BICO GROUP AB (PUBL)

Annual Report 2021

Content

Statutory Annual Report

The Board and CEO of BICO Group AB (publ), company registration number 559050-5052 hereby submit the Annual Report and the consolidated accounts for January 1, 2021 to December 31, 2021. The Statutory Annual Report, which contains the Management report, Financial reports and the Corporate Governance Report and covers pages 62-70, 71-120, and 128-133. The Annual Report has been audited by BICO's auditors and the Auditors' report can be found on pages 122-125. Sustainability information is found on pages 9, 19, 50-59 and 64-65.

This is a translation of the Swedish original. In the events of any differences between this translation and the Swedish original, the latter shall prevail.

Bioconvergence is enabling the future of health

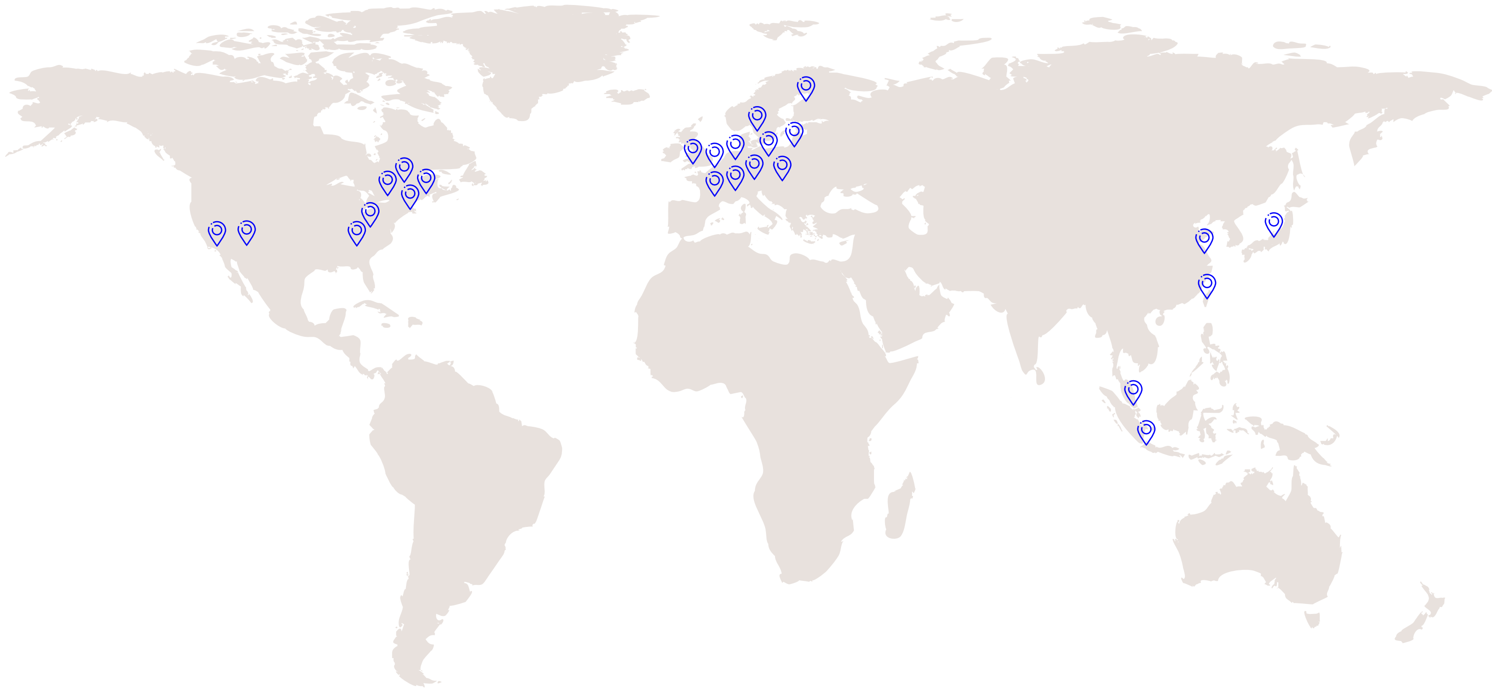
Bioconvergence is an industry segment within healthcare and research in life science that emphasizes the synergies between multidisciplinary fields of research including engineering, computerised systems, technology such as robotics, artificiell intelligence, Big Data and biology.

BICO continues the journey of enabling the creation of human tissues and organs and looks to the future towards bioconvergence as a startegic opportunity. Many areas in biotech, from multiomics, tissue engineering, and cell line development to diagnostics, are rooted in the bioconvergence paradigm.

Bioconvergence is our guiding principle. The method in which we approach problems that are found and enables us to make the best solutions in the market.

Bioconvergence is enabling the future of health, a future that promises targeted, personalized treatment, cures for illnesses, and hope for better, more accessible care worldwide. Our products empower and enable bioconvergence workflows that drive efficiency, efficacy, quality, and safety.

By integrating biology research with engineering expertise, by recognizing that these are two sides to the same coin, BICO, as the leading bioconvergence company, is pushing the industry forward and helping create the future of health.



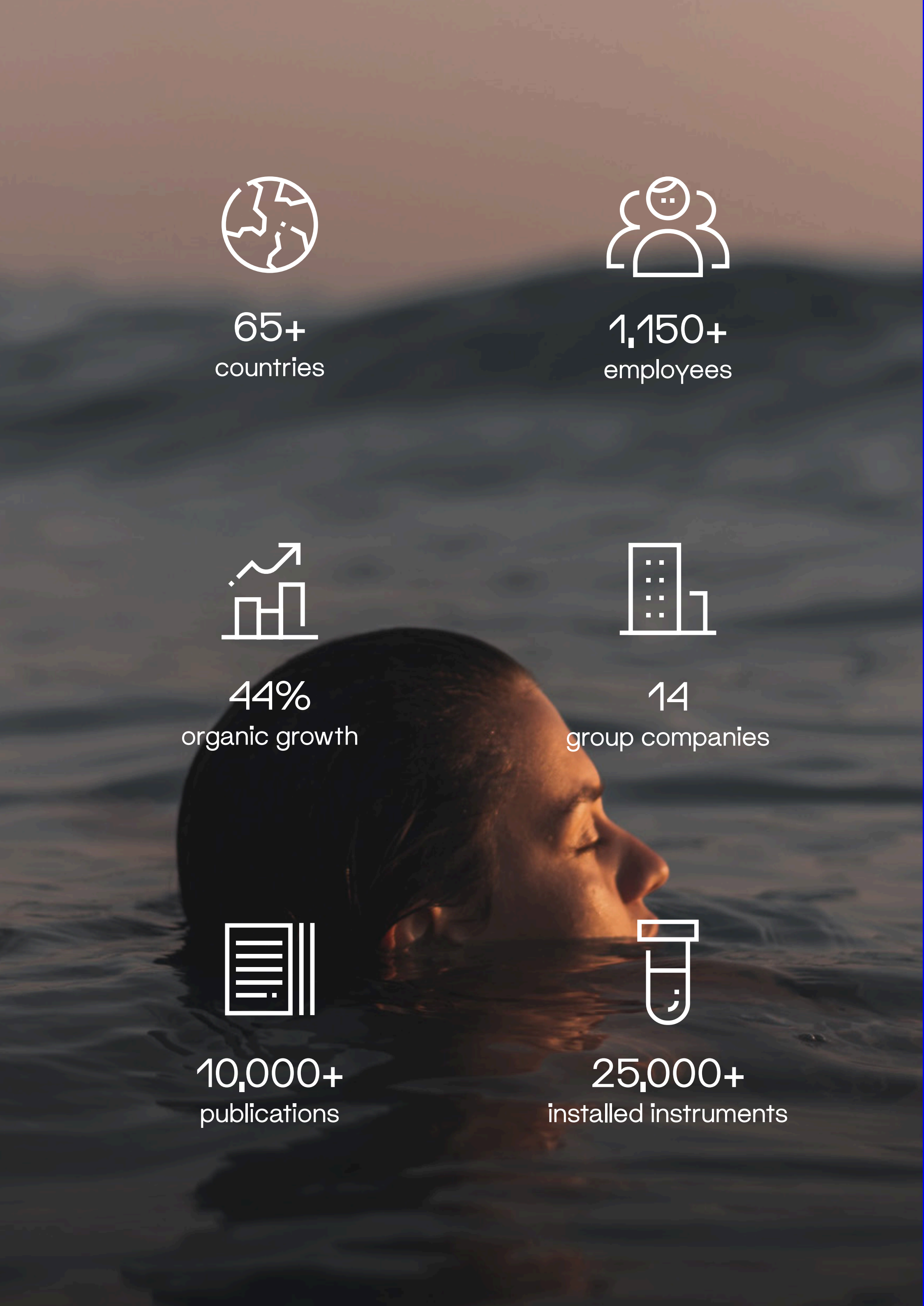
BICO in Brief

The company was founded in 2016 as a bioink and bioprinting company, and has since grown, developed and expanded its offering. Today we are a global leader offering innovative and cutting-edge laboratory workflows that enable the production of organs and tissues, automated and interconnected diagnostics and drug discovery. Our bioconvergence products and services combines the advancements in artificial intelligence, software development and precision engineering applying it to the biological sciences. Our offering consists of our core capabilities divided in the areas of hardware solutions, software solutions and reagents and consumables.

We are convinced the future of health is being defined by a number of rapidly accelerating disciplines. We have identified four such disciplines which can be considered the pillars of this healthcare revolution and Health 4.0, namely Next Generation Core Industry Ecosystems (NXCIS), Tissue engineering, Diagnostic, Multiomics and Cell Line Development. To read more about our NXCIS please visit the pages 28-35.

The Group's instruments in the field amounts to 25,000, including all the top 20 pharmaceutical companies, are being used in more than 65 countries, and have been cited in more than 10,000 publications.

From an organizational and reporting perspective the Group is divided into three main business areas: Biosciences, Bioprinting and Bioautomation who all caters to these key ecosystems. All areas are working in unison, developing synergistic approaches which elevate researchers and provide them with the tools they need to advance their work. From a reporting perspective BICO is divided in two segments: Bioautomation and Laboratory Solutions, where the latter consists of business areas Biosciences and Bioprinting. The reason for the divergence between the perspectives is related to the acquisitions being made during the period and that business areas Biosciences and Bioprinting have interconnected resources.



65+
countries

1,150+
employees

44%
organic growth

14
group companies

10,000+
publications

25,000+
installed instruments

LABORATORY SOLUTIONS

BIOSCIENCES

- BIOSERO – A BICO COMPANY
- CYTENA – A BICO COMPANY
- CYTENA BPS – A BICO COMPANY
- DISPENDIX – A BICO COMPANY
- ECHO – A BICO COMPANY

BIOPRINTING

- ADVANCED BIOMATRIX – A BICO COMPANY
- CELLINK – A BICO COMPANY
- MATTEK – A BICO COMPANY
- nanoscribe – A BICO COMPANY
- VISIKOL – A BICO COMPANY

BIOAUTOMATION

BIOAUTOMATION

- CELLENION – A BICO COMPANY
- GINOLIS – A BICO COMPANY
- QINSTRUMENTS – A BICO COMPANY
- SCIENION – A BICO COMPANY

From the start of the financial year 2022, relevant and reliable financial information for each business area will be available for follow-up by the CEO, whereby the segment reporting will correspond to our three business areas.

Highlights 2021

Q1

January

- CYTENA launched UP.SIGHT an effective microscope and singe-cell dispenser within cell line development.
- The cooperation with AstraZeneca in pharmaceutical research was extended for the third year in a row.

February

- Acquisiton of Ginolis, active within advanced robotics and diagnostics automation was completed.

March

- The acquisition of MatTek, the global leader in in-vitro technology and alternative drug testing models was completed.
- Offer and completion of Senior Unsecured Convertible Bonds which can be converted into Class B shares of SEK 1.5 billion, also a directed share issue of Class B share which amounted to SEK 1.5 billion was carried out.
- The BIO MDX™ series combining CELLINK's and SCIENION's technologies was launched.

Q2

April

- The Annual General Meeting 2021 resolved to, among other things, adopt a long-term incentive program for employees, issue convertible bonds and authorize the Board to decide on new share issues.

May

- Acquisition of Nanoscribe, offering advanced 3D-bioprinters based on 2PP-technology, was completed.
- Acquisition of Visikol, who offers contract research services within e.g., 3D cell culture, 3D tissue imaging and digital pathology for pharmaceutical and biotechnology companies was completed.

June

- MatTek's EpiDerm™ skin model was approved by the OECD as a stand-alone in-vitro test method for phototoxicity.
- Acquisition of Discover Echo Inc., an innovative and revolutionary microscopy company was completed.
- A patent for "Cellulose Nanofibrillar Bioink for 3D Bioprinting for Cell Culturing, Tissue Engineering and Regenerative Medicine Applications" was granted from the European Patent Office.
- A patent for a robotic-based system for personalized and automated aesthetic medical procedures was granted.

Q3

July

- Visikol partnered with MatTek which enabled Visikol to leverage MatTek's portfolio of advanced cell culture models within its drug discovery services.
- CYTENA launched S.NEST a high-throughput microbioreactor with real-time monitoring to ensure maximum cell growth and streamlined workflows.

August

- The company changed name from CELLINK to BICO Group, the ticker changed CLNK to BICO, the name CELLINK is used by the subsidiary CELLINK Bioprinting AB.
- Acquisition of Advanced BioMatrix, an innovative company focusing on 3D applications was completed.

September

- Erica Bell joined the company as Chief People Officer and became a member of the Executive Management team.
- Acquisition of HUREL, a life science company focused on providing its customers with two-dimensional liver co-culture and assay services was completed.
- The Group companies CELLINK, MatTek and Visikol, established a joint 3D bioprinting contract research organization (CRO).

Q4

October

- Acquisition of QInstruments, a leading company in advanced sample preparation for biomedical and life science research and clinical diagnostics was completed.
- A directed issue of shares of approximately SEK two billion was completed where both existing shareholders and new international institutional shareholders participated.
- CYTENA launched C.STATION, a fully automated platform for stable cell line development to streamline production on antibody and gene therapies.

November

- Cellenion entered co-marketing agreements with Thermo Fischer Scientific and Bruker to provide complete workflows in multiomics research.
- The EGM resolved, in accordance with the Nomination Committee's proposal, to elect Susan Tousi as a new member of the Board of Directors, BICO and in accordance with the Board's proposal to authorize the Board of Directors to issue new shares.

December

- CELLINK and Nanoscribe, launched Quantum X bio, a revolutionary printing platform providing researchers with first-of-its-kind submicron bioprinting resolution.
- Acquisition of Biosero, a leading software provider for automated workflows and laboratory connectivity was completed.
- Nasdaq announced that BICO will, from the first trading day in 2022, be included in its Large Cap segment.

Strong growth, strategic acquisitions, and a clear plan for increased profitability

2021 was a year that was both successful and which also entailed challenges that we have begun to address. The year resulted in continued strong organic growth, expansion to new markets, a new more customer-centric Group structure, strategic acquisitions, and several innovative product launches. We have successfully navigated in a changing business world impacted by macroeconomic effects as well as the pandemic. Moving forward we will continue to strengthen our position in the market through intensified focus on increasing profitability. We look forward to continuing to build the world's leading Bioconvergence company that will deliver growth, profitability and solutions which create the future of health. Since I founded this company, the goal has been to save lives by offering the leading technology in the life science industry and in the long run reduce the shortage of organs for transplantation. I am proud to say that the daily work we do is moving towards that goal.

Strong demand and continued strong organic growth

Net sales for full-year 2021 amounted to MSEK 1,257.3, corresponding to an increase of 244 percent year-on-year. This was thanks to strong demand for bioprinting solutions, liquid handling, and equipment for cell line development as well as acquisitions contributing to the growth.

It is gratifying that we achieved an organic growth of 44 percent for the full year, which exceeds the financial target of an organic growth of at least 35 percent. This was thanks to favorable growth in all segments and business areas during the year. The organic growth excluding sales of hygiene products in 2020 amounted to 54 percent. In Bioautomation, organic growth was minus 10 percent, which can be attributed to a strong fourth quarter 2020. SCIENION is counted as organic from September 1, 2020. The growth during 2021 grew slightly below the company's financial targets.

Adjusted EBITDA for the full year amounted to MSEK 16.9, which corresponded to an adjusted EBITDA margin of 1.3 percent. In order to increase transparency regarding items affecting comparability in the Group's accounts, BICO has chosen to also report on an adjusted EBITDA from the fourth quarter of 2021.

We create the future of health by combining biology with technology

As the leading company in bioconvergence, we must have the ability to prioritize, the implementation force, and the expertise to develop offerings that create value for our customers and push research, and perhaps most importantly, treatment forward. After all, it is when biology converges with technology that the most interesting and relevant business opportunities arise for BICO.

It takes courage to dare to think new, to challenge and to seize the opportunities within Bioconvergence. The future of health is being shaped by a number of rapidly accelerating disciplines. Fields of research that are on the cutting edge of technology. At BICO we have identified four such disciplines which can be considered the pillars of this health care revolution and Health 4.0, the Next Generation Core Industrial Ecosystems (NXCIS). These are: Tissue engineering, Cell line development, Multiomics and Diagnostics. Read more on pages 28-35 about our NXCIS, their relevance and their strategic business potential.

Strategic acquisitions that build strong workflows

During the year, eight companies as well as acquisitions of the assets and operations in one company were acquired. I am proud that we welcomed market-leading and innovative offers as well as talented employees to the Group. What unites us is a strong entrepreneurial spirit that permeates our operations and the ability to create solutions which contributes to the success to our customers and partners. An important piece of the puzzle was when Biosero was acquired in December. Their software solutions seamlessly integrate instruments from BICO's Group companies into fully automated and connected workflows. These acquisitions have not only strengthened the Group's strategic position, but also its profitability and cash flow.

During the year, we have acquired companies operating in all of our NXCIS and in the near future, our M&A agenda will prioritize smaller and complementary acquisitions., in the tfuuter we will continue to look for companies in these disciplines with market presence in Western Europe and North America with revenue of up to 20 MUSD.

Product launches and R&D investments

It has been an eventful year for product launches, collaborations and partnerships. I am pleased that the subsidiaries are in-demand as partners and that we stay ahead in innovative projects. For example, SCIENION's partnership with Nanochon, which creates a completely new basis for 3D-printed joint implants. CELLENION's collaborations with Thermo Fisher Scientific and Bruker also secures a strong position in multiomics.

In 2021, strategic investments were made in R&D, which resulted in more than 100 product launches in the Group. An impressive figure that will generate sales in the upcoming years. In total, the Group invested approximately MSEK 250 in R&D during the past year.

In March, the BIO MDX™ series was launched, which benefits from more than 25 years of R&D by integrating technology from CELLINK and SCIENION and offers high-throughput biofabrication and precision-based 3D bioprinting for biomedical manufacturing.

During the autumn, C.STATION, a fully automated platform for stable cell line development was launched that consists of technology from CYTENA, QInstruments and Biosero. Another important milestone during the end of year was the launch of the Quantum X bio bioprinter, in order to further strengthen our position to enable printing of human tissues. It is also the first collaboration between Nanoscribe and CELLINK.

A sustainable BICO

In 2021, we established the foundation for our sustainability agenda. As of December 2021, BICO are an official signatory of the UN Global Compact Sustainability Development Goals and the Ten Principles of the United Nations Global Compact. The Group's main focus is on the third goal, good health, and well-being, since it is highly connected to our offering and our commercial focus. Our ESG-agenda links Bioconvergence with our three different perspectives that permeate our operations: our people, our offering, and our planet. Together, this forms a framework that will enable the Group to carry out initiatives to transition to a sustainable BICO.

Clear plan for profitability and continued development of innovative offers

We have a clear plan for showing increased profitability already during 2022. This plan primarily consists of advancing our commercial position in combination with a cost focus and activities to significantly improve our cash flow.

- Continue to invest in R&D to deliver on our agenda for product development and to gain market shares
- Continue the implementation of the ERP system to strengthen the financial overview and analysis in the Group
- Cautious recruitment pace in combination with the adaption to fewer employees at the Group level
- The Group companies will intensify the work to ensure that our instruments have the right price levels, and, if necessary, increase prices
- In order to release working capital and improve cash flow in 2022, we have initiated measures to improve the invoicing process to reduce number of days until payment as well as strengthening our commercial payment terms
- Review of service portfolio and further clarify our service offering
- Use the increased puchasing volumes to renegotiate supplier agreements

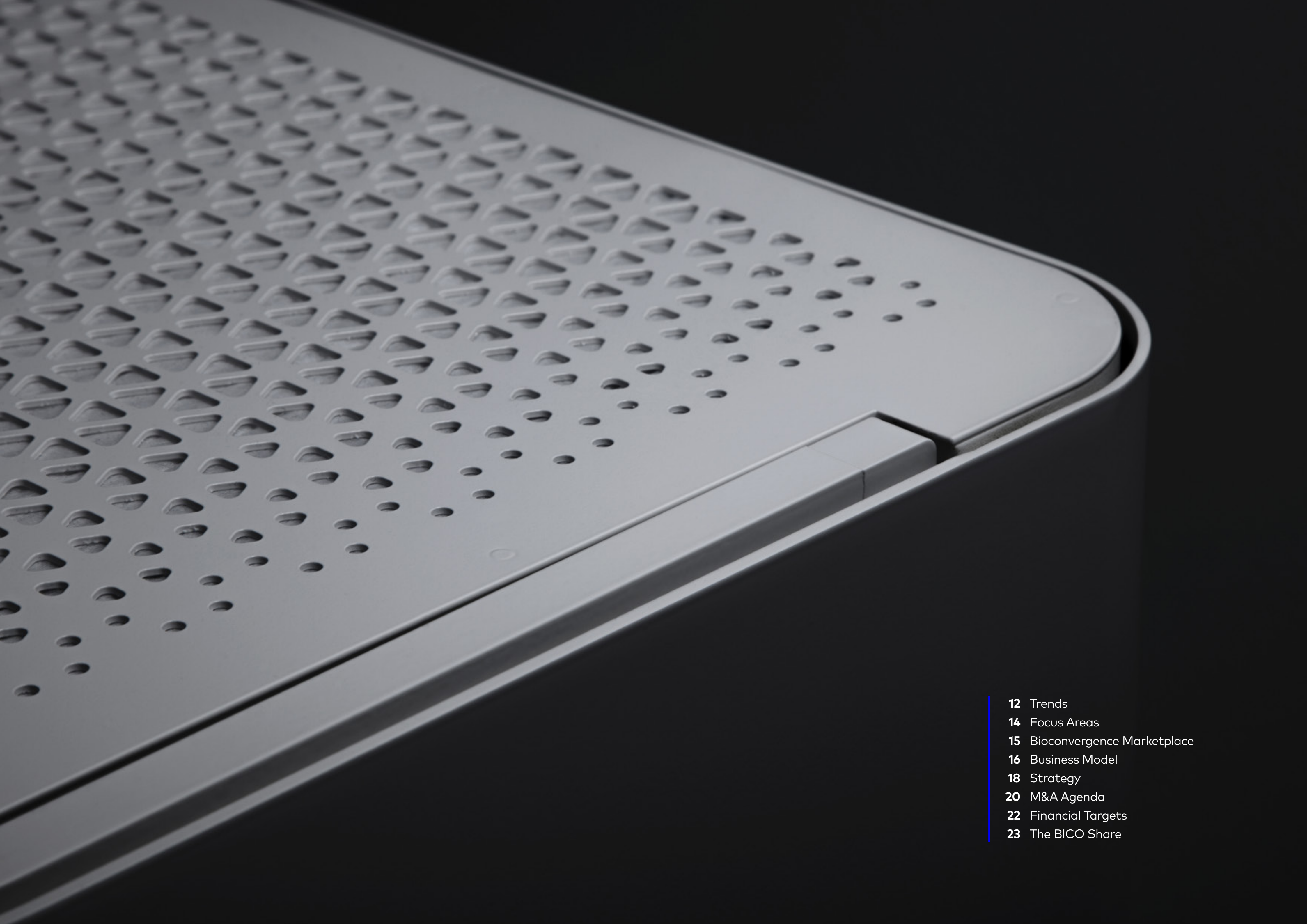
I would like to thank our shareholders for their confidence in us. I value our dialogue and the interest you show in BICO. We are working hard to ensure that we meet their expectations in terms of growth and profitability. I would also like to thank our Board of Directors for their steadfast guidance, which has helped us build an even greater company. I would also like to thank my colleagues around the world for our collaboration. I am proud of the difference we are making in terms of all the initiatives and projects that the Group carries out.

From year end, BICO took the step up to the Nasdaq Stockholm Large Cap segment. This can be seen as a proof of our target-oriented focus and one of the results of our long-term strategy. The plan remains unchanged and we continue our journey towards profitability and a strengthened position in Bioconvergence together with our customers and partners, where together we will essentially influence the future of health.

Erik Gatenholm

CEO and President BICO Group AB

Goals and Strategies



Trends Shaping the Future of Bioconvergence

1 Rapid growth and development in regenerative medicine

Regenerative medicine includes several disciplines of science and medicine where the goal is to develop methods to regrow, repair or replace damaged or diseased cells, organs or tissues by stimulating the body's self-healing process to repair and restore. Development in this field is mainly driven by technological advances in stem cell biology and tissue engineering, which is one of BICO's focus areas, namely Next Generation Core Industrial Ecosystem, Tissue Engineering. Current development in 3D bioprinting has enormous potential in regenerative medicine with application areas such as tissue and organ transplants.

2 Alternatives to animal testing

Animal testing is still widely used, however the ongoing debate concerning the relevance of animal testing gained momentum during 2021, with the bipartisan FDA Modernization Act introduced in the United States which will eliminate the requirement to test experimental drugs on animals. In the European Union it is prohibited to test cosmetic products on animals and during 2021 the European Parliament adopted a resolution calling on the European Commission to present an action plan to actively phaseout animal testing since it is still allowed for complex human health issues such as repeat dose toxicity and reproductive toxicity. Changes to regulations with tougher requirements on conducting animal experiments are driving academic institutions and pharmaceutical and cosmetics companies to conduct further research using complex in-vitro models such as 3D bioprinted tissues, 3D microtissues and organ-on-a-chip microfluidic cell cultures.

3 Continuous focus on biological drugs

In recent years, synthetic, biologic and biosimilar drugs have been a main focus for pharmaceutical companies. Currently, 8 out of 10 of the globally best-selling drugs are biologics and manufactured by using clonal cell lines. In cell line development, following transfection, single cells need to be isolated from transfected pools. Developing these drugs may take up to 12 years and can cost billions meaning that the industry is looking for speed, quality, and efficiency in their cell line development workflows. Based on early regulatory guidelines released by the U.S. Food and Drug Administration (FDA) and others, the production cell line of recombinant products is to be cloned from a single progenitor cell in order to minimize population heterogeneity and facilitate isolation and subsequent selection of high producing clones.

