

BICO GROUP AB (PUBL)

# Brico

INTERIM REPORT JANUARY – JUNE 2023

# Interim report January-June 2023

## APRIL – JUNE 2023 (COMPARED WITH APRIL – JUNE 2022)

- Net sales amounted to SEK 541.1m (537.6), which corresponds to an increase of 0.7% (83.4%) compared to the corresponding quarter previous year.
- Organic sales growth for the quarter amounted to 0.5%, and 8.3% excluding covid-19 related sales in Ginolis (6.6% including Ginolis and 14.0% excluding Ginolis).
- The gross margin amounted to 63.7% (73.0%). Excluding one-off inventory write-downs the gross margin amounted to 71.4%.
- Adjusted EBITDA amounted to SEK -11.5m (11.1), corresponding to a margin of -2.1% (2.1) and SEK 11.8m (35.5) excluding covid-19 related sales in Ginolis corresponding to a margin of 2.2% (7.2%).
- EBITDA amounted to SEK 66.0m (-62.9), corresponding to a margin of 12.2% (-11.7%).
- Net profit/loss for the quarter amounted to SEK -898.4m (43.1), corresponding to earnings per share before and after dilution of SEK -12.73 (0.68). This was affected by goodwill impairment in Group companies as well as other non cash flow one-off items detailed on page 13.
- Cash flow from operating activities amounted to SEK -47.7m (-115.4).

## JANUARY – JUNE 2023 (COMPARED WITH JANUARY – JUNE 2022)

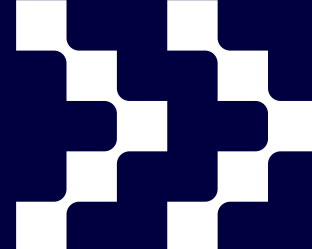
- Net sales amounted to SEK 1,041.8m (1,014.8), which corresponds to an increase of 2.7% (140%) compared to the corresponding period previous year.
- Organic sales growth for the period amounted to 2.0%, and 9.2% excluding covid-19 related sales in Ginolis (20.5% including Ginolis and 26.3% excluding Ginolis).
- The gross margin amounted to 66.9% (73.4%). Excluding one-off inventory write-downs the gross margin amounted to 70.9%.
- Adjusted EBITDA amounted to SEK -20.8m (17.1), corresponding to a margin of -2.0% (1.7) and SEK 40.5m (49.8) excluding covid-19 related sales in Ginolis corresponding to a margin of 3.9% (5.2%).
- EBITDA amounted to SEK 43.5m (-82.3), corresponding to a margin of 4.2% (-8.1%).
- Net profit/loss for the period amounted to SEK -1,016.8m (-0.4), corresponding to earnings per share before and after dilution of SEK -14.40 (0.00). This was affected by goodwill impairment in Group companies as well as other non cash flow one-off items detailed on page 13.
- Cash flow from operating activities amounted to SEK 12.7m (-184.6).

## Q2 KEY TAKEAWAYS

- Strong sales growth in business areas Bioprinting and Biosciences
- Stable gross margin of 71.4% excluding effects of inventory write-down of SEK 42m.
- Divestment of Berlin property for EUR 21m which will strengthen BICO's financial position and is expected to generate a positive cash flow contribution in Q4 2023.
- One-off non-cash flow items affecting EBIT and EBITDA, resulting in an effect on EBITDA of SEK 94m and an effect on EBIT of SEK -830m in Q2 2023. More information on page 13.

## SIGNIFICANT EVENT AFTER END OF Q2

- Maria Forss appointed new President and CEO of BICO.



### APRIL – JUNE 2023



0.7

TOTAL SALES GROWTH  
/ %

### APRIL – JUNE 2023



0.5

ORGANIC SALES GROWTH  
/ %

### APRIL – JUNE 2023



-11.5

ADJUSTED EBITDA  
/ SEK M

### APRIL – JUNE 2023



-2.1

ADJUSTED EBITDA MARGIN  
/ %

### APRIL – JUNE 2023



-47.7

CASH FLOW FROM OPERATING  
ACTIVITIES / SEK M





## CEO COMMENT FOR THE SECOND QUARTER

# Continued focus on transformation towards profitability and it's time for change of leadership

We can conclude another active quarter for BICO, and I'm pleased that BICO delivered stable Group sales despite a slower market. BICO finalized yet another step in our long-term partnership with Sartorius. We have also signed the agreement to divest the Berlin property with closing expected during Q4 which will generate positive cash flow and strengthen BICO's financial position. In addition, we have resolved on non-cash one-off items which affects EBITDA and EBIT for the quarter. The items mainly consist of goodwill impairment predominantly due to increased WACC for group companies, write-down of assets and revised earn-out estimates.

### STABLE SALES DESPITE A SLOWER MARKET

Sales for Q2 amounted to SEK 541m, corresponding to an organic growth of 0.5% compared to last year, excluding Ginolis organic growth amounted to 8.3%. Business areas Bioprinting and Biosciences delivered strong sales growth given the slow global life science market, of 14% and 21% respectively, while Bioautomation sales levels were far below due to the ongoing pandemic normalization. Compared to

industry peers BICO continues to show stable sales development, although organic growth was lower compared to previous year explained by a slower market resulting in longer sales cycles, and decreased demand in the Biotech customer segment.

BICO delivered a stable gross margin for Q2 of 71.4% (excluding extraordinary inventory write-offs of SEK 42m), which is inline with prior periods.

### POSITIVE EBITDA DEVELOPMENT IN BUSINESS AREAS BIOPRINTING AND BIOSCIENCES

BICO's adjusted EBITDA amounted to SEK -11.5m and excluding the Covid-19 related business in Ginolis adjusted EBITDA amounted to SEK 11.8m, corresponding -2.1% and 2.2% in margin respectively. It's pleasing that both business areas Bioprinting and Biosciences showed positive adjusted EBITDA for the quarter. However, this was offset at group level by the negative adjusted EBITDA for business area Bioautomation.

EBITDA and EBIT were affected by one-off non-cash flow items for the quarter. They consist of goodwill impairment predominantly due to increased WACC for group companies, write-downs related to Ginolis as well as inventory in Group companies offset by revised earn-out liabilities and IFRS2 revaluation. For further information on the goodwill and write-downs, see financial comments on page 13.

Our focus on transformation towards increased profitability continues and BICO has during the quarter implemented further cost-saving actions as well as initiated an extensive review of our current operating model.

#### **CONTINUED FOCUS ON IMPROVING CASH FLOW AND WORKING CAPITAL**

The cash flow from operating activities amounted to SEK -48m. Change in operating receivables contributed positively with SEK 65m. This was driven by good collection through the net working capital improvement activities which started in 2022. The Group's inventory is still at elevated levels, which are being addressed by action plans all over the Group focusing on improved inventory management. Working capital management as well as reducing the Group's inventory levels continues to be a priority for the Group.

The divestment of the building in Berlin for EUR 21m will strengthen BICO's financial position and is expected to generate a positive cash flow contribution in Q4 2023. The divestment is subject to approval by the city of Berlin.

#### **NEXT STEP IN PARTNERSHIP WITH SARTORIUS FINALIZED**

During May and June 2023, the next step in the partnership with Sartorius was finalized when several sub-sales and distribution agreements as well as R&D project agreements were signed. BICO is expecting that Sartorius distribution network in APAC will contribute with a moderate sales contribution during 2023 which is estimated to gradually expand during 2024. The R&D projects, managed in collaboration between BICO's CTO, participating companies, and Sartorius, target spheroids, 3D tissue models, 3D bioprinting and digital solutions for automated workflows.

#### **ENHANCED COMMERCIAL STRATEGY AND CUSTOMER-CENTRIC OPERATING MODEL**

BICO has initiated the work to further capitalize on cross-selling, marketing, and commercial synergies and will be introducing a customer-centric operating model. Execution will occur on a mid-term basis and occur at the Group level and within Group companies. This second stage builds on the M&A rationale and strengthens our market position, contributes to profitable growth, and solidifies the group's competitive advantage within specific markets. It also enables BICO to streamline the organization and keeping CAPEX and OPEX at industry-standard levels. BICO has decided to expand the scope of the work with the new operating model. Due to this, and the change of leadership, BICO will announce a new date in 2024 for the Capital Markets Day.

#### **CHANGE OF LEADERSHIP**

BICO has entered a new phase, and I have concluded that this calls for extensive experience of change management and integrations to optimize and accelerate a successful transformation. This is why I have, together with the Board of Directors, concluded that the timing is right for a new President and CEO for BICO.

Maria Forss industry relevant experience as well as her background in life science makes her very well fit for the role. I will stay in my current position until she assumes as the new President and CEO and to secure continuity, I will also as major shareholder remain in my role as board member of BICO. Together with my management team and colleagues I warmly welcome Maria Forss to BICO.

