

The background of the slide is a dark blue gradient. On the left side, there are several jellyfish with long, thin tentacles, some of which are illuminated with a soft blue light. On the right side, there is a vertical, glowing blue fiber optic light that tapers towards the bottom, emitting a bright blue glow. The overall aesthetic is futuristic and aquatic.

BIRCO

YEAR-END REPORT 2022 / FEBRUARY 22, 2023 / EARNINGS CALL



ERIK GATENHOLM / PRESIDENT AND CEO



JACOB THORDENBERG / CFO

BICO

BIOPRINTING

ALLEGRO 3D »
A BICO COMPANY

ADVANCED
BIOMATRIX »
A BICO COMPANY

CELLINK »
A BICO COMPANY

MATTEK »
A BICO COMPANY

**nano
scribe**
A BICO COMPANY

VISI-KOL »
A BICO COMPANY

BIOSCIENCES

BIOZERO »
A BICO COMPANY

CYTENA »
A BICO COMPANY

CYTENA BPS »
A BICO COMPANY

DISPENDIX »
A BICO COMPANY

ECHO »
A BICO COMPANY

BIOAUTOMATION

CELLENION »
A BICO COMPANY

GYNOLIS »
A BICO COMPANY

QINSTRUMENTS »
A BICO COMPANY

SCIENION »
A BICO COMPANY

The BICO Journey

BICO's mission is to enable the pharmaceutical and biopharma industries to develop new drugs faster and safer, with more specificity and less need for animal testing. Our lab automation technologies are at the forefront, enjoying a significant and growing demand, in many cases driven by their uniqueness.

We embody the spirit of bioconvergence, creating solutions by combining biology, biomaterials, advanced genomics, bioprinting, artificial intelligence, robotics and computer science. Customers benefit from efficient solutions that streamline their workflows and ensure faster, more secure results. This is our contribution to the future of health.

Our growth strategy until recently was to acquire innovative technology companies once they are de-risked and ready for commercialization and growth. This rapid acquisition phase aimed to identify the most interesting technologies and bring them into the BICO family. We are proud of our success in building a portfolio of 15 promising companies with complementary and synergistic technologies, ready to scale up.

We are now well positioned for growth, establishing us as a leading provider of drug discovery and development tools. The result is an unparalleled product offering with virtually no technical risk.

In general alignment with the macroeconomic climate, we are now entering a new phase of consolidating our family of companies. We are developing the BICO organization to increasingly leverage technical and commercial synergies among our companies, as well as creating processes to ensure a successful scaling up of their businesses. The core of BICO will evolve to oversee this organic growth agenda, while also driving a more customer-focused approach. This is the key to creating customer value and stable, predictable performance from a more efficient and productive organization.

Exceptional talent and a strong corporate culture are the critical ingredients in this phase of our journey. The changes we are planning will allow us to realize the full value of our innovative products, for which there is a great and growing demand.

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

ERIK GATENHOLM / PRESIDENT AND CEO

AGENDA

- » This is BICO
- » Q4 Highlights
- » Financial Performance
- » Performance Update
per Business Area
- » Outlook

