.9
Receivables from Group companies		1,328.1	87.9
Other current assets		2.6	16.5
Prepaid expenses and accrued income		6.0	4.6
Short-term investments		-	993.6
Cash and cash equivalents		620.0	91.1
Total current assets		1,958.2	1,232.7
Total assets		9,082.3	8,871.7
EQUITY AND LIABILITIES			
Equity			
Untaxed reserves		23.9	-
Long-term liabilities			
Other provisions		3.0	-
Long-term interest-bearing liabilities		1,368.0	1,332.4
Other long-term liabilities		194.8	389.2
Total long-term liabilities		1,565.7	1,721.6
Current liabilities			
Short-term interest-bearing liabilities		2.0	2.0
Liabilities to Group companies		114.4	1.4
Accounts payable		2.9	5.6
Other current liabilities		99.9	110.7
Accrued expenses and deferred income		40.9	57.2
Total current liabilities		260.2	177.0
Total equity and liabilities		9,082.3	8,871.7

Notes to the financial reports

NOTE 1.

ACCOUNTING PRINCIPLES

This year-end report for the Group has been prepared in accordance with IAS 34 Interim Reporting and the applicable provisions of the Annual Accounts Act. The year-end 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 2022 are generally the same as described in the annual report for 2021, Note 3, pages 84–85.

Preliminary purchase price allocations for acquisitions carried out in the past 12 months have in some cases been adjusted after the end of the previous financial year. This is due to adjustments to the acquired companies' net assets and updated assessments regarding contingent considerations. Refer to note 6 for a description of adjustments made compared to the preliminary figures presented in the annual report 2021.

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'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. Each operating segment has a manager who is responsible for day-to-day operations and who regularly reports the outcome of the operating segment's performance and the need for resources to the CEO. 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.

Segment reporting

Since Q1 2022, the Group consists of three reporting segments: Bioprinting, Biosciences and Bioautomation. The division of the former segment Laboratory Solutions into Bioprinting and Biosciences has thus been completed. Due to the lack of relevant financial information for the new segments in the comparison periods, information is provided according to both the old and the new segmentation below. For information on the previous segmentation, see the annual report for 2021, note 4, page 86.

Bioprinting

Bioprinting consists of CELLINK Bioprinting, MatTek, Visikol, Nanoscribe, Advanced BioMatrix and Allegro 3D. The segment offers 3D bioprinters, 3D printers 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 Amounts in MSEK	Bioprinting Jan-Dec 2022	Biosciences Jan-Dec 2022	Bioautoma- tion Jan-Dec 2022	Group Jan-Dec 2022	Elimina- tions	Total Jan-Dec 2022
Net sales	654.9	959.3	652.9	-	-27.7	2,239.5
Raw materials and supplies reduced with changes in inventories	-148.1	-288.6	-176.8	-	22.6	-590.9
Capitalized work for own account	53.8	80.3	47.9	-	-	182.0
Other operating income	22.2	18.4	28.6	41.7	-	110.9
Other external costs	-179.2	-293.8	-194.5	-56.7	5.1	-719.0
Personnel expenses	-362.3	-485.5	-324.4	-84.4	-	-1,256.6
Other operating expenses	-7.7	-4.3	-4.9	-5.4	-	-22.1
EBITDA	33.7	-14.1	28.8	-104.7	-	-56.3
EBITDA, %	5.1%	-1.5%	4.4%	N/A	N/A	-2.5%
Depreciation and amortization of fixed assets	-	-	-	-	-	-315.6
Impairment of goodwill	-	-	-	-	-	-625.0
Financial income	-	-	-	-	-	432.2
Financial expenses	-	-	-	-	-	-188.4
Result before tax	-	-	-	-	-	-753.1

Segment reporting Amounts in MSEK	LABORATORY SOLUTIONS		BIOAUTOMATION		TOTAL	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	1,586.6	741.3	652.9	516.0	2,239.5	1,257.3
Raw materials and supplies reduced with changes in inventories	-414.0	-210.0	-176.8	-139.0	-590.8	-349.0
Gross profit	1,172.6	531.3	476.1	377.0	1,648.6	908.3
Gross margin, %	73.9%	71.7%	72.9%	73.1%	73.6%	72.2%
Capitalized work for own account	-	-	-	-	-	94.0
Other operating income	-	-	-	-	-	73.8
Other external costs	-	-	-	-	-	-433.1
Personnel expenses	-	-	-	-	-	-669.8
Depreciation and amortization of fixed assets	-	-	-	-	-	-191.8
Other operating expenses	-	-	-	-	-	-18.3
Financial income	-	-	-	-	-	96.3
Financial expenses	-	-	-	-	-	-72.8
Profit/loss before tax	-	-	-	-	-	-213.4