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



0.5%

Q2 2023  
ORGANIC GROWTH



1,000+

EMPLOYEES



3

BUSINESS AREAS



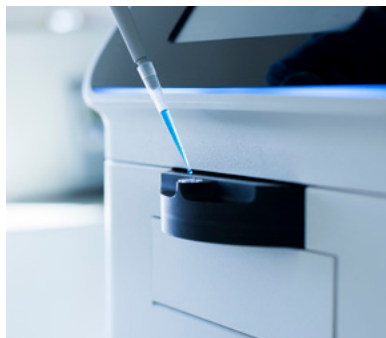
32,000+

INSTRUMENTS  
IN THE FIELD



11,000+

PUBLICATIONS



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

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



### BIOPRINTING

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



### BIOSCIENCES

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



### BIOAUTOMATION

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

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

# Consolidated key data and ratios

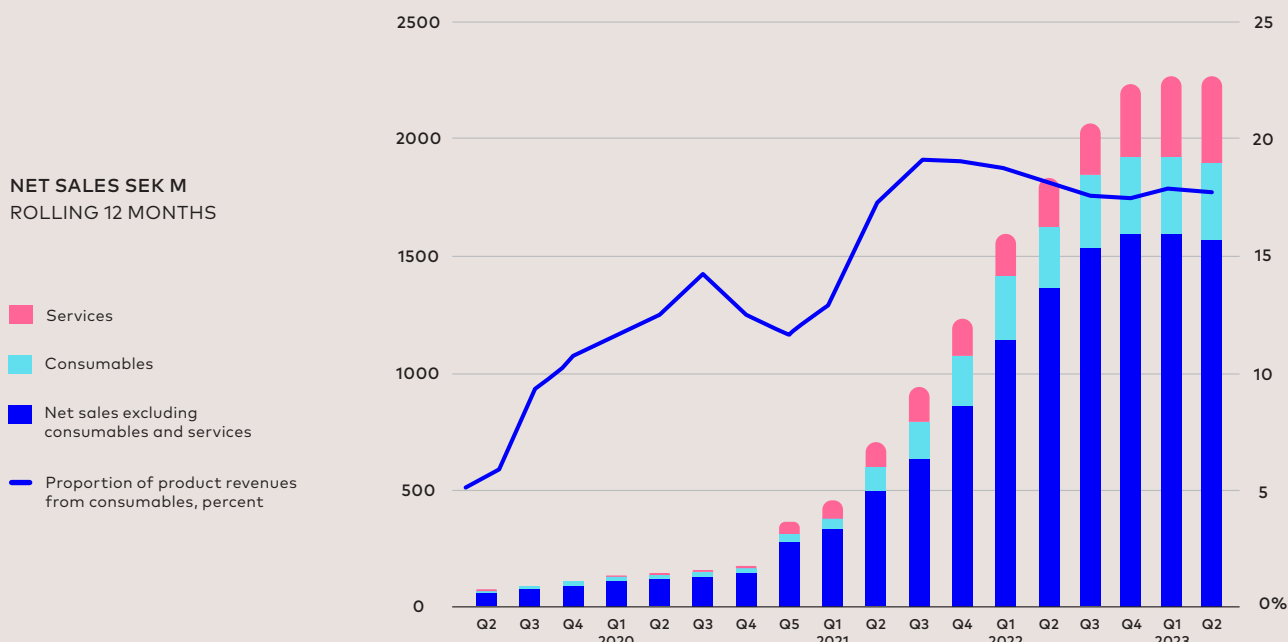
In addition to financial measures defined by IFRS, BICO presents some alternative performance measures in this interim report that are not defined by IFRS. These alternative performance measures provide valuable additional information to investors and management for evaluating the financial

performance and position of BICO. These non-IFRS measures, as defined on pages 31-33 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. Neither should they be considered as substitutes to financial reporting measures prepared in accordance with IFRS.

SEK m	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
Organic growth, %	0.5%	6.6%	2.0%	20.5%	17.4%
Organic growth excluding currency effects, %	-6.3%	-4.1%	-5.8%	9.6%	4.2%
Gross profit	344.5	392.4	697.0	745.0	1,648.6
Gross margin, %	63.7%	73.0%	66.9%	73.4%	73.6%
Adjusted EBITDA	-11.5	11.1	-20.8	17.1	62.1
Adjusted EBITDA, %	-2.1%	2.1%	-2.0%	1.7%	2.8%
Operating profit before depreciation, amortization and impairment (EBITDA)	66.0	-62.9	43.5	-82.3	-56.3
Operating margin before depreciation, amortization and impairment (EBITDA), %	12.2%	-11.7%	4.2%	-8.1%	-2.5%
Operating profit (EBIT)	-955.5	-136.3	-1,058.4	-219.1	-996.9
Operating margin (EBIT), %	-176.6%	-25.4%	-101.6%	-21.6%	-44.5%
Profit/loss for the period	-898.4	43.1	-1,016.8	-0.4	-835.7
Earnings per share before and after dilution, SEK	-12.73	0.68	-14.40	0.00	-12.94
Net debt (-)/Net cash (+)	-743.7	-391.6	-743.7	-391.6	-467.7
Cash flow from operating activities	-47.7	-115.4	12.7	-184.6	-269.4
Number of shares at the end of the period	70,574,895	64,086,269	70,574,895	64,086,269	70,494,895
Share price on closing day, SEK	39.0	88.7	39.0	88.7	105.8
Market capitalization on closing day, SEK billion	2.8	5.7	2.8	5.7	7.5
Average number of employees	1,005	1,291	1,005	1,291	1,159

# Financial Performance

APRIL – JUNE 2023



## THE GROUP

### Net Sales

Net sales in the second quarter amounted to SEK 541.1m (537.6), an increase of 0.7 percent (83.4) compared with the corresponding period last year.

Organic growth in the quarter amounted to 0.5 percent (6.6) and -6.3 percent excluding currency effects (-4.1).

Organic growth excluding covid-19 related sales in Ginolis was 8.3% (14.0) and 1.0% (2.6) excluding currency effects.

Bioprinting reported organic growth of 13.8 percent (47.4), and 7.0 percent (31.3) excluding currency effects. Biosciences reported organic growth of 20.9 percent (19.0), and 12.6 percent (6.1) excluding currency effects. Bioautomation reported organic growth of -36.7 percent (-17.3), and -41.8 percent (-24.7) excluding currency effects. Organic growth excluding currency effects for Bioautomation excluding Ginolis was -26.1 percent (-21.4). For more information on each business area, see page 9.

Services accounted for 15.0 percent (9.3) of sales. Consumables accounted for 18.9 percent (17.4) of product sales for the quarter. For more information on the distribution of net sales, see Note 3.

### Results

Gross profit in the second quarter amounted to SEK 344.5m (392.4), which meant a gross margin of 63.7 percent (73.0). Excluding Ginolis and extraordinary inventory

write-offs, the gross margin was 70.5 percent.

Adjusted EBITDA for the second quarter amounted to SEK -11.5 m (11.1) and excluding covid-19 related sales in Ginolis, adjusted EBITDA amounted to SEK 11.8m (35.5). Items in the

Items affecting comparability SEK m	April-June 2023	April-June 2022
<b>EBITDA</b>	<b>66.0</b>	<b>-62.9</b>
Revaluation of contingent considerations	-160.8	0.7
Costs/income related to option programs	-28.4	10.8
One-off provision for bad debt	27.7	43.9
Valuation adjustment of other assets in Ginolis	25.1	-
Extraordinary inventory write-offs	41.7	-
Restructuring costs related to personnel changes	23.2	10.1
Extraordinary governmental support	-6.9	-
Acquisition-related costs and bonuses	0.8	8.5
<b>Adjusted EBITDA</b>	<b>-11.5</b>	<b>11.1</b>

adjusted EBITDA for the second quarter are shown on the previous page. EBITDA for the second quarter amounted to SEK 66.0m (-62.9), corresponding to an EBITDA margin of 12.2 percent (-11.7).

Operating profit for the second quarter amounted to SEK -955.5m (-136.3), corresponding to an operating margin of -176.6 percent (-25.4). Operating profit for the quarter was affected by impairment of goodwill of SEK -768.4m (-).

Other operating income in the quarter amounted to SEK 171.1 million (25.7). Other operating income was mainly related to revaluation of contingent considerations.

Financial items were affected by market developments and dividends on the company's short-term investments of net SEK 0.0m (-20.9) in the quarter, since the short-term investments were converted into cash during 2022. 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 132.8m (243.7) in the quarter.

Financial items were also charged with costs related to convertible bonds totaling SEK -20.3m (-19.8) for the quarter; see further information in Note 4.

Net profit/loss for the quarter amounted to SEK -898.4m (43.1), corresponding to earnings per share before and after dilution of SEK -12.73 (0.68).

#### **Cash flow, investments and liquidity**

Cash flow from operating activities for the quarter amounted to SEK -47.7m (-115.4), of which SEK 46.3m (-74.9) consisted of changes in working capital.

The cash flow from changes in inventories amounted to SEK -17.9m (-64.9). While inventory levels are elevated, it remains a high priority for the Group. The Group is actively working with reducing inventory levels across all business areas.

The cash flow from changes in operating receivables amounted to SEK 64.9m (-82.4), and was positively impacted by continued good collection of trade receivables in the quarter. The cash flow from changes in operating liabilities amounted to SEK -0.7m (72.5).

Cash flow from investment activities during the quarter amounted to SEK -113.6m (269.8), of which SEK -27.5m (-72.7) was attributable to the cash purchase price for acquisitions and contingent considerations paid during the quarter, as well as associated acquisition costs. During the quarter, payment to the former owners of Nanoscribe was made.

SEK 0.0m (479.6) 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 -26.9m (-59.5) in intangible assets, mainly attributable to development of new products. Investments in tangible assets amounted to SEK -61.1m (-77.6), of which SEK -34.9m was attributable to the buildings that SCIENION and Ginolis are constructing for their operations in Berlin, Germany and Oulu, Finland respectively. The remaining investments scheduled for these buildings are estimated at SEK 20m in 2023.

Cash flow from financing activities for the quarter amounted to SEK -5.3m (-15.3) and consisted mainly of additional borrowings of SEK 22.8m (-), less amortization of leasing liabilities of SEK -25.7m (-15.9).

The quarter's total cash flow amounted to SEK -166.6m (139.0).

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to SEK 690.7m (990.8). The Group's external financing consisted of interest-bearing liabilities of SEK 1,434.1m (1,382.4), of which SEK 1,384.5m (1,346.5) relates to convertible debentures, net after transaction costs. In addition, the Group has leasing liabilities totaling SEK 470.8m (459.0). Reported contingent considerations to be paid amount to SEK 104.3m (489.7), of which SEK 92.1m (225.9) is reported as due within 12 months. See note 4 for more information on the contingent considerations.

## Financial Performance

JANUARY – JUNE 2023

### **THE GROUP**

#### **Net Sales**

Net sales for the first six months 2023 amounted to SEK 1,041.8m (1,014.8), an increase of 2.7 percent (140) compared with the corresponding period last year.

Organic growth for the first six months amounted to 2.0 percent (20.5) and -5.8 percent excluding currency effects (9.6). Organic growth excluding covid-19 related sales in Ginolis was 9.2% (26.3) and 0.8% (13.0) excluding currency effects. Bioprinting reported organic growth of 13.2 percent (46.3), and 5.6 percent (31.1) excluding currency effects. Biosciences reported organic growth of 14.7 percent (50.4), and 5.2

percent (36.4) excluding currency effects. Bioautomation reported organic growth of -25.1 percent (-2.7), and -30.9 percent (-10.6) excluding currency effects. Organic growth excluding currency effects for Bioautomation excluding Ginolis was -13.2 percent (-12.4). For more information on each business area, see page 9.