4 Increased focus of personalized medicine

A major trend in medical research is the movement towards more personalized medical treatments. The end-goal is to provide medical treatments based on the patient's own circumstances and completely adapted to patient's data. For example, the combination of patient medical imaging data and 3D printing technologies has made it possible to create personalized medical implants that have a perfect fit or create organ models to aid doctors prepare for complicated surgeries, thus improving treatment outcome. Another application at the forefront of research is the use of 3D bioprinting to replicate a patient's tumor outside the body and then test various potential medicines to find the best one for the patient.

5 Rapid evolving field of gene therapies

With a dozen therapies approved in the last years and hundreds in the clinical phase 2 and 3[1] the field of gene therapies is rapidly evolving with the potential to become one of our most important strategies against a wide range of genetic diseases. Technological and scientific advancements in manufacturing and delivering gene therapies over the past decade have paved the path for a broader application. In addition, the rapid pace of innovations in genome editing such as the CRISPR-Cas system will lead to a second wave of therapeutic approaches. Today, many gene therapies are based on adeno-associated virus (AAV) or retrovirus vectors which requires the development of highly productive cell lines. Since the industrial production of gene therapies is still very new, there are still many innovations to be made. This will allow scaling of manufacturing to ultimately make gene therapies more affordable and accessible for a wider range of patients.

6 Health 4.0

Industry 4.0. represents the fourth manufacturing revolution, the concept entails increasing interconnectivity and smart automation. Health 4.0 is the transformation of the healthcare sector driven by digital technologies and smart machines and data. Health 4.0 is referring to a wide range of possibilities within healthcare that are enabled via industry 4.0 technologies to improve healthcare. It is enabled by the convergence of artificial intelligence, laboratory automation, robotics and nanotechnology - unlocking new tools and products for IoHT (Internet of Healthcare Things), personalized care and solutions to fight infectious diseases, detect and treat cancer and produce 3D bioprinted human organs.

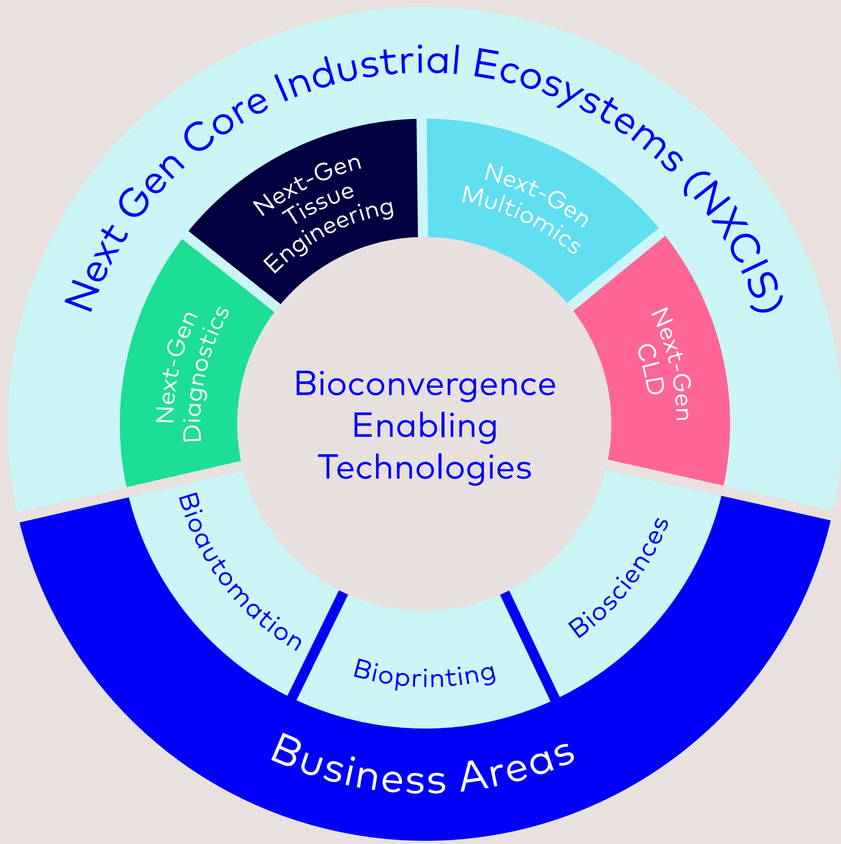
[1] Gene therapies should be for all. *Nat Med* 27, 1311 (2021). https://doi.org/10.1038/s41591-021-01481-9. Retrieved 28 februari, 2022.

NEXT GENERATION CORE INDUSTRIAL ECOSYSTEMS

Research disciplines that define the future of health

The future of health is being shaped by a number of rapidly accelerating disciplines. Fields of research that are on the cutting edge of technology. At BICO we have identified four such disciplines which can be considered the pillars of this health care revolution and Health 4.0, the Next Generation Core Industrial Ecosystems (NXCIS)

At the core of these rapid advancements are bioconvergence enabling technologies. Products and services that combine the advancements in artificial intelligence, robotics and materials science applying it to the biological sciences. The three business areas at BICO cater to these four key ecosystems by working in unison, developing synergistic approaches which elevate researchers and provide them with the tools they need to advance their work



Next Generation Diagnostics

Effective development of technologies that accurately identify disease.
(Read more on page 28)

Next Generation Tissue Engineering

Leveraging advanced engineering and material science to recapitulate biology and recreate tissues.
(Read more on page 30)

Next Generation Multiomics

Unlocking and understanding the genetic make-up of the world around us
(Read more on page 32)

Next Generation Cell Line Development

Development of stable cell lines to make production of biologics and gene therapies faster, safer and more affordable.
(Read more on page 34)

Bioconvergence Marketplace

Trends

1. Rapid growth and development in regenerative medicine
2. Alternatives to animal testing
3. Continuous focus on biological drugs
4. Increased focus of personalized medicine
5. Rapid evolving field of gene therapies
6. Health 4.0

Market drivers

- Personalized medicine
- Increased cost efficiency in drug discovery and reduce time to find safe and effective treatments
- Enable transplantation of printed organs
- Early detection of diseases with better and faster point-of-care diagnostics
- Integrated and automated workflows in laboratories

Focus areas	Sales model and market	Industry players
Next Generation Diagnostics	**Customer base:** Diagnostics, pharma **Sales model:** Instruments, consumables and contract manufacturing **Market position:** Market challenger **TAM:** 83.2 billion USD, CAGR 4.5 percent reaching, 103 billion USD by 2027	• ATS • Sanmina • Tecan
Next Generation Tissue Engineering	**Customer base:** Academia and early stage pharma **Sales model:** Instruments, consumables and services **Market position:** Market leading **TAM:** 2.3 billion USD, CAGR 14.2 percent reaching 6.18 billion USD by 2027	• Corning Life Sciences • Desktop Health • 3D Systems
Next Generation Multiomics	**Customer base:** Academia, pharma and medica **Sales model:** Instruments, consumables and services **Market position:** Market challenger **TAM:** 1.8 billion USD, CAGR 9.3 percent reaching, 3.4 billion USD by 2027	• 10X Genomics • Biognosys • Olink
Next Generation Cell Line Development	**Customer base:** Pharma **Sales model:** Instruments and services **Market position:** Market challenger **TAM:** 4.1 billion USD, CAGR 13.3 percent reaching, 12 billion USD by 2027	• Sartorius • Molecular Devices • Berkeley Lights

Business Model

BICO's business model is to, through the principle of bioconvergence, manufacture hardware and software solutions and products to streamline, automate and increase efficiency and efficacy in workflows to bring us closer to Health 4.0. The company has an aftermarket offering for reagents, services including software programs and consumables such as bioinks, well plates and tissue models.

Our business model includes the entire value chain from research, product development and innovation to sales of the company's products through our North American, European, and Asian sales organizations as well as through a strong distributor network. With our range of products and consumables, we offer workflows to our customers that are characterized by efficiency, efficacy, quality and safety. BICO's offering consists of products and services for entire workflows focused in four next generation core industrial eco systems; Tissue engineering, Cell line development, Multiomics and Diagnostics. BICO's value proposition is to reduce development time and costs for pharmaceutical and diagnostic companies.

Most technology development is made in-house by our development teams and often takes place in research collaborations with the universities and research organizations and/or our customers. Our close links with the academy and to our customers allow us to be agile and quickly seize specific requests. As BICO has grown and acquired companies, research and development takes place today at the company's units in the Germany, USA, Sweden, Finland, Slovakia and Taiwan and this is also where the majority of our production takes place.

Purchases from subcontractors are coordinated to the extent that is possible on a business area level and that can be matched with other requirements to optimize the logistics flow. During 2021 BICO has started implementing a Group wide ERP system to increase internal planning of business processes, increase financial insight and control and gain cross-company visibility over supply chains. Sales are mainly made through our own sales organizations well as an extensive distributor network, which means that we are currently represented on 5 different continents and more than 65 countries. BICO's competitiveness is based on innovative product development, targeted sales efforts and responsiveness to our customers' needs. Customers are in four main segments: universities and research organizations, pharmaceutical companies, diagnostic companies, and cosmetics and skin care companies.

Several Group companies including SCIENION, offer contract manufacturing services from the facilities. The Group companies Visikol, MatTek and CELLINK offer contract research services, including a joint CRO offering in bioprinting which was established through a contract research organization (CRO) in September 2021.

Creating the Future of Health

Input

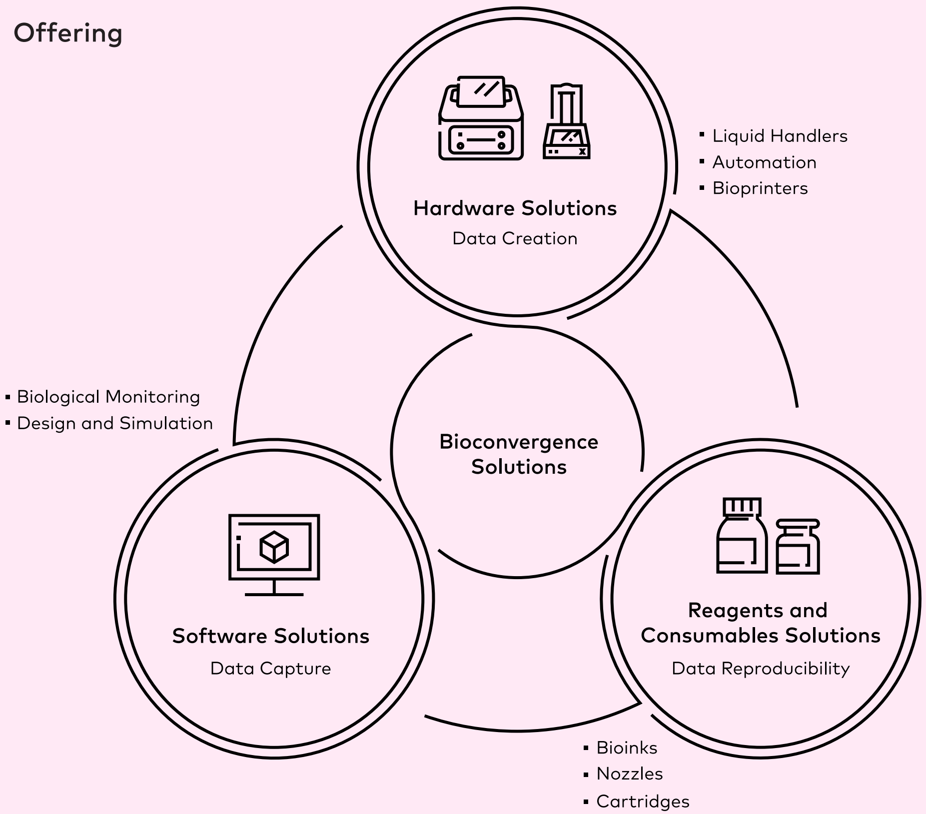
Available liquidity and short-term investments
At the end of the year the company had MSEK 1,475.0 in cash and cash equivalents and short-term investments

Intangible resources
- 495+ pending patent applications and granted patents.
- Scientidic and techno-logical competence.

Human capital
- 1,150+ employees in the entire Group
- 330+ engineers and scientists working in R&D

Subcontractors and purchases
Purchases of electronics, circuit boards, mechanics, motors, air systems and biomaterials.

Offering



+ comprehensive offering is continously reviewed and completed via strategic M&A

Sales and distribution

Customers
Main segements: phar-maceutical companies, universitites and research organizations, diagnostic companies and cosmetic and dermatology companies.

Sales
Majority of sales via direct sales.

12.6 percent of net sales from services (83.4 percent from products).

19.5 percent of total net sales products from consumables (80.5 percent from instru-ments).

Value creation

Customers
- Provided with the opportunity to create automated interconnected workflows and cost-efficient manufacturing processes, ability to "fail faster"
- Opportunity to produce medicine and cosmetics without animal testing.

Academia
Relieable, efficient and safe products for cost-efficient research processes.

Societies
- Job creation and access to safer medicines and cosmetics
- 95,000 animals saved by using in vitro tissues*

Employees
Offered competence develop-ment and incentive programs.

Shareholders
20,000+ shareholders per December 31, 2021.

*MatTek was acquired in March 2021.

Strategy

At BICO we are the frontrunners in the constant evolving bio-convergence universe, where we together with our customers develop cutting-edge hard- and software solutions by combining biology and technology to create the future of health. The Group's extensive offering has a ground-breaking impact on society and healthcare – directly through our products that are used in by healthcare specialists, and through the processes in which drugs are developed with the help of our products and workflows, but also indirectly through new treatments and diagnostic products that will reach the market for generations to come. BICO's strategy is to strengthen our position as the leading bioconvergence through innovation, science and in close collaboration with our customers. During 2021 the Group has worked with the following strategies which has resulted in:

Area	Focus	Strategic development during 2021
M&A and tech development agenda **Strengthen bioconvergence position**	• Develop and capitalize on our strong R&D and tech development agenda (Group synergies) • Continue collaboration through partnerships with Academia, research organizations and customers • Active and customer centric M&A agenda	• The R&D and tech development agenda has resulted in launching cross-company instruments; BIO MDX (SCIENION and CELLINK in March), CRO offering in September and Quantum X bio (CELLINK and Nanoscribe in December). In addition, C.STATION launched in September is a collaboration between Cytena, QInstruments and Biosero. This demonstrates the Group's capability to create innovative solutions and there are several cross-company development projects ongoing for 2022 and beyond. • During the year successful partnerships has been established between the Group companies and academia as well as collaboration partners from the industry. This is a strategic focus to gain expertise within new fields as well as building strong alliances which can lead to research that will change the industry. One example is the partnership between SCIENION and Nanochon to develop 3D printed joint restoration implant. • BICO Group has acquired åtta companies and completed one asset deal during 2021. This strengthens the Group's offering, outreach, and market presence within our four focus areas (NXCIS): tissue engineering, cell line development, multiomics and diagnostics. In December, Biosero the first software company was added to the Group creating synergies by offering software which can connect the Group's different instruments in efficient workflows.
Financials **Deliver on financial targets**	• Deliver on financial targets (>35% organic growth and show positive EBITDA) • Focus on sales and value drivers for growth at Group company level	• For full year 2021, BICO delivered organic growth of 44 percent. This is thanks to good growth in all segments and business areas during the year and where the demand for bioprinting solutions, liquid management systems and equipment for cell line development excelled. Organic growth for the full year amounted to 44 percent, and 54 percent excluding sales of hygiene products in 2020. In Bio-automation, organic growth was minus 10 percent, which can be attributed to a strong Q4 2020 and that SCIENION is only counted as organic from 1 September 2020. Compared with the full year 2020, however, SCIENION grew slightly below the company's financial targets. In 2021, the EBITDA margin amounted to minus 3.6 percent, which was negatively affected by items affecting comparability such as acquisition-related costs, cost for option programs and work related to the brand, new organizational structure, and ERP. The adjusted EBITDA margin amounted to 1.3 percent for the full year. • At Group level, the finance function has been significantly strengthened to meet the growth in the Group with more reporting companies. With new resources and improved processes, we have increased transparency and control over the subsidiaries' operations and challenges. The roll-out of the implementation of the Group's ERP system will be the central node which connects all companies going forward.

Area	Focus	Strategic development during 2021
Customers Best customer care, design, quality, and supply chain in the industry	• Continue to build direct sales organization on main/ growth markets • Unified global service capabilities at Business Area level • Focus on product design based on user experience by global design team • Implement lean and efficient supply chain • Implementation of ERP- and CRM system	• During 2021 BICO:s sales organization has grown and are now divided after business area structure. The Group also introduced a joint leads portal to increase cross-selling synergies in the Group. New acquisitions are also onboarded to the sales structure. The Group has also taken steps into new markets through Group companies with partnerships and distributors, where the distribution agreements with Bruker and Thermo Fisher Scientific can be seen as good examples when the Group has strengthened its position in the focus area of multiomics. • Business areas has during the year focused on integration of newly acquired companies. The global service capabilities are primarily present in Bioautomation while the offer in Bioprinting and Biosciences differs more and therefor are less integrated. • During the year, the global design team worked to support the subsidiaries in terms of design and user experience on our products. The team's work has resulted in several design awards such as the iF Design Awards and the Red Dot Design Award. • The supply chain has been in focus since end of Q3, 2021 due to disruptions in the supply chain in combination with under capacity in the production process. The Group has restructured purchasing processes, which has meant higher inventory levels as a result. At individual company level the supply chains have been optimized, although this is a continuous work. • The Group will continue the implementation of the ERP and CRM systems during the upcoming year
People Happy and motivated team	• Integration strategy for acquisitions, initial 100-day plan • Create a shared digital workplace for the Group and encourage knowledge sharing • Continuous monitoring of employee satisfaction • Training and development on Group level thru BICO Academy	• The Business area Directors are responsible for the integration process for each acquisition. An initial 100-day plan are combined with onboarding to the Group with representation from the BICO management team. • During the year the Group's intranet BICO Life was launched which is a digital platform based on SharePoint which serves as the corporate digital glue with internal communications, processes, and structure. • In December 2021 an employee engagement survey was sent out to employees in the Group (reached 92 percent of all employees). The Engagement survey showed an engagement index of 68 percent (where >50 is perceived as favourable). It also shows that people feel that they're part of a team and know what they need to do to succeed in their roles. The survey also highlights that we need to focus more on systems and processes going forward. The HR-department will focus on working with the results and action plan with each company during 2022. • During the year the Group has continued to invest in BICO Academy, our digital training platform which all employees are being introduced to during their onboarding. The Academy also offers training about our offering as well as targeted trainings for our sales team as well as leaders.
Sustainability Develop sustainability agenda	• Sustainability agenda for the Group with sustainability targets • Mapping towards UN:s Sustainable Development Goals • Development of products and services through technologies for minimizing animal trials	• A sustainability agenda has been introduced to the Group based on three principal perspectives (Our people, our planet and our offering) and is aligned to the UN:s Sustainable Development Goals. This platform should be seen as the Group's long-term commitment to sustainability. Since the Group acquired several companies during 2021 a baseline has been established with regards to measurements. This baseline will be the foundation for the non-financial targets which will be presented during 2022. • BICO acquired MatTek in March 2021. MatTek is the global leader in in-vitro technology and alternative drug testing. This acquisition is in line with the Group's goals to reduce and eventually replace animal testing by developing technologies and methods that are more human-relevant and provide a more accurate prediction of human clinical responses. MatTek's tissue models enables faster, more secure and cost-efficient production of pharmaceuticals. • CELLINK has also partnered with Swedish 3R's centre network to create awareness on how to reduce animal testing. CELLINK's contribution to the network is to educate the research community of the humane biological methods available to improve drug development efficiency and effectiveness.

M&A Agenda

Since BICO was founded, the ambition has been to develop and acquire technologies that improve the life and health of humans.

From the first innovative application in bioprinting to revolutionizing drug development to starting to work proactively with disease and health through diagnostics. We see great gains in adding products and technologies that make our, already, strong offering more comprehensive and that also enable us to provide even larger parts of our customers' workflows. We see that the future of medicine will mean improved tissue and disease modeling, analysis, and diagnostics.

Business Model

Scalable business models with healthy gross margin profile.

Offering hardware and consumables or software, with potential to increase share of consumables and software.

Management

Targeting entrepreneurial companies where founders are operational and plan to stay in the business to create the future of health together with BICO.

Synergies

- Immediate cross-selling synergies (with Group companies)
- Potential to penetrate new markets
- Technology
- Distribution
- OPEX

Financial profile

Acquire companies with mainly strong presence in western Europe and North America.

Targeting profitable companies with revenue up to MUSD 20 and positive EBITDA.

Application Areas

Focus on workflows in our NXCIS: Tissue engineering, Multiomics, Cell line development and Diagnostics.

BICO's Acquisitions During 2021

Ginolis
Finnish company Ginolis, which works in advanced robotics and automated diagnostics, was acquired in February. The acquisition sum was MSEK 648.8.

MatTek
March saw the acquisition of US company MatTek, a world leader in the fields of in vitro science and alternative drug testing methods. The acquisition sum was MSEK 614.9.

Nanoscribe
Nanoscribe, which offers advanced 3D bioprinters based on 2PP technology, was acquired in May. The acquisition sum was MSEK 544.9.

Visikol
May also saw the acquisition of US company Visikol, which offers contract research services in areas such as 3D cell culture, 3D tissue imaging and digital pathology to pharma and biotech companies. The acquisition sum was MSEK 144.2.

Discover Echo
June saw the acquisition of US company Discover Echo Inc., an innovative and revolutionary microscope company. The acquisition sum was MSEK 966.8.

Advanced BioMatrix
In August BICO acquired Advanced BioMatrix, which has a leading portfolio in bioinks and reagents. The acquisition sum was MSEK 148.6. Advanced BioMatrix is a subsidiary of CELLINK.

QInstruments
October saw the acquisition of German company QInstruments, a market leader in advanced sample preparation automation for biomedicines and life science research, as well as clinical diagnostics. The acquisition sum was MSEK 631.6.

Biosero
In December BICO acquired Biosero, a US company offering software for automated workflows and laboratory connectivity. The acquisition sum was MSEK 1,514.

For more detailed information on BICO's acquisitions and the distribution of the purchase price between cash and cash equivalents, non-cash issue and contingent considerations, see Note 26.

In December 2018, the Group made its first acquisition with Dispendix, followed by Cytena in August 2019 and SCIENION and its subsidiary CELLENION in September 2020. Eight companies were acquired in 2021, expanding the Group's offering, enabling commercial synergies between the companies, and also bringing industry-leading expertise to BICO. The assets and operations in US company HUREL, who offers two-dimensional liver co-culture models and analysis services, was acquired in September 2021. HUREL has been integrated into Visikol.

The integration process for an acquired company is led by the business area that the company is joining, and the business area's management team works with the management of the acquired company to prepare an integration plan. The initial work is compiled into a 100-day plan, and the focus is primarily on capitalizing on commercial synergies and integrating the company into BICO's reporting structure.

Financial Targets

BICO's financial targets and the dividend policy for 2019-2022.

Sales

Organic annual growth of at least 35 percent.

Outcome 2021:
For full year 2021, BICO delivered organic growth of 44 percent. This is thanks to good growth in all segments and business areas during the year and where the demand for bioprinting solutions, liquid management systems and equipment for cell line development excelled. The organic growth for the full year excluding sales of hygiene products amounted to 54 percent in 2020. In Bio-automation, organic growth was minus 10 percent, which can be attributed to a strong Q4 2020 and that SCIENION is only counted as organic from September 1, 2020. Compared with the full year 2020, however, SCIENION grew slightly below the company's financial targets.

Profitability

Show a positive EBITDA margin.

Outcome 2021:
In 2021, the EBITDA margin amounted to minus 3.6 percent, which can be attributed to items affecting comparability such as acquisition-related costs, cost for option programs and work related to the brand, new organizational structure, and ERP. The adjusted EBITDA margin amounted to 1.3 percent for 2021.

Dividend policy

According to the company's dividend policy, the company intends not to distribute any dividend within the next three years. Decisions on dividends and the amount of dividends must take into account the company's plans for expansion and potential acquisitions, as well as the company's financial position and indebtedness.

Outcome 2021:
The Board of Directors proposes no dividend for the financial year 2021 given the company's current growth phase, which is expected to continue during 2022.

Capital structure

The company's net debt-to-EBITDA ratio should not normally exceed 3 times.

Outcome 2021:
During the year, the Group raised a convertible loan of a nominal MSEK 1,500, which increased the Group's nominal indebtedness. During the year, the Group also carried out two significant share issues of MSEK 1,500 and MSEK 2,040 before issue costs, respectively, and acquired subsidiaries and operations for a net of MSEK 3,540. All transactions have had a significant impact on the Group's net debt.

At year-end, the Group had net cash excluding leasing liabilities of MSEK 119.6.

The financial targets constitute forward-looking information which thus does not provide a guarantee of future financial performance. The Group's actual operating profit could differ materially from those stated, express or implied. The financial targets should also not be understood as, forecasts or estimates of BICO's future performance.

The BICO Share

On November 3, 2016 the CELLINK share, now BICO, was listed on the Nasdaq First North Growth Market and on April 20, 2020 it was subsequently listed on the Nasdaq Stockholm's Main Market, Mid Cap, sector: Health Care. BICO's market capitalization as of December 31, 2021 was 17.3 billion SEK (12.1).

Five Reasons to Invest in BICO

1 **A world leader in a fast-growing field**
BICO is a world leader in bioconvergence and provides innovative and ground-breaking technologies, products and services that enable our customers to create the future of health with the help of Health 4.0. Good underlying expected market growth for many years to come driven by demand for better technologies for pharmaceutical manufacturing.

2 **Strong demand and high gross margins**
There is strong demand for the Group's products, and the share of revenue from consumables is increasing steadily. The Group companies have overall high gross margins*, 72.2 percent percent in 2021, the gross margin structure in acquired companies varies depending on the product mix, which means BICO is well positioned for long-term profitability. The business model gradually increases the share of recurring income in the form of services and consumables.

3 **Strong organic growth**
BICO has since inception delivered strong organic growth, 44 percent for the full year 2021, based on combining innovative R&D with a commercial focus, resulting in a game-changing product offering.