The BICO Group

Net sales by geographic region and by business area

Amounts in MSEK	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Europe	151.4	123.6	214.6	78.3	317.0	181.5	683.0	383.3
North America	301.0	174.4	582.2	201.2	293.3	265.6	1,176.5	641.1
Asia	140.7	50.1	128.3	80.0	41.6	30.4	310.6	160.5
Rest of the world	28.6	16.4	16.0	17.5	24.9	38.6	69.5	72.4
Total	621.6	364.4	941.1	376.9	676.8	516.0	2,239.5	1,257.3

Net sales broken down by products and services

Amounts in MSEK	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Products	525.9	322.7	851.1	360.7	543.1	414.8	1,920.1	1,098.2
Services	95.7	41.6	90.0	16.2	133.6	101.2	319.4	159.1
Total	621.6	364.4	941.1	376.9	676.8	516.0	2,239.5	1,257.3

Net sales products broken down by consumables and instruments

	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Amounts in MSEK								
Instruments	277.1	184.0	827.6	329.3	493.8	370.7	1,598.6	884.1
Consumables	248.4	138.7	23.5	31.3	49.3	44.1	321.6	214.1
Total	525.9	322.7	851.1	360.7	543.1	414.8	1,920.1	1,098.2

NOTE 4.

FINANCIAL INSTRUMENTS

The Group's financial instruments consist of long-term investments, long-term receivables, accounts receivables, contractual assets, 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 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 -28.9 million (12.9). This effect is reported among financial items.

During the fourth quarter 2022, the short-term investments have been converted into cash.

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 as well as 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 1,500 million. The number of promissory notes amounts to 750 and the nominal value per convertible is SEK 2.0 million. 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 2022, the cost of coupon interest amounted to SEK 43.1 million (33.7) (affecting cash flow) and the implicit interest expense to SEK 31.5 million (20.4) (not affecting cash flow). Accrued issue costs amounted to SEK 5.4 million (3.6).

The convertible bonds are traded on the Frankfurt stock exchange. As of December 31st, 2022, they traded at a value of ca 70% of nominal value.

Fair values – level 3

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

Amounts in MSEK	Level	2022-12-31	2021-12-31
FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE			
Short-term investments	1	-	993.6
Long-term investments	3	3.4	3.4
Contingent considerations	3	-278.3	-496.6

Amounts in MSEK	Contingent considerations	Long-term investments
FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE AT LEVEL 3		
Fair value January 1, 2022	-496.6	3.4
Acquisitions	-16.5	-
Adjustment from contingent considerations to goodwill within 12 months of preliminary purchase price allocation	123.3	-
Total reported gains and losses in this year's operating profit	25.2	-
Payments to sellers	131.6	-
Total reported gains and losses in this year's net financial items	-45.3	-
Fair value December 31, 2022	-278.3	3.4

Sensitivity analysis

Contingent considerations

BICO has as of 31 December 2022 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% nominated in USD and 26% in EUR.

In total, contingent considerations of SEK 278.3 million 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 451.7 million as of December 31, 2022, 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:

Amounts in MSEK	Increase	Decrease
Discount rate (1% change)	-3.2	3.3
FX rates EUR and USD (10% change)	27.9	-27.9
Future revenue (10% change)	59.9	-179.5

NOTE 5.

INCENTIVE PROGRAMS

In 2022 BICO had three long-term incentive programs aimed at the Group's staff and board members. The purpose of the incentive programs is 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 includes a maximum of 1,600,000 options for employees and 80,000 options for the Board, each redeemable for a share at a price of SEK 74.34. The program expired in January 2023. In December 2021 and in Q1 2022, the subscription price was paid in for the corresponding 856,000 shares in the company. As of December 31, 2022, 80,000 options remain for the Board in this program. These options were converted to shares in January 2023.