Services accounted for 14.2 percent (9.7) of sales. Consumables accounted for 19.2 percent (16.5) of product sales for the period. For more information on the distribution of net sales, see Note 3.



## Results

Gross profit for the first six months 2023 amounted to SEK 697.0m (745.0), which meant a gross margin of 66.9

Items affecting comparability SEK m	Jan-June 2023	Jan-June 2022
<b>EBITDA</b>	<b>43.5</b>	<b>-82.3</b>
Revaluation of contingent considerations	-160.8	-
Costs/income related to option programs	-22.7	24.9
One-off provision for bad debt	27.7	43.9
Valuation adjustment of other assets in Ginolis	25.1	-
Extraordinary inventory write-offs	41.7	-
Restructuring costs related to personnel changes	27.1	10.1
Extraordinary governmental support	-6.9	-
Acquisition-related costs and bonuses	4.5	11.3
ERP, Phase one implementation costs	-	8.3
Legal costs	-	1.0
<b>Adjusted EBITDA</b>	<b>-20.8</b>	<b>17.1</b>

percent (73.4). Excluding Ginolis and extraordinary inventory write-offs, the gross margin was 71.8 percent.

Adjusted EBITDA for the first six months amounted to SEK -20.8 m (17.1) and excluding covid-19 related sales in Ginolis, adjusted EBITDA amounted to SEK 40.5m (49.8). Items in the adjusted EBITDA for the first six months are shown above. EBITDA for the first six months amounted to SEK 43.5m (-82.3), corresponding to an EBITDA margin of 4.2 percent (-8.1).

Operating profit for the first six months amounted to SEK -1,058.4m (-219.1), corresponding to an operating margin of -101.6 percent (-21.6). Operating profit for the first six months was affected by impairment of goodwill of SEK -768.4m (-).

Other operating income in the period amounted to SEK 180.7 million (44.4). Other operating income was mainly related to revaluation of contingent considerations. Financial items were affected by market developments and dividends on the company's short-term investments of net SEK 0.0m (-28.1) in the period, since the short-term investments were converted into cash during 2022. 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 125.3m (304.7) in the period.

Financial items were also charged with costs related to convertible bonds totaling SEK -40.7m (-39.6) for the period; see further information in Note 4.

Net profit/loss for the period for the first six months amounted to SEK -1,016.8m (-0.4), corresponding to earnings per share before and after dilution of SEK -14.40 (0.00).

## Cash flow, investments and liquidity

Cash flow from operating activities for the first six months amounted to SEK 12.7m (-184.6), of which SEK 143.4m (-133.3) consisted of changes in working capital.

The cash flow from changes in inventories amounted to SEK -36.5m (-123.5). While inventory levels are elevated, it remains a high priority for the Group. The Group is actively working with reducing inventory levels across all business areas.

The cash flow from changes in operating receivables amounted to SEK 246.8m (-42.2). Operating receivables decreased in the period, mainly due to good collection from strong Q4 sales 2022. The cash flow from changes in operating liabilities amounted to SEK -66.9m (32.5) and was mainly impacted by decreased contract liabilities converted to revenue.

Cash flow from investment activities during the period amounted to SEK -221.9m (184.7), of which SEK -27.5m (-72.7) was attributable to the cash purchase price for acquisitions and contingent considerations paid during the period, as well as associated acquisition costs. During the period, payment to the former owners of Nanoscribe was made.

SEK 0.0m (531.7) was attributable to the purchase and sale of short-term interest rate funds and other short-term investments during the period. The Group invested SEK -70.2m (-128.9) in intangible assets, mainly attributable to development of new products. Investments in tangible assets amounted to SEK -126.1m (-142.9), of which SEK -80.9m was attributable to the buildings that SCIENION and Ginolis are constructing for their operations in Berlin, Germany and Oulu, Finland respectively. The remaining investments scheduled for these buildings are estimated at SEK 20m in 2023.

Cash flow from financing activities for the period amounted to SEK -24.2m (31.9) and consisted mainly of a share issue from options of SEK 5.9m (52.6), additional borrowings of SEK 22.8m (9.3), less amortization of leasing liabilities of SEK -49.9m (-29.7).

The total cash flow for the first six months amounted to SEK -233.3m (31.9).

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to SEK 690.7m (990.8). The Group's external financing consisted of interest-bearing liabilities of SEK 1,434.1m (1,382.4), of which SEK 1,384.5m (1,346.5) relates to convertible debentures, net after transaction costs. In addition, the Group has leasing liabilities totaling SEK 470.8m (459.0). Reported contingent considerations to be paid amount to SEK 104.3m (489.7), of which SEK 92.1m (225.9) is reported as due within 12 months. See note 4 for more information on the contingent considerations.

# Our Business Areas

## BIOPRINTING

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

In the second quarter, the Bioprinting business area reported net sales of SEK 175.8m (153.7), corresponding to a growth of 14.4 percent compared to the same quarter the previous year. Organic growth was 13.8% (47.4), and 7.0% (31.3) excluding currency effects.

The business area's adjusted EBITDA was SEK 26.4m (7.4), corresponding to a margin of 15.0% (4.8). The business area's EBITDA was SEK 30.9m (-14.4), corresponding to a margin of 17.6% (-9.4).

The business area delivered strong sales, both in the quarter and in H1. Profitability improved substantially as a result both from increased sales and efficient cost control.

In the first six months, Bioprinting reported net sales of SEK 320.1m (276.7), corresponding to a growth of 15.7% compared to the same period the previous year. Organic growth was 13.2% (46.3), and 5.6% (31.1) excluding currency effects.

The business area's adjusted EBITDA for the first six months was SEK 38.3m (8.9), corresponding to a margin of 12.0% (3.2). The business area's EBITDA was SEK 40.5m (-19.3), corresponding to a margin of 12.7% (-7.0).

## BIOSCIENCES

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

In the second quarter, the Biosciences business area reported net sales of SEK 256.9m (212.5), corresponding to a growth of 20.9% compared to the same quarter the previous year. Organic growth was 20.9% (19.0), and 12.6% (6.1) excluding currency effects.

The business area's adjusted EBITDA was SEK 6.7m (23.5), corresponding to a margin of 2.6% (11.1). The segment's EBITDA was SEK 14.2m (-15.0), corresponding to a margin of 5.5% (-7.1).

The business area's sales were strong in Q2, though boosted by some currency tailwind effects. The improved profitability

during Q2 and H1 was mainly a result of cost control in general and effects from the 2022 cost savings program.

In the first six months, Biosciences reported net sales of SEK 487.1m (424.6), corresponding to a growth of 14.7% compared to the same period the previous year. Organic growth was 14.7% (50.4), and 5.2% (36.4) excluding currency effects.

The business area's adjusted EBITDA for the first six months was SEK 25.6m (39.4), corresponding to a margin of 5.3% (9.3). The segment's EBITDA was SEK 25.9 m (-4.8), corresponding to a margin of 5.3 % (-1.1).

## BIOAUTOMATION

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

In the second quarter, the Bioautomation business area reported net sales of SEK 108.5m (171.4), corresponding to a decline of 36.7% compared to the same period previous year. Organic growth was -36.7% (-17.3), and -41.8% (-24.7) excluding currency effects.

The business area's adjusted EBITDA was SEK -26.1m (7.7), corresponding to a margin of -24.1% (4.5). The business area's EBITDA amounted to SEK -121.7m (2.9), corresponding to a margin of -112.2% (1.7).

The heavy decline in covid-19 related sales is still a challenge for the business area with very slow sales in Ginolis. The market has also been challenging for the entire business area resulting in a decline in sales for the quarter compared to last year. The negative development in sales has resulted in further cost saving programs implemented in Q2 with expected cost saving effects from Q3 and onwards.

When excluding Ginolis, the business area reported negative organic growth for the quarter excluding currency effects of -19.8% and adjusted EBITDA of SEK -2.8m, corresponding to a margin of -2.7% for Q2.

In the first six months, the Bioautomation business area reported net sales of SEK 234.7 m (313.5), corresponding to a decline of 25.1% compared to the same period previous year. Organic growth was -25.1% (-2.7), and -30.9% (-10.6) excluding currency effects.

The business area's adjusted EBITDA for the first six months was SEK -50.6m (19.1), corresponding to a margin of -21.6% (6.1). The business area's EBITDA amounted to SEK -149.5m (9.1), corresponding to a margin of -63.7% (2.9).

When excluding Ginolis, the business area reported negative organic growth for the six month period excluding currency effects of -13.2% and adjusted EBITDA of SEK 10.6m, corresponding to a margin of 10.3% for the period.

# LUMEN X™

GEN 3

The new standard for light bioprinting



## THE NEW STANDARD FOR DLP BIOPRINTING: CELLINK'S THIRD GENERATION LUMEN X

In the beginning of May 2023, CELLINK launched the third generation of the LUMEN X™ product – and with it, set a new standard for benchtop DLP bioprinting. With the third iteration of this product, CELLINK has taken strides in terms of improving system features and functionality. Backed by years of customer feedback, the team has redesigned the system with a keen focus on live cell printing, an ever-growing area of interest within the 3D cell culture realm. Additionally, the system now boasts a significantly improved resolution, and comes ready with advanced features such as the ability to develop multi-stiffness constructs, methods to rapidly increase throughput per print and modular printheads to reduce overall waste of materials driving down cost of operation.

The LUMEN X Gen 3 is designed to meet the needs of researchers and scientists who require high-resolution bioprinting capabilities. The product's increased resolution in the X, Y and Z-dimensions allows precise and accurate printing of detailed biomimetic structures including microfluidic systems for applications like organ-on-a-chip. Complimented with an updated Photoink™ portfolio, reformulated and validated for optimal printing on CELLINK light-based systems, the LUMEN X provides users with the ideal starting point for the DLP bioprinting journey. Further backed by premier industrial grade components, leading to exceptional control on temperature and consistency across illumination on print platforms, the third generation promises users the reproducibility they crave across a wide range of materials.