4 **Innovative R&D and an extensive IP portfolio**
The Group has more than 330 engineers and researchers working alongside leading academic research organizations and pharmaceutical companies in product development, and to advance multidisciplinary technologies and find innovative solutions for the challenges of tomorrow. Joint R&D projects involving several Group companies have resulted in products with clear commercial synergies, such as BIO MDX and C.STATION. The Group's IP portfolio includes more than 495 pending patent applications and granted patents over more than 111 unique innovations that enables the Group to develop innovative products with enduring competitive advantages.

5 **Strategic client-focused acquisition agenda**
BICO has a proven track record of executing a value-generating and customer-centric M&A agenda that enables synergies and broadens the product portfolio in bioconvergence. With a dedicated M&A team, BICO continues to focus on developing and expanding its offering.

* Definition of gross margin on page 142, alternative key ratios.

Share capital and votes
As of December 31, 2021 the share capital in BICO amounted to SEK 1,553,256.73 divided between 62,130,269 shares, of which 1,500,000 series A and 60,630,269 series B. During the year BICO carried out two new share issues as follows:

March 19, 2021; Senior unsecured convertible bonds were issued for series B shares for a total amount of SEK 3 billion, where the holders of the bonds have as of March 19, 2026, the right to convert them into shares at a conversion rate of SEK 598.5 per share.

October 8, 2021: Private placement of 4,250,000 series B shares at a subscription price of SEK 480 per share. The subscription price was determined through an accelerated book build procedure, and corresponds to proceeds before transaction costs of approximately MDSEK 2.

Incentive programs
BICO has four long-term incentive programs aimed at the Group's staff and Board members. The purpose of the incentive programs is to encourage broad share ownership among employees, facilitate recruitment, retain skilled employees and increase motivation to achieve or exceed the Group's goals. For more detailed information, see Note 6 on page 89.

Shareholders
As of December 31, 2021, BICO had 20,547 shareholders, an increase of 11,000 compared with December 31, 2020. The proportion of non-Swedish shareholders amounted to 38 percent at year-end. The ten largest confirmed owners at year-end are shown in the table below.

Dividend
Given the company's current growth phase, which is expected to continue during 2022, the Board of Directors proposes no dividend for the 2021 financial year.

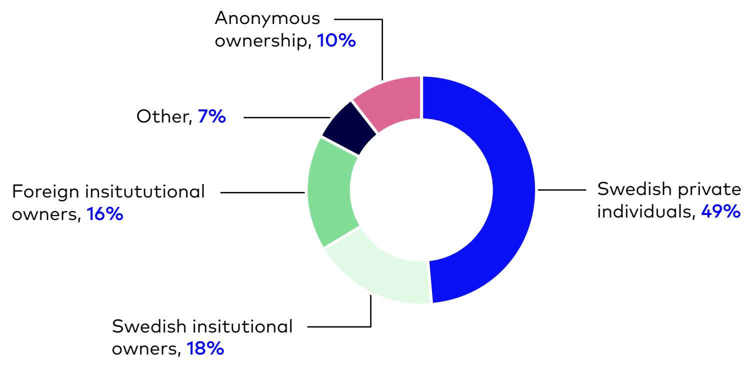
Holdings and repurchases of treasury shares
On December 31, 2021, the company did not own any treasury shares. Nor did BICO repurchase any treasury shares during 2021.

Communications with the stock market
The aim is for the company's communications with the stock market to be accessible, accurate and provide clear information that follows the rules and requirements applicable to listed companies. An archive of published press releases and reports can be accessed via the company website: www.bico.com/investors. Communication with the stock market primarily takes place directly after the publication of the company's financial statements via a teleconference with investors, through the publication of press releases about significant events in the company, and in connection with presentations organized within the company's sector or by BICO.

10 largest owners

	Owner	BICO A	BICO B	Ownership	Voting right
1	Erik Gatenholm	848,958	8,742,036	15.44%	22.78%
2	Héctor Martínez	567,709	5,671,284	10.04%	15.01%
3	Handelsbanken Fonder		5,340,445	8.60%	7.06%
4	Capital Group		3,928,878	6.32%	5.19%
5	Swedbank Robur Fonder		2,379,484	3,83%	3.15%
6	Fjärde AP-fonden		1,964,314	3.16%	2.60%
7	Gusten Danielsson	83,333	1,117,232	1.93%	2.58%
8	Carl Bennet		1,181,000	1.90%	1.56%
9	AMF Pension & Fonder		1,125,000	1.81%	1.49%
10	Tredje AP-fonden		1,053,648	1.70%	1.39%
	Total top ten	**1,500,000**	**32,503,321**	**54.73%**	**62.81%**
	Other		28,126,948	45.27%	37.19%
	Total	**1,500,000**	**60,630,269**	**100%**	**100%**

Shareholders by type, as percentage of votes



Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority, and others as of December 31, 2021. Rounding of decimals means that totals may differ slightly.

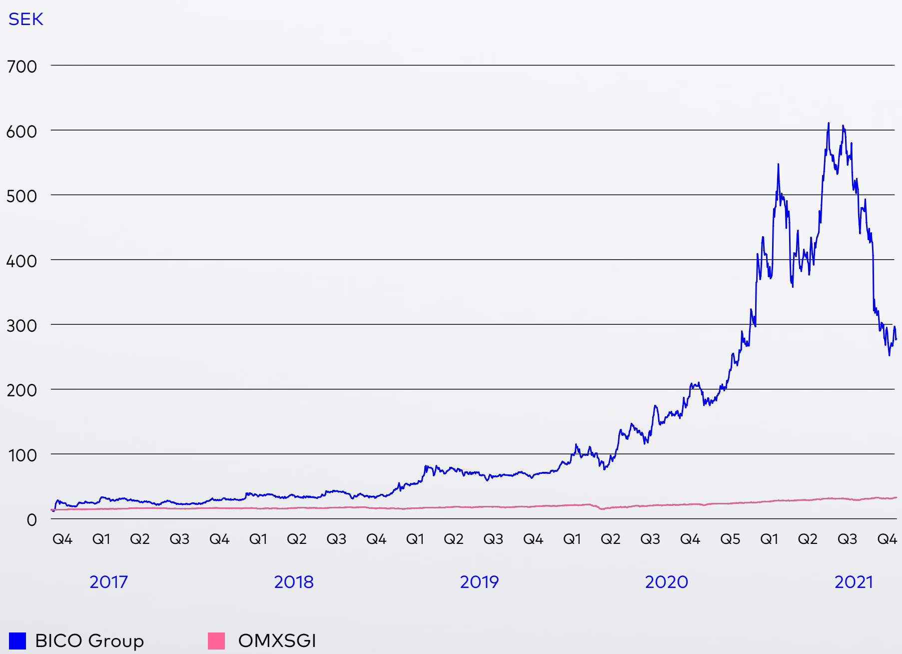
Development of the share

The company's share price increased during the year by 18 percent, the share price had a strong positive development during the summer and a significant negative development during the autumn. The highest closing share price over the period was SEK 611.00 (240.00), which was reported on August 5, 2021. The lowest share price over the period was SEK 236.50 (58.75), which was reported on January 15, 2021.

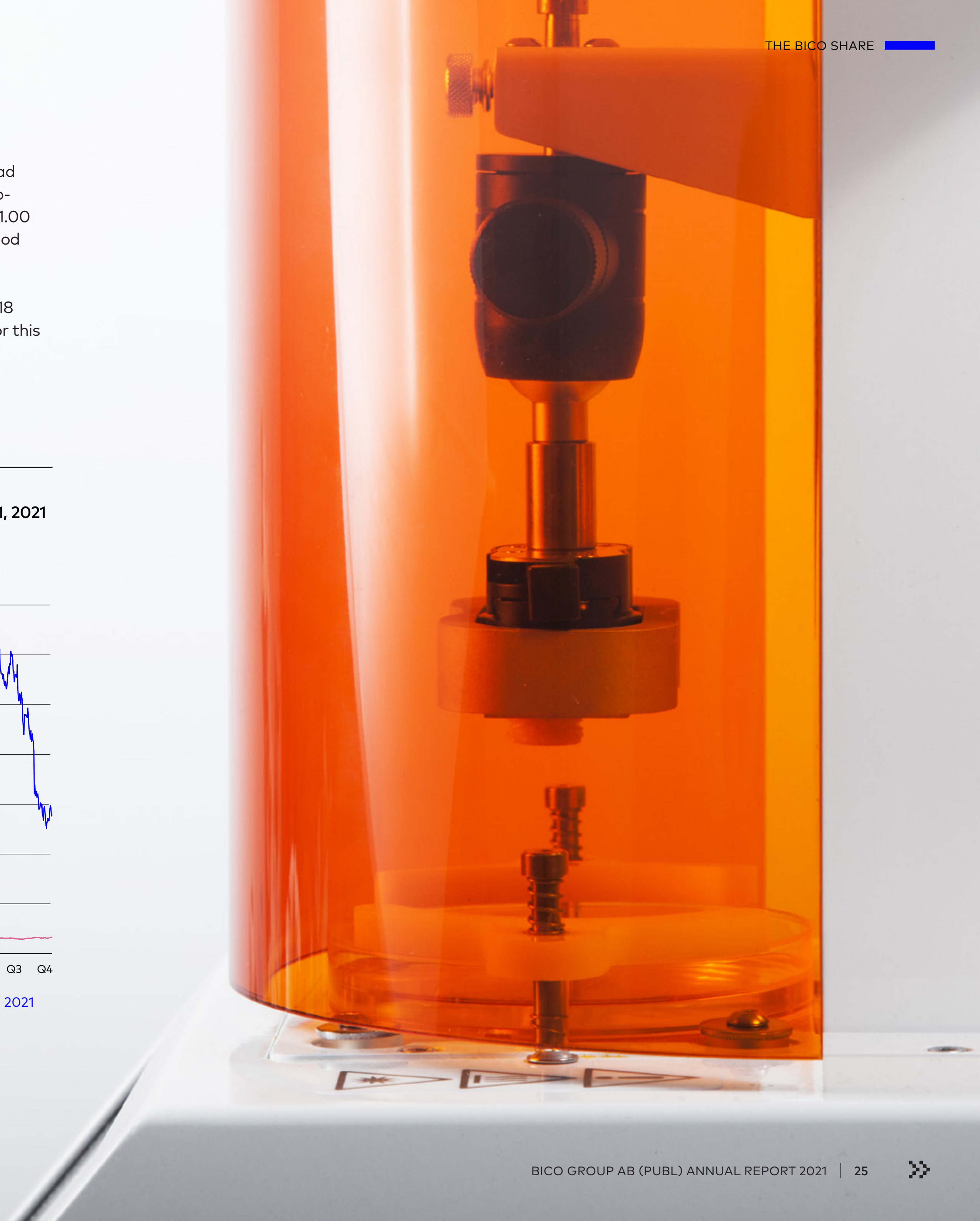
During the year, a total of 57.6 million shares (26.3) were traded, an average of 227,818 shares per trading day (78,560). This equates to a turnover rate of 95 percent (45) for this period.

BICO will from January 3, 2022 be included in Nasdaq's Large Cap segment.

Development of the BICO share from listing on November 3, 2016 until December 31, 2021



Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority, and others as of December 31, 2021. Rounding of decimals means that totals may differ slightly.



Our Business


BIO X6

NEXT GENERATION

Diagnostics

Advances in disease diagnostics now offer clinicians a staggering degree of accuracy, but access to results generally requires a well-equipped clinical lab and a few weeks of waiting time.

As has been experienced by many around the world due to the COVID-19 pandemic, there is an incredibly high demand for effective solutions that monitor and identify biomarkers and metabolic parameters to determine health conditions that can be performed quickly by non-experts yet maintain high sensitivity and specificity.

At BICO, the life science community has access to a range of products and services that offer miniaturization and multiplexing of classic lateral flow assays to multianalyte detection, enabling rapid, low-cost and reliable quantification.

CUSTOMER CASE | INBIOS

Developing and upscaling high-throughput manufacture of SARS-CoV-2 testing kits

The COVID-19 pandemic created an immediate need for high volumes of affordable and effective SARS-CoV-2 testing kits. To produce enough rapid antigen test kits to help meet the global needs for testing, a high-throughput, automated production workflow was required.

US based InBios, a leading biotechnology company, utilized eight **Ginolis Lateral Flow Device Assembly (LFDA)** semi-automated and automated systems in a series. By doing this InBios upscaled production of rapid antigen test kits 20-fold, which enabled them to produce kits at a scale needed to contribute significantly to emergency demands for testing.

The BICO impact

- Increased speed of manufacture
- Enable global supply under emergency conditions
- Modularity allowing high-throughput automation

Workflow

InBios production space was equipped with 8 x Ginolis LFDA instruments in a series

20-fold increase in production

Increased supply of rapid antigen test kits to global market within six months from development

Image supplied by InBios

We are highly satisfied working with Ginolis – their professionalism, reliability, competence, and eagerness to extend their helping hands as needed are unparallel. I wish there were more companies like them.

Bryan Deszell
Senior Manager, Manufacturing, InBios

NEXT GENERATION

Tissue Engineering

During human clinical trials, approximately 90 percent of candidate drugs fail because they are unsafe or ineffective. There is an urgent need to reduce attrition within the drug development process and integrating 3D human in vitro models has the potential to address this challenge.

Tissue Engineering has long captured the attention of researchers given its enormous potential to impact modern healthcare. Today researchers are leveraging advances in engineering, 3D bioprinting, 3D cell culture, and materials science to recapitulate human and animal biology. Developing 3D human models which effectively capture the right biochemical and physiochemical factors of in vivo conditions. Providing researchers with a means to unlock deeper insights into cellular processes, pathways and behaviors without putting an animal or human life at risk.

The BICO Group is a driving force within this rapidly growing field providing a plethora of cutting-edge tools and services. With 3D bioprinters like the BIO X6 and Quantum X Bio it is possible to accurately control geometrical arrangement of multicellular constructs to accurately reproduce multicellular tissue constructs with vascular structures. With the OECD-approved, cellular models like EpiDerm™ and EpiAirway™ researchers have access to the premier solutions to develop and source effective and accurate 3D in vitro models.

CUSTOMER CASE | CARCINOTECH

Bioprinting patient-specific tumor models for individualized drug testing

Carcinotech a UK based manufacturer of 3D printed tumor models used patient-derived cancer stem cells, primary cells and established cell lines. Carcinotech's testing platform enables rapid, ethical, sustainable, accurate and personalized drug testing.

By using **CELLINK BIO X**, Carcinotech bioprinted a 3D model of the tumor based on biopsy samples from diagnosed patients to replicate the in vivo environment. Multiple cancer drugs were tested on the patient-specific tumor model to assess the options that could lead to the best treatment outcome.

The BICO impact

- Reduced time to find the option for best treatment outcome
- Decreased use of animals for preclinical testing
- Enabling personalized healthcare
- Fast production of patient-specific models for drug testing

Workflow

1. Mix patient cells into bioink
2. Bioprint
3. Patient-specific tumor model
4. Drug efficiency testing

As a young startup, we greatly benefited from CELLINK's exceptional support team of scientists and technicians. (...) Having access to their amazing products and exceptional service has been helpful.

Ishani Malhotra
CEO and Founder, Carcinotech

NEXT GENERATION

Multiomics

Unlocking and understanding the building blocks that make up the world around us. Multiomics analysis is fast becoming the method of choice for molecular biology, genetics and cancer research.

Multiomics provides insights in understanding the mechanisms underlying biological processes and molecular functions, interactions by collecting and collating data from multiple biological processes and capturing information from the genome, proteome and transcriptome to name a few. This broad biological analysis approach is supporting the transition to a more personalized practice of medicine and supporting in the discovery of predictive biomarkers and novel drug targets.

Collecting such vast amounts of information is a labor intensive and costly process. Products like the I.DOT™, L.DROP™, C.WASH™, cellenCHIP 384, proteoCHIP, BioShake Q1 and Green Button Go® Scheduler provide researchers automation friendly solutions that increase throughput, reduce the risk of contamination and drive efficiency.

CUSTOMER CASE | KAROLINSKA INSTITUTET

Establishing a cost-effective and high-throughput workflow for mass-scale SARS-CoV-2 genomic surveillance

SARS-CoV-2 whole genome sequencing is increasingly being applied in epidemiological surveillance to track infections in hospitals and other communities, in order to inform public health decisions. In genomic surveillance, the availability of rapid and cost-effective methods for sequencing hundreds or even thousands of samples per week would be tremendously advantageous.

Karolinska Institute used a versatile method for preparing multiplex DNA sequencing libraries from low-input samples, called CUTseq (Zhang, 2019).

Their COVseq protocol, based on CUTseq, enabled the construction of highly multiplexed sequencing libraries starting with small volumes of purified RNA using the **DISPENDIX I.DOT.**

The BICO impact

- Minimize loss of valuable reagents
- Small reagent volumes to miniaturize workflow
- Drive down cost per assay

Workflow

Viral RNA extraction from nasal swabs

Reverse transcription and multiplex PCR

Barcoding and normalization

Sequencing and data analysis

We were able to easily create new workflows for PCR and NGS applications and I highly recommend this system for all labs running high-throughput assays that require complex liquid dispensing schemes, as well as those aiming to lower assay costs by reducing reagent volumes

Dr. Nicola Crosetto
Assistant Professor, Karolinska Institutet

NEXT GENERATION

Cell Line Development

The production of recombinant proteins plays a major role in the life sciences, biotechnology and medicine, and enables the development and production of many successful biopharmaceuticals.

Based on early regulatory guidelines released by the U.S. Food and Drug Administration (FDA) and others, the production cell line of recombinant proteins is to be cloned from a single progenitor cell in order to minimize population heterogeneity and facilitate isolation and subsequent selection of high producing clones.

With products like the C.STATION, UP.SIGHT™, F.SIGHT™, C.SIGHT™, SCP™, cellenONE®, cellenONE® HT, S.NEST™ and C.BIRD™ the BICO Group offers researchers instruments to streamline Cell Line Development (CLD) workflows by automating labor-intensive and time-consuming steps. Our integrated solutions combine patented techniques to elevate isolation processes and the scaling up of high producer colonies.

CUSTOMER CASE | CiRA FOUNDATION

Automation and protocol optimization of single-cell cloning of iPS cells

Cell line development is still heavily based on "trial and error" methods and can be often laborious and time-consuming. Some of the biggest challenges include clone stability and the production of unintended molecules. The optimization of the method and the implementation of automation in the process can save precious time and resources.

Using the **CYTENA UP.SIGHT,** Dr. Rafal Krol optimized and automated processes in single-cell cloning and cell line development stability. The purpose was to produce monoclonal antibodies, viral vectors and iPSC cloning for cell therapy.

The BICO impact

- Super fast single-cell isolation
- Daglig kolonispårning med integrerad kamera
- Double assurance of clonality with 3D full-well imaging

Workflow

Transfection

Single-cell cloning and double assurance of clonality

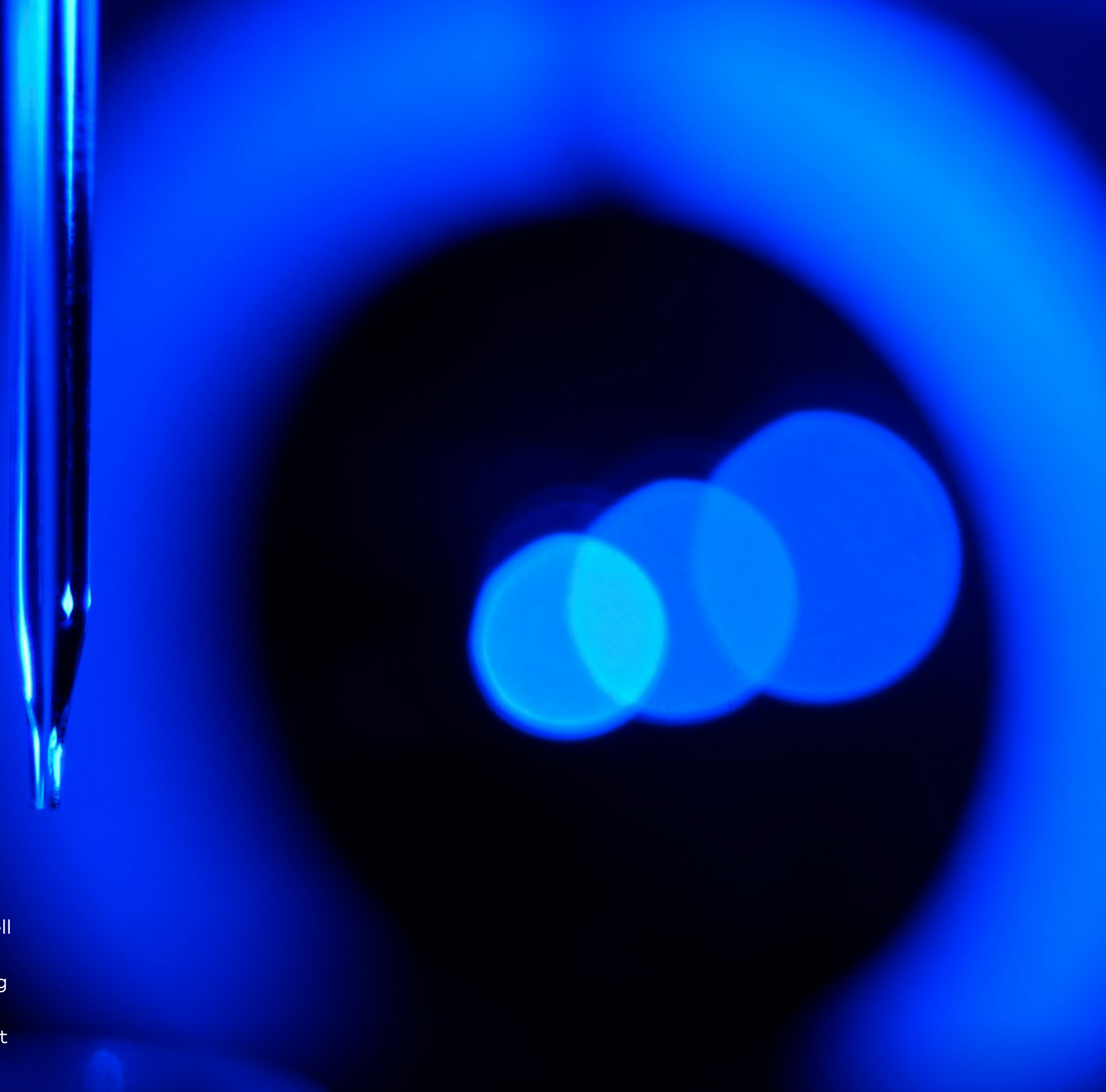
Upscaling

Selection of high producer clones

Cell products (e.g. monoclonal antibodies, viral vectors)

With the nozzle images, we can reliably see for each cell being dispensed, the size and roundness and we have this [information] before we start dispensing... That's really very beneficial for the UP.SIGHT and I can say that this technological advancement is really huge.

Dr. Rafal Krol
Chief Research Scientist CiRA Foundation



BUSINESS AREA

Bioautomation

Accelerating the development and manufacturing of innovative, reliable, cost-efficient diagnostic and bioanalysis test platforms for the sake of patients, consumers, public health and the environment.

The Bioautomation business area serves customers in the life science and diagnostic industries with end-to-end products and services in precision dispensing, advanced sample preparation, multiplex analysis and assay miniaturization, diagnostic and medical device manufacturing, enabling research-to-production scalability in an automated and cost-effective manner. Comprised of four companies, SCIENION, Cellenion, Ginolis and QInstruments, the Bioautomation business area offers a unique and comprehensive product portfolio, as well as industry leading expertise enabling custom client-specific solutions, ranging from application support and customized hardware and software to contract manufacturing.

Products from the Bioautomation business area are driving forward next generation Diagnostics as well as single cell solutions for multiomics, rare cells, cell line development, drug screening and 3D model development.

The Bioautomation business area are driving forward research in the **Multiomics** and **Diagnostics** fields.

Our Bioautomation Companies

CELLENION
A BICO COMPANY

Leveraging SCIENION's dispensing technology, Cellenion are disrupting application areas centered around single cell and single cellular aggregate isolation with a unique product portfolio. The systems allow high throughput, image-based automated dispensing of single cells and/or cell aggregates onto any substrates of choice. Together with a range of dedicated consumables, the solutions enable miniaturization of sample preparation protocols on the same instrument before downstream analysis.

GINOLIS
A BICO COMPANY

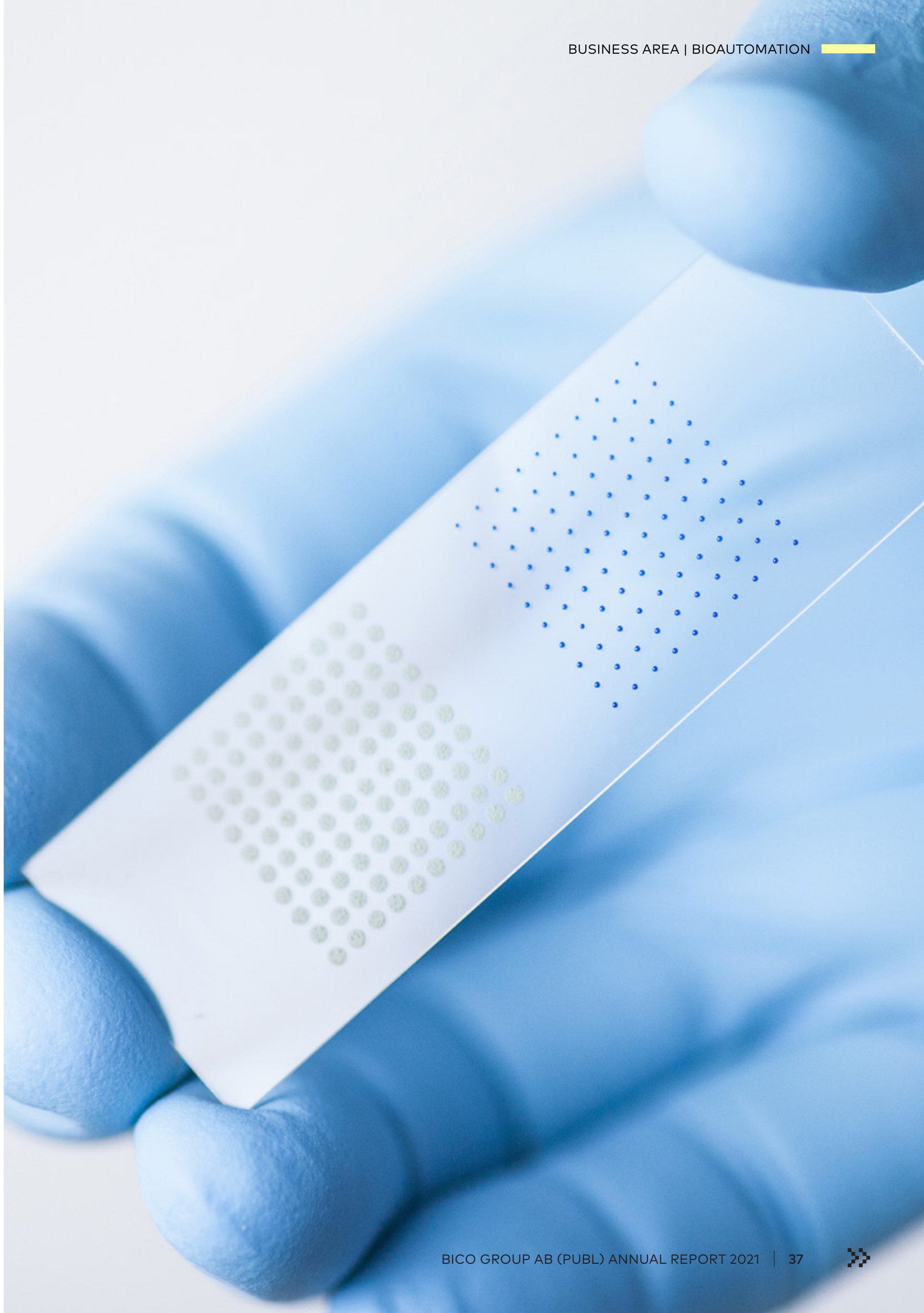
Ginolis is a premier solution provider in the life sciences industry enabling their customers to improve their supply chain productivity and flexibility by utilizing modular desktop automation in the manufacturing of medical, diagnostic disposable, and microfluidic devices.