Year-end Highlights

Fourth quarter 2022 in summary

1

SEK 487 MILLION DIRECTED
SHARE ISSUE TO SARTORIUS

2

ALL-TIME-HIGH REVENUE

3

CONTINUED IMPROVEMENTS
OF PROFITABILITY AND CASH FLOW

4

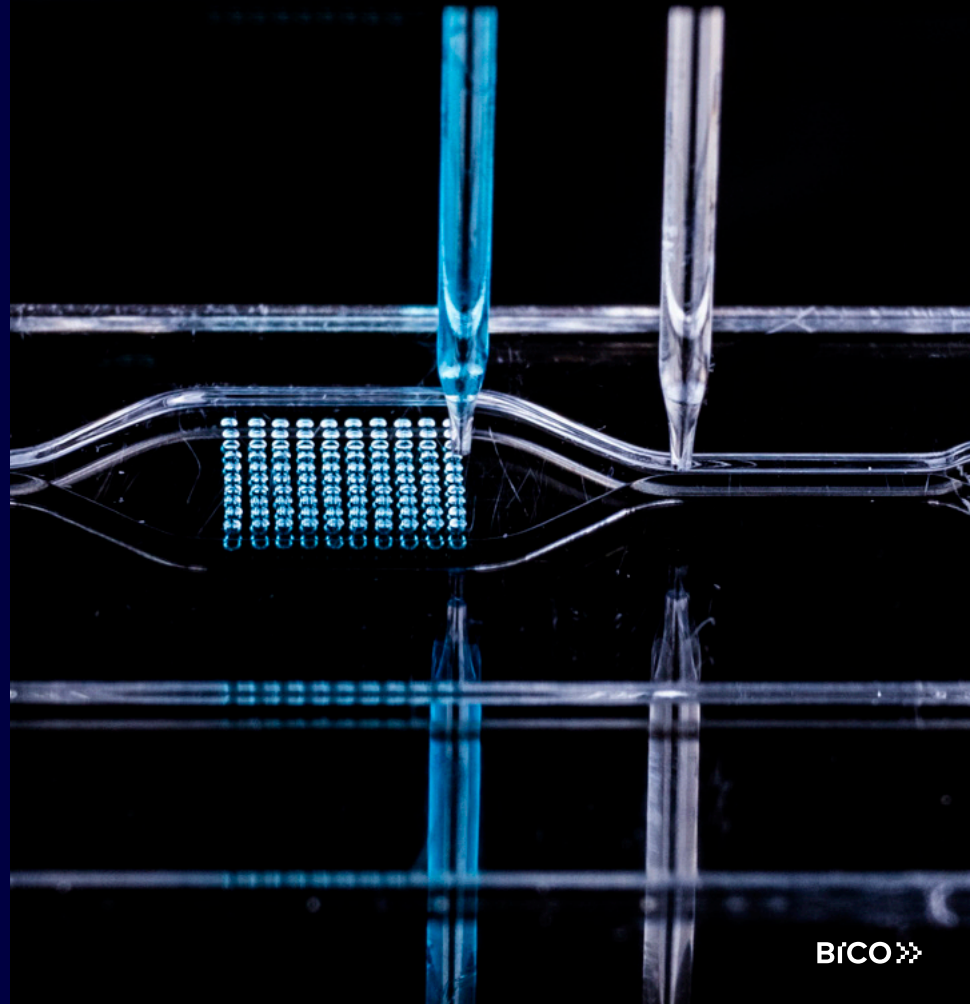
CONTINUED FOCUS ON OPERATIONAL
EFFICIENCY AND PORTFOLIO SYNERGIES

5

COST SAVINGS PROGRAM ON TARGET

6

IMPAIRMENT OF GOODWILL IN GINOLIS



Sartorius collaboration and investment

On December 8, 2022, BICO reached an agreement with Sartorius, a major bioprocessing player, on strategic cooperation, followed by a SEK 487 million directed share issue of shares to Sartorius.

- BICO and Sartorius agreed on wide-ranging cooperation within technology, sales and marketing.
- Collaboration on R&D relating to 3D cell printing and associated technologies, as well as digital solutions for cell line development workflows.
- Sartorius will become a distributor of BICO products in the Asia-Pacific (APAC) region.
- The collaboration with Sartorius is expected to significantly expand our presence and accelerate growth in APAC.
- The collaboration agreements are being developed in detail, expected to be signed during the first quarter 2023.

Goodwill impairment related to post-pandemic downturn in Ginolis

BICO Group regularly assesses goodwill and has conducted an impairment test when finalizing results for the fourth quarter. This impairment indicator, alongside our yearly impairment test of goodwill, has led to the decision to write down all goodwill in Ginolis, totaling SEK 625.0 million. The impairment will impact the 2022 net result but will not affect the cash flow.