### The product stems from customers' needs in order to simplify workflows

Core to CELLINK's success as a leader in the bioprinting space is the commitment to ensure the customers voice is heard. The LUMEN X Gen 3 brings on feedback from the last two iterations of the system, allowing for a significant step forward in simplifying workflows and extending the impact of bioprinting, strengthening its utility as a method to support researchers in creating the future of health. The LUMEN X™ is optimized to build solid hydrogel structure by beginning with a droplet of light-sensitive, liquid Photoink™ hydrogels in a vat. An industrial blue-light projector exposes a series of images onto the vat, like a slideshow. The areas of the droplet that are exposed will crosslink and solidify into a single layer. The build platform moves up to allow each layer to stack and build the part. With this simple yet

powerful printing process, users unlock significant advantages across multiple different application areas.

### Four key application areas which unleash the potential of 3D bioprinting

#### 1. Microfluidics: Complex microfluidic structures

With high precision and resolution, the LUMEN X™ Gen 3 enables the creation of complex microfluidic structures with intricate geometries for controlled fluid flow. Users can work directly with cells or seed them later. The LUMEN X™ eliminates lengthy casting processes and finally brings a much-desired, time and cost-effective solution for reproducible microfluidic fabrication.

#### 2. Material development: Develop your own materials without workarounds

The LUMEN X™ allows users to develop and use their own materials without workarounds or extra fees, opening the door for the development of materials with unique properties and novel tissue engineering applications. With precision control over all key parameters like temperature, intensity and exposure times, researchers can obtain a greater understanding of their material's behavior.

#### 3. Tissue engineering: Addressing tissue engineering challenges

Supported by DLP printing, the LUMEN X™ enables researchers to address one of the most long-standing challenges – fabricating complex vascular networks. Coupled with grayscale printing onboard for the first time ever, the LUMEN X™ Gen 3 unlocks a new degree of capability in-capturing in-vivo like conditions.

#### 4. Drug development: Providing greater insights and lowering costs

With LUMEN X™ Gen 3, we're able to provide greater insight into the efficiency of medicinal candidates. With grayscale printing allowing multi-stiffness constructs and increased build size, it is easier than ever to create diseased or healthy tissue models with fully accurate biomimetic properties. These tissue models are ready to be dosed with compounds for evaluation in the early-stage compound selection process.

Read more about CELLINK, leading the way in 3D bioprinting by unlocking insights in 3D biology through award-winning 3D bioprinters and carefully sourced biomaterials and bioinks on the company's website: [www.cellink.com](http://www.cellink.com) and experience the new LUMEN X Gen 3 on [www.cellink.com/bioprinting/lumen-x](http://www.cellink.com/bioprinting/lumen-x)



# Financial Comments

## SIGNIFICANT EVENTS

### DURING THE SECOND QUARTER 2023

- **April:** BICO published Notice to attend Annual General Meeting 2023.
- **May:** BICO published Q1 report 2023.
- **May:** Annual General Meeting 2023.
- **May:** Bulletin from Annual General Meeting in BICO Group AB.

## SIGNIFICANT EVENTS

### AFTER THE END OF THE SECOND QUARTER 2023

- **July:** Next step in partnership with Sartorius finalized: sub-agreements for sales & distribution as well as R&D project agreements signed.
- **July:** Introduction of BICO's enhanced commercial strategy and new customer-centric operating model.
- **August:** Divestment of Berlin property for EUR 21m.
- **August:** Invitation to presentation of BICO's Q2 report 2023.
- **August:** BICO announced goodwill impairment predominantly due to increased WACC and write-downs of assets.
- **August:** BICO announced Maria Forss appointed new President and CEO of BICO.

## PARENT COMPANY

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

## REPORTING SEGMENTS

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

## RELATIONSHIPS WITH RELATED PARTIES

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

## SIGNIFICANT RISKS AND UNCERTAINTIES

The Group is exposed to various types of risks through its operations. Risks can be divided into external risks, operational risks and financial risks. External risks include changes in economic conditions, commodity prices and the legal environment. Operational risks include BICO's ability to develop, patent and sell new innovative products and solutions, and that the Group can attract and retain qualified employees. The main operational risk is that the acquired companies will not develop in line with expectations. The financial risks are summarized under currency risk, liquidity and financing risk, market risk, credit risk and interest rate risk. BICO's risks and uncertainties are described in the Annual Report for 2022 on pages 44-46 and 59-61.

## SEASONAL VARIATIONS

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

## CHANGES IN THE EXECUTIVE MANAGEMENT TEAM

The Board of Directors has appointed Maria Forss to new CEO and President of BICO Group AB. In order to enable a seamless transition, Erik Gatenholm will remain in his current position until Maria Forss assumes as new President and CEO.

The Executive Management of BICO Group consists as of August 22, 2023, by the following members: President and CEO Erik Gatenholm; CFO Jacob Thordenberg; COO Marius Balger; EVP and CTO Héctor Martínez and SVP & General Counsel & HR Lotta Bus.

## ANNUAL GENERAL MEETING 2023

This year's Annual General Meeting was held on May 9, 2023 at BICO's head office, Långfilsgatan 9, Gothenburg, Sweden. In accordance with the Nomination Committee's proposal Rolf Classon, Ulrika Dellby, Helena Skåntorp, Bengt Sjöholm, Erik Gatenholm, Susan Tousi and Christian Wildmoser were re-elected as members of the Board of Directors. Gerry Mackay was elected new member of the Board of Directors. Further, Rolf Classon was elected as new Chairman of the Board of Directors and Ulrika Dellby was elected as new vice chairwoman of the Board of Directors. For minutes and bulletin for Annual General Meeting 2023 visit [bico.com](https://bico.com), governance section.

## SHAREHOLDER STRUCTURE

Ten largest shareholders as of June 30, 2023	%
Erik Gatenholm	13.63%
Sartorius AG	10.09%
Handelsbanken Funds	9.83%
Héctor Martínez	8.95%
Fourth Swedish National Pension Fund	5.78%
Third Swedish National Pension Fund	3.66%
Vanguard	2.21%
Deka Investments	1.74%
Carl Bennet	1.67%
ARK Investment Management LLC	1.66%
<b>Subtotal, 10 largest shareholders</b>	<b>59.22%</b>
<b>Other shareholders</b>	<b>40.78%</b>
<b>Total</b>	<b>100%</b>



# Financial Comments

## SHARE CAPITAL

As of June 30 2023, share capital amounted to SEK 1,764,372.375 divided among 70,574,895 ordinary shares. As of June 30, 2023, the closing price for the BICO Group share was SEK 39.01. The Company has two (2) classes of shares: 1,500,000 A-shares which entitle the owner to ten (10) votes per share, and 69,074,895 shares which entitle the owner to one (1) vote per share at the General Meeting. The total number of shareholders as of June 30, 2023 was approximately 23,000.

## FUNCTIONAL REPORTING

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

During H1 2023, the gross margin with the cost-based method as presented in the income statement is 72%, excluding Ginolis and one-off inventory write offs. If a functional income statement would have been implemented, the gross margin would have been approximately 20 percentage points lower, excluding Ginolis. Net sales, EBITDA, EBIT and net profit will be unchanged, as the new presentation format only affects allocation of costs from OPEX to COGS.

## EMPLOYEES

During the first six months 2023, the average number of employees in the Group was 1,005, of whom 676 were men and 329 were women. Expressed as percentages, men represented 67 percent of the average number of employees, while women represented 33 percent.

## FINANCIAL TARGETS

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

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

## ENHANCED COMMERCIAL STRATEGY AND CUSTOMER-CENTRIC OPERATING MODEL

BICO has initiated the work to further capitalize on cross-selling, marketing, and commercial synergies and a customer-centric operating model will be introduced. Execution will occur on a mid-term basis and occur at the Group level and within Group companies. This second stage builds on the M&A rationale and strengthens our market position, contributes to profitable growth, and solidifies the group's competitive advantage within specific markets. It also enables BICO to streamline the organization and keeping CAPEX and OPEX at industry-standard levels. BICO has decided to expand the scope of the work with the new operating model. Due to this, and the change of leadership, BICO will announce a new date in 2024 for the Capital Markets Day.

## RIGHT-SIZING OF GINOLIS

The Ginolis business was significantly hit by the post-pandemic downturn and the business has been right sized during 2023 to a minimum cost and organizational level with the ability to still accept new orders and honour current service obligations to customers. An action plan was launched in Q1, 2023 and the plan entails close monitoring of the development of order intake and cost savings of approximately SEK 55m on an annual basis.

## GINOLIS' FINANCIAL IMPACT ON BICO

Ginolis' sales were SEK 5.9m (46.6) and adjusted EBITDA was SEK -23.3m (-24.4) in Q2 2023, due to the low level of sales. The sales for January-June 2023 amounted to SEK 17.9m (85.5) and adjusted EBITDA was SEK -61.3m (-32.7).

The table below shows the Group's financials including and excluding Ginolis for full year 2022 as well as Q2 2023 and January-June 2023.

### Financials including and excluding Ginolis

SEK m	FY 2022 including Ginolis	FY 2022 excluding Ginolis	Q2 2023 including Ginolis	Q2 2023 excluding Ginolis	H1 2023 including Ginolis	H1 2023 excluding Ginolis
Net sales	2,239.5	2,100.0	541.1	535.2	1,041.8	1,023.9
Organic growth, %	17.4%	24.5%	0.5%	8.3%	2.0%	9.2%
Adjusted EBITDA	62.1	129.1	-11.5	11.8	-20.8	40.5
Adjusted EBITDA margin, %	2.8%	6.1%	-2.1%	2.2%	-2.0%	3.9%

## FACTORING UPDATE

In Q1 2023, BICO entered into an agreement with a factoring provider. During Q2, several European group companies has used factoring and it continues to have a minor effect of SEK 15m in improved collection.

## FACILITIES UPDATE

BICO has signed an agreement to divest the building in Berlin, Germany for EUR 21m to BEOS in the beginning of August 2023. According to customary processes, the transaction needs to seek approval by the city of Berlin. This is expected to take up to 3 months from signing to complete. Depending on the approval process the transaction is expected to strengthen BICO's financial position and generate a positive cash flow contribution in Q4 2023.

The building in Oulu, Finland has been valued by a third party and this has resulted in a write-down of SEK 54m to reflect a prudent market valuation. BICO actively seeks to lease out the facility and is also evaluating the opportunity to divest.