QINSTRUMENTS
A BICO COMPANY

QInstruments improves human health and life science through sample preparation automation. The company designs and builds innovative solutions for mixing and temperature control of molecular samples on robotic platforms such as the BioShake® as well as fast and easy to use accessories that accelerate and streamline discovery.

SCIENION
A BICO COMPANY

SCIENION is a global market leader with a unique portfolio of ultra-low volume precision dispensing systems, readers, consumables, microarray development as well as biosensor technologies and contract manufacturing services. With over 20 years of expertise, customers of SCIENION in the entire life science sector benefit from an integrated product portfolio and services advancing cost-efficient multiplex analysis, miniaturization and automation – from early research to high throughput production.



Featured Product Offering in Bioautomation

BioShake
QInstrument's BioShake product family comes in multiple different variants depending on a users mixing goals. Fundamentally, this product line offers an ultra-efficient, 2-dimensional shaking axis so that samples mix completely in a fraction of the time of competing systems. Perfect for sample preparation processes across a range of applications like flow cytometry, forensic chemistry to next generation sequencing.

cellenONE®
This revolutionary instrument from Cellenion combines the optimized liquid dispensing of sciDROP PICO with an advanced visual processing solution for real-time and highly accurate single-cell isolation and dispensing. Using gentle acoustic waves to generate droplets, it offers outstanding cell viability for all cloning applications and maintains protein expressions for sequencing applications. It also delivers high recovery when processing a wide range of samples, from minute cell suspensions of a few dozen cells to much larger samples with thousands of cells. Both available configurations, X1 and F1, offer enhanced image-based single-cell isolation, while the F1 can use either fluorescence or non-fluorescence during cell isolation.

LFDA
Lateral Flow Device Assembly (LFDA) is a standard system for a fully automated assembly and packaging of rapid tests. Leveraging machine vision guided infeed of material, and built in material flexibility the LFDA provides consistent high quality assembly in a compact footprint and low barriers to start. The LFDA system from Ginolis can easily be expanded to include modules for multiple test strips, RFID tags, printing, labeling, laser marking, cap assembly, ultrasonic welding and pouching for a seamless scale up in production.

sciFLEXARRAYER
This state-of-the-art product line from SCIENION enables the automated, ultra-low volume dispensing of liquid samples for diagnostics, genomics, proteomics and other technical applications. Within seconds, samples can be dispensed onto almost any substrate, and the inert nature of the sciFLEXARRAYER's glass capillaries is ideal for miniaturized chemistry applications, such as polymer and materials research. This system is available in four different configurations and customized platforms to meet the needs of all our customers—from the early stages of research to high-throughput manufacturing: S3 for early R&D, S12 for medium-scale production, SX for high-scale production, S100 for in-line high-throughput production.

sciREADERs
The two available configurations, sciREADER FL2 and sciREADER CL2, enable high-quality imaging and multiplex sample analysis of various formats, including 96-well plates, slides, membranes and custom biosensor formats. The powerful and user-friendly onboard sciREAD software allows for flexible imaging and data interpretation, while the grid alignment and spot finding algorithms enable automation of the analysis. The sciREADERs support many applications, including standard single parameter assays, genotyping and pathogen identification, DNA and protein multiparameter analysis, clinical diagnostics, food and plant analytics, and drug development.

SpheroONE®
Cellenion's spheroONE is an innovative single large-particle sorter and dispenser which revolutionizes 3D cellular models handling. Using precision dispensing technology together with advanced image-based sorting capabilities, spheroONE is the perfect platform for the selection and isolation of single spheroids, organoids and tumoroids. It is a game-changer in drug screening and other applications where standard 3D models will gradually replace traditional animal models.

Xanthia
State of the art in line systems capable of increasing medical device output thanks to modular automation components equipped with pneumatic grippers, electric grippers and advanced imaging systems for quality control. Ginolis' Xanthia system brings consistency, high-quality, and precision to medical device manufacturing workflows.

BUSINESS AREA

Biosciences

Facilitate faster and smarter workflows in multiomics, biopharma cell line development (CLD), combinatorial screenings and next-generation sequencing.

The Biosciences business area are driving forward research in the **Cell Line Development** and **Multiomics** fields.

Molecular biology and multiomics are fast-growing fields with ever increasing requirements for higher throughput and automation. The Biosciences business area provide user-friendly instruments that allow for the gentle handling of cells and rare samples, rapid transfer of liquids and reagents as well as downstream analysis platforms to gain valuable insights from experiments, upright and inverted microscopy. Bringing efficiency and speed to multiple application areas.

The Biosciences business area consists of five industry driving companies, DISPENDIX, a pioneer in the non-contact liquid handling industry enabling highly multiplexed assembly of thousands of chemical reactions within minutes and more flexibility in assay development. CYTENA provides pharmaceutical companies with proven single-cell dispensing technology for the deterministic single-cell isolation of a wide range of cell types, including CHO, HEK, primary cells, yeast and bacteria. Additionally, CYTENA has developed solutions for the automated monitoring of cell-based assays, through an innovative live-cell imaging system, complimenting Discover Echo's portfolio of inverted and upright microscopes. Additionally, CYTENA Bioprocess Solutions supports the cell line development industry with first of their kind high-throughput microbioreactors for parallel cultivations in 96-well plates to bring production bioreactor conditions to the 150 to 800 µL scale level. Most recently, Biosero has joined the Bioscience business area. As one of the leaders in developing innovative software solutions that integrate end-to-end workflows that multiply productivity in the lab there are many additional synergies to capture.

Our Biosciences Companies

BIOSERO
A BICO COMPANY

Biosero is a leader in software solutions, developing science-centric software and laboratory automation solutions that enable researchers to orchestrate their discoveries at every stage. Biosero integrates and connects laboratory automation with business systems to contextualize data, enabling data-driven decisions in a cohesive technology ecosystem.

CYTENA
A BICO COMPANY

CYTENA provides world class technologies for groundbreaking science. Delivering automated and highly efficient lab workflows for improved cell line development, microbiome, live cell imaging, liquid handling, and omics applications that enable new discoveries in areas as drug development and healthcare research.

CYTENA BPS
A BICO COMPANY

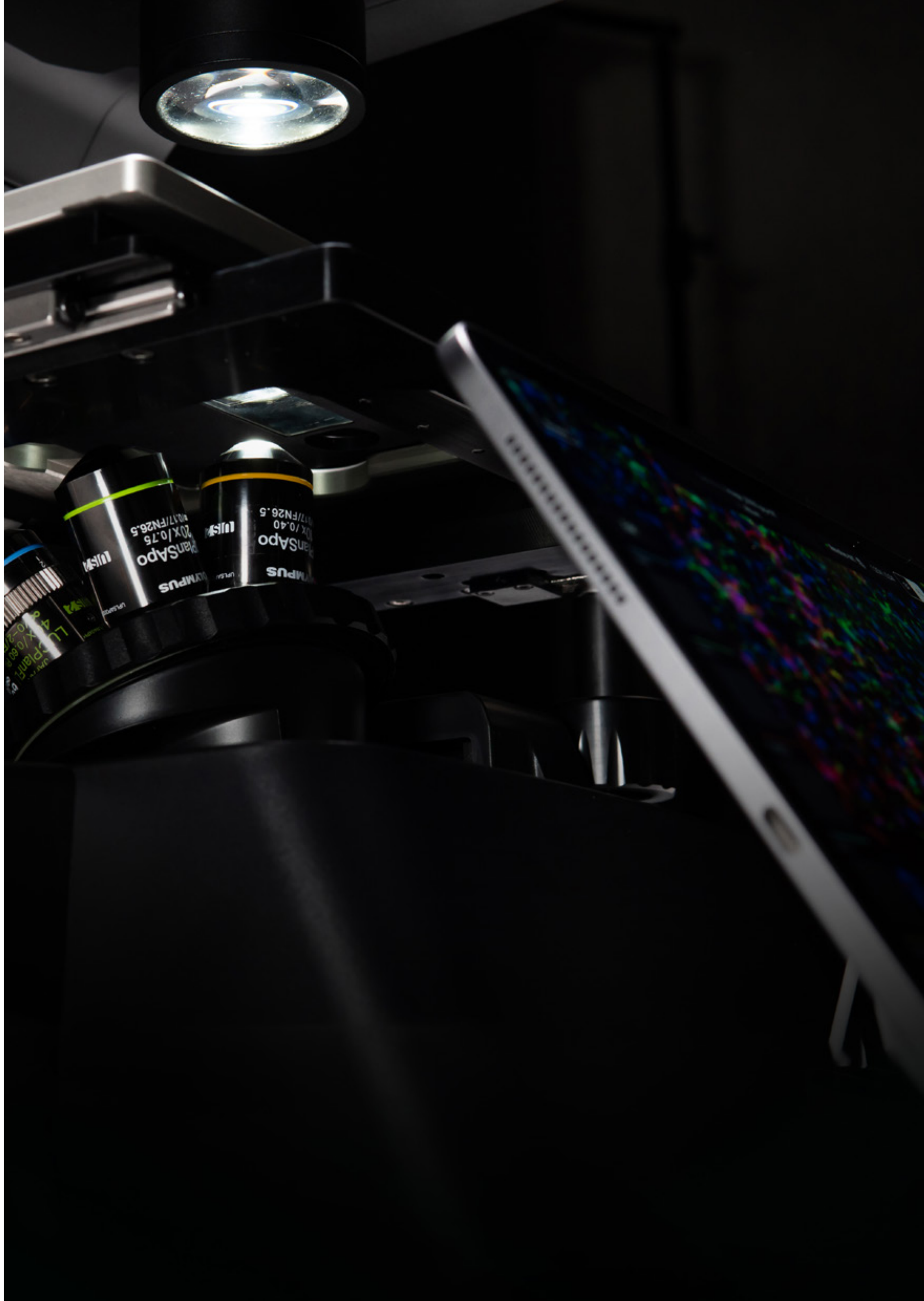
Driven by the mission to bring bioreactor conditions into early stages of the pharmaceutical development process CYTENA BPS provides customers across the wider pharma industry with innovative microbioreactor solutions.

ECHO
A BICO COMPANY

Discover Echo has been built around a singular vision: to rethink traditional microscope design. Every aspect of workflow, usability, and performance have been pushed to create a more modern and powerful product that combines inverted and upright microscopy to one product.

DISPENDIX
A BICO COMPANY

By providing the finest liquid handling technology to scientists and lab technicians around the world, DISPENDIX is creating the future of health. Liquid handling technology enables new discoveries in areas such as drug development, diagnostics and synthetic biology.



Featured Product Offering in Biosciences

B.SIGHT™
For the first time, you can dispense single bacterial cells with the precision and efficiency of our patented single-cell dispensing technology. Enjoy low particle and heat emissions with this compact device, which can be operated at 37°C and under anaerobic conditions. CYTENA's new disposable cartridges produce even smaller droplets, which provides a stable and accurate bacterial encapsulation. The extremely high-resolution optics with inline lighting make even the smallest cells visible, while neither staining nor labeling is required to isolate individual bacteria.

C.BIRD™
This microbioreactor frp, CYTENA offers parallel cultivations in 96-well plates, bringing the production capacity of bioreactors to the 150 to 1,600 µL microbioreactor scale. It screens and monitors valuable cell culture parameters for hundreds of cell lines from the earliest stages, enables the early identification of the highest producing and most stable clones in order to reduce later passaging steps and scale-up efforts. Compared to traditional static culturing, the C.BIRD improves cell proliferation, recombinant protein yield and volume-specific productivity.

CELLCYTE X™
Get the full picture of cellular health and response with kinetic assays from inside an incubator. Unlike traditional end-point assays, in which cells are observed at one time point and conclusions are drawn about cellular response, CYTENA's live cell imaging gives a more complete picture of cellular response with images of the cells over many time points to draw more insightful conclusions.

C.WASH™
Using centrifugal force, this unique plate washer automates the rapid and highly reproducible washing of entire 96-, 384- and 1536-well plates. Liquids are removed without needles or pipette tips for the noncontact washing of cells, ELISA assays and bead-based DNA purification. CYTENA´s C.WASH retains specified target molecules, while clearing out others, for more efficient assay performance, and researchers collect better data thanks to reduced background noise and lower variation. This optimized method of plate washing improves the reproducibility of results, drives down costs, reduces timelines, maximizes overall assay efficiency and seamlessly integrates into automated high-throughput screening (HTS) workflows.

Green Button Go Orchestrator
Green Button Go Orchestrator software suite from Biosero is an end-to-end laboratory management solution for designing, scheduling, launching, and managing lab workflows within a lab, across labs, or at facilities around the world.

Green Button Go Scheduler
Green Button Go Scheduler lets scientists integrate, control, and schedule multiple instruments and devices in the lab from a single interface, matching laboratory automation to science, creating a cohesive technology ecosystem that accelerates operations and increases productivity.

I.DOT
Immediate Drop-on-demand Technology I.DOT from DISPENDIX brings intuitive automation, precision and speed to non-contact liquid handling tasks like next-generation sequencing library prep, high-throughput screening and cellular assays. It reduces hands-on time and operator bias and works with low volumes for assay miniaturization. Droplets of multiple liquid classes are dispensed into the target plate below the source plate, eliminating carryover and cross-contamination.

Revolution
The first of its kind, the Revolution from Discover Echo offers researchers both an inverted and upright microscope capable of ultra fast scanning, mosiac image stitching providing users with brightfield, fluorescence and phase contrast imaging capabilities. Revolution is driven by Discover Echo's propietary software module on a Surface Studio bringing a more collaborative and intuitive experience to the user by eliminating the need for eyepieces.

S.NEST
A high-throughput microbioreactor with CO2 incubator functions. The S.NEST from CYTENA shortens the process time for cell upscaling, provides a better microscale environment for cell growth, and brings more efficiency to cell line selection.

UP.SIGHT™
The UP.SIGHT streamlines cell line development (CLD) workflows by automating labor-intensive and time-consuming steps. Thanks to the combination of a patented, highly efficient, fast and gentle single-cell dispensing technology with a superfast, high-quality imaging system users acquire full well images without the need for image stitching. This all-in-one solution from CYTENA enables nozzle imaging and 3D Full Well Imaging for double assurance of clonality from two independent optical apparatuses, leading to a probability of clonality >99.99%.

BUSINESS AREA

Bioprinting

State-of-the-art systems, products, solutions and services that combine user-friendliness, accessibility and cutting-edge capabilities to enable the proliferation of 3D cell culture with any cell line, in any geometry, using any biomaterial.

Creating the future of health requires out of the box thinking and cutting-edge solutions. The Bioprinting business area is comprised of companies that are driving forward the world of 3D cell culture and 3D printing by listening intently to their customers and developing forward thinking solutions. Comprised of companies like CELLINK and Nanoscribe who provide advanced additive manufacturing solutions, we shape the field of bioprinting. Complimenting the cutting edge bioprinters are the premium biomaterials produced by Advanced BioMatrix, a leader in the material science field producing top quality bioinks, hydrogel and tunable substrates that seamlessly integrate in cell biology workflows. Visikol is a premier contract research organization that provides cutting edge services in cell-based assays, tissue imaging and analysis. Lastly, within the Bioprinting business area is MatTek, a company that has been defining standards in in vitro human tissue models for the last 25 years, accelerating the adoption of 3D models and improving insights. Since September 2021, Visikol, MatTek and CELLINK offer contract research services in bioprinting through a joint contract research organization (CRO).

The Bioprinting business area are driving forward research in the **Tissue Engineering** field.

Our Bioprinting Companies

San Diego based Advanced BioMatrix is a leader in the life science industry of three dimensional (3D) applications for tissue culture, cell assay, bioprinting and cell proliferation. The company's portfolio includes bioink, reagents and consumables. The products are recognized as the standard for purity, functionality and consistency.

By releasing the first universal bioink in 2016, CELLINK democratized the cost of entry for researchers around the world and played a major role in turning the then up-and-coming field of 3D bioprinting into the thriving 1 billion USD industry it is today. CELLINK's bioinks, bioprinters, software and services have enabled critical breakthroughs in a wide range of applications from 3D cell culturing to tissue engineering to drug development.

For more than 25 years, MatTek has been the world leader of reliable in vitro human tissue model innovation. These advanced tissue models empower companies to achieve their goals of non-animal testing while lowering testing costs and providing human-relevant results.

As the pioneer and market leader in high-precision additive manufacturing, Nanoscribe pushes the limits of 3D printing to challenge the state-of-the-art in microfabrication. Their systems empowers cutting edge science and drive industrial innovations in a wide variety of sectors such as microoptics, micromechanics, biomedical engineering, and photonics technologies.

Visikol is a contract research services company focused on advanced drug discovery that is leading the fields of bio-imaging, advanced cell culture, bioinformatics and image analysis. The company conduct drug discovery services ranging from early discovery stages through animal studies and analysis of human pathological specimens.

Featured Product Offering in Bioprinting

BIO X™
This innovative 3D bioprinter from CELLINK's compatibility with virtually any material makes it the go-to for industry leaders at the forefront of today's greatest scientific breakthroughs. Whether you are automating 3D cell cultures, printing complex constructs or testing drug compounds on tissue or disease models, the BIO X's three printheads offer the advanced functionality and versatility needed to optimize workflows in a wide range of application areas.

BIO X6™
With six printheads in total for unparalleled versatility, this innovative bioprinter from CELLINK makes it easier to produce more complex and sophisticated constructs with a broader range of materials, cells and crosslinking tools. With many possible combinations, the six slots significantly increase throughput, cut down on print time and improve experiment efficiency. The BIO X6 is the preferred system for researchers seeking to enhance 3D cell culturing, tissue engineering, disease modeling and drug screening applications.

CytoSilk
Advanced BioMatrix's lyophilized silk fibroin is the premier biomaterial to leverage the power of fibroin. Fibroin offers great potential for use in medically related applications due to the high degree of biocompatibility and lack of immune response when implanted within the body. The silk fiber is solubilized into an aqueous fibroin solution, which can then be used as an additive in culture or for producing 3D scaffolds for tissue engineering related studies.

EpiDerm
MatTek's patented EpiDerm system is a leading in vitro testing technology for dermal toxicologists and formulation scientists. With multiple ECVAM validations and OECD accepted test guidelines, EpiDerm is a proven in vitro model system for chemical, pharmaceutical and skin care product testing.

EpiOcular
MatTek's EpiOcular's recapitulates in vivo eye biology with exceptional reproducibility. Providing scientists with quantifiable assessments of irritation. Its correlation to in vivo sensitivity makes it an ideal alternative to in vivo testing for toxicological evaluation of raw materials and final formulations.

LifeInk 220
The highest density collagen ink available on the market from Advanced Biomatrix, tailored for effortless bioprinting. Collagen is the most abundant protein in the body making it the premier material for developing bioprinted constructs with in vivo like conditions.

Lumen X+™
Powered by Volumetric, the Lumen X digital light processing (DLP) bioprinter from CELLINK enhances applications in microfluidics, cell-laden hydrogels, macroporous structures and more. It offers speed, high resolution and works with a range of biocompatible PhotoInk™ options, making it the ultimate light-based 3D bioprinter for rapidly producing microfluidic channels as small as 150 μm and organ-on-a-chip devices.

Quantum X bio
The Quantum X bio från CELLINK is the first of its kind, enabling submicron printing resolution, and raising the bar for high-precision 3D bioprinting. Powered by Two Photon Polymerization (2PP), the system is the premier tool for miniaturizing bioprinting, redefining what it means to work within advanced biomedical applications, including tissue engineering and regenerative medicine

Quantum X shape
Based on Two-Photon Polymerization (2PP), the laser lithography system from Nanoscribe combines proprietary printing technologies that make it the optimal tool for rapid prototyping and wafer-scale batch production of virtually any 2.5D and 3D shape with submicron precision and accuracy. The new Quantum X shape's superior precision relies on the highest voxel modulation rate in class, and an extremely fine address grid, allowing for sub-voxel size shape control.

Research and Development

As a world leading bioconvergence company, BICO is constantly pushing the boundaries of what's possible in health. The BICO Group is working actively and vigorously with research and development (R&D) to improve and advance current technologies and discover new innovations.

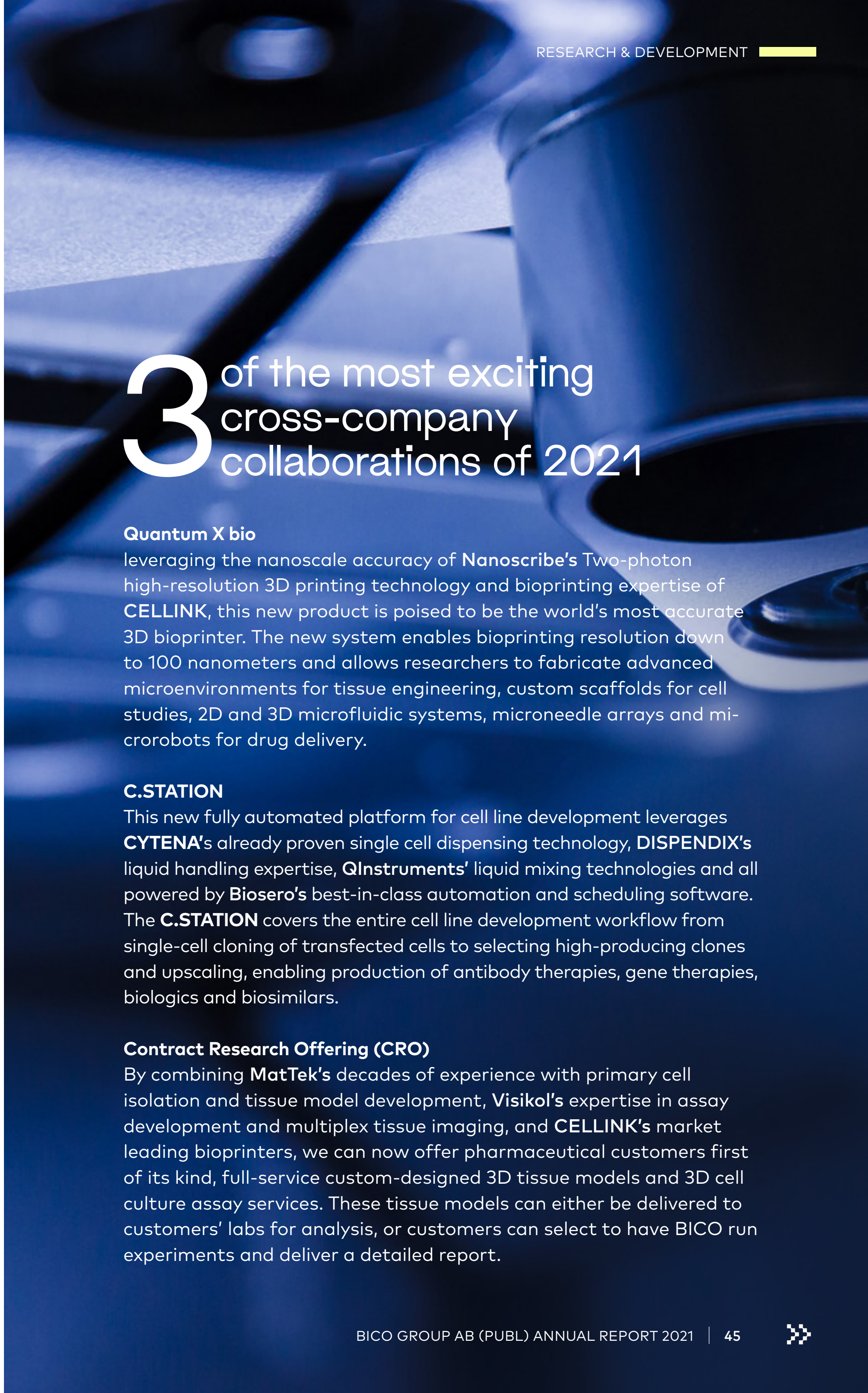
Our conviction is that these next generation core industrial ecosystems will contribute to unleash the power of Health 4.0, the next revolution of healthcare technologies that will unlock new tools to fight infectious diseases, detect and treat cancer, 3D bioprint human organs, develop novel medicines and more.

The Group's R&D team consists of more than 330 engineers and scientists who work in collaboration with the leading academic and industrial research organizations to drive advancements in Tissue Engineering, Multiomics, Diagnostics, and Cell Line Development. Most of the Group's R&D takes place today at the company's sites in the USA, Germany, Sweden and Finland.

R&D investments in 2021

During 2021, 250.1MSEK was invested in strategic R&D projects, including product development in 3D bioprinting, sample preparation kits for single-cell transcriptomics and proteomics, single-cell sorting, live-cell imaging, precision liquid dispensing and pre-clinical CRO services. More than 100 new products were launched in 2021, covering a wide spectrum of products and services – consumables and reagents (48%), services (20%), instruments (17%) and software (15%). Large part of the investments was in recruitment of talented engineers and scientists. Our strong focus on user experience, design, functionality and creating high performance teams resulted in receiving numerous distinguished awards. During 2021, BICO Group received ten design awards for excellent product design, including three iF awards, whereof one prestigious iF GOLD Award, five German Design Awards and one Red Dot Design Award.