The second program includes a maximum of 1,600,000 options for employees and 220,000 options for board members. For employees, each of the options will be 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 (after the balance sheet date), the vesting period for 364,200 options 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.

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.

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.

Valuation and accounting policies for the incentive programs are described in Note 6 of the Annual Report for 2021. As of December 31, 2022, a total of 3,256,581 options are outstanding, of which 2,040,362 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, 657,369 are held by members of the Group's 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 4.6 percent of the number of outstanding shares as of December 31, 2022. 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

Acquired net assets at the time of acquisition (preliminary purchase price allocations):

Amounts in MSEK	Allegro 3D
Identified intangible fixed assets	16.2
Tangible fixed assets	0.2
Deferred tax asset	-
Inventories	0.5
Accounts receivable	-
Other receivables	2.2
Cash and cash equivalents	1.8
Provisions	-
Interest-bearing liabilities	-
Accounts payable	-
Other operating liabilities	-1.8
Deferred tax liability	-4.7
Net identifiable assets and liabilities	14.4
Group goodwill	64.1
Total purchase price	78.5
<i>Paid by:</i>	
Cash and cash equivalents	-62.0
Issued shares	-
Contingent consideration	-16.5
<i>Net cash outflow of acquisition:</i>	
Purchase price paid in cash	-62.0
Less: Cash in acquired company	1.8
Effect on group cash and cash equivalents	-60.2

Acquisition of Allegro 3D Inc.

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). The acquisition of Allegro 3D and its light-based 3D bioprinting technology further strengthens the Bioprinting business area's position as a global market leader in 3D bioprinting. The company's products improve customers' ability to achieve scalability in their production and development of biofabricated designs in regenerative medicine and drug development.

The purchase price initially amounts to USD 6 million in cash. In addition, the sellers have the opportunity to receive a maximum of USD 5 million in the form of a contingent consideration over the next two years. The maximum outcome of the contingent consideration requires, among other things, that the company has revenues of at least USD 5.5 million in 2023/2024. Allegro 3D's sales in 2021 amounted to approximately SEK 1 million.

Based on an analysis of the company, identifiable assets in the form of technology have been identified in the purchase price allocation. Due to the fact that all acquired surplus values have not yet been fully analyzed, the purchase price allocation is still preliminary. A majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how as well as synergy effects in the form of cross-selling and utilization of customer relationships in the group after the acquisition. No part of the goodwill is expected to be tax deductible. Goodwill related to the acquisition is included in the cash-generating unit CELLINK.

Allegro 3D has contributed sales of SEK 20 million in 2022. If Allegro 3D had been included in the company's accounts throughout the financial year, the acquisition would have contributed sales of a total of SEK 24 million in 2022.

Preliminary purchase price allocations

During the year, the purchase price allocations concerning the acquisitions made in 2021 have been finalized. Purchase price allocation for Allegro is still preliminary.

Preliminary purchase price allocations for acquisitions carried out in the past 12 months have in some cases been adjusted after the end of the previous financial year. This is due to adjustments to the acquired companies' net assets and updated assessments regarding contingent purchase prices. For information on preliminary purchase price allocations as of December 31, 2021, see the annual report for 2021, Note 26, pages 113-116. For information on implemented changes in 2022, see below.

Visikol

The reported contingent consideration for Visikol decreased by SEK 33.0 million as a result of a new assessment of payout probability. The change entails a corresponding reduction in goodwill.

In addition, 25.2 MSEK of the contingent consideration has been decreased after the close of the purchase price allocation. This change has been recognized as an other income in the income statement.

Nanoscribe

Nanoscribe's acquired net assets were adjusted upwards by SEK 1.9 million as a result of a new assessment of deferred tax assets at the time of acquisition. The change entails a corresponding reduction in goodwill.

Furthermore, the reported contingent consideration for Nanoscribe has decreased by SEK 13.2 million as a result of a new assessment of payout probability. The change entails a corresponding reduction in goodwill.

Discover Echo

Discover Echo's acquired net assets were adjusted upwards by SEK 9.5 million as a result of a new assessment of the value of the identifiable intangible assets at the time of acquisition, with an adjustment for deferred tax. The change entails a corresponding reduction in goodwill.