## ONE-OFF NON-CASH FLOW ITEMS AFFECTING EBIT AND EBITDA

Q2's EBIT and EBITDA are affected by the following one-off non-cash flow items resulting in an effect on EBITDA of SEK 94m and an effect on EBIT of SEK -830m:

### *Goodwill impairment*

BICO has resolved to write-down goodwill in the Group companies totaling SEK 768m. This has a result effect on EBIT but is not affecting cash flow for Q2. The conclusion has been made after conducting the quarterly impairment test and is predominantly related to increased weighted average cost of capital (WACC) which is due to higher interest rate environments. More information in note 6.

### *IFRS 2 revaluation*

During Q2, BICO has reevaluated estimates relating to vesting of options in LTIP 2021 and LTIP 2022. It is no longer deemed probable that all the financial criteria will be met for the options to vest. Therefore, a reversal of previously recognized costs has been booked in Q2, resulting in a positive EBITDA effect of 28m.

### *Revised earn-out liabilities*

Estimates regarding valuation of Group earn-out liabilities have been resolved resulting in reduced liabilities and a positive EBITDA effect of SEK 161m. The liability has been adjusted since BICO estimates that the earn-out targets for 2023 and 2024, which had been set at very high levels, will not be met.

### *Write-downs in Ginolis*

- Write down of SEK 102m are related to remaining intangible assets in Ginolis due to limited cash-flow generating capacity.
- Building in Oulu, Finland has been valued by a third party and this has resulted in a write-down of SEK 54m to reflect a prudent market valuation.
- There is an estimated obsolescence in inventory of SEK 15m, resulting in a impairment, since the inventory has been evaluated and BICO has concluded that the likelihood of new orders for these specific inventories are deemed as low.
- BICO has resolved the need for a write down of SEK 28m in two larger customer projects which previously have been in-

cluded in contract assets. The projects have been revaluated where one can be concluded as confirmed bad debt and one has been re-negotiated due to changed customer need.

- BICO has through an internal review concluded a need for a valuation adjustment of other assets amounting to an estimated SEK 25m. A review of the valuation is currently ongoing and BICO will by latest in conjunction with the release of the year-end result 2023, communicate any additional financial effect, if any.

### *Write-downs in inventory*

BICO has resolved to write-down inventories in Group companies totaling SEK 27m. This had a negative impact on the gross margin for the second quarter. The gross margin for the quarter was 64%. Excluding the write-downs, the gross margin for Q2 was 71%.

Items affecting EBITDA in Q2 (one-off and non-cash flow)	SEK m
Revised earn-out estimates	161
IFRS 2 revaluation	28
Ginolis: write-down in contract assets	-28
Ginolis: valuation adjustment in other assets	-25
Ginolis: write-down in inventory	-15
Group companies: write-down in inventory	-27

There are three additional items in the table of IAC:s (items affecting comparability) on page 6, compared with the list above, since they are affecting cash flow.

Items affecting EBIT in Q2 (one-off and non-cash flow)	SEK m
Goodwill impairment	-768
Ginolis: write-down in intangible assets	-102
Ginolis: write-down in property	-54

## SIGNING OF THE REPORT

The Board of Directors and the CEO give their assurance that the interim report provides a true and fair view of the Parent Company's and Group's operations, financial position and results and describes significant risks and uncertainties facing the Parent Company and companies within the Group.

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

**Göteborg, August 22, 2023**

**Rolf Classon**  
Chairman of the Board

**Ulrika Dellby**  
Vice Chairwoman of the Board

**Erik Gatenholm**  
CEO and Board member

**Gerry Mackay**  
Board member

**Bengt Sjöholm**  
Board member

**Helena Skåntorp**  
Board member

**Susan Tousi**  
Board member

**Christian Wildmoser**  
Board member

## Upcoming Events

**NOVEMBER 14, 2023 / Interim report Q3**  
January - September 2023

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**FEBRUARY 20, 2024 / Year-end report 2023**  
January - December 2023

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**MARCH 15, 2024 / Annual report 2023**  
Release of Annual report 2023 on BICO's website

## PRESENTATION TO INVESTORS AND MEDIA

A telephone conference, with the opportunity to ask questions, will be held on August 22, 2023 at 10:00 am CEST, at which President & CEO Erik Gatenholm and CFO Jacob Thordenberg will present the Q2 report. The presentation will be given in English.

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### Telephone conference at 10:00 am CEST:

The presentation will be available on BICO's website from 09:00am CEST.  
<https://bico.com/investors/>

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

Via the webcast you can ask written questions.  
<https://ir.financialhearings.com/bico-q2-2023>

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

After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.  
<https://conference.financialhearings.com/teleconference/?id=200862>

## Bioconvergence is enabling the future of health

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

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## 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



# Condensed consolidated income statements

SEK m	Note	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Net sales	3	541.1	537.6	1,041.8	1,014.8	2,239.5
Other operating income		171.1	25.7	180.7	44.4	110.8
Change in inventories		0.1	-4.1	0.0	-4.4	4.5
Capitalized work for own account		27.7	49.1	64.6	90.6	182.0
<b>OPERATING EXPENSES</b>						
Raw materials and supplies		-196.7	-141.1	-344.8	-265.4	-595.4
Other external costs		-211.0	-212.9	-333.4	-355.0	-719.0
Personnel expenses		-262.5	-314.1	-557.0	-595.7	-1,256.6
Depreciation, amortization and impairment of fixed assets		-253.1	-73.4	-333.5	-136.8	-315.6
Impairment of goodwill		-768.4	-	-768.4	-	-625.0
Other operating expenses		-3.8	-3.2	-8.4	-11.7	-22.1
<b>Operating profit/loss</b>		<b>-955.5</b>	<b>-136.3</b>	<b>-1,058.4</b>	<b>-219.1</b>	<b>-996.9</b>
<b>FINANCIAL ITEMS</b>						
Financial income		119.1	240.6	130.3	311.8	432.2
Financial expenses		-18.7	-47.3	-57.8	-83.3	-188.4
<b>Profit/loss after financial items</b>		<b>-855.1</b>	<b>56.9</b>	<b>-985.9</b>	<b>9.4</b>	<b>-753.1</b>
Tax for the period		-43.2	-13.8	-30.9	-9.8	-82.6
<b>Net profit/loss for the period</b>		<b>-898.4</b>	<b>43.1</b>	<b>-1,016.8</b>	<b>-0.4</b>	<b>-835.7</b>
<b>ATTRIBUTABLE TO</b>						
Parent company shareholders		-898.3	43.6	-1,016.1	0.0	-832.9
Non-controlling interest		0.0	-0.5	-0.7	-0.4	-2.8
Earnings per share before dilution, SEK		-12.73	0.68	-14.40	0.00	-12.94
Earnings per share after dilution, SEK		-12.73	0.68	-14.40	0.00	-12.94
Average number of shares before dilution		70,574,895	64,086,269	70,569,149	63,907,197	64,348,627
Average number of shares after dilution		73,080,645	66,622,931	73,074,899	66,626,092	66,876,838

# Condensed consolidated statements of comprehensive income

SEK m	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
<b>Net profit/loss for the period</b>	<b>-898.4</b>	<b>43.1</b>	<b>-1,016.8</b>	<b>-0.4</b>	<b>-835.7</b>
<i>Items that may be reclassified subsequently to profit or loss</i>					
Translation differences on foreign operations	114.0	210.5	140.9	271.1	396.7
Tax attributable to items that have been transferred or can be transferred to profit	-	-3.9	-	-3.9	-5.2
<b>Total comprehensive income</b>	<b>-784.4</b>	<b>249.7</b>	<b>-875.9</b>	<b>266.8</b>	<b>-444.2</b>
<b>ATTRIBUTABLE TO</b>					
Parent company shareholders	-785.1	249.4	-876.1	266.6	-442.6
Non-controlling interest	0.7	0.3	0.2	0.2	-1.6

# Condensed consolidated statements of financial position

SEK m	Note	2023-06-30	2022-06-30	2022-12-31
<b>ASSETS</b>				
<b>Fixed assets</b>				
Intangible assets	6	6,083.9	7,198.8	6,712.9
Property, plant and equipment		315.2	341.5	459.8
Right-of-use assets		444.4	456.3	441.8
Financial fixed assets	4	43.7	27.7	43.4
Deferred tax assets		97.3	126.5	101.9
<b>Total fixed assets</b>		<b>6,984.5</b>	<b>8,150.8</b>	<b>7,759.7</b>
<b>Current assets</b>				
Inventories		549.4	489.6	531.0
Current tax receivable		17.6	9.0	28.3
Contract assets		95.2	166.0	160.3
Accounts receivable		436.6	537.6	699.7
Prepaid expenses		60.8	29.0	32.5
Other current assets	4	66.5	125.3	60.0
Short-term investments	4	-	443.7	-
Cash and cash equivalents		690.7	547.1	925.2
Asset held for sale	8	211.5	-	-
<b>Total current assets</b>		<b>2,128.3</b>	<b>2,347.4</b>	<b>2,437.1</b>
<b>Total assets</b>		<b>9,112.8</b>	<b>10,498.2</b>	<b>10,196.8</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to parent company shareholders		6,011.3	7,118.3	6,905.0
Non-controlling interest		27.4	29.0	27.2
<b>Total equity</b>	7	<b>6,038.7</b>	<b>7,147.3</b>	<b>6,932.2</b>
<b>Long-term liabilities</b>				
Long-term interest-bearing liabilities	4	1,403.7	1,366.7	1,384.9
Long-term lease liabilities		377.9	373.6	370.5
Other provisions		26.4	22.6	24.9
Other long-term liabilities	4	17.4	272.1	199.7
Deferred tax liabilities		320.0	316.9	345.1
<b>Total long-term liabilities</b>		<b>2,145.4</b>	<b>2,351.9</b>	<b>2,325.0</b>
<b>Current liabilities</b>				
Short-term interest-bearing liabilities		30.4	15.7	8.0
Short-term lease liabilities		92.8	85.4	89.7
Accounts payable		150.7	167.0	132.6
Contract liabilities		197.9	186.0	300.9
Other current liabilities	4	214.6	345.0	164.3
Accrued expenses		242.2	199.9	244.0
<b>Total current liabilities</b>		<b>928.7</b>	<b>999.0</b>	<b>939.5</b>
<b>Total liabilities</b>		<b>3,074.1</b>	<b>3,350.9</b>	<b>3,264.6</b>
<b>Total equity and liabilities</b>		<b>9,112.8</b>	<b>10,498.2</b>	<b>10,196.8</b>