During 2021 several innovative collaborations between Group companies were initiated, demonstrating the power of bioconvergence. All of our acquisitions to date have been driven by a deep strategic analysis of each company's technologies and offerings and how they can converge and be integrated with different technologies across the Group.



3 of the most exciting cross-company collaborations of 2021

Quantum X bio
leveraging the nanoscale accuracy of **Nanoscribe's** Two-photon high-resolution 3D printing technology and bioprinting expertise of **CELLINK**, this new product is poised to be the world's most accurate 3D bioprinter. The new system enables bioprinting resolution down to 100 nanometers and allows researchers to fabricate advanced microenvironments for tissue engineering, custom scaffolds for cell studies, 2D and 3D microfluidic systems, microneedle arrays and microrobots for drug delivery.

C.STATION
This new fully automated platform for cell line development leverages **CYTENA's** already proven single cell dispensing technology, **DISPENDIX's** liquid handling expertise, **QInstruments'** liquid mixing technologies and all powered by **Biosero's** best-in-class automation and scheduling software. The **C.STATION** covers the entire cell line development workflow from single-cell cloning of transfected cells to selecting high-producing clones and upscaling, enabling production of antibody therapies, gene therapies, biologics and biosimilars.

Contract Research Offering (CRO)
By combining **MatTek's** decades of experience with primary cell isolation and tissue model development, **Visikol's** expertise in assay development and multiplex tissue imaging, and **CELLINK's** market leading bioprinters, we can now offer pharmaceutical customers first of its kind, full-service custom-designed 3D tissue models and 3D cell culture assay services. These tissue models can either be delivered to customers' labs for analysis, or customers can select to have BICO run experiments and deliver a detailed report.

R&D process

The R&D process begins with mapping the User Experience (UX), where we have a close and continuous dialogue with our customers, to understand their needs, desires, and preferences. We work proactively and in a hands-on manner to understand our potential and current customers. Our close links with the academic and research community allow us to be agile and quickly seize specific requests for product features and improvements. Throughout the UX phase, we gather valuable insights which guides our product development strategy, focus, planning and execution. Our agile product teams around the world - consisting of experts with skill sets in biology, biomaterials, chemistry, robotics, physics, hardware and software engineering, automation, industrial design and product management – are highly motivated to develop and create award-winning technologies and products that empower our customers. We find our customers inspiring and we share their vision. That is why when our talented teams make the impossible possible, the result is award-winning products that customers love.

Intellectual Property Portfolio

The Group has developed and patented numerous groundbreaking advancements that will secure the company's position as a market leading innovator for decades to come. BICO is deeply engaged in protecting the technologies and innovations, most of the technologies are patented or patent-pending. The Group IP portfolio includes more than 495 granted patents and pending patent applications distributed over more than 111 unique innovations. More than 170 patents have been granted, of which 31 patents were granted during 2021. The geographical coverage is mainly focused on the US and Europe, but also includes Australia, Japan, China, Korea and India.

Three examples of patents granted in the last year:

Temperature control for 3D bioprinting
By controlling the temperature during the printing process, we can ensure higher cell viability and better reproducibility, accelerating 3D cell-based assays for drug discovery and tissue engineering.

Robotic systems for personalized and automated aesthetic medical procedures
A process that leverages robotic systems, 3D bioprinting, artificial intelligence to optimally administer substances, such as dermal fillers, into subcutaneous regions to improve aesthetical outcomes in patients. .

Cellulose Nanofibrillar Bioink
A cellulose-based bioink that enables bioprinting of multiple cell types for tissue engineering and regenerative medicine applications. This patent secures BICO's ability to produce bioinks that unlock bioprinting research for fibroblasts, stem cells, retinal cells, chondrocytes, osteoblasts, lung cancer cells and liver cancer cells, among other cell types.

330+
number of engineers and scientists working in R&D

495+
granted patent and pending patent applications

Scientific Advisory Board

BICO's Scientific Advisory Board (SAB) consists of key opinion leaders and innovators of Health 4.0 technologies. All have an extensive track record in developing and commercializing next generation medical technologies that include tissue engineering, multiomics, vaccine-development, diagnostics, pharmaceuticals, and more. Through our SAB, BICO will remain a market leading innovator by always being at the forefront of scientific discovery and dialogue. Our advisors play an important role in helping determine the strategic direction for our investments in research and development.

Professor Robert Langer

Professor Robert Langer from the Massachusetts Institute of Technology (MIT) is a Lemelson-MIT prize winner, the world's largest prize for invention, for being one of history's most prolific inventors in medicine and is one of only 11 Institute Professors at MIT, the highest award that can be bestowed on a faculty member. Dr. Langer has received over 220 major awards. He is one of three living individuals to have received both the United States National Medal of Science (2006) and the United States National Medal of Technology and Innovation (2011).

Rolf Classon

Rolf Classon was previously Chairman of Bayer HealthCare AG and Tecan Group Ltd, and served as CEO of Bayer Diagnostics. Recently he was board member of Hill-Rom Corporation, Auxilium Pharmaceuticals, Sequana Medical, Aerocrine AB, Millipore Corporation, Prometheus Laboratories and Enzon Pharmaceuticals Inc. Mr. Classon currently serves as Chairman of Perrigo and as a board member of Fresenius Medical Care and Catalent.

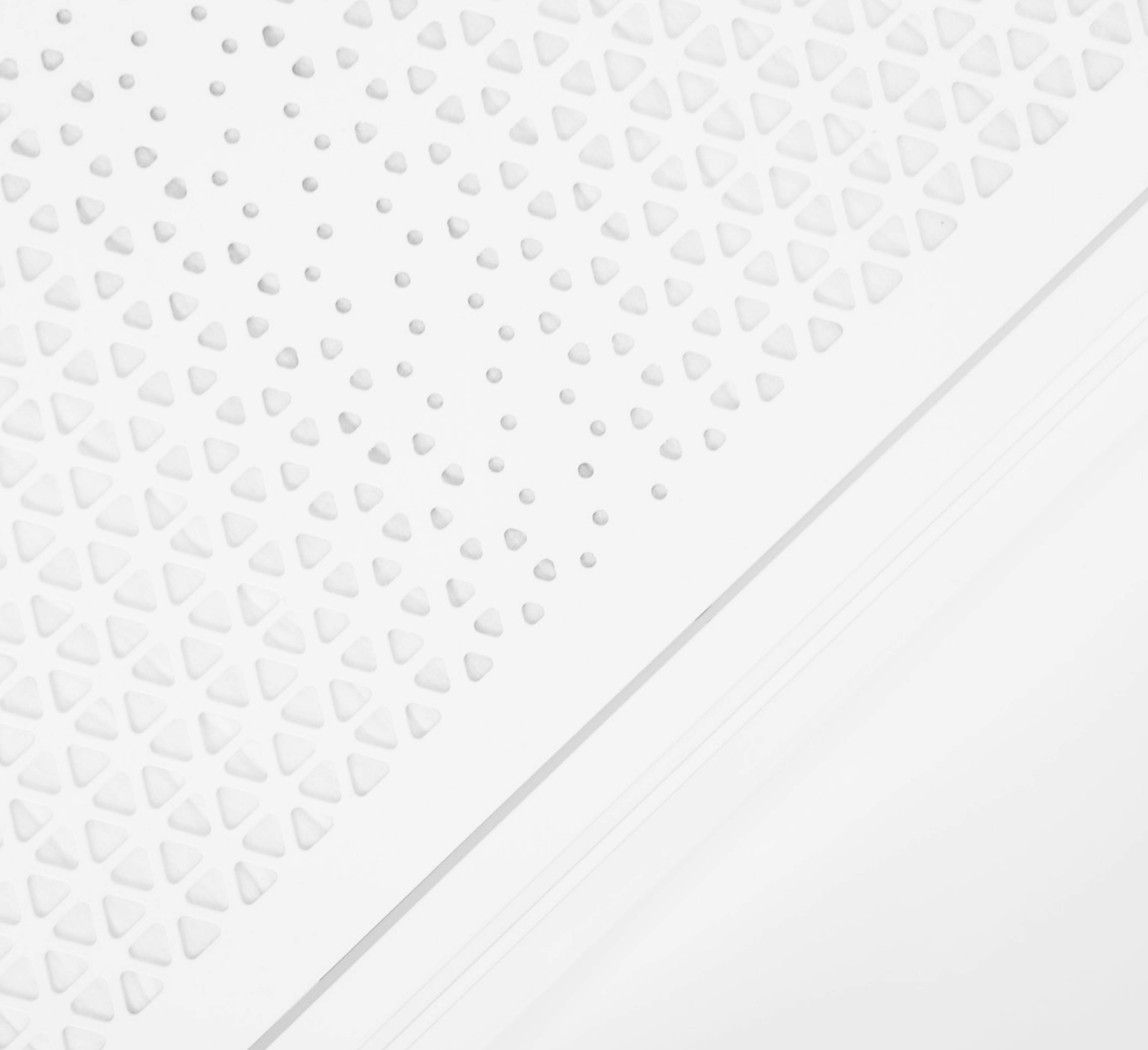
Dr. Ali Khademhosseini

Dr. Ali Khademhosseini served as Professor at Harvard-MIT, Brigham and Women's Hospital and at Harvard Medical School, was formerly Levi Knight Professor of Bioengineering, Chemical Engineering and Radiology, and Founding Director of the Center for Minimally Invasive Therapeutics at UCLA. Dr. Khademhosseini is the CEO of the Terasaki Institute for Biomedical Innovation.

Professor Ido Amit

Professor of Immunology at Weizmann Institute of Science. Prof. Amit is a leader in the field of immunogenomics and a pioneer in development of single-cell genomic technologies and their application to characterize the immune system. Recipient of the EMBO Gold Medal award and an HHMI International Research Scholar for his work revealing the function of the immune system.

Sustainability Report



Our People

Read more on page 52

Our Offering

Read more on page 53

Our Planet

Read more on page 56

The BICO Way and our Sustainability Agenda

The BICO Way describes who we are and what we stand for. It is grounded in our core values; passion, inspiration, and persistence, which defines our culture and DNA. It guides us in our everyday decisions and support us to act in a trust-inspiring way. The BICO Way includes our company policies and our sustainability agenda.

The sustainability agenda is gathered in the BICO Way, which works as a guide for how BICO views sustainability and focuses on how we, as a company, can make a difference. BICO will drive the change needed in the industry with cutting-edge instruments and services based on bioconvergence to create the sustainable future of health. The sustainability framework define how sustainability is anchored in our business strategy and culture, and focus on three areas: our People, our Offering and our Planet.

Sustainability risk assessment

We work progressively to reduce and monitor risks related to sustainability. We have concluded that these sustainability risks can be market risks, political- and regulatory risks as well as climate risks.

These risks may be unforeseen and may affect us in both the near and long term. Therefore, in the next few years, the Group will start working on a climate action plan based on an assessment of sustainability-related risks and opportunities. In order to increase transparency in our value chain and around the emissions that it generates. We believe that with a focus on continuous improvement, we can reduce the risk of cost increases while maintaining that our customers' success is our highest priority. Political decisions and legislation related to sustainability are constantly changing and it is therefore important that we monitor the changes and ensure our compliance.

These risks may be unforeseen and may affect us in both the near and long term. Therefore, in the next few years, the Group will start working on a climate action plan based on an assessment of sustainability-related risks and opportunities. Read more about our sustainability risks on page 64.

In 2021, BICO set the foundation for the Group's sustainability agenda. It connects bioconvergence and the three perspectives which define our business: Our People, Our Offering and Our Planet with the UN Sustainable Development Goals. Our focus has been to implement a sustainability framework, measuring our emissions, and putting structures and processes in place. Sustainability is a long-term strategic focus for BICO, and it is a part of our overall business strategy, see examples of the value creating for people and animals our business modell has on page 17. In 2021 we have set a clear focus going forward and we see great potential in further developing strategies, processes and structures.

UN Global Compact

UN Sustainable Development Goals

As of December 2021, we are an official signatory of the UN Global Compact Sustainability Development Goals and the Ten Principles of the United Nations Global Compact. BICO are committed to the Ten Principles of the United Nations Global Compact, treating all workers with respect and dignity, ensuring safe working conditions, and conducting environmentally responsible, ethical operations.

For the sustainability development goals, BICO have focused on goal 3, 9 and 12 since these are the goals that BICO can influence the most and which in turn impact BICO the most. Goal three is routed in all that we do, with our bioconvergence agenda and our goal to reduce animal testing. In March 2021 BICO acquired MatTek which is the global leader in in-vitro technology and alternative drug testing. This acquisition is in line with the Group's goals to reduce and eventually replace animal testing by developing technologies and methods that are more human-relevant and provide a more accurate prediction of human clinical responses.

3 GOOD HEALTH AND WELL-BEING

GOAL 3

Good Health and Well-being

A healthier and sustainable society is a direct effect of BICO's offering. Our business model and bioconvergence agenda contribute to the fundamental human right for healthier lives. Good health and well-being are at the core of our business and what we aim towards through Our offering. We also believe that health and well-being of our People is a fundament for the future.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

GOAL 9

Industry, Innovation & Infrastructure

Technology is paving the way and driving scientific research forward. By combining biology, technology, and engineering in new ways we can fundamentally shift and create the future of health. We strive to offer innovation by combining different disciplines based on our bioconvergence agenda. Goal 9 is therefore strongly connected to Our Offering – the future of health.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GOAL 12

Responsible Consumption and Production

By producing high quality products and services and ensuring responsible sourcing throughout the value chain, BICO strive to minimize harmful effects on the planet. We strive for long-term customer relationships where ongoing dialogue is key to make our customers successful, by fulfilling their needs through our offering, which supports them reaching their targets.

For KPIs related to
Our People, see page 57

Our People

Our People is based on the Group's overall HR strategy, which shows that this part of sustainability is fully integrated into the business. It consists of group-wide initiatives and measurement tools such as the employee engagement survey. Ultimately, the strategy connects to having prosperous employees that are offered the opportunity to develop in an innovative environment, where the work environment is safe and secure.

BICO as an Employer

Challenging the industry requires engaged, curious and talented employees that dare to think big and new. A diverse workforce, in terms of competence, gender and ethnicity, is fundamental for our business success in terms of innovating cutting edge products and services.

Depending on the Group company, we are offering various personnel benefits. For instance, we offer up to six weeks of financially compensated time off and health care benefits such as access to gyms. Additionally, we always strive to improve our employees and offer them the chance to both conduct trainings internally, through our platform, The Academy, and our digital town halls, and externally, offering the chance to attend for instance seminars. BICO are working actively to increase employee well-being and to ensure that we maintain skilled employees.

Global Policy

All new employees must sign our Global Policy. The Global Policy covers various behavioral guidelines towards each other and any external parties. For instance, we have a zero-tolerance policy for discrimination of any kind. 100 percent of the employees within BICO have signed the Global Policy. Further, BICO have introduced a new Code of Conduct for the employees in October 2021 (read more on page 58) which so far 38 percent of the employees within BICO have been educated in. The goal is for all employees to receive education in the Code of Conduct during 2022.

Initiatives for 2022

During 2022 the Group will focus on establishing various initiatives, such as introducing more sustainability trainings in our e-learning portal, the Academy, starting mentorship programs or set up more employee benefits or team events, to mention a few.

Employee Engagement Survey

During 2021 we conducted our first ever corporate-wide employee engagement survey. All BICO Group companies' employees were offered the chance to partake in an anonymous survey and the response rate for the whole Group was 68 percent. The result of the survey shows that BICO Group offers autonomy, a great team spirit and a clear agenda for our employees and that 68 percent of the employees feel engaged in their role and for the company. The results of the employee engagement survey will spur the agenda and focus for 2022. During next year we have also decided to focus on activities to improve our employer branding, review our reward systems, focus on the BICO culture, learning and development of employees, and increasing the support to the Group companies' HR departments.

BICO for Life

Close to 300 employees participated in BICO for Life in September 2021. BICO donated the proceedings to American Association for Cancer Research based on the employees either running 5 km or volunteering for a non-profit organisation.

Main risks related to Our People include

- Non-compliance with the internal Code of Conduct
- Increased risks of personal injuries in workplace accidents or mental illness including stress or imbalance between work and leisure

Our Offering

For KPIs related to Our Offering, see page 57

Through our offering we enable healthy lives and promote well-being in societies. To ensure the future of health, we emphasize the importance of research and development as well as collaborations with strategic partners.

Our Offering is characterized by aspects related to business acumen such as our Code of Conduct and how we act in business situations, development of sustainable offerings and sustainable production processes as well as responsible collaborations and supplier relationships. The overall and long term goal of our offering is to create the future of health. By offering innovative products, we are enabling good health and well-being for people.

Quality-Assured Products

A majority of the Group's products are developed by BICO's in-house development team, which means they are meticulously tested and quality-assured before production begins. The majority of production takes place in the Group's own manufacturing units, which means good control over the production chain from a quality perspective, but it also makes it possible to ensure a safe and secure work environment. When working with external providers for products, we ensure that they are compliant with various quality and safety standards in the field and uphold the same level as our own products. Several of the BICO companies works actively with the international standard ISO 9001:2015 to meet specified requirements of a quality management system. The Group's products, such as the BIO X™ bioprinter or the I.DOT™, are Underwriter Laboratories (UL) certified. Underwriter Laboratories (UL) is a safety certification company that certify products, facilities, processes, or systems based on industry-wide standards. Efforts to quality assure products is led by each company and the objective is an efficient use of resources throughout the production chain.

Safety

As a part of our internal Code of Conduct, we strive for a safe work environment for our employees as well as safe products. It is vital for us to focus on the quality of the products and thus, we do not ship any products which cannot be considered safe. We want to ensure the highest possible safety for both our employees and our customers, during usage of our products.

A safe process throughout is vital for the future of health. As a result, it is important that our suppliers uphold the same level of safety as us, and thus, as a part of our standard agreement, we ensure that they, too, are compliant with our Code of Conduct. The Group is ensuring this further by working with various demands for certifications or standards, from suppliers. For instance, ensuring that they are compliant with the REACH standard or various ISO standards.

During the year, the Group performed 52 internal Supplier Quality Audits (SQAs) to ensure that our demands were upheld by our suppliers. Collectively, the number of accidents for the Group and the year amounted to 37 accidents, where the majority consisted of minor injuries, near misses or safety routine deviations. Each group company has their own routines for follow up and corrective actions. Two of the accidents resulted in lost time and they were both cut injuries. As a result, our lost time incident rate (LTIR) is 0.33 per 100 full-time employees. A low LTIR is something that we will strive to maintain through our continuous focus on safety.

Customer Survey

It is always BICO's top priority to have great products and satisfied customers. Based on our annual customer survey, our customers are very satisfied with our products and the quality of the products. In fact, based on the customers asked in our annual survey, we received a net promoter score (NPS) of 18. Our NPS score is based on a scale from -100 to +100 where 20 is considered to be preferable. Further, they also rated our customer support as a reason for a great score. Customer satisfaction has always been key for BICO and through our focus on quality as well as customer service we have managed to increase our customer base over the years.

Initiatives for 2022

During 2022, the Group companies will perform various initiatives to reduce the environmental impact from their processes For instance, creating more circular processes, reduce number of components used in production as well as changing to more sustainable transportation alternatives. For instance during 2021, CELLINK increased their focus on circularity by introducing refurbished units – offering the customer a reduced price for a pre-owned BIO X™.

Animal Testing

In the US alone, 100 million animals die every year from animal trials. These animal lives could be spared by replacing animal testing with, for instance, printed human tissue. Therefore we are working towards reducing animal testing. During 2021, CELLINK started working together with the Swedish 3R center to increase well-being for animals. The Swedish 3R center is established around 3 principles – replace, reduce, and refine. Replace is aimed at replacing animal trials. Reduce is aimed at reducing animal trials and Refine is focused on increasing the welfare of trial animals. The BICO Group has managed to save 95,000 animal lives during 2021, through our various technologies and cutting-edge instruments.

Except for the fact that our offering is enabling reduced animal testing, it is also contributing to a better result for the individual. By testing on human tissue, the validity of the results increases and the progress of the research accelerates. For instance, this enables people to receive drugs, that are fully adopted to their needs, much faster. In 2021, BICO furthered its efforts to reduce animal testing by launching a campaign to help pass the FDA Modernization Act of 2021, legislation in the United States that would remove the mandate for new drugs and cosmetics to be tested on animals.

Main risks related to Our Offering include

- Omission to implement or lack of compliance with the Supplier Code of Conduct in a consistent and standardized way in the global operations
- Lack of tracking or control when purchasing materials for high-risk countries used in production
- Changes in legal requirements may adversely affect the supply and prices of materials used in production
- New or amended requirements from stakeholders or legislators related to BICO's activities or products

Our Approach through the Value Chain

BICO's impact throughout the value chain derives from various operational activities. Our process starts at R&D and is followed by numerous activities in purchasing, manufacturing, sales, delivery and installation, service, and end of use. Within the value chain there are risks linked to climate, human rights, corruption, products and occupational safety. Many of these risks, especially risks related to human rights, corruption can arise in our business relationships and production facilities.

1

R&D

Our development process is vital part of our agenda to grow. Therefore, it is vital to include the sustainability mindset at an early stage of the R&D process. Furthermore, it is also essential to do so without compromising on our focus on quality, safety or price.

The BICO Group will focus on integrating sustainability with both design and R&D. Already today we are enabling reduced plastics usage among our customers through our offering. For instance, the C.WASH™ or the I.DOT™, where the user can reduce their need for plastic compared to manual labour.

Risks

- Products not meeting the objectives and requirements in terms of control and safety
- Failing to cope with the transition to the targets set in the sustainability agenda, to use 100% renewable energy by 2030 and net-zero emissions by 2040

Risk managament

- Continuously analyze and improve product efficiency to reduce the number of components in our products
- Continue to work with strategic partners

2

Purchasing

We are working actively to create a more transparent supply chain. As we are in an innovative market, suppliers are often scares in numbers and small. That increase the difficulty in placing demands on them in terms of their environmental impact.

During October 2021, we implemented a new Code of Conduct for our suppliers and third parties, which is a mandatory aspect of any new standard agreement for three of our companies. As a result, 14 percent of the Group's suppliers have signed the Code of Conduct. We are aiming to expand this to the other companies within the Group.

Risks

- Lack of assurance that suppliers support and meet our quality and safety standards and our human rights and anti-corruption requirements

Risk management

- Continue the implementation of our internal Code of Conduct in the standard agreements for all Group companies
- Ensure that all third parties have knowledge and access to the whistleblowing system and encouragement to report all irregularities

3

Manufacturing

The majority of the production is done in-house. The structure of having in-house production offers great insight into processes where improvement areas are easier to spot, and flexibility is possible based on customer needs.

The BICO Group will continuously work with these processes to find improvement areas and to reduce their environmental footprint, while maintaining our focus on quality and user-experience as well as a safe work environment for our employees and safe products.

Risks

- Lack of compliance with the Code of Conduct and implications of violations of social, ethical and human rights
- Increased compliance costs and regulations on existing products
- Disruptions to operations, transport and risk associations with locations as a result of global warming

Risk management

- Continue to educate new employees in the Code of Conduct and policies such as the Global Policy
- Standardize the processes and reduce the number of products as not to generate unnecessary consumption in our business
- Continue to increase transparency in the value chain and the emissions it generates
- Monitor changes in policy and legislation to ensure compliance

For more information on BICO's risks and risk management, see pages 62-68.

4

Sales

We will have a continuous focus on our customers and users throughout our whole value chain. By our continuous focus on quality and customer support, our sales team are always striving towards giving our customers the best solution for them.

With our focus to offer products within all fields of the next generation Tissue Engineering, Cell Line Development, Multiomics and Diagnostics, we continue to develop our product offering. Read more about next generation Tissue Engineering, Cell Line Development,
Multiomics and Diagnostics on the pages 28-35.

Risks

- Not measuring customers' requirements for product power and safety
- Corruption

Risk management

- Continue to engage in dialogue with customers regarding the product design
- Ensure that distributors support and meet our quality and safety requirements
- Strengthen the control function for anti-corruption

5

Delivery & Installation

Our focus within logistics and installation will foremost be on quality and safety. Quality in terms of a safe shipment for the products as well as quality and safety in terms of installation and set-up.

As a result of this focus, we will reduce the waste of components damaged during transport, but also number of travels necessary by our installation teams, further, over time. Our companies differ in terms of offering and structure, and we believe them to be best fit to determine the details of their delivery and installation.

Risks

- Failure to inform customers about product use in a sufficient manner
- Emissions from transports

Risk management

- Measure our emissions and establish action plans with structures and processes to reduce these
- Encourage the usage of environmentally conscious transportations

6

Service

BICO are striving towards a long lifecycle of our offering and therefor, our focus on quality is essential. Great service and user experience are always focus areas. BICO is working actively with partners and customers to retrieve feedback and to develop our product and service offering.

As we are working towards reducing our environmental impact, we are also striving to reduce the travels necessary for our service staff and are offering guides and service through remote functions in several of our companies.

Risks

- Too many travels to perform on-site service

Risk management

- Reduce the number of service trips and reduce the number of returned products
- Establish global service capacity at business area level

For KPIs related to
Our Planet, see page 57

Our Planet

Our Planet is about environmental factors, the choice of renewable energy sources and, over time, reaching climate neutrality. While scaling up our operations, processes, and business we have a focus on minimizing our carbon footprint. BICO strives to conduct its business within the planetary boundaries and hence contribute to reaching the targets within the Paris Agreement.

Climate Perspective

During 2021 we have started to measure our scope 1 and 2 emissions to gain increased transparency of the climate impact from our operations, to find areas of improvement. Based on the results we will during 2022 develop climate targets and a Climate Action Plan that will clearly state what measures BICO must take to reach the targets. The targets and the roadmap will initially include emissions from our own operations. Regarding scope 3, we do not yet have a structure to measure those emissions. We are planning on setting an agenda to enable extensive scope 3 calculations. 2021 is the base year for calculating our greenhouse gas emissions. We will review the data as presented and set initiatives for our Climate Action Plan, which will be initiated during 2022.

If the data would change significantly in the coming years, we will ensure adaptation for the most significant emission sources based on the post pandemic results. The carbon emissions for the Group (scope 1-2) amounted to 284 tons during 2021. This, however, does not include all aspects of the group (29 percent of the Group have reported). Some parts of the Group were unable to track or include data for some or several aspects which will affect the result. This is due to the fact that they have been acquired late in the year or that they are currently lacking processes for tracking the data. The goal is for all companies within the Group to be included in the reporting, starting next year.