Advanced BioMatrix

Advanced BioMatrix's acquired net assets were adjusted upwards by SEK 2.3 million as a result of a new assessment of the value of the identifiable intangible assets at the time of acquisition, with an adjustment for deferred tax. The change entails a corresponding reduction in goodwill.

Furthermore, in Q3 2022 a final assessment was made of the valuation of ingoing inventory balances per acquisition date, increasing the inventory by SEK 1.5 million per acquisition date. The change entails a corresponding reduction in goodwill.

Biosero

The reported contingent consideration for Biosero decreased by SEK 76.9 million since December 31, 2021, mainly as a result of reallocation of the amount from contingent consideration to future potential bonus cost, but also lower assessed probability for full payout. The reallocation to future bonus costs are reported as cost over time, if and when the set goals are met during 2022-2024. The change entails a corresponding reduction in goodwill.

Furthermore, the fair value of the acquired net assets was adjusted upwards by SEK 2.3 million, which entails a corresponding reduction in goodwill.

During the year, a purchase price allocation has been prepared, resulting in intangible assets of SEK 103.2 million (net of deferred taxes) being identified, mainly in the form of acquired technology. The change entails a corresponding reduction in goodwill.

Lastly, an additional purchase price was agreed based on net working capital adjustments in the ingoing balances. This amounted to SEK 20.3 million and entails a corresponding increase in goodwill.

Acquisition costs

Acquisition costs amounted to SEK 6.1 million (42.0) during the financial year and refer to the acquisition of Allegro 3D and late costs for the previous year's acquisitions that were not accrued in 2021. These expenses have been 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.

Amounts in MSEK	Goodwill
Book value January 1, 2022, net	5,441.5
Adjustments of preliminary PPAs	-243.9
Additional purchase price, Biosero	20.3
Acquisitions	64.1

Impairments	-625.0
Translation difference	616.7
Book value December 31, 2022, net	5,273.7

During the fourth quarter 2022, an impairment of goodwill for the cash generating unit Ginolis has been booked amounting to 625.0 MSEK, leaving the remaining goodwill in CGU Ginolis at 0.

The Covid pandemic generated strong revenues for Ginolis in 2020 and 2021 in conjunction with the global medical response, via diagnostic automation equipment. But by 2022, sales related to Covid diagnostic automation were dwindling faster than anticipated and the company returned to a more normal level of revenue related to microfluidics and medical device automation. In addition, new competition from Asia is undercutting the company in lateral flow automation, which has become a commodity since the global pandemic brought heightened demands during the last two years. Consequently, Ginolis has not been able to transition fast enough back to a more stable and normalized business level. Ginolis reported sales and EBITDA in 2022 of SEK 140 million (174) and SEK -74 million (5) respectively, and has continued to face challenges in order intake and internal efficiency. The comparison period includes 10 months, which is the time Ginolis was owned by BICO in 2021.

The calculated remaining value in use for CGU Ginolis is in line with the remaining value of the net operating assets in the unit after the impairment. In the calculation, a WACC of 12.3 % has been used.

NOTE 7.

NEW ISSUE OF SHARES

Exercise of options

During the first quarter of 2022, the subscription price was paid for the corresponding 707,100 shares at a price of SEK 74.34 per share in the first incentive program described in Note 5. This added SEK 52.6 million to the company.

New share issue

On December 8, 2022, BICO announced a directed share issue of 6,408,626 B-shares to Sartorius AG, corresponding to 10% of outstanding shares. The price per share was 76 SEK, adding a total of SEK 487.1 million to the company before issue costs.

Gothenburg February 22, 2022

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.
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.
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 (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 in constant currency.	Shows the growth in the existing business adjusted for acquisitions in the last 12 months in constant currency.