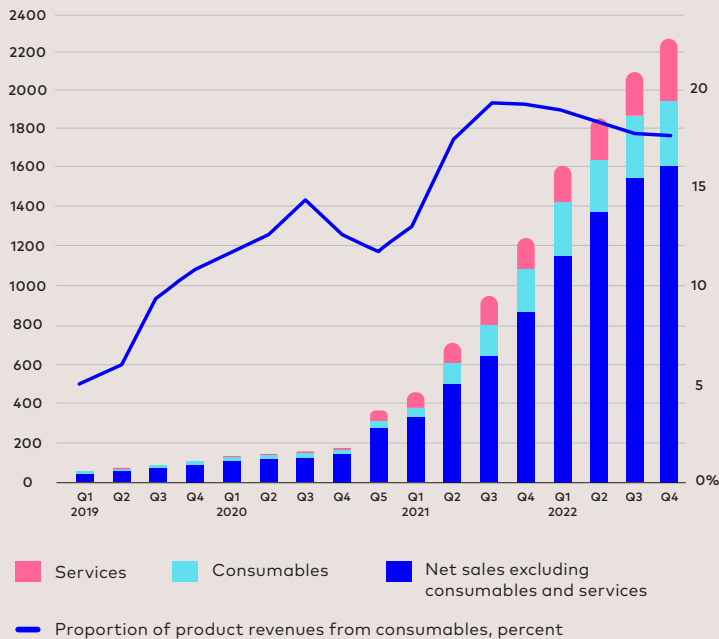
- While the Covid pandemic created supply and logistical problems in its wake, we experienced strong revenues in 2020 and 2021 in conjunction with the global medical response, via diagnostic automation equipment. This was especially relevant to one company, Ginolis.
- By 2022, sales related to Covid diagnostic automation were dwindling faster than anticipated. In addition, new competition from Asia is undercutting us in lateral flow automation, which has become a commodity since the global pandemic brought heightened demands during the last two years.
- Ginolis has not been able to transition fast enough to new customer segments and has faced challenges in order intake and internal efficiency.
- We are now implementing further extensive cost reductions and rightsizing the organization at Ginolis to align with the reduced demand.
- In parallel, we are also taking measures to assure continued customer support and deliverables as well as evaluating our strategic options related to the remaining core technologies in Ginolis.

Financial Performance Q4

Q4

NET SALES

MSEK / ROLLING 12 MONTHS



OCTOBER – DECEMBER 2022



30

TOTAL SALES GROWTH
/ %



-901.8

NET PROFIT/LOSS
/ MSEK



24.3

EBITDA
/ MSEK



71.6

GROSS MARGIN
/ %



26.9

ADJUSTED EBITDA
/ MSEK



674.1

NET SALES
/ MSEK

Organic growth amounted to 8% (25).