Waste & Material Usage

With our focus on quality, we have always been striving to reduce waste and excess consumption alongside our production chains. We are working towards more standardized processes where we reduce numbers of products to not generate unnecessary consumption along our operations. For instance, by consolidating supply for products within and between companies. These efforts have resulted in a high focus on efficient use of materials throughout the Group. By our continuous focus on quality and product efficiency, we will decrease the number of components in our products, reduce the number of service trips and shipping and the number of returned products over time.

Through several of our products, for intance I.DOT™ or C.WASH™, we make it possible for our customers, in turn, to reduce their usage of plastic. Through an efficient use of consumables through the whole process, the customer could save up to three times the amount of plastics. Further, we strive to reduce water consumption where possible. Some of BICO's Group companies have been identified as water intense in their production. Going forward they will review their current processes and ensure that the operations run in the most sustainable way. In the long run it is deemed as prioritized to screen for substitutional ways for production.

Processes on measuring usage and emissions from waste and materials will be further formalized as part of the Climate Action Plan and details will be communicated when these processes are in place.

Energy Usage

We strive towards reducing our energy usage to the highest extent possible. In several of our offices and production facilities we are already working with motion sensors to ensure that lights are only on when necessary. We are also trying to design our products in a way that will decrease the amount of energy they need while being used. BICO encourage the Group companies to switch to renewable energy sources where it is possible. For 2021, the Group sourced 21 percent of its energy consumption for renewable sources (based on the 26 percent of the Group that reported on this indicator). The aim is to increase this share.

Initiatives for 2022

Already, some of our Group companies are looking to set travel and shipping policies. During the pandemic we have traveled less and changed our way of working. For 2022 the BICO Group will focus on setting various initiatives to reduce their environmental impact, such as starting to track their CO_2 emission to a higher extent, reducing plastic and paper usage in offices and encouraging employees to choose more environmentally friendly means of transportation. In 2022 we will focus, from a BICO group level, on developing a Climate Action Plan by calculating our carbon emissions and ensuring that we will contributing to the targets in the Paris Agreement.

Main risks related to Our Planet include

- Climate change such as global warming, extreme weather and natural disasters can lead to economic risks and, for example, sharply increased overhead and energy costs
- Changed environmental legislation could affect companies' sales of products and solutions, including the transport of goods

Resultat from base line for Sustainability KPI's 2021

Focus area	KPIs	2021 Results	Targets	Comment	% reported
Our people	Employee engagement rate	68% engagement rate	75% engagement rate	>50% indicate a favourable engagement level. We want to continue to have engaged employees and strive to increase their engagement further.	92%
	Share of employees trained in our Code of Conduct	38% education rate	100% education rate (during 2022)	The Code of Conduct was introduced in October 2021 and so far, 38% of the employees have received training.	88%
	Number of workplace accidents	2 reported accidents	0 reported accidents	The accidents that resulted in lost time were both cut injuries. We will support health and safety programs to encourage zero workplace accidents.	67%
	LTIR - Lost time incident rate	0,33 LTIR	<2.0 LTIR	Result is based on how many per 100 full-time employees that has experienced lost time.	67%
	Employee turnover	15,8% turnover rate	<13.0% turnover rate	Being in an innovative market with a lot of changes, we have seen changes in organization as well as staff in some companies. We are striving towards reducing the turnover rate over time in the companies that exceed 13%.	100%
	Gender distribution	65% men/35% women total 67% men/33% women mid management 86% men/14% women, top management in the Group 75% men/25% women, executive management	60%/40% representation on all levels	Management reflects overall gender distribution. Top management in the Group consists of the founders of each company, which affect the result.	88%
	Age distribution	< 30 y/o: 33.7% 30-50 y/o: 54.7% >50 y/o: 11.5%	Maintain a diverse workforce in terms of age	We have a diverse team in terms of age, which we will strive to maintain.	88%

Focus area	KPIs	2021 Results	Targets	Comment	% reported
Our offering	Customer satisfaction, NPS	18 NPS	20 mean NPS	Measured on a scale of -100 to +100, where >20 is favrourable. The NPS survey was conducted in October 2021 and as a result, not all companies within the Group partook.	71%
	Reduction of animal testing	95,000 saved animal lives	Reduction of animals in testing over time	The Group contributed to a reduction of animals in testing by 95,000.	100%
	Cases of corruption reported	0 cases of corruption	0 cases of corruption	We had zero cases of corruption during the year and zero reports in our whistleblowing system (launched in October 2021).	100%
	Share of suppliers who have signed CoC for suppliers	14% suppliers signed	100% suppliers signed (by 2024)	The Code of Conduct was introduced in October 2021 and is so far, part of three companies standard agreement.	64%

Focus area	KPIs	2021 Results	Targets	Comment	% reported
Our planet	CO_2 emissions (Scope 1-2)	284 tons CO_2 emissions	0 tons net CO_2 emissions by 2040) (scope 1-3)	During 2022 the Group will begin to work with a Climate Action Plan which will specify actions for reducing emissions.	29%
	Renewable energy sources	21% of KWh consumption	100% renewables sourcing (by 2030)	Some of the Group companies have shifted towards more renewable sources for both electricity and cooling and heating. Our goal is to increase this over time.	26%

Code of Conduct

During 2021 BICO published two new Code of Conduct where we commit to a culture of openness, integrity, accountability and to conduct safe, fair, environmentally responsible, and ethical operations.

The Internal Code of Conduct applies to all employees of all Group companies in the BICO Group. The goal for 2022 is for all employees to be educated in the Code of Conduct as part of their on-boarding process and receive continuous reminders on an annual basis. Suppliers and partners to any company within the BICO Group are expected to commit to the same social, environmental, and ethical responsibilities.

BICO's Code of Conduct is based on human rights and labor rights, information protection, environment, health and safety, governance and management systems, product safety & business ethics. The Code of Conduct has been harmonized with the UN principles for the Global Compact and the ILO Convention on Human Rights. The Code of Conduct and the Code of Conduct for suppliers and partners describe BICO's business ethics position and principles for these. During 2021, the Group had zero reports of incidents violating the Code of Conduct and zero reports on cases of corruption. Both violations of the Code of Conduct and anti-corruption are considered areas where the Group needs to further strengthen its control function in the future.

Report Misconduct
We will treat your concerns with the gravity they deserve. We are working together with Whistlelink, which is an external, safe, and secure whistleblowing system that allows you to report suspected wrongdoings, easily and anonymously. We guarantee full anonymity, sensitivity and confidentiality throughout the entire case process. The system is available on BICO's website, which enables reporting from third parties.

Code of Conduct

Code of Conduct for suppliers and partners

BICO's whistle-blowing system

Human & Labor Rights

Together with our suppliers and partners we are committed to supporting the protection of international human and labor rights, through treating all people and employees with respect and dignity.

Information Protection

We ensure protection of sensitive, confidential, and proprietary information. The BICO Group complies to all applicable data privacy laws and regulations. We further protect the intellectual property of BICO and our customers.

Environment, Health & Safety

We are committed to creating a good, safe, and healthy environment – for all and in every situation. Therefore we have various policies in place ensuring the protection of our employees, contractors, and visitors. We further ensure that chemical substances are handled with care.

Governance & Management System

As an employee or a third party, you are encouraged to speak up and raise any and all ethical or legal concerns through our Whistleblower function - found at **www.bico.com**.

Product Safety

BICO Group companies are shaping the future of health and for that reason we ensure that our products and services follow maximum quality and safety standards. For more information, see product safety on page 54.

Business Ethics

Together with our suppliers and partners, we at BICO Group are striving towards a free competition market by complying to all anti-corruption laws, distancing ourselves from illegal payments and insider trading or accepting excessive gifts which is also defined in our Code of Conduct and Code of Conduct for suppliers and partners.

Sustainability Management

BICO's sustainability management and the governance of our sustainability framework and strategy is monitored on group level. Our sustainability work is highly integrated in BICO's overarching management structure and as a result, the responsibility of our management team. The Group companies are responsible for the implementation of the sustainability agenda and have during 2021 started reporting on various sustainability related metrics in a Group wide reporting system.

Stakeholder	Channel for dialogue	Prioritized topics
Employees	• Meetings, interviews & workshops • Education & training • Employee engagement survey • Company visits & meetings • Intranet • Whistleblowing system	• Health, safety & well-being • Business ethics • Diversity & inclusion • COVID-19 measures • Innovative offerings
Customers	• Meeting & interviews • Information and training on our various offerings • Annual report – including sustainability report and financial statements • Websites • Whistleblowing system • Customer survey	• Product data on quality, safety, and durability • BICO's offering as an innovation enabler • Savings that customers can make in terms of plastics usage and environmental impact.
Investors & Owners	• Annual report – including sustainability report and financial statements • Quarterly reports • Shareholder meetings • Whistleblowing system • Investor and analytics presentations	• Reporting through various standards • Governance and compliance • Financial performance
Business Partners (Suppliers, NGOs, sustainability experts)	• Meetings & interviews • Audits and assessments of suppliers • Code of Conduct for supplies and partners • Whistleblowing system • Annual report – including sustainability report and financial statements • Websites	• Business ethics • Governance and compliance • Digitalization of processes and data management
Society (Educational institutes, governments, NPOs)	• Meetings and interviews • Cooperation with educational institutes • Surveys • Society engagement • Whistleblowing system	• Governance and compliance • Innovative research • Local issue

Implementation Process

2021 has been a year focused on building and establishing the sustainability agenda and introducing the Group to the agenda. Great emphasis has been placed on creating an effective measurement method for the Group's companies, which has been brought together in a mutual digital platform. Reporting takes place on an annual basis and the first measurement should be seen as establishing a baseline. The baseline measurement has been based around the three perspectives and the results have been used to construct the sustainability KPI:s for the Group.

Priority for 2022

The work for sustainability enters the next phase during 2022 with focus on implementing initiatives at the subsidiaries. Furthermore, the work will focus on the development of a Climate Action Plan for the entire Group.

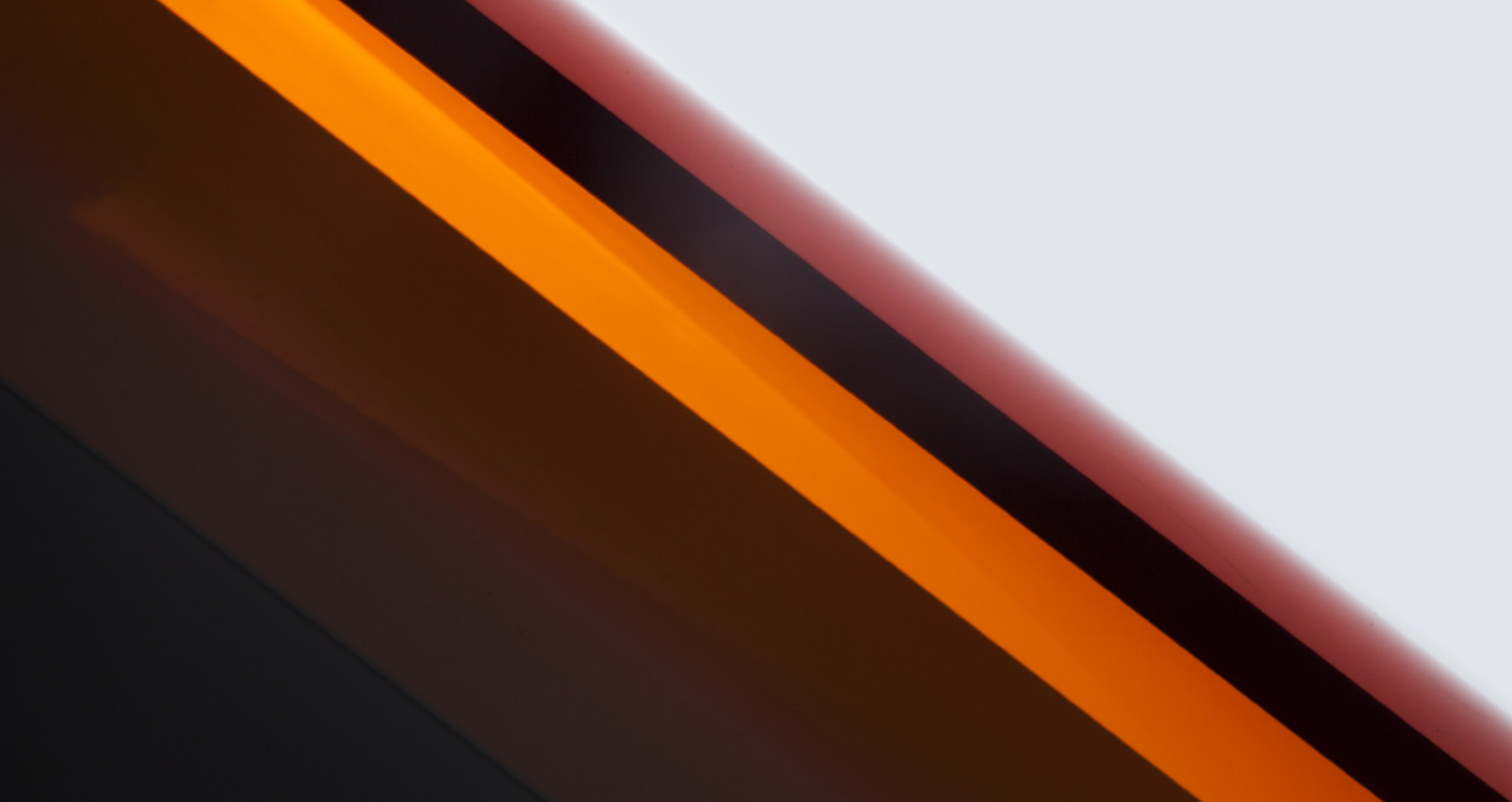
Stakeholders

BICO Group's stakeholders play a vital role in making sure BICO has the right focus on its sustainability work. For us, it is vital to keep an open dialog with the stakeholders that affect us, and whom we affect. When conducting dialogues with our stakeholder groups we use various channels, for instance meetings and interviews but also via our internal or external communication channels. In 2021 BICO conducted a stakeholder dialogue through interviews with important stakeholders such as employees, owners, investors. Their opinions provided important input for the development of BICO's new sustainability framework. To the left is a table which summarizes our stakeholders' most important topics, and through which channels we communicate with them.

For reporting on the EU-taxonomy
see the Management Report on page 65.

For the Auditor's report on the
sustainability report, see page 125.

Financial Accounting and Reports



Management Report

The Board of Directors and the CEO of BICO Group AB (publ), corporate ID number 559050-5052, hereby submit the annual accounts and consolidated accounts for the financial year from January 1 to December 31, 2021.

Operations
Founded in 2016, BICO (formerly CELLINK), founded in 2016 is the leading bioconvergence company in the world tha combines different technologies, such as robotics, artificial intelligence, computer science, and 3D bioprinting with biology to enable our customers to improve people's health and lives for the better.

The company has a focus on developing technologies that will advance Health 4.0 within the application areas: tissue engineering, diagnostics, multiomics, and cell line development. BICO's technologies enable researchers in the life sciences to culture cells in 3D, perform high-throughput drug screening and print human tissues and organs for the medical, pharmaceutical, and cosmetic industries.

The Group and the Parent Company
The Parent Company BICO Group AB (formerly CELLINK AB) with corporate ID number 559052-5052 is a listed public company and its domicile is Gothenburg, Sweden. The Group consists of the Parent Company and 34 subsidiaries. The Parent Company is both operationally active and owns and manages subsidiaries. At the end of the year, in principle, only parent company functions in BICO Group AB will remain after the operational activity has been transferred to the Group's various subsidiaries.

Important events during the year

On January 25, BICO launched the UP.SIGHT, an effective micro-scope and singe-cell dispenser with double assurance of clonality within cell line development that increases efficiency across workflows.

On January 28, the cooperation between BICO and AstraZeneca in pharmaceutical research was extended for the third year in a row. BICO provides the company's latest 3D-bioprinters and workflows for the exploration of new therapies and pharmaceutical research within AstraZeneca's main therapeutical areas.

On February 15, an agreement was signed to acquire Ginolis, active within advanced robotics and diagnostics automation. The purchase price amounted to MSEK 648.8 and the acquisition was completed on March 1, 2021.

On March 10, an agreement was signed to acquire MatTek, a global leader in in-vitro technology and alternative drug testing models. The purchase price amounted to MSEK 614.9 and the acquisition was completed on March 22, 2021.

On March 11–12, offer and completion of Senior Unsecured Convertible Bonds which can be converted into Class B shares of SEK 1.5 billion, also a directed share issue of Class B share which amounted to SEK 1.5 billion was carried out.

On March 15, BICO launched The BIO MDX™ series, the next-generation bioprinters. The product line is the first to combine CELLINK's and SCIENION's technologies.

On April 26, the Annual General Meeting 2021 resolved to, adopt a long-term incentive program for employees, issue convertible bonds and authorize the Board to decide on new share issues.

On May 19, an agreement was signed to acquire German Nanoscribe, who offer advanced 3D-bioprinters based on 2PP-technology. The purchase price amounted to MSEK 544.9 and the acquisition was completed on May 31, 2021.

On May 20, an agreement was signed to acquire American Visikol, who offer contract research services within e.g., 3D cell culture, 3D tissue imaging and digital pathology for pharmaceutical and biotechnology companies. The purchase price amounted to MSEK 144.2 and the acquisition was completed the same day.

On June 23, it was communicated that BICO's EpiDerm™ skin model has been approved by the OECD as a stand-alone in-vitro test method for phototoxicity.

On June 26, an agreement was signed to acquire American Discover Echo Inc., an innovative and revolutionary microscopy company. The purchase price amounted to MSEK 966.8 and the acquisition was completed on June 30, 2021.

On July 19, the S-NEST was launched, a high-throughput mi-cro-bioreactor with real-time monitoring to ensure maximum cell growth and streamlined workflows.

On August 6, the extraordinary general meeting resolved, in accordance with the proposal by the board of directors, to change the company name from CELLINK AB (publ) to BICO Group AB (publ) provided registration of the Swedish Companies Registration Office and to change the company's objects in the articles of association.

On August 12, the name change from CELLINK AB (publ) to BICO Group AB (publ) came into force after registration with the Swedish Companies Registration office. The company's ticker was changed from CLNK to BICO. ISIN and LEI codes remained the same.

On August 27, an agreement was signed to acquire Advanced

BioMatrix, an innovative company focusing on 3D applications, in order to be able to ensure a market-leading product portfolio in bioinks and reagents. The purchase price amounted to MSEK 148.6 and the acquisition was completed the same day.

On September 15, an agreement was signed to acquire the assets and the operations in HUREL, an American life science company focused on providing its customers with two-dimensional liver co-culture and assay services. The purchase price amounted to MSEK 21.5 and the acquisition was completed the same day. HUREL has been integrated into Visikol, a subsidiary in BICO.

On September 21, the subsidiaries CELLINK, MatTek and Visikol launched 3D bioprinting contract research offering.

On October 1, an agreement was signed to acquire QInstruments, a leading company in advanced sample preparation for biomedical and life science research and clinical diagnostics. The purchase price amounted to MSEK 631.6, and the acquisition was completed on October 15, 2021.

On October 8, BICO carried out a directed issue of shares of approximately SEK 2 billion where both existing shareholders and new international institutional shareholders participated.

On October 19, the subsidiary CYTENA launched C.STATION, a fully automated platform for stable cell line development to streamline production on antibody and gene therapies.

On November 15-16, Cellenion entered co-marketing agreements with Thermo Fischer Scientific and Bruker to provide complete workflows in multiomics research.

On November 17, the EGM resolved, in accordance with the Nomination Committee's proposal, to elect Susan Tousi as a new member of the Board of Directors, BICO and in accordance with the Board's proposal to authorize the Board of Directors to issue new shares.

On December 9, SCIENION announced a commercial agreement with Nanochon to develop 3D printed regenerative joint implants.

On December 15, CELLINK and Nanoscribe, launched Quantum X bio, the world's most precise 3D-bioprinter.

On December 16, the acquisition of Biosero, a leading software provider for automated workflows and laboratory connectivity. The purchase price amounted to MSEK 1,514.1 and the acquisition was completed on December 28, 2021.

On December 20, it was announced that BICO will, from January 3, 2022, be included in Nasdaq's Large Cap segment.

Financial comments*

Sales and earnings development

Sales increased during the financial year and amounted to MSEK 1,257.3 (416.0), an increase of 244% (294), of which 44% (48) was organic (adjusted for the extended financial year 2019/2020). Organic growth adjusted for sales of non-recurring pandemic-related hygiene products last year was 54%.

Adjusted EBITDA totalled to MSEK 16.9 (18.9), EBITDA totalled MSEK -45.1 (0.8) and profit/loss for the year was MSEK -229.2 (-49.0).

Net sales

In Laboratory Solutions, organic growth amounted to 82%. Excluding sales of non-recurring pandemic-related hygiene products last year, organic growth was 105% for the segment. In Bioautomation, organic growth was -10%, attributable to a strong Q4 in 2020, and the fact that SCIENION is only recognized organically from September 1, 2020. Compared to the full year 2020, SCIENION grew slightly below the company's financial targets.

Growth has been good in all segments and business areas during the year. Consumables as a percentage of total product sales increased during the year, partly as a consequence of acquired companies. At the same time, the percentage of service remained largely unchanged, which in nominal terms meant strong growth also in service. For further information on distribution in net sales, see Note 5.

Earnings

The gross margin** for the financial year amounted to 72.2% (71.8). The gross margin structure in the individual companies varies depending on the product mix. A larger share of service revenues than in the previous year, for instance through the acquisitions of MatTek and Visikol, had a positive contribution to the gross margin. At the same time, Ginolis operated with a lower gross margin than other Group companies.

Operating profit/loss amounted to MSEK -45.1 (0.8) before depreciation and amortization and MSEK -236.9 (-51.9) after depreciation and amortization. Major investments have been made in 2021 to build a globally cohesive corporate group.

The operating profit/loss therefore reflects a dramatic expansion of the organization, both organically and via acquisitions during the year. In addition, amortization of acquired intangible assets negatively affected operating profit/loss by MSEK -81.5 (-19.1).

In order to increase transparency regarding items affecting comparability in the Group's accounts, an adjusted EBITDA will be reported from 2021. Adjusted EBITDA for the full year amounted to MSEK 16.9 (18.9). Items affecting comparability affected the operating profit/loss as per the table below:

Items affecting comparability (MSEK)	12 months 2021	16 months 2019/2020
Cost of stock option programs	-16.4	-3.3
Acquisition and integration expenses	-47.4	-9.8
Revaluation of contingent consideration	25.0	-
State aid measures	1.1	4.6
Public listing expenses	0.0	-8.5
Change management brand and ERP	-16.7	-
Legal expenses	-7.6	-1.1
TOTAL	**-62.0**	**-18.1**

Profit/loss after financial items amounted to MSEK -213.4 (-54.2). Financial items have been affected by positive development and dividends on the company's short-term investments of MSEK 12.9 (-1.2) for the full year. The negative return during the previous year can be attributed to the market unease in spring 2020 due to COVID-19. There are also net positive currency effects, primarily related to unrealized exchange rate fluctuations on non-hedged intra-Group loans in the Parent Company, totalling MSEK 79.7 (0.0) for the whole year. Financial items have also been burdened by costs related to convertible bonds totalling MSEK 57.8 (0.0).

* As a result of the extended financial year 2019/2020, figures in parentheses refer to 16 months.
** For definition and calculation of gross profit and gross margin based on the cost-based income statement, see alternative key ratios on page 142.

Profit/loss for the year after tax amounted to MSEK -229.2 (-49.0).

Balance sheet
BICO's total assets increased to MSEK 9,754.6 (2,514.0) during the financial year. The increase can mainly be explained by acquisitions for the year, as well as the majority of the capital raising and a convertible issue totalling MSEK 5,109.5 before issue costs. At the end of the year the company had MSEK 1,475.0 (784.4) in cash and cash equivalents and short-term investments, and it is therefore well-placed for continued organic and acquisition-driven expansion. The short-term investments are mainly in short-term fixed-income funds and corporate bonds, which can be converted to cash at short notice. The Group's external financing consisted of interest-bearing liabilities of MSEK 1,355.3 (28.7), of which 1,328.4 MSEK (0.0) relates to convertible bonds, net after transaction costs. In addition, the Group had financial lease liabilities totalling MSEK 251.6 (80.2).

Cash flow, investments, and liquidity
For the whole year, cash flow from operating activities amounted to MSEK -409.3 (-79.4), of which MSEK -348.1 (-90.8) comprised changes in working capital.

Part of the negative cash flow from the operation can be attributed to the building of inventories. The aim here is to reduce the risks of delivery disruptions which the Group can discern among subcontractors. Capital tied up in operating receivables also continued to increase, an effect of strong net sales towards the end of the year in both organic as well as in acquired companies. During the year, accounts receivable with a total value of MSEK 179.5 have been added to the Group through acquisitions. Net sales and changes in working capital in acquired companies are included in the income statement and cash flow from operating activities respectively, from the time of acquisition. See also Note 26 for information on accounts receivable and net sales in acquired companies. The Group works actively to collect accounts receivable and manage working capital, so as to reduce its need for net working capital moving forward.

For the whole year, cash flow from investing activities amounted to MSEK -4,453.8 (-828.0), of which MSEK -3,540.2 (-417.5) is attributable to the cash purchase price and acquisition costs for the total of nine acquisitions during the period. MSEK -646.7 (-276.6) is attributable to short-term investments.

For the whole year, investments in intangible assets totalled MSEK -156.1 (-103.8). This figures does not include any costs for developing existing products or pure research. Total expenses linked to R&D therefore exceed the figures currently recognized as investments in intangible assets. For newly added companies, the majority of R&D investments are included in cash flow from operating activities. The increase on the previous year is attributable to higher investment in product development, primarily in bioprinting, live-cell imaging and single-cell proteomics.

For the whole year, cash flow from financing activities amounted to MSEK 4,900.1 (1,308.9) and primarily consisted of injections from new share issues and a raised convertible loan, net of issue costs. Repayments have also been made on external loans taken on in connection with acquisitions.

Total cash flow for the whole year amounted to MSEK 37.1 (401.5).