# Condensed consolidated cash flow statements

SEK m	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
<b>Profit/loss after financial items</b>	<b>-855.1</b>	<b>56.9</b>	<b>-985.9</b>	<b>9.4</b>	<b>-753.1</b>
Adjustments for non-cash items	781.4	-90.5	884.9	-48.8	780.6
Income tax paid	-20.3	-6.9	-29.6	-12.0	-30.8
Increase (-)/Decrease (+) in inventories	-17.9	-64.9	-36.5	-123.5	-162.1
Increase (-)/Decrease (+) in operating receivables	64.9	-82.4	246.8	-42.2	-189.4
Increase (+)/Decrease (-) of operating liabilities	-0.7	72.5	-66.9	32.5	85.4
<b>Cash flow from operating activities</b>	<b>-47.7</b>	<b>-115.4</b>	<b>12.7</b>	<b>-184.6</b>	<b>-269.4</b>
Acquisition of property, plant and equipment	-61.1	-77.6	-126.1	-142.9	-274.1
Acquisition of intangible fixed assets	-26.9	-59.5	-70.2	-128.9	-255.5
Acquisition of subsidiaries/operations, net proceeds	-27.5	-72.7	-27.5	-75.2	-218.2
Acquisition/disposal of short-term investments, net	-	479.6	-	531.7	960.7
Change in financial fixed assets, net	1.9	-	1.9	-	-
<b>Cash flow from investing activities</b>	<b>-113.6</b>	<b>269.8</b>	<b>-221.9</b>	<b>184.7</b>	<b>212.9</b>
Option premiums received	-	0.9	-	0.9	0.9
New issues	-	-	5.9	52.6	539.6
Issue costs	-	-0.4	-0.6	-0.6	-7.2
Change in overdraft facility	22.8	-	22.8	9.3	-
Repayment of loans	-2.4	-	-2.4	-0.6	-4.3
Amortization of lease liabilities	-25.7	-15.9	-49.9	-29.7	-73.8
<b>Cash flow from financing activities</b>	<b>-5.3</b>	<b>-15.3</b>	<b>-24.2</b>	<b>31.9</b>	<b>455.3</b>
<b>Cash flow for the period</b>	<b>-166.6</b>	<b>139.0</b>	<b>-233.3</b>	<b>31.9</b>	<b>398.8</b>
Opening cash and cash equivalents	859.5	378.7	925.2	481.2	481.2
Exchange difference in cash and cash equivalents	-2.2	29.3	-1.2	34.0	45.2
<b>Closing cash and cash equivalents</b>	<b>690.7</b>	<b>547.1</b>	<b>690.7</b>	<b>547.1</b>	<b>925.2</b>



# Consolidated changes in equity

SEK m	Share capital	Other contributed capital	Translation reserve	Balanced profit including profit for the period	Non-controlling interest	Total equity
<b>Opening balance as of January 1, 2022</b>	<b>1.6</b>	<b>7,017.1</b>	<b>29.0</b>	<b>-273.8</b>	<b>28.8</b>	<b>6,802.7</b>
Net profit/loss for the period	-	-	-	0.0	-0.4	-0.4
Other comprehensive income	-	-	266.6	-	0.6	267.2
New share issue	0.0	52.6	-	-	-	56.2
Premium for issuing share options	-	0.9	-	-	-	0.9
Transaction costs, net of tax	-	-0.6	-	-	-	-0.6
Share-based compensation	-	24.9	-	-	-	24.9
<b>Closing balance as of June 30, 2022</b>	<b>1.6</b>	<b>7,094.9</b>	<b>295.6</b>	<b>-273.8</b>	<b>29.0</b>	<b>7,147.3</b>
<b>Opening balance as of January 1, 2023</b>	<b>1.8</b>	<b>7,590.5</b>	<b>419.3</b>	<b>-1,106.6</b>	<b>27.2</b>	<b>6,932.2</b>
Net profit/loss for the period	-	-	-	-1,016.1	-0.7	-1,016.8
Other comprehensive income	-	-	140.0	-	0.9	140.9
New share issue	0.0	5.9	-	-	-	5.9
Transaction costs, net of tax	-	-0.6	-	-	-	-0.6
Share-based compensation	-	-22.9	-	-	-	-22.9
<b>Closing balance as of June 30, 2023</b>	<b>1.8</b>	<b>7,572.9</b>	<b>559.3</b>	<b>-2,122.7</b>	<b>27.4</b>	<b>6,038.7</b>

# Condensed income statements for the parent company

SEK m	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Net sales	11.2	1.4	23.3	13.2	70.4
Other operating income	164.0	13.1	164.4	14.5	46.9
<b>OPERATING EXPENSES</b>					
Raw materials and supplies	-	-1.0	-	-1.1	-6.4
Other external costs	-25.3	-32.8	-36.3	-56.4	-129.9
Personnel expenses	-14.2	-31.3	-27.3	-49.1	-84.2
Depreciation and amortization of fixed assets	-0.3	-0.4	-0.6	-0.9	-3.2
Other operating expenses	-1.5	-	-1.7	-0.2	-6.3
<b>Operating profit/loss</b>	<b>133.9</b>	<b>-51.1</b>	<b>121.7</b>	<b>-80.1</b>	<b>-112.7</b>
<b>FINANCIAL ITEMS</b>					
Profit/loss from shares in Group companies	-	-40.0	-	-40.0	-436.1
Financial income	178.4	309.0	244.2	411.5	634.0
Financial expenses	-12.2	-50.6	-51.3	-77.0	-172.3
<b>Profit/loss after financial items</b>	<b>300.0</b>	<b>167.3</b>	<b>314.6</b>	<b>214.4</b>	<b>-87.1</b>
Appropriations	-	-	-	-	-211.9
Tax for the period	-29.8	-19.0	-34.8	-19.0	-15.5
<b>Net profit/loss for the period*</b>	<b>270.2</b>	<b>148.4</b>	<b>279.8</b>	<b>195.4</b>	<b>-314.5</b>

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

# Condensed parent company statements of financial position

SEK m	Note	2023-06-30	2022-06-30	2022-12-31
<b>ASSETS</b>				
<b>Fixed assets</b>				
Intangible fixed assets		2.5	4.2	2.5
Property, plant and equipment		3.0	3.4	3.7
Shares in Group companies		3,789.2	4,191.2	3,789.1
Receivables from Group companies		3,610.2	4,207.8	3,323.8
Other financial fixed assets		3.6	4.4	3.7
Deferred tax assets		2.3	4.6	1.3
<b>Total fixed assets</b>		<b>7,410.9</b>	<b>8,415.7</b>	<b>7,124.0</b>
<b>Current assets</b>				
Inventories		-	-	0.5
Accounts receivable		0.3	7.9	1.0
Receivables from Group companies		1,510.7	125.2	1,328.1
Other current assets		7.4	21.9	2.6
Prepaid expenses and accrued income		10.4	5.5	6.0
Short-term investments		-	443.7	-
Cash and cash equivalents		448.9	149.8	620.0
<b>Total current assets</b>		<b>1,977.7</b>	<b>754.0</b>	<b>1,958.2</b>
<b>Total assets</b>		<b>9,388.5</b>	<b>9,169.7</b>	<b>9,082.3</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Untaxed reserves		23.9	-	23.9
<b>Long-term liabilities</b>				
Other provisions		3.0	-	3.0
Long-term interest-bearing liabilities		1,386.1	1,349.5	1,368.0
Other long-term liabilities		12.2	264.5	194.8
<b>Total long-term liabilities</b>		<b>1,425.2</b>	<b>1,614.0</b>	<b>1,565.7</b>
<b>Current liabilities</b>				
Short-term interest-bearing liabilities		2.0	2.0	2.0
Liabilities to Group companies		238.2	13.0	114.4
Accounts payable		7.5	9.7	2.9
Other current liabilities		158.0	269.4	99.9
Accrued expenses and deferred income		42.5	38.4	40.9
<b>Total current liabilities</b>		<b>448.2</b>	<b>332.5</b>	<b>260.2</b>
<b>Total equity and liabilities</b>		<b>9,388.5</b>	<b>9,169.7</b>	<b>9,082.3</b>

# Notes to the financial reports

## NOTE 1.

### ACCOUNTING PRINCIPLES

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

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

## NOTE 2.

### ESTIMATES AND ASSESSMENTS

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

## NOTE 3.

### OPERATING SEGMENTS AND BREAKDOWN OF REVENUES

#### Revenue recognition

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

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

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

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

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

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

#### Segments

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

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

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

#### Bioprinting

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

#### Biosciences

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



### Bioautomation

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

### Group

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

Segment reporting SEK m	Bioprinting Jan–June 2023	Biosciences Jan–June 2023	Bioautoma- tion Jan–June 2023	Group Jan–June 2023	Elimina- tions	Total Jan–June 2023
Net sales	320.1	487.1	234.7	-	-	1,041.8
Raw materials and supplies reduced with changes in inventories	-64.5	-189.0	-91.3	-	-	-344.8
Capitalized work for own account	25.0	19.3	20.2	-	-	64.6
Other operating income	9.8	11.5	3.0	178.7	-22.2	180.7
Other external costs	-78.9	-92.9	-154.1	-29.8	22.2	-333.4
Personnel expenses	-167.0	-205.6	-157.1	-27.3	-	-557.0
Other operating expenses	-4.0	-4.5	-4.9	5.0	-	-8.4
<b>EBITDA</b>	<b>40.5</b>	<b>25.9</b>	<b>-149.5</b>	<b>126.6</b>	-	<b>43.5</b>
<b>EBITDA, %</b>	<b>12.7%</b>	<b>5.3%</b>	<b>-63.7%</b>	<b>N/A</b>	-	<b>4.2%</b>
Depreciation, amortization and impairment of fixed assets	-	-	-	-	-	-333.5
Impairment of goodwill						-768.4
Financial income	-	-	-	-	-	130.3
Financial expenses	-	-	-	-	-	-57.8
<b>Result before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-985.9</b>