Reconciliation of Alternative Key Ratios

Amounts in MSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
GROSS PROFIT				
Net sales	674.1	519.1	2,239.5	1,257.3
Raw materials and supplies reduced by inventory change	-191.5	-144.0	-590.8	-349.0
Gross profit	482.5	375.1	1,648.6	908.3
GROSS MARGIN, %				
Gross profit	482.5	375.1	1,648.6	908.3
Net sales	674.1	519.1	2,239.5	1,257.3
Gross margin, %	71.6%	72.3%	73.6%	72.2%
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)				
Operating income	-703.4	-53.4	-996.9	-236.9
Depreciation, amortization and impairment	727.7	66.4	940.6	191.8
Operating profit before depreciation and amortization (EBITDA)	24.3	13.0	-56.3	-45.1
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION, (EBITDA), %				
EBITDA	24.3	13.0	-56.3	-45.1
Net sales	674.1	519.1	2,239.5	1,257.3
EBITDA margin, %	3.6%	2.5%	-2.5%	-3.6%
ADJUSTED EBITDA				
EBITDA	24.3	13.0	-56.3	-45.1
Costs related to option programs	5.2	11.3	39.0	16.4
Acquisition related costs	7.3	13.1	24.3	47.4
Rebranding	-	2.0	-	7.1
Restructuring costs related to personnel changes	15.3	-	27.1	-
One-off provision for bad debt	-	-	43.9	-
Revaluation of contingent consideration	-25.2	-25.0	-25.2	-25.0
Government support	-	-	-	-1.1
ERP, Phase one implementation costs	-	4.6	8.3	9.5
Legal costs	-	5.0	1.0	7.6
Adjusted EBITDA	26.9	24.1	62.1	16.9
ADJUSTED EBITDA, %				
Adjusted EBITDA	26.9	24.1	62.1	16.9
Net sales	674.1	519.1	2,239.5	1,257.3
Adjusted EBITDA, %	4.0%	4.6%	2.8%	1.3%

Reconciliation of Alternative Key Ratios

Amounts in MSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
OPERATING MARGIN (EBIT), %				
Operating profit	-703.4	-53.4	-996.9	-236.9
Net sales	674.1	519.1	2,239.5	1,257.3
EBIT margin, %	-104.4%	-10.3%	-44.5%	-18.8%
ORGANIC REVENUE GROWTH, % & ORGANIC REVENUE GROWTH EXCLUDING CURRENCY				
Net sales	674.1	519.1	2,239.5	1,257.3
Net sales generated from companies acquired in the last 12 months	124.5	-260.1	777.2	-730.2
Organic net sales	562.9	259.0	1,475.6	527.1
Net sales comparison period	519.1	207.0	1,257.2	365.8
Organic revenue growth, %	8%	25%	17%	44%
Currency effect	13%	-4%	13%	-8%
Organic revenue growth excluding currency, %	-5%	29%	4%	52%
EQUITY RATIO, %				
Equity	6,932.2	6,802.7	6,932.2	6,802.7
Total assets	10,196.8	9,754.6	10,196.8	9,754.6
Equity ratio, %	68%	70%	68%	70%
NET DEBT (-)/NET CASH (+) EXCL. LEASING				
Short-term investments	0.0	993.8	0.0	993.8
Cash and cash equivalents	925.2	481.2	925.2	481.2
Long-term interest-bearing liabilities excl. leasing liabilities	-1,384.9	-1,350.3	-1,384.9	-1,350.3
Short-term interest-bearing liabilities excl. leasing liabilities	-8.0	-5.0	-8.0	-5.0
Net debt (-)/Net cash (+)	-467.7	119.7	-467.7	119.7

Amounts in MSEK	Bioprinting Jan-Dec 2022	Biosciences Jan-Dec 2022	Bioautomation Jan-Dec 2022	Group Jan-Dec 2022	Total Jan-Dec 2022
EBITDA	33.7	-14.1	28.8	-104.7	-56.3
Costs related to option programs	15.2	9.0	11.7	3.0	39.0
Acquisition related costs	5.9	15.5	2.1	1.0	24.3
One-off provision for bad debt	12.7	31.2	-	-	43.9
Revaluation of contingent consideration	-	-	-	-25.2	-25.2
Restructuring costs related to personnel changes	0.3	3.0	2.8	21.1	27.1
ERP, Phase one implementation costs	0.7	1.7	1.6	4.3	8.3
Legal costs	0.2	-	-	0.8	1.0
Adjusted EBITDA, MSEK	68.7	46.3	47.0	-99.7	62.1
Net sales	654.9	959.3	652.9		2,239.5*
Adjusted EBITDA, %	10.5%	4.8%	7.2%	N/A	2.8%

*not total for segments due to eliminations

Consolidated Income Statements by Quarter

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



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