The company carried out a new share issue on March 12, 2021, generating MSEK 1,500 before issue costs. The issue comprised 3,571,429 new Series B shares, equating to a dilution of approximately 6.8% of the number of outstanding shares at the time of the new issue. At the same time a convertible issue of MSEK 1,500 was made that, assuming full conversion takes place, entails a dilution of around 4.0% of the total number of outstanding shares in BICO on December 31, 2021, through an increase of outstanding Series B shares by about 2,505,750. The subscription price for the new issue was SEK 420 per new Series B share, determined through an accelerated book build. A large number of Swedish and international institutional investors and existing shareholders participated in the new issue. See Note 19 for further information about how the issue of convertible bonds affects BICO's financial reporting. In total, the share and convertible issues generated MSEK 3,000 for the company.

A private placement was carried out on October 8, 2021 which raised MSEK 2,040 for the Group before issue costs. The issue comprised 4,250,000 new Series B shares, equating to a dilution of approximately 7.4% of the number of outstanding shares at the time of the new issue. The subscription price for the new issue was SEK 480 per new Series B share, determined through an accelerated book build.

The proceeds from the issues have been used to finance acquisitions and other growth initiatives for the year.

Sustainability

BICO's sustainability report has been prepared separately from the management report and can be found on pages 50-59.

BICO's sustainability work aims to strengthen the company's long-term competitiveness and growth, and to promote all aspects of our society. Carrying out this work responsibly is crucial to BICO's commercial success, profitability and shareholder value. The most important sustainability aspects as determined by the Board and management based on materiality and risk consist of:

- Developing and retaining skilled employees
- Responsibility by making a difference, e.g. helping to reduce the scope of animal testing
- Quality-assured, competitive products
- Responsible business and business relations

The point of departure for the company's sustainability work is the BICO Code of Conduct (CoC) and our sustainability platform. The CoC permeates how we conduct ourselves and deal with each other, both internally and externally. It encompasses aspects such as our corporate culture, how we act in a trust-inspiring way, and how we build long-term relations with colleagues and customers, business partners and suppliers. It also has information on the whistleblower function introduced to ensure compliance with our policy. The sustainability platform outlines how we work with our employees, society at large, our environment, and our planet, and also how our products affect these parameters. The Group management is responsible for sustainability work on the basis of the functions and departments that are represented, and overall responsibility for the work lies with the CEO. BICO has also increased its focus on allocating responsibility for sustainability work to more different parts of the organization. The sustainability work also encompasses how

BICO can contribute to the efficient use of resources throughout its production chain. This is a Group-wide initiative, under the leadership of the CEO. BICO aims to continuously develop its sustainability work moving forward, and can see continued development in both climate impact and the product portfolio.

EU taxonomy

BICO Group AB has reviewed the activities defined in the EU Taxonomy Climate Delegated Act in parallel with the activities within BICO Group AB to identify if any activities fall within the scope of the EU Taxonomy Climate Delegated Act. BICO has assessed that no activities within the Group falls within the scope of the EU Taxonomy Climate Delegated Act in its current scope. Based on our assessment, 0 percent of BICO Group's turnover is associated to the economic activities outlined in the EU Taxonomy Climate Delegated Act. Given this, no capital expenditures nor operational expenditures can be associated with such activities.

For the upcoming years the Group will identify initiatives to reduce greenhouse gas emission which could involve activities within the taxonomy while, synonymously, changes to the taxonomy might take place. However, such activities are not considered to be substantial in relation to CAPEX or OPEX and thus, such activities are currently 0 percent.

Risk and risk management

BICO's Board, audit committee and management have identified conceivable events that could have an impact on the company's operations. The events have been evaluated and reduced to a net list of which are considered to be the most relevant risks. In order to manage and mitigate identified risks, a number of control activities (risk mitigation measures) have been established. For each identified risk, there are activities to counter, limit, control and manage the risk. An evaluation of the effectiveness of the control activities is carried out annually.

BICO has a Group-wide monitoring process where the effectiveness of the controls is evaluated and reported to the CFO of BICO. The CFO is responsible for presenting the results of the evaluation to the audit committee and the Board. The most important risks are presented below.

Risk areas

The Group is exposed to various types of risks through its operations. Risks can primarily be sorted into three different categories: industry, operational and market-related risks, regulatory risks, and financial risks.

Industry, operational and market-related risks

Employees

Risk description

Being able to attract and retain qualified staff and senior leaders is important for BICO's future operations and business plan. BICO is particularly dependent on its senior leaders, who have been involved in the company since its founding and thus possess extensive knowledge of the business, for example regarding customer relations, industry contacts, and the Group's products and development projects.

Risk assessment 2021

As we continue to acquire companies in more competitive locations, employees and leaders are looking for more opportunities to grow their careers and have enhanced Total Rewards. The ability to develop both factors will increase our chances to retain talent. Exit interviews and engagement surveys have shown that stronger L&D focus on development while providing promotional opportunities and having enhanced Total Rewards will keep employees engaged. Without providing these key fundamentals, we will fall in competitive offers at all levels, including senior leaders.

Risk management

BICO has a clear structure for the professional development of all employees, from introductory training upon recruitment through to continued development. This is applied at all levels within the group.

Sustainability

Risk description

The company believes that the sustainability risk is important to monitor from a commercial-, environmental- and CSR perspective. However, it is not considered significant from an accounting perspective and is thus not mentioned in Note 3.

It is important for the Group to increase our focus on sustainability parameters and ESG factors since these risks are associated with many dimensions that affects our business today and tomorrow. Further, there are several risks that relates to climate policies, e.g., greenhouse gas emissions and the risk of increased prices on emissions. There is also a risk associated with increased compliance costs and regulations on existing products. Most of the risks associated with climate change are external risks that will affect BICO eventually. These risks include, but are not limited to, business disruptions, transportation disruptions, location risks and risks due to climate changes with regards to global warming. We conclude these sustainability risks to be market risks, policy and legal risks and climate risks.

Risk assessment 2021

Due to the increased focus on sustainability from various stakeholders we see that this risk is significant and will increase over time. Therefore, it is essential for us to work progressively with mitigating and monitoring these risks. Policy and legal risk are likely to occur, and it is therefore important to closely monitor. As a result of the climate risks, BICO can face increased, unexpected costs on material, energy, or buildings. Since these risks can be unforeseen events and will affect us long-term, the Group will in the upcoming years begin to work with a climate action plan which will be based on risk assessment of sustainability risks.

Risk management

To mitigate these risks, we are actively working to increase the transparency within our value chain and our emission as a result thereof. Routing from the climate action plan, BICO will focus on reducing these emissions in the future. With our focus on continuous improvement, we believe that we can mitigate the risk of increased costs while also ensuring that our customers' success remain our top priority. In relation to sustainability, policies and legislations are continuously shifting and therefore it is also vital that we monitor the changes and ensure compliance thereafter. During the upcoming years we will focus on our climate action plan and actively monitor theses specific risks and focus our efforts on reducing our negative impact on and from these climate risks.

Value chain

Risk description
In relation to the value chains of the Group companies, we face different challenges and risks. However, some risks apply to all companies, for instance ensuring control and safety. The Group face risks controlling the value chain in terms of ensuring compliance with our Code of Conduct and more specific risks related to human rights and anti-corruption. Furthermore, we also face the risk of ensuring that our suppliers are supporting and meet our quality- and safety standards.

Risk assessment 2021
As quality, safety, and an ethical business praxes are some of our cornerstones, we assess this risk to be significant to our business going forward. External parties have significant impact on this risk and is addressed by the group companies in their work to secure an efficient production process.

Risk management
As part of our strategy going forward, we want to ensure that all our new suppliers are signatory of our Code of Conduct, by which they agree to uphold our demands on human rights and anti-corruption. We started this process during 2021 and so far, it is a part of our standard agreement for three of the companies in the Group. In terms of our supplier's compliance with our safety and quality standards, we are currently working with various standards, such as ISO 14001 and ISO 9001. Furthermore, as an added step to ensure compliance, regulatory audits are, or are to be, conducted by CELLINK, SCIENION and MatTek. Several of the companies within the Group also have various safety and quality standards to ensure that the products being delivered to the customers also keep a high quality and safety. Some work with their own safety policies while others are working with external certification for their product, for instance UL (Underwriter Laboratories), REACH and ROHS.

Integration of Acquisitions

Risk description
Acquisitions is an important part of BICO's growth strategy. These acquisitions risk of failing to meet expectations related to sales and profitability, product development, culture, retention of management and key personnel. Hence, if an acquisition fails to meet expectations the purchase price paid may not have been justified at the time of the acquisition, which may require the Group to write down goodwill attributable to the acquisition.

Risk assessment 2021
Acquisitions will continue to be an important for BICO's growth strategy. It's a risk that the acquisitions fail to meet expectations or is not successfully integrated into the Group and to mitigate this risk processes for due diligence have been established.

Risk management
All acquisitions are made after comprehensive due diligence relevant for the acquisition target. Risks identified in the due diligence process are either mitigated in the share purchase agreement or after the acquisition. After each completed transaction an onboarding is made with the acquired company with focus on integration and follow-up of due diligence findings. To improve these process further BICO has in 2021 strengthen its M&A department to ensure successful M&A execution.

BICO also had the ambition to structure the purchase price for acquisitions into upfront payment in cash and shares (subject to lock-up) as well as an earn-out component for several years for the sellers, who typically also are part of management, to incentive them to deliver results according to the expectations at the time of the acquisition. This payment arrangement, with part of the purchase price being linked to an earn-out or payment in BICO shares, is structured to align the interest of BICO and the sellers, and eliminate risks associated with the acquisition.

Information management

Risk description
An information security risk is the product of an information security threat's probability to realize and its business impact. That product defines the information security risk level associated with a threat and a vulnerability allowing that threat to realize. At BICO, we have documented and implemented a formal global process, BICO information risk management methodology defining the criteria for calculating the information risk levels and for mitigating, avoiding, transferring, or accepting risks.

Risk assessment 2021
The BICO Group Management Team has established an information security policy and information risk management methodology that applies to all companies in the Group. The information security policy defines the strategic level governance for managing information security within BICO, i.e., the information security objectives, scope and responsibilities based on ISO 27001 information security management system, an international standard for implementing information security management best practices:

- Appointing a Chief Security Officer to establish, maintain, and continuously improve BICO Group's information- security and risk-management
- Maintaining an asset register of all assets that can impact the security of business-critical information including all assets that belong to the external and internal context of BICO Group's business, e.g., compliance with data protection laws such as GDPR
- Performing regular information risk assessment based on BICO Group information risk management methodology for defining information risk levels, risk treatment and risk appetite, including annual information risk management plan
- BICO Management Team reviews at least annually the information security management system status, including results of internal audits, risk assessments and risk treatment plan

Cyber security threats impacting BICO companies during 2021 are very much in line with the international threat landscape, i.e., phishing attacks targeted all BICO companies. To mitigate these risks BICO Group has invested in technology that protect BICO Group people, data and brand from email threats and common nuisances such as: impostor email, phishing, malware, spam, and viruses.

Since not all threats can be addressed with technical controls, BICO Group has established and implemented new global IT security policies and mandatory annual employee cyber security trainings to build BICO Group resilience to most common threats targeting employees, i.e., phishing, ransomware, social engineering, and eavesdropping.

Risk management
Improving and strengthening cyber security is a strategic priority for the BICO Group and it includes completing ISO 27001 infor-

mation security management system best practice implementation in all group companies, including within recently acquired companies, e.g., Biosero during 2022.

Covid

Risk description
During the financial year, the company has faced challenges due to travel restrictions, cancelled trade fairs and difficulties carrying out demonstrations in customer laboratories as a result of COVID-19. The pandemic has had an adverse effect on the company's operations and renders the sales process longer and more difficult than under normal circumstances. Furthermore, a lower level of activity in customers' laboratories is reflected in lower sales of consumables in relation to sales of instruments.

Risk assessment 2021
During the financial year, the company has had reason to continuously monitor the development of COVID-19 and its impact on the global economy. There is reason to expect a continued negative impact on sales, earnings and cash flow while the pandemic continues to restrict travel and in-person meetings.

Risk management
Measures have been taken to reduce the risk of long-term damage to the company's continued development and expansion, while employees' health has been a top priority. During the year, the Group has always followed official recommendations, which has entailed, for example, asking employees who are able to work from home to do so. To a certain degree, digital sales channels have been able to replace physical ones. Even so, as with the previous year the Group believes that it has lower sales on aggregate than would be the case in a normal year.

Legal risks

Intellectual property rights (IPR)

Risk description
BICO is highly dependent on intellectual property protection to be able to pursue development, marketing and sales without obstructive competition. If the protection of intellectual property rights, trade secrets and other intangible assets on which the Group depends turns out to be inadequate, the Group's opportunities to commercialize its products, and perhaps also its ability to achieve profitability in its operations, will be adversely affected. If the Group should lose IPRs or other intangible assets, or if the Group is unable in another way to maintain adequate protection for named assets, this would have a major negative impact on the Group's operations and financial position, and could lead to recognized intangible assets being written down. Conversely, BICO is dependent on newly developed or acquired technology with freedom to operate and that BICO does not infringe the right of third parties, which can otherwise lead to costly legal proceedings and damages.

Risk assessment 2021
On December 31, 2021 the Group's capitalized development costs totalled MSEK 269.8. Other intangible assets excluding goodwill amounted to MSEK 811.5. BICO has 495 ongoing and published patent applications in its IPR portfolio that have not yet been granted, and there is a risk for each of these that they will not be approved or the approved scope of protection for some patents will be narrow.

Risk management
BICO works actively with experts in the field to achieve intellectual property protection for its products, and to monitor its existing IPR portfolio. In the event of infringement by a third party, BICO takes measures to remove the infringement, for example by requesting that the infringing actions stop. BICO also conducts ongoing reviews of any obstacles in the development phase of new products and in connection with acquisitions to ensure that the Group has freedom to operate and that new products do not infringe on the rights of third parties.

Financial risks

Tax

Risk description
Tax-related issues within the Group are handled based on interpretations of applicable tax legislation, tax agreements and other tax regulations in the countries in which the Group operates, and on the positions of the relevant tax authorities. There is a risk of tax audits or reviews resulting in additional taxes being charged, for example with regard to internal pricing or tax compliance. If the company's interpretation of tax legislation, tax agreements and other tax regulations or their application is incorrect, the Group's previous and current handling of tax-related issues may be called into question. If tax authorities successfully argue such claims, this may result in a higher tax cost, including additional tax and interest, and may have a material negative impact on the company's financial position and earnings.

Risk assessment 2021
The jurisdictions within which the company operates have rules on internal pricing that require transactions with related companies to be conducted on market terms. According to the company, transactions between the Group's companies are conducted on business terms. However, if tax authorities in the jurisdictions in which the Group operates find that internal pricing does not take place on market terms and successfully raise objections to such pricing, this may lead to a higher tax cost, including additional tax and interest.

Risk management
The Group mitigates this risk by seeking assistance from external advisors to comply with internal pricing rules. The Group has documented principles for ensuring that prices in related party transactions are determined in accordance with OECD guidelines and national regulations on internal pricing.

Currency risk

Risk description
International companies like BICO are in different ways exposed to exchange rate fluctuations that could affect the Group's earnings and equity in some way, either as transaction exposure or translation exposure. This applies both to operating activities, and to events of a more non-recurring nature such as acquisitions of new subsidiaries or dividends from Group companies.

Risk assessment 2021
During the financial year, the company has acquired new subsidiaries in different countries, which has exposed it to various kinds of financial risks that could affect its earnings and cash flow. One such risk is exchange rate fluctuations.

Risk management
During 2021, the company has had a policy of not hedging ex-

change rate fluctuations. The company is considering implementing a more proactive hedging model to eliminate the effects of currency fluctuations within the Group.

Credit risk and capital structure

Risk description
Credit risk is the risk of losses resulting from the counterparty being unable to fulfill its contractual obligations. During its history, BICO has had a simple capital structure and low established bad debt losses. During the financial year, the company has acquired new subsidiaries, rendering the Group's capital structures and counterparty risks more complex.

Risk assessment 2021
The company has during the year worked continuously to effectively monitor counterparty risks, and to ensure the company has an optimized capital structure and acceptable credit risk.

Risk management
The company will begin a project to turn the granting of credit into a single centralized process for the Group in order to secure efficient payment processes within the organization.

Other financial risks
The Group is exposed to financial risks such as credit card risks and interest rate risks. A more in-depth description of these risks are provided in Note 2.

The share

As of December 31, 2021, the share capital of BICO Group AB (publ) amounted to SEK 1,553,256 (1,290,032), divided into 62,130,269 shares (51,601,285). The share was traded on the NASDAQ Mid Cap during the financial year. BICO's market capitalization as of December 31, 2021, was 17.3 billion SEK (12.1). There are two types of shares, 1,500,000 Series A shares and 60,630,269 Series B shares, with 10 and 1 vote per share respectively, but with the same share of equity per share. There are no restrictions on the transfer of shares or on the shares' voting rights in law or in rules in the articles of association.

The company is aware of several "lock-up" commitments that limit shareholders' opportunities to sell their shares. These are attributable to the acquisitions the company has made in recent years. In acquisitions where the sellers of the companies receive shares in BICO as part of the purchase price, a "lock-up" commitment is normally included which limits the shareholder's right to sell the shares for a certain period after the acquisition. These restrictions vary between 6 and 36 months depending on the structure of the transaction and are negotiated as part of the commercial terms of the transaction.

At the close of the period the Board was authorized at the EGM on November 17, 2021 to carry out private placements of Series B shares through cash issues, issues for non-cash consideration or offset issues equating to up to 20 percent of the share capital registered in the company at the time of the issue decision. In addition, in connection with acquisitions of operations, companies or rights, the Board is entitled to make decisions on issues for non-cash consideration or offset issues equating to up to a further 10 percent of the share capital registered in the company at the time of the issue decision.

Ownership
The company was listed on the Nasdaq Mid Cap in 2021, but was transferred to Large Cap on January 3, 2022. The company has 20,547 shareholders, and approximately 54% of the shares are controlled by the company's 10 largest shareholders as of December 31, 2021. The company's five largest shareholders (capital) were: Erik Gatenholm, 15.4%; Héctor Martínez, 10.0%; Handelsbanken Fonder, 8.4%; Capital Group, 5.8% and Swedbank Robur Fonder, 3.8%.

Share-based incentive programs
BICO Group AB had four outstanding equity-regulated option programs during 2021.

Options in the first program have in 2021 been redeemed for one share at a price of SEK 44.375. Redemption of options took place during the period February-August 2021. During the financial year, a total of 962,936 options corresponding to 962,936 shares were exercised. As of December 31, 2021, there are no more options in the first program outstanding.

The second program includes a maximum of 1,600,000 options for employees and 80,000 options for the Board, each redeem-able for a share at a price of SEK 74.34. The program expired in January 2022 for the employees and in January 2023 for the Board. In December 2021, the subscription price was paid in for the corresponding 48,900 shares and in January-February 2022 for the corresponding 807,100 shares in the company. As of the date of the report, 80,000 options remain for the Board in this program.

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

The Annual General Meeting 2021 resolved on April 26, 2021, to introduce a fourth 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. Allocation of the fourth incentive program began during the third quarter of 2021 and has continued during the fourth quarter of 2021. 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 the following conditions are met:

1. 50 percent if the BICO Group's sales per share has amount-ed to or equated SEK 50 per share during 2024; and
2. 50 percent if BICO Group's EBITDA has been positive in each year from 2021 to 2024 (earnings shall decrease by 12.5 percent for each year that the BICO Group's EBITDA has not been positive from 2021 through 2024)

Valuation and accounting policies for the first three incentive programs are described in Note 6.

As of December 31, 2021, a total of 4,246,935 options are out-standing, of which 2,919,850 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. After the balance sheet date up to and including the report, 807,100 options have been exercised against shares.

Of the total number of outstanding options, 618,000 are held by members of the Group's management team and the Board of Directors.

If all outstanding options were to be redeemed against shares, this would correspond to a total dilution of approximately 6.8 percent of the number of outstanding shares as of December 31, 2021.

Guidelines for remuneration to senior executives

At the AGM on April 26, 2021, it was resolved to introduce guidelines for remuneration to senior executives. The term senior executives refer to the CEO, CFO, CTO, and certain other people in the company management. Other people in the company management' refers to people in the management team and managers working directly under the CEO. The guidelines are forward-looking and are applied to remunerations that are agreed, and changes made to already agreed remunerations. The guidelines were adopted by the AGM 2021 and must be updated at least every fourth year.

The guidelines essentially entail the following: The company shall offer market conditions that allow the company to recruit and retain skilled staff. Remuneration to the executive team shall consist of fixed basic salary, variable remuneration, long-term incentive programs, pensions and other customary benefits. The remuneration is based on the individual's commitment and performance in relation to pre-established goals, and both individual and common goals for the entire company. Evaluation of individual performance is carried out continuously.

Remuneration

Remuneration shall be market-based and may consist of fixed salary, variable cash remuneration, pension benefits and other benefits. The AGM may in addition decide on share and share price-related remuneration. The fixed salary shall consider the individual's experience and areas of responsibility and shall be reviewed annually.

The fulfillment of criteria for paying variable cash remuneration must be measurable over a period of one or more years. Variable cash remuneration shall amount to a maximum of 100 percent of the total fixed salary during the measurement period. Further variable remuneration may be payable in extraordinary circumstances.

Incentive programs

The AGM decides on share or share price-related incentive programs. Before each AGM, the Board of Directors shall consider whether such a long-term incentive program for the company's senior executives should be proposed. Incentive programs shall contribute to long-term value growth and that the company, participants, and shareholders receive a common interest in the positive value development of the share.

Pension and other benefits

The CEO's pension benefits shall be defined contribution plans. Pension benefits for other senior executives shall be defined contribution plans, unless the executive is covered by a defined benefit plan under mandatory provisions in a collective agreement. Pension premiums for defined contribution plans shall amount to no more than 31 percent of the fixed annual salary.

Other benefits may include e.g., life insurance, health insurance and car benefits. Such benefits may amount to no more in total than 5 percent of the fixed annual salary.

Notice period

In the event of termination of employment by the company, the period of notice may be no more than 12 months. Fixed salary during the period of notice and severance pay may not exceed in total a sum equivalent to the fixed salary for 12 months. In the event of termination of employment by the senior executive, the period of notice may be no more than six months, without entitlement to severance pay.

Other

The Board of Directors has appointed a Remuneration Committee. The committee's tasks include preparing the Board's decisions on proposed guidelines for remuneration to senior executives. The Board shall draft proposals for new guidelines at least every four years and shall present the proposal at the AGM for a decision. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the company management, the application of the guidelines for remuneration to senior executives, and prevailing remuneration structures and remuneration levels in the company.

The Board of Directors may decide temporarily to deviate from the guidelines, in part or in whole, if there are special reasons for justifying it in an individual case to protect the company's long-term interests, including its sustainability, or to assure the company's financial viability.

Other disclosures

Corporate governance report

The corporate governance report is prepared independently of the annual report and can be found on pages 126-131.

Research and development

BICO actively conducts research and development to improve current technologies and products. The company's R&D team consists of over 330 engineers and scientists who, in partnership with scientists around the world, strive to improve and advance current technologies and discover new innovations. BICO are convinced that the next generation industrial ecosystem will help to release the power in Health 4.0, the next revolution in healthcare technology that will enable new tools for fighting infectious diseases, discover and treat cancer, 3D bioprint human organs, develop new drugs, and much more.

The Group has developed and patented several ground-breaking solutions that will consolidate the company's position as a market-leading innovator for decades to come. BICO is deeply committed to protecting the technology and products that we work hard to invent and develop. Most of the technologies invented within the Group are patented or have a patent pending. BICO's R&D process is based on a sincere desire to understand our customers' needs, wishes, and preferences. This is a practical process where we actively engage in dialog with customers on their user experience (UX) to understand potential and existing customers' needs, rather than relying solely on market surveys. During the entire development phase BICO gains valuable insight that guides our product development plans, and the launch of new products, solutions, and services.

Once BICO has a clear idea of our customers' needs, our agile product development team takes over. They have all the necessary skills in biology, biomaterial science, chemistry, robotics, physics, hardware technology, software technology, automation, industrial design, and product development to create award-winning solutions and products that customers demand.

R&D investments in 2021

In 2021, we made strategic investments in R&D regarding new and market-leading technology, including product development in 3D-printing, sample preparation kits for transcriptomics and single-cell proteomics, single-cell sorting, live cell imaging, precision fluid delivery, and pre-clinical contract research services.

The majority of the R&D investments entailed recruiting engineers and scientists in all geographical markets where we operate, as well as investments in product development. During the year, more than 100 new products were launched, including instruments such as the Quantum X bio bioprinter, UP.SIGHT – a rapid, all-in-one imager and single-cell dispenser, C.STATION – a fully automated platform for stable cell line development, and S.NEST – a high throughput microbioreactor, and the BIO MDX next generation bioprinter.

During the year, MSEK 250.1 was invested in research and development, of which MSEK 144.9 has been capitalized in the company's balance sheet.

Outlook

Several market reports where one example is McKinsey Global Institute's report: The Bio Revolution[1] which indicates that the market in which the Group operates will grow rapidly in the coming years. Developments are driven by increased demand from pharmaceutical companies for better methods to test and develop new drugs, increased research in regenerative medicine as well as basic and applied research at universities. The company focuses on growing in that market organically as well as through acquisitions.

Seasonal effects

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.

Dividend and dividend policy

The Board of Directors proposes no dividend for the financial year 2021 given the company's current growth phase, which is expected to continue during 2022.

Subsequent events

For information about subsequent events, refer to Note 30.

Annual General Meeting

BICO's AGM for the financial year of 2021 will be held on Tuesday April 26, 2022. Further information will be available at https://www.bico.com/investors/. Information on decisions taken at the AGM will be published on the same day as the Annual General Meeting, provided that the voting results have been compiled.

Proposed appropriation of profits

The Board of Directors and the CEO propose that the available funds, SEK 6,969,894,645 be disposed of as follows:

Carried forward: SEK 6,969,894,645

The financial statements were approved and issued by the Parent Company's Board of Directors on March 16, 2022. Regarding the company's earnings and position in general, reference is made to the following income statements, balance sheets and cash flow statements.