Segment reporting SEK m	Bioprinting Jan–June 2022	Biosciences Jan–June 2022	Bioautoma- tion Jan–June 2022	Group Jan–June 2022	Elimina- tions	Total Jan–June 2022
Net sales	276.7	424.6	313.5	-	-	1,014.8
Raw materials and supplies reduced with changes in inventories	-59.8	-111.1	-98.8	-	-	-269.8
Capitalized work for own account	26.2	42.8	21.6	0.0	-	90.6
Other operating income	15.8	6.2	11.3	11.0	-	44.4
Other external costs	-97.8	-138.0	-91.1	-28.0	-	-355.0
Personnel expenses	-175.0	-226.0	-145.8	-48.8	-	-595.7
Other operating expenses	-5.3	-3.2	-1.6	-1.5	-	-11.7
<b>EBITDA</b>	<b>-19.3</b>	<b>-4.8</b>	<b>9.1</b>	<b>-67.3</b>	-	<b>-82.3</b>
<b>EBITDA, %</b>	<b>-7.0%</b>	<b>-1.1%</b>	<b>2.9%</b>	<b>N/A</b>	-	<b>-8.1%</b>
Depreciation, amortization and impairment of fixed assets	-	-	-	-	-	-136.8
Financial income	-	-	-	-	-	311.8
Financial expenses	-	-	-	-	-	-83.3
<b>Result before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.4</b>

## BICO Group

### Net sales by geographic region and by business area

SEK m	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan–June 2023	Jan–June 2022	Jan–June 2023	Jan–June 2022	Jan–June 2023	Jan–June 2022	Jan–June 2023	Jan–June 2022
Europe	73.9	69.7	127.7	90.9	104.1	122.6	305.7	283.3
North America	130.2	139.6	276.5	268.4	93.1	160.4	499.8	568.4
Asia	105.8	50.9	68.9	63.0	26.6	15.4	201.4	129.3
Rest of the world	10.1	16.4	14.0	2.3	10.9	15.1	35.0	33.8
<b>Total</b>	<b>320.1</b>	<b>276.7</b>	<b>487.1</b>	<b>424.6</b>	<b>234.7</b>	<b>313.5</b>	<b>1,041.8</b>	<b>1,014.8</b>

### Net sales broken down by products and services

SEK m	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan–June 2023	Jan–June 2022	Jan–June 2023	Jan–June 2022	Jan–June 2023	Jan–June 2022	Jan–June 2023	Jan–June 2022
Products	271.0	236.1	434.1	410.2	188.5	270.0	893.6	916.3
Services	49.1	40.6	53.0	14.4	46.2	43.5	148.2	98.5
<b>Total</b>	<b>320.1</b>	<b>276.7</b>	<b>487.1</b>	<b>424.6</b>	<b>234.7</b>	<b>313.5</b>	<b>1,041.8</b>	<b>1,014.8</b>

## Net sales of products broken down by consumables and instruments

SEK m	BIOPRINTING		BIOSCIENCES		BIOAUTOMATION		TOTAL	
	Jan-June 2023	Jan-June 2022	Jan-June 2023	Jan-June 2022	Jan-June 2023	Jan-June 2022	Jan-June 2023	Jan-June 2022
Instruments	145.2	114.3	420.7	398.2	156.0	236.5	721.9	167.3
Consumables	125.8	121.8	13.4	12.1	32.5	33.5	171.7	749.1
<b>Total</b>	<b>271.0</b>	<b>236.1</b>	<b>434.1</b>	<b>410.2</b>	<b>188.5</b>	<b>270.0</b>	<b>893.6</b>	<b>916.3</b>

### NOTE 4.

#### FINANCIAL INSTRUMENTS

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

#### Long-term investments

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

#### Short-term investments

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

Valuation at fair value regarding short-term investments during the year generated an impact on the income statement of SEK 0.0m (-26.7). This effect is reported among financial items. During the fourth quarter 2022, the short-term investments were converted into cash.

#### Derivatives

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

#### Contingent considerations

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

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

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

#### Convertible bonds

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

The liability for convertible bonds is reported at amortized cost, which means that reported financial expenses exceed the cash flow-affecting coupon interest that is paid semi-annually. During the first six months 2023, the cost of coupon interest amounted to SEK 21.6m (21.6) (affecting cash flow) and the implicit interest expense to SEK 16.3m (15.4) (not affecting cash flow). Accrued issue costs amounted to SEK 2.8m (2.6).

The convertible bonds are traded on the Frankfurt stock exchange. As of June 30, 2023, they traded at a value of approximately 68% of nominal value.

SEK m	Level	2023-06-30	2022-06-30	2022-12-31
<b>FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE</b>				
Short-term investments	1	-	443.7	-
Long-term investments	3	3.4	3.4	3.4
Contingent considerations	3	-104.3	-489.7	-278.3
Derivatives	2	-9.4	-1.2	-

### Fair values – level 3

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

SEK m	Contingent considerations	Long-term investments
<b>FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE AT LEVEL 3</b>		
Fair value January 1, 2023	-278.3	3.4
Acquisitions	-	-
Total reported gains and losses in this year's operating profit	160.8	-
Payments to sellers	27.5	-
Total reported gains and losses in this year's net financial items	-14.2	-
<b>Fair value June 30, 2023</b>	<b>-104.3</b>	<b>3.4</b>

### Sensitivity analysis

#### Contingent considerations

BICO has as of June 30, 2023 six historical acquisitions where a contingent considerations could be paid in the future. 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 57% denominated in USD and 43% in EUR.

In total, contingent considerations of SEK 104.3m are reported as a liability as of June 30. During Q2, booked contingent considerations were reversed to the P/L as probability for payout decreased, resulting in a positive EBITDA effect of SEK 161.8m. If all contingent consideration relating to future periods 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 403.4m as of June 30, 2023, all else being equal.

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

SEK m	Increase	Decrease
Discount rate (1% change)	-0.4	0.4
FX rates EUR and USD (10% change)	10.4	-10.4
Future revenue (10% change)	21.8	-13.7

## NOTE 5.

### INCENTIVE PROGRAMS

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

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

#### LTIP 2019

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

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

#### LTIP 2021

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

#### LTIP 2022

An extraordinary general meeting in December 2022 decided to introduce an additional incentive program of a total of 2,500,000 free options to employees. The options will be redeemable for one share at a price of SEK 150 during the period June-September 2026, provided that a number of financial conditions for the group are met during the vesting period. Options were distributed to employees during Q2 2023.

#### Other disclosures

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

As of June 30 2023, a total of 4,362,212 options are outstanding, of which 3,691,078 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, 434,982 are held by members of the Executive management team and the Board of Directors.

If all outstanding options were to be redeemed against shares, this would correspond to a total increase of approximately 6.2 percent of the number of outstanding shares as of June 30, 2023.

## NOTE 6.

### ACQUISITIONS AND GOODWILL

#### Purchase price allocations

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

#### Acquisition costs

Acquisition costs amounted to SEK 0.1m (6.1) during the first six months 2023. Any expense are reported as other external costs in the consolidated income statement and in acquisitions of subsidiaries/operations within the net cash flow from investing activities in the group's cash flow statement.

#### Goodwill

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

SEK m	Goodwill
Book value January 1, 2023, net	5,273.7
Translation difference	217.7
Impairment	-768.4
<b>Book value June 30, 2023, net</b>	<b>4,723.0</b>

During Q2, a goodwill impairment totalling 768.4 MSEK was booked. 352.9 was relating to the Bioprinting segment, 47.3 was relating to the Biosciences segment and 368.2 was relating to the Bioautomation segment. In all cases, only a part of the goodwill amount was written down.

The events leading to the impairment is that the quarterly impairment test showed that the rising market interest rates resulted in a higher WACC than last quarter, something which has a significant impact in the tests. In addition, the short-term macro outlook is temporary soft in a few Group companies. The long term outlook remains positive for all Group companies.



**NOTE 7.**  
**NEW ISSUE OF SHARES**

**Exercise of options**

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

**NOTE 8.**  
**ASSET HELD FOR SALE**

The asset classified as held for sale relates to the property in Berlin. BICO communicated on August 3, that the facility has been divested for EUR 21m, awaiting approval from the city of Berlin. Positive cashflow is expected in Q4 2023. See more information on page 13.

Gothenburg August 22, 2023

**Erik Gatenholm**  
CEO and President, BICO Group AB

# Alternative Key Ratios

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

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

ALTERNATIVE KEY RATIO	DEFINITION	PURPOSE
<b>Equity ratio</b>	Equity divided by total assets.	BICO considers that solvency is a useful measure for the company's survival.
<b>Gross profit</b>	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.
<b>Gross margin</b>	Gross profit as a percentage of net sales.	The ratio is used for analysis of the Company's effectiveness and profitability.
<b>Net debt (-)/Net cash (+) excl. leasing</b>	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.
<b>Adjusted EBITDA</b>	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.
<b>Adjusted EBITDA, %</b>	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.
<b>Operating profit before depreciation, amortization and impairment (EBITDA)</b>	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.
<b>Operating margin (EBITDA), %</b>	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.
<b>Operating profit (EBIT)</b>	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.
<b>Operating margin (EBIT), %</b>	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.
<b>Organic sales growth</b>	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.
<b>Organic sales growth excluding currency effects</b>	Growth generated from operations in companies that existed in the Group during the corresponding comparison period excluding currency effects.	Shows the growth in the existing business adjusted for acquisitions in the last 12 months excluding currency effects.