JANUARY – DECEMBER 2022



78

TOTAL SALES GROWTH
/ %



-835.7

NET PROFIT/LOSS
/ MSEK



-56.3

EBITDA
/ MSEK



73.6

GROSS MARGIN
/ %



62.1

ADJUSTED EBITDA
/ MSEK



2,239.5

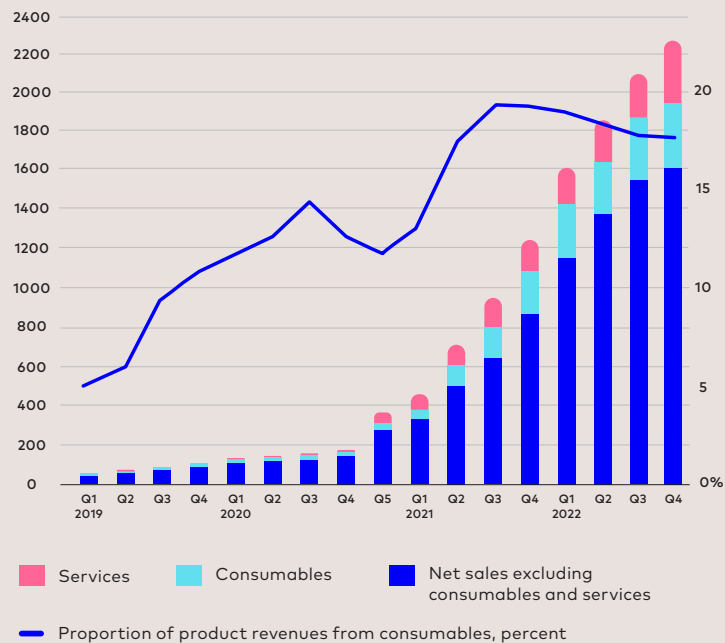
NET SALES
/ MSEK

Organic growth amounted to 17% (44).

Q4

NET SALES

MSEK / ROLLING 12 MONTHS



Financial impact of Ginolis

Q4

- Very weak fourth quarter for Ginolis, having a significant impact on growth and total profitability for the Group.
- Excluding Ginolis, organic growth in the quarter would have amounted to 20%, decreasing total group organic growth by 12 percentage points.
- EBITDA for the quarter would have amounted to SEK 82m, decreasing the EBITDA margin by 8.6 percentage points.

Full year 2022

- Excluding Ginolis on a full-year basis, organic growth in 2022 would have amounted to 25%, decreasing the total Group organic growth by 8 percentage points.
- EBITDA for the full year would have amounted to SEK 18 million, decreasing the EBITDA margin by 3.4 percentage points.

Q4

MSEK	Including Ginolis	Excluding Ginolis
Revenue	674	666
Organic growth	8%	20%
EBITDA	24	82
EBITDA margin	4%	12%

FULL YEAR 2022

MSEK	Including Ginolis	Excluding Ginolis
Revenue	2,240	2,100
Organic growth	17%	25%
EBITDA	-56	18
EBITDA margin	-3%	1%

Continuous focus on strengthening cash flow

Cash flow during the fourth quarter amounted to SEK 439 million, increasing total cash reserves to SEK 925 million per December 31. Excluding the Sartorius new share issue and changes in short-term investments, cash flow during the fourth quarter amounted to SEK -241 million.

- Strengthened profitability driven by increased sales, lower operating expenses in relation to sales, and some currency tailwinds.
- Working capital increased by SEK 118 million, primarily due to increased accounts receivable following high sales in December. Partially offset by lower inventory.
- Investments in facilities in Finland and Germany of SEK 43 million (total tangible CAPEX SEK 49 million)
- Investments in intangible CAPEX, primarily product development, of SEK 67 million.
- Cash purchase price for acquisitions and contingent considerations of SEK 28 million.
- Sale of short-term investments of SEK 199 million.
- Directed share issue to Sartorius of net SEK 481 million.

OCTOBER – DECEMBER 2022

JANUARY – DECEMBER 2022

CASH FLOW FROM OPERATING ACTIVITIES



-69.1

/ MSEK



-269.4

/ MSEK

CHANGE IN CASH AND SHORT-TERM INVESTMENTS, NET



236.9

/ MSEK



-549.8

/ MSEK

Strengthening Profitability and Cash Flow

1

Continue sales expansion in all companies driven by market growth.

2

Cost-reduction program that targets reducing expenses in excess of SEK 100 million on a twelve-month basis in the four loss-making companies and in the Group common costs, with full effect from Q1 2023, is on track. Additional cost reductions are being implemented at Ginolis.

3

Continue profitable growth expansion in high-performing companies.

4

Evaluate external financing for facilities in Germany and Finland. The remaining investments scheduled for these buildings are estimated at SEK 60 million in 2023.