# Reconciliation of Alternative Key Ratios

SEK m	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
<b>GROSS PROFIT</b>					
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
Raw materials and supplies reduced by inventory change	-196.6	-145.2	-344.8	-269.8	-590.8
<b>Gross profit</b>	<b>344.5</b>	<b>392.4</b>	<b>697.0</b>	<b>745.0</b>	<b>1,648.6</b>
<b>GROSS MARGIN, %</b>					
Gross profit	344.5	392.4	697.0	745.0	1,648.6
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
<b>Gross margin, %</b>	<b>63.7%</b>	<b>73.0%</b>	<b>66.9%</b>	<b>73.4%</b>	<b>73.6%</b>
<b>ADJUSTED EBITDA</b>					
EBITDA	66.0	-62.9	43.5	-82.3	-56.3
Revaluation of contingent consideration	-160.8	0.7	-160.8	-	-25.2
Costs/income related to option programs	-28.4	10.8	-22.7	24.9	39.0
One-off provision for bad debt	27.7	43.9	27.7	43.9	43.9
Valuation adjustment of other assets in Ginolis	25.1	-	25.1	-	-
Extraordinary inventory write-offs	41.7	-	41.7	-	-
Restructuring costs related to personnel changes	23.2	10.1	27.1	10.1	27.1
Extraordinary governmental support	-6.9	-	-6.9	-	-
Acquisition related costs and bonuses	0.8	8.5	4.5	11.3	24.3
ERP, Phase one implementation costs	-	-	-	8.3	8.3
Legal costs	-	-	-	1.0	1.0
<b>Adjusted EBITDA</b>	<b>-11.5</b>	<b>11.1</b>	<b>-20.8</b>	<b>17.1</b>	<b>62.1</b>
<b>ADJUSTED EBITDA, %</b>					
Adjusted EBITDA	-11.5	11.1	-20.8	17.1	62.1
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
<b>Adjusted EBITDA, %</b>	<b>-2.1%</b>	<b>2.1%</b>	<b>-2.0%</b>	<b>1.7%</b>	<b>2.8%</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT (EBITDA)</b>					
Operating profit	-955.5	-136.3	-1,058.4	-219.1	-996.9
Depreciation, amortization and impairment	1,021.5	73.4	1,101.9	136.8	940.6
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>66.0</b>	<b>-62.9</b>	<b>43.5</b>	<b>-82.3</b>	<b>-56.3</b>
<b>OPERATING MARGIN BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT, (EBITDA), %</b>					
EBITDA	66.0	-62.9	43.5	-82.3	-56.3
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
<b>EBITDA margin, %</b>	<b>12.2%</b>	<b>-11.7%</b>	<b>4.2%</b>	<b>-8.1%</b>	<b>-2.5%</b>

# Reconciliation of Alternative Key Ratios

SEK m	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
<b>OPERATING MARGIN (EBIT), %</b>					
Operating profit	-955.5	-136.3	-1,058.4	-219.1	-996.9
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
<b>EBIT margin, %</b>	<b>-176.6%</b>	<b>-25.4%</b>	<b>-101.6%</b>	<b>-21.6%</b>	<b>-44.5%</b>
<b>ORGANIC SALES GROWTH, % AND ORGANIC SALES GROWTH EXCL. CURRENCY EFFECTS, %</b>					
Net sales	541.1	537.6	1,041.8	1,014.8	2,239.5
Net sales generated from companies acquired in the last 12 months	-1.0	-225.0	-6.8	-505.4	-764.2
Organic net sales	540.1	312.6	1,035.0	509.4	1,475.3
Net sales comparison period	537.6	293.1	1,014.8	422.5	1,257.2
<b>Organic sales growth, %</b>	<b>0.5%</b>	<b>6.7%</b>	<b>2.0%</b>	<b>20.6%</b>	<b>17.4%</b>
Currency effect	36.6	31.4	79.3	46.3	-165.9
Organic net sales excluding currency effects	503.5	281.1	955.7	463.0	1,309.4
Net sales comparison period	537.6	293.1	1,014.8	422.5	1,257.2
<b>Organic sales growth excluding currency effects, %</b>	<b>-6.3%</b>	<b>-4.1%</b>	<b>-5.8%</b>	<b>9.6%</b>	<b>4.2%</b>
<b>EQUITY RATIO, %</b>					
Equity	6,038.7	7,147.3	6,038.7	7,147.3	6,932.2
Total assets	9,112.8	10,498.2	9,112.8	10,498.2	10,196.8
<b>Equity ratio, %</b>	<b>66%</b>	<b>68%</b>	<b>66%</b>	<b>68%</b>	<b>68%</b>
<b>NET DEBT (-)/NET CASH (+) EXCL. LEASING</b>					
Short-term investments	-	443.7	-	443.7	-
Cash and cash equivalents	690.7	547.1	690.7	547.1	925.2
Long-term interest-bearing liabilities excl. leasing liabilities	-1,403.7	-1,366.7	-1,403.7	-1,366.7	-1,384.9
Short-term interest-bearing liabilities excl. leasing liabilities	-30.4	-15.7	-30.4	-15.7	-8.0
<b>Net debt (-)/Net cash (+)</b>	<b>-743.4</b>	<b>-391.6</b>	<b>-743.4</b>	<b>-391.6</b>	<b>-467.7</b>

# Reconciliation of Alternative Key Ratios

ADJUSTED EBITDA PER BUSINESS AREA	Bioprinting Jan–June 2023	Biosciences Jan–June 2023	Bioautomation Jan–June 2023	Group Jan–June 2023	Total Jan–June 2023
Amounts in SEK m					
EBITDA	40.5	25.9	-149.5	126.6	43.5
Revaluations of contingent considerations	-	-	-	-160.8	-160.8
Costs/income related to option programs	-9.4	-2.4	-9.1	-1.7	-22.7
One-off provision for bad debt	-	-	27.7	-	27.7
Valuation adjustment of other assets in Ginolis	-	-	25.1	-	25.1
Extraordinary inventory write offs	3.3	3.6	34.8	-	41.7
Restructuring costs related to personnel changes	2.6	2.3	20.4	1.9	27.1
Extraordinary governmental support	-	-6.9	-	-	-6.9
Acquisition related costs and bonuses	1.4	3.1	-	-	4.5
<b>Adjusted EBITDA, SEK m</b>	<b>38.3</b>	<b>25.6</b>	<b>-50.6</b>	<b>-34.0</b>	<b>-20.8</b>
Net sales	320.1	487.1	234.7	-	1,041.8
<b>Adjusted EBITDA, %</b>	<b>12.0%</b>	<b>5.3%</b>	<b>-21.6%</b>	<b>N/A</b>	<b>-2.0%</b>

ADJUSTED EBITDA PER BUSINESS AREA	Bioprinting Jan–June 2022	Biosciences Jan–June 2022	Bioautomation Jan–June 2022	Group Jan–June 2022	Total Jan–June 2022
Amounts in SEK m					
EBITDA	-19.3	-4.8	9.1	-67.3	-82.3
Costs related to option programs	9.7	7.0	6.3	1.9	24.9
One-off provision for bad debt	12.7	31.2	-	-	43.9
Acquisition related costs and bonuses	4.9	4.3	2.1	-	11.3
Restructuring costs related to personnel changes	-	-	-	10.1	10.1
ERP implementation costs, phase 1	0.7	1.7	1.6	4.3	8.3
Legal costs	0.2	-	-	0.8	1.0
<b>Adjusted EBITDA, SEK m</b>	<b>8.9</b>	<b>39.4</b>	<b>19.1</b>	<b>-50.2</b>	<b>17.1</b>
Net sales	276.7	424.6	313.5	-	1,014.8
<b>Adjusted EBITDA, %</b>	<b>3.2%</b>	<b>9.3%</b>	<b>6.1%</b>	<b>N/A</b>	<b>1.7%</b>



# Consolidated Income Statements by Quarter

SEK m	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net sales	541.1	500.7	674.1	550.6	537.6	477.2	519.1	315.6
Other operating income	171.1	9.6	37.3	29.1	25.7	18.7	51.3	8.2
Change in inventories	0.1	-0.1	0.5	8.4	-4.1	-0.3	3.3	3.3
Capitalized work for own account	27.7	36.9	47.9	43.5	49.1	41.5	28.1	23.5
<b>OPERATING EXPENSES</b>								
Raw materials and supplies	-196.7	-148.1	-192.0	-137.9	-141.1	-124.3	-147.3	-88.2
Other external costs	-211.0	-122.4	-195.1	-168.9	-212.9	-142.1	-164.3	-113.8
Personnel expenses	-262.5	-294.4	-347.3	-313.6	-314.1	-281.6	-262.9	-182.3
Depreciation, amortization and impairment of fixed assets	-253.1	-80.4	-102.7	-76.1	-73.4	-63.4	-66.4	-57.5
Impairment of goodwill	-768.4	-	-625.0	-	-	-	-	-
Other operating expenses	-3.8	-4.6	-1.0	-9.4	-3.2	-8.5	-14.3	-0.1
<b>Operating income</b>	<b>-955.5</b>	<b>-102.9</b>	<b>-703.4</b>	<b>-74.2</b>	<b>-136.3</b>	<b>-82.8</b>	<b>-53.4</b>	<b>-91.3</b>
<b>FINANCIAL ITEMS</b>								
Financial income	119.1	11.2	6.5	258.3	240.6	71.2	84.2	6.3
Financial expenses	-18.7	-39.1	-225.9	-23.6	-47.3	-35.9	-26.7	-29.2
<b>Profit/loss after financial items</b>	<b>-855.1</b>	<b>-130.8</b>	<b>-922.8</b>	<b>160.5</b>	<b>56.9</b>	<b>-47.5</b>	<b>4.1</b>	<b>-114.2</b>
Tax for the period	-43.2	12.3	21.1	-93.9	-13.8	4.0	-30.0	9.2
<b>Net profit/loss for the period</b>	<b>-898.4</b>	<b>-118.4</b>	<b>-901.8</b>	<b>66.5</b>	<b>43.1</b>	<b>-43.5</b>	<b>-25.9</b>	<b>-105.0</b>
<b>ATTRIBUTABLE TO</b>								
Parent company shareholders	-898.3	-117.7	-899.3	66.4	43.6	-43.6	-25.6	-104.2
Non-controlling interest	0.0	-0.7	-2.5	0.1	-0.5	0.1	-0.3	-0.8

FOR FURTHER INFORMATION, PLEASE CONTACT

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**Erik Gatenholm / President and CEO**

+46 73 267 00 00  
+1 (650) 515 5566  
eg@bico.com

**Jacob Thordenberg / Group CFO**

+46 73 534 88 84  
jt@bico.com

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This information is information that BICO Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, on August 22, 2023 at 07:00am CEST.

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**BICO Investor Relations**

+46 73 546 57 77  
ir@bico.com



BICO GROUP (PUBL) 559050-5052  
LÅNGFILSGATAN 9  
412 77 GOTHENBURG, SWEDEN

BERLIN BLACKSBURG BOSTON FREIBURG GOTHENBURG JENA KARLSRUHE KYOTO OULU PHOENIX SAN DIEGO STUTTGART