5

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

6

Inventory decreased in the quarter because of large outbound deliveries. However, we assess that the inventory level can be lowered further

7

Expected earn-out payments financed by available cash.

Performance per Business Area

Bioprinting

OCTOBER – DECEMBER 2022



21

ORGANIC GROWTH
/ %



232.6

NET SALES
/ MSEK



58.5

ADJUSTED EBITDA
/ MSEK

JANUARY – DECEMBER 2022



31

ORGANIC GROWTH
/ %



654.9

NET SALES
/ MSEK



68.7

ADJUSTED EBITDA
/ MSEK



BioNovaX, launched by Allegro, which only joined the BICO family in May 2022. The bioNovaX accelerates research in biomimetic models, regenerative medicine and disease modeling. Interest in this system is so high that the business area will surpass our full year sales targets well before year end.

Biosero continues to develop well, announcing a key patent underlying its Green Button Go® laboratory automation scheduling software.

In 2022 Biosero installed what may be the largest automated cancer diagnosis system in the world. This system runs tests on patient samples that detect multiple types of cancers through a single blood draw, contributing to early cancer detection and monitoring a patient's response to treatment.



Biosciences

OCTOBER – DECEMBER 2022



18

ORGANIC GROWTH
/ %



298.8

NET SALES
/ MSEK



8.5

ADJUSTED EBITDA
/ MSEK

JANUARY – DECEMBER 2022



29

ORGANIC GROWTH
/ %



959.3

NET SALES
/ MSEK



46.3

ADJUSTED EBITDA
/ MSEK

Bioautomation

OCTOBER – DECEMBER 2022



-11

ORGANIC GROWTH
/ %



170.4

NET SALES
/ MSEK



-4.1

ADJUSTED EBITDA
/ MSEK

JANUARY – DECEMBER 2022



-1

ORGANIC GROWTH
/ %



652.9

NET SALES
/ MSEK



47.0

ADJUSTED EBITDA
/ MSEK

Providing relevant innovations under well-established brands to our target customers in diagnostics and pharma is a key driver for profitable growth.

One great example of this is how we strengthen our single-cell proteomics offerings through a great network of key opinion leaders, co-marketing agreements and partnering programs, leading to record sales of our cellenONE products.



Outlook

Outlook

1/

Continuous signs of improvement following our major efforts in 2022, such as cost reductions.

2/

Customer demand remains strong, supporting the near-term market outlook.

3/

Seasonal patterns normally suggest that the first quarter is usually the weakest.

4/

A potentially weaker economy and external disturbances could impact the near-term future.

5/

Strategic partnership with Sartorius enables new technical and commercial opportunities.

6/

Focus on profitable growth and our Vision 2030 – Be the world's leading laboratory automation company for treatment development application by 2030.

Upcoming Events



MARCH 17, 2023
Annual report 2022



MAY 4, 2023
Interim report Q1
January–March 2023



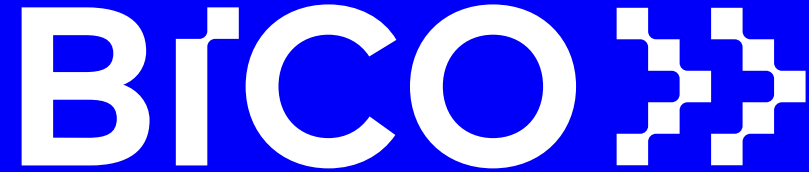
MAY 9, 2023
Annual General Meeting
2023



AUGUST 23, 2023
Interim report Q2
April–June 2023



NOVEMBER 9, 2023
Interim report Q3
January - September 2023



Bioconvergence is enabling the future of health

Bioconvergence is an emerging industry segment within healthcare and life sciences that emphasizes the convergence between multidisciplinary fields of research such as engineering, computerized systems, robotics, artificial intelligence, Big Data and biology. BICO is creating the future of life-saving treatments by reducing the organ shortage and speeding up drug development.

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