[1] McKinsey Global Institute: The Bio Revolution: Innovations transforming economies, societies, and our lives. https://www.mckinsey.com/industries/life-sciences/our-insights/the-bio-revolution-innovations-transforming-economies-societies-and-our-lives

Consolidated income statements

MSEK	Note	2021 *12 months*	2019/2020 *16 months*
Net sales	5	1,257.3	416.0
Change in inventories		13.2	3.5
Capitalized work for own account		94.0	60.7
Other operating income	7	73.8	28.1
Operating expenses			
Raw materials and consumables		-362.2	-120.8
Other external expenses	9	-433.1	-142.4
Personnel costs	6	-669.8	-230.8
Depreciation and amortization of non-current assets	12, 13	-191.8	-52.7
Other operating expenses	8	-18.3	-13.4
Operating profit/loss		**-236.9**	**-51.8**
Profit/loss from financial items			
Financial income	10	96.3	0.6
Financial expenses	10	-72.8	-2.9
Net financial items		**23.5**	**-2.3**
Profit/loss after financial items		**-213.4**	**-54.1**
Tax	11	-15.8	5.2
Profit/loss for the year		**-229.2**	**-48.9**
Attributable to:			
Parent Company shareholders		-227.6	-48.1
Non-controlling interest		-1.6	-0.8
Earnings per share before dilution, SEK	18	-3.97	-1.10
Diluted earnings per share, SEK	18	-3.97	-1.10

Consolidated statements of comprehensive income

MSEK	Note	2021 *12 months*	2019/2020 *16 months*
Profit/loss for the year		**-229.2**	**-48.9**
Other comprehensive income			
Items that have been or may be transferred to profit/loss for the year			
Translation differences for the period from translation of foreign operations	17	81.0	-58.4
Tax attributable to components that have been or may be transferred to profit/loss for the year		1.6	0.6
Other comprehensive income for the year		**82.6**	**-57.8**
Comprehensive income for the year		**-146.6**	**-106.7**
Attributable to:			
Parent Company shareholders		-146.0	-105.7
Non-controlling interest		-0.6	-1.0

Consolidated balance sheets

MSEK	Note	2021-12-31	2020-12-31
ASSETS			
Non-current assets			
Intangible assets	12	6,522.7	1,260.9
Property, plant and equipment	13	209.1	52.5
Right-of-use assets	24	248.5	80.8
Long-term investments	23	3.4	-
Long-term receivables	23	20.4	13.0
Deferred tax assets	11	96.5	39.5
Total non-current assets		**7,100.6**	**1,446.7**
Current assets			
Inventories	14	353.5	85.3
Current tax assets		9.1	-
Contract assets	5	132.2	8.0
Accounts receivable	15, 23	576.9	176.4
Prepaid expenses	16	19.1	2.3
Other receivables		88.2	10.8
Short-term investments	2, 23	993.8	349.5
Cash and cash equivalents	28	481.2	434.9
Total current assets		**2,654.0**	**1,067.2**
TOTAL ASSETS		**9,754.6**	**2,513.9**

MSEK	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity	17		
Share capital		1.6	1.3
Other contributed capital		7,017.1	2,299.5
Revaluation reserve		29.0	-52.5
Retained earnings including profit/loss for the year		-273.8	-46.4
Equity attributable to Parent Company shareholders		**6,773.9**	**2,201.9**
Non-controlling interest		28.8	6.6
Total equity		**6,802.7**	**2,208.5**
Non-current liabilities			
Non-current interest-bearing liabilities	2, 19	1,350.3	26.7
Non-current lease liabilities	2, 19	198.2	60.1
Other provisions	21	19.5	4.7
Other non-current liabilities	2, 20	393.2	0.0
Deferred tax liabilities	11	260.2	59.6
Total non-current liabilities		**2,221.4**	**151.1**
Current liabilities			
Current interest-bearing liabilities	2, 19	5.0	2.0
Current lease liabilities	2, 19	53.3	20.1
Accounts payable	2, 23	129.1	33.0
Contract liabilities	5	201.5	36.2
Current tax liabilities		9.5	5.2
Other liabilities	2, 20	151.9	4.0
Accrued expenses	22	180.2	53.8
Total current liabilities		**730.5**	**154.3**
Total liabilities		**2,951.9**	**305.4**
TOTAL EQUITY AND LIABILITIES		**9,754.6**	**2,513.9**

Consolidated cash flow statements

MSEK	Note	2021 *12 months*	2019/2020 *16 months*
Operating activities			
Profit/loss after financial items		-213.4	-54.1
Adjustments for non-cash items	28	173.7	64.7
Income tax paid		-21.5	0.9
Cash flow from operating activities before changes in working capital		**-61.2**	**11.5**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		-169.5	13.3
Increase (-)/Decrease (+) in operating receivables		-352.9	-118.5
Increase (+)/Decrease (-) in operating liabilities		174.4	14.4
Changes in working capital		**-348.0**	**-90.8**
Cash flow from operating activities		**-409.2**	**-79.3**
Investing activities			
Acquisition of property, plant and equipment	13	-110.9	-30.1
Acquisition of intangible assets	12	-156.1	-103.8
Acquisitions of subsidiaries/operations, net cash effect	26	-3,540.2	-417.5
Acquisition (-)/Disposal (+) of short-term investments		-646.6	-276.6
Cash flow from investing activities		**-4,453.8**	**-828.0**
Financing activities			
New share issue	17	3,609.5	1,336.3
Issue costs		-97.9	-53.8
Option premiums received		1,500.0	-
Issue of convertible loan		-	11.7
Repurchase of own options		-	-0.1
Borrowings		-	30.1
Repayment of loans		-73.9	-2.0
Repayment of lease liability		-37.6	-13.4
Cash flow from financing activities		**4,900.1**	**1,308.8**
Cash flow for the year		**37.1**	**401.5**
Cash and cash equivalents at the beginning of the year		434.9	39.8
Exchange difference in cash and cash equivalents		9.2	-6.5
Cash and cash equivalents at year-end	28	**481.2**	**434.9**

Consolidated statements of changes in equity

MSEK	Share capital	Other contributed capital	Revaluation reserve	Retained earnings incl. profit/loss for the year	Non-controlling interests	Total
Equity, opening balance Sep 1, 2019	**1.0**	**541.9**	**5.1**	**1.7**	**-**	**549.6**
Profit/loss for the year	-	-	-	-48.1	-0.8	**-48.9**
Other comprehensive income for the year	-	-	-57.5	-	-0.2	**-57.8**
Transactions with owners						
New share issue	0.2	1,330.1	-	-	6.0	**1,336.3**
Issue for non-cash consideration	0.1	456.9	-	-	-	**457.0**
Transaction costs, net of tax	-	-42.7	-	-	-	**-42.7**
Premium from issuing share options	-	11.7	-	-	-	**11.7**
Share-based remuneration	-	3.3	-	-	-	**3.3**
Repurchase of own options	-	-0.1	-	-	-	**-0.1**
Divestment to non-controlling interests	-	-1.7	-	-	1.7	**0.0**
Equity, closing balance Dec 31, 2020	**1.3**	**2,299.5**	**-52.5**	**-46.4**	**6.6**	**2,208.5**
Equity, opening balance Jan 1, 2021	**1.3**	**2,299.5**	**-52.5**	**-46.4**	**6.6**	**2,208.5**
Profit/loss for the year	-	-	-	-227.5	-1.7	**-229.2**
Other comprehensive income for the year	-	-	81.5	-	1.1	**82.6**
Transactions with owners						
New share issue*	0.2	3,586.2	-	-	22.8	**3,609.2**
Issue for non-cash consideration*	0.1	1,012.8	-	-	-	**1,012.9**
Convertible bonds	-	167.1	-	-	-	**167.1**
Transaction costs, net of tax	-	-60.6	-	-	-	**-60.6**
Share-based remuneration	-	12.1	-	-	-	**12.1**
Equity, closing balance Dec 31, 2021	**1.6**	**7,017.1**	**29.0**	**-273.8**	**28.8**	**6,802.7**

* In addition to fully completed issues, there are ongoing but not yet registered issues of total 1,249,900 shares as of December 31, 2021. Of these, 1,200,000 shares relate to non-cash issues in connection with acquisition of Biosero on December 28, 2021, and 48,900 shares relate to completed payment for the vesting of options during December 2021. The amounts for the issues are included in the lines for new share issue and non-cash issue. The shares were registered with the Swedish Companies Registration Office in January 2022

Parent company income statements

MSEK	Note	2021 *12 months*	2019/2020 *16 months*
Net sales	5	217.7	167.1
Change in inventories		-1.3	9.4
Capitalized work for own account		14.2	19.4
Other operating income	7	195.5	38.5
Operating expenses			
Raw materials and consumables		-134.8	-67.1
Personnel costs	6	-120.5	-87.9
Other external expenses	9	-131.6	-135.8
Depreciation and amortization of non-current assets	12, 13	-22.1	-10.9
Other operating expenses	8	-10.5	-10.7
Operating profit/loss		**6.7**	**-78.0**
Profit/loss from financial items			
Profit/loss from participations in Group companies	25	-40.3	-3.8
Other interest income and similar items	10	156.8	1.0
Interest expense and similar items	10	-63.9	-4.0
Net financial items		**52.6**	**-6.8**
Profit/loss after financial items		**59.3**	**-84.8**
Tax	11	-37.3	16.5
Profit/loss for the year		**22.0**	**-68.3**

Parent company statements of comprehensive income

MSEK	Note	2021 *12 months*	2019/2020 *16 months*
Profit/loss for the year		**22.0**	**-68.3**
Other comprehensive income			
Components that will not be reclassified as profit/loss for the year		-	-
Components that will be reclassified as profit/loss for the year		-	-
Other comprehensive income for the year		**-**	**-**
Comprehensive income for the year		**22.0**	**-68.3**

Parent company balance sheets

MSEK	Note	2021-12-31	2020-12-31
ASSETS			
Non-current assets			
Intangible assets	*12*		
Capitalized development expenses		1.7	106.5
Patents, licenses and trademarks		0.2	26.0
Other intangible assets		2.8	-
Property, plant and equipment	13		
Expenditure on leased property		0.2	1.2
Equipment, tools, fixtures and fittings		1.9	7.9
Financial assets			
Participations in Group companies	25	4,221.7	1,321.3
Receivables from Group companies	29	3,405.9	48.2
Other long-term investments	23	3.4	-
Other long-term receivables	23	1.3	1.2
Deferred tax asset	11	0.0	30.3
Total non-current assets		**7,639.1**	**1,542.6**
Current assets			
Inventories	14	0.0	23.9
Accounts receivable	15	38.9	44.0
Receivables from Group companies	29	87.9	14.0
Other receivables		16.5	5.8
Prepaid expenses and accrued income	16	4.6	7.1
Short-term investments	2, 23	993.6	349.5
Cash and bank balances	28	91.1	302.4
Total current assets		**1,232.7**	**746.7**
TOTAL ASSETS		**8,871.7**	**2,289.3**

MSEK	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity	17		
Restricted equity			
Share capital		1.6	1.3
Development expenditure fund		1.6	106.1
Non-restricted equity			
Share premium reserve		7,002.7	2,297.3
Retained earnings		-54.8	-97.8
Profit/loss for the year		22.0	-68.3
Total equity		**6,973.2**	**2,238.7**
Provisions			
Other provisions	21	0.0	0.5
Total provisions		**0.0**	**0.5**
Non-current liabilities			
Liabilities to credit institutions	2, 19	4.0	6.0
Convertible bonds	19	1,328.4	-
Other non-current liabilities	20	389.2	0.6
Total non-current liabilities		**1,721.6**	**6.6**
Current liabilities			
Liabilities to credit institutions	2, 19	2.0	2.0
Liabilities to Group companies	29	1.4	1.9
Accounts payable	2, 23	5.6	15.0
Other liabilities	20	110.7	1.3
Accrued expenses and deferred income	22	57.2	23.3
Total current liabilities		**177.0**	**43.5**
TOTAL EQUITY, PROVISIONS AND LIABILITIES		**8,871.7**	**2,289.3**

Parent company cash flow statements

MSEK	Note	2021 *12 months*	2019/2020 *16 months*
Operating activities			
Profit/loss after financial items		59.3	-84.8
Adjustments for non-cash items	28	-208.4	33.7
Income tax paid		0.2	0.0
Cash flow from operating activities before changes in working capital		**-148.9**	**-51.1**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		-10.1	-12.0
Increase (-)/Decrease (+) in operating receivables		-38.2	-68.5
Increase (+)/Decrease (-) in operating liabilities		23.5	20.0
Changes in working capital		**-24.8**	**-60.5**
Cash flow from operating activities		**-173.7**	**-111.6**
Investing activities			
Acquisition of property, plant and equipment	13	-8.3	-10.0
Acquisition of intangible assets	12	-52.0	-84.0
Acquisition of subsidiaries/operations, net cash effect	25	-1,373.7	-503.8
Acquisition (-)/Disposal (+) of long-term investments		-2,943.9	0.0
Acquisition (-)/Disposal (+) of short-term investments		-646.7	-276.6
Cash flow from investing activities		**-5,024.6**	**-874.4**
Financing activities			
New share issue	17	3,586.4	1,323.3
Issue costs		-98.0	-53.8
Issue of convertible loan		1,500.0	-
Borrowings		0.0	10.0
Repayment of loans		-2.0	-2.0
Cash flow from financing activities		**4,986.4**	**1,277.5**
Cash flow for the year		-211.9	291.5
Cash and cash equivalents at the beginning of the year		302.3	11.7
Exchange difference in cash and cash equivalents		0.7	-0.9
Cash and cash equivalents at year-end	28	**91.1**	**302.3**

Parent company statements of changes in equity

	Restricted equity		*Non-restricted equity*			
MSEK	Share capital	Development expendi-ture fund	Share premium reserve	Retained earnings	Profit/loss for the year	**Total equity**
Equity, opening balance Sep 1, 2019	**1.0**	**44.9**	**538.6**	**-38.6**	**0.8**	**546.8**
Appropriation of profits	-	-	-	0.8	-0.8	**-**
Profit/loss for the year	-	-	-	-	-68.3	**-68.3**
Change in development expenditure fund	-	61.2	-	-61.2	-	**-**
Transactions with owners						
New share issue	0.2	-	1 ,323.1	-	-	**1,323.3**
Issue for non-cash consideration	0.1	-	456.9	-	-	**457.0**
Transaction costs, net of tax	-	-	-42.7	-	-	**-42.7**
Premium from issuing share options	-	-	21.4	-	-	**21.4**
Share-based remuneration	-	-	-	1.2	-	**1.2**
Equity, closing balance Dec 31, 2020	**1.3**	**106.1**	**2,297.3**	**-97.8**	**-68.3**	**2,238.7**
Equity, opening balance Jan 1, 2021	**1.3**	**106.1**	**2,297.3**	**-97.8**	**-68.3**	**2,238.7**
Appropriation of profits	-	-	-	-68.3	68.3	**-**
Profit/loss for the year	-	-	-	-	22.0	**22.0**
Change in development expenditure fund	-	-104.5	-	104.5	-	**-**
Transactions with owners						
New share issue*	0.2	-	3,586.1	-	-	**3,586.3**
Issue for non-cash consideration*	0.1	-	1,012.8	-	-	**1,012.9**
Convertible bonds			167.1	-	-	**167.1**
Transaction costs, net of tax	-	-	-60.6	-	-	**-60.6**
Share-based remuneration	-	-	-	6.8	-	**6.8**
Equity, closing balance Dec 31, 2021	**1.6**	**1.6**	**7,002.7**	**-54.8**	**22.0**	**6,973.2**

* In addition to fully completed issues, there are ongoing but not yet registered issues of total 1,249,900 shares as of December 31, 2021. Of these, 1,200,000 shares relate to non-cash issues in connection with acquisition of Biosero on December 28, 2021, and 48,900 shares relate to completed payment for the vesting of options during December 2021. The amounts for the issues are included in the lines for new share issue and non-cash issue. The shares were registered with the Swedish Companies Registration Office in January 2022.

Notes

Note 1
Accounting principles

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations of applicable standards by the IFRS Interpretations Committee (IFRIC) as approved by the EU. Sweden's Annual Accounts Act and RFR 1 "Supplementary accounting rules for the Group" have also been applied.

The Parent Company applies the same accounting principles as the Group except in the cases stated below in the section "Parent Company accounting principles". The discrepancies between the accounting policies of the Parent Company and the Group are caused by restrictions on the ability to apply IFRS to the Parent Company as a result of Sweden's Annual Accounts Act the Safeguarding of Pension Commitments, etc. Act, and in some cases for reasons concerning tax.

Classification

Non-current assets, non-current liabilities and provisions essentially consist of amounts expected to be recovered or paid more than twelve months after the balance sheet date.

Current assets and current liabilities essentially consist of amounts expected to be recovered or paid within twelve months of the balance sheet date.

Consolidation principles

The consolidated accounts include the Parent Company BICO Group AB (publ) and the subsidiaries in which the Parent Company has a controlling influence at year-end. Intragroup receivables and liabilities, income or expenses and unrealized gains or losses arising from intragroup transactions are eliminated in their entirety during the preparation of the consolidated financial statements.

Functional currency and reporting currency

Items included in the financial statements of the Group's various units are valued in the currency used where the respective companies are primarily active (functional currency). The Parent Company's functional currency is the Swedish krona, which is also the reporting currency for the Parent Company and Group. This means that the financial statements are presented in Swedish kronor. All amounts are expressed in millions of kronor and rounded to one decimal place unless otherwise stated. Assets and liabilities in foreign subsidiaries, including goodwill and other consolidated surplus and deficit values, are translated into Swedish kronor at the exchange rate observed on the balance sheet date. Income and expenses in foreign subsidiaries are translated into Swedish kronor at an established average rate that applies for the month in which the transaction occurs. Translation differences arising from currency translation of foreign subsidiaries are recognized in other comprehensive income.

Foreign currency

Transactions in foreign currencies in the Parent Company are reported in the functional currency using the exchange rate observed on the transaction date, while income and expenses in foreign subsidiaries are translated into Swedish kronor at an established average rate that applies for the month in which the transaction occurs. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate observed on the balance sheet date. Exchange rate discrepancies arising from conversions are reported in the income statement. Non-monetary assets and liabilities that are recognized at historical cost are recognized at the exchange rate observed at the time of the transaction. Changes in exchange rates are then reported in the same way as other value changes regarding assets and liabilities.

Key exchange rates against the SEK used in the accounts:

Currency	Closing rate	
	2021-12-31	**2020-12-31**
EUR	10.2269	10.0375
USD	9.0437	8.1886

Source: The Riksbank

AMENDED ACCOUNTING PRINCIPLES

Amended accounting principles caused by new or amended IFRS

No standards, amendments and interpretations that entered into force during the 2021 financial year are considered to have had a material impact on the consolidated financial statements.

Future accounting principles

New and amended IFRS with future application are not expected to have a material impact on the company's financial statements.

Parent Company accounting principles

The Parent Company has prepared its annual report in accordance with Sweden's Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 – Accounting for legal entities. RFR 2 means that in the annual report for the legal entity, the Parent Company shall apply all IFRS and statements approved by the EU provided this is possible within the framework of Sweden's Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies exceptions and supplements to be made from IFRS. The differences between the Group's and Parent Company's accounting principles are shown below. The accounting principles set out below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements. The accounting principles are unchanged compared to the previous year.

Shares and participations

Shares and participations in Group companies are reported at cost and impairment testing is carried out annually. Dividends are recognized in the income statement.

Shareholder contributions

Unconditional shareholder contributions are made directly to the equity of the recipient and capitalized in shares and participations of the donor, to the extent that no write-down is required.

Leasing

IFRS 16 is not applied in the Parent Company. Lease payments are instead recognized as a cost on a straight-line basis over the lease term.

Description of accounting principles

The accounting principles for the Group set out in this annual report have been applied consistently to all periods presented in the consolidated financial statements unless otherwise stated. The Group's accounting principles have been applied consistently to the reporting and consolidation of subsidiaries.

In order to increase the understanding of the accounting principles applied by the Group, BICO has chosen to report these principles in connection with each note.

Note 2
Financial risk management

BICO's operations are exposed to various types of financial risk that may affect the company's earnings and cash flow; this is primarily a result of exchange rate fluctuations, but also credit and counterparty risks, liquidity and refinancing risk and, to a certain extent, interest rate risks. The Group's financial risks are managed in accordance with the financial policy adopted by the Board. The CEO is responsible for conducting business in accordance with the policies adopted by the Board and approving deviations in accordance with the mandate set by the Board. The CEO is also responsible for reporting on the compliance of policies and potential risks together with the CFO.

The CFO is responsible for the company's financial reporting and for following the mandate the Board has given to the CEO and senior executives in relation to risk and reporting. The CFO participates in the audit committee meetings and is responsible for following up and reporting on the company's internal control and financial risks to the audit committee and the Board. The Group's financial risks are monitored and reported by the CFO to the Board of Directors, the audit committee and the CEO.

Currency risk
Exchange rate fluctuations affect the Group's earnings and equity in various ways, either as transaction exposure or translation exposure.

Transaction exposure consists of commercial flows in foreign currency. For the Group, this mainly arises as a result of Swedish companies invoicing the majority of their customers in EUR and USD and the majority of their costs being in SEK. In this way, a change in the EUR and USD against the SEK affects the Group's earnings. Foreign companies usually have their revenue and costs in the same currency and their recognized earnings are therefore not affected by exchange rate fluctuations to a significant extent, even though individual lines in the income statement, such as net sales, are affected. Amortization of acquired surplus values from foreign subsidiaries are affected by a change in exchange rate as the values are calculated in the foreign currency and translated into SEK.

When translating foreign subsidiaries' earnings and net assets, there is a translation exposure that, in the event of currency exchange rate changes, affects the Group's other comprehensive income and equity respectively. The exchange rate difference, which is recognized in other comprehensive income, is attributable to changes in the USD/SEK exchange rate (for US subsidiaries and related surplus values) and the EUR/SEK exchange rate (for European subsidiaries and associated surplus values). Due to multiple foreign acquisitions during the financial year, the Group's translation exposure to both the USD and the EUR increased during the financial year.

Furthermore, the parent company has receivables from subsidiaries in foreign currency, which are not hedged from a currency perspective. Changes in exchange rates, primarily USD, have a significant impact on reported net financial items in this aspect.

A 10% increase in the EUR and USD during the financial year would have resulted in the following positive transaction exposure effect on the Group's operating profit, mainly because the operating profit in the foreign subsidiaries fluctuates with the currency, but also because amortization of surplus values denominated in EUR and USD would have increased in the accounting currency, the SEK.

Currency	2021	2019/2020
EUR	10.9	5.1
USD	9.5	6.4

The net translation exposure (in thousands) for the Group is divided into the currencies below. The increase during the financial year can mainly be attributed to acquired foreign companies, which are denominated in EUR and USD. See also Note 26 for disclosures on acquisitions.

A 10% change in each closing rate would have affected the respective SEK amount by 10%, which would have entailed a corresponding change in other comprehensive income and equity.

Currency	*Local currency* 2021	*MSEK* 2021
EUR	312.8	3,198.6
USD	111.5	1,008.5

Currency	*Local currency* 2019/2020	*MSEK* 2019/2020
EUR	129.1	1,295.9
USD	0.2	1.5

The Group's policy is not to hedge exchange rate fluctuations.

Liquidity and refinancing risk
Financing risk refers to the risk that costs will be higher and funding opportunities will be limited when loans are to be renewed, and that payment obligations might not be fulfilled as a result of insufficient liquidity or difficulties in obtaining financing. The company must be an attractive borrower and have such an approach that the company can be offered financing on good terms.

The company currently has mainly external financing in the form of convertible bonds that mature in 2026. See Note 19 for further information on the convertible bonds. The company also has contingent considerations to be paid in the coming years as a result of acquisitions in 2021. For more information on the contingent considerations, see notes 20, 23 and 26.

In other respects, the company has financed its growth through equity raised from the company's shareholders.

Interest rate risk
Interest rate risk is the risk that interest rate changes will affect the Group's earnings and cash flow (cash flow risks). The vast majority of the company's external financing currently consists of convertible bonds with a nominal value of MSEK 1,500 that mature in 2026. The bonds have a fixed coupon rate of 2.875% or MSEK 43.1 a year. The interest expense is therefore currently largely predictable and the interest risk linked to borrowing is considered to be low.

The summary below shows the effect that a one percentage point change in market interest rates would have had on the consolidated income statement and equity.

	Change, %	2021	2019/2020
Market interest rate	(+/-) 1	15.0	1.0

Credit and counterparty risks

Credit risk is the risk of losses resulting from the counterparty being unable to fulfill its contractual obligations. The risk for BICO is mainly linked to accounts receivable and contract assets. In order to control the risk, the company conducts customer audits and continuously monitors developments regarding the customer's creditworthiness. The company requests payments in advance from new customers if there are doubts about the counterparty's ability to pay. There is no significant concentration of credit risk with any individual customer, counterparty or geographical region for BICO. The company has a broad customer portfolio with the majority of sales coming from a large number of customers. The company also works with distributors in particular regions, which affects the concentration risk to a certain extent, however this effect has been on the decrease over the past two financial years and mainly relates to the Asian market. Several of BICO's customers routinely pay their invoices a relatively long time after the due date. Work to collect overdue receivables is an ongoing process.

A customer is deemed to have defaulted if it has payment difficulties or if the receivable is more than 90 days overdue. The reasoning for this is that several customers routinely pay late. At this point, the expected credit losses in BICO's model increase markedly. Credit risk is handled in the accounts by recognizing a loss allowance based on how long the receivable has been overdue, and by conducting an individual review of the customer based on previous payment patterns and external factors. The loss allowance is measured at an amount equal to the expected credit losses for the entire outstanding term, which means that a loss allowance is also recognized for non-overdue receivables.

Maturity structure for financial liabilities including future interest payments (non-discounted amounts)

Group, Dec 31, 2021	<1 year	2 years	3 years	4 years	>4 years	Total
Interest-bearing liabilities	47.9	50.4	50.3	48.3	1,330.9	1,527.8
Accounts payable	129.2	-	-	-	-	129.2
Lease liabilities	53.3	48.5	43.0	34.6	72.1	251.5
Other liabilities	161.3	122.4	184.6	84.6	1.7	554.5

Group, Dec 31, 2020	<1 year	2 years	3 years	4 years	>4 years	Total
Interest-bearing liabilities	2.4	4.8	7.3	7.2	8.2	29.9
Accounts payable	33.0	-	-	-	-	33.0
Lease liabilities	20.1	18.3	11.7	10.1	20.0	80.2
Other liabilities	-	-	-	-	-	-

Parent Company, Dec 31, 2021	<1 year	2 years	3 years	4 years	>4 years	Total
Interest-bearing liabilities	45.1	45.1	45.1	43.1	1,328.4	1,506.8
Accounts payable	5.6	-	-	-	-	5.6
Other liabilities	110.7	120.7	183.3	84.6	0.6	499.9

Parent Company, Dec 31, 2020	<1 year	2 years	3 years	4 years	>4 years	Total
Interest-bearing liabilities	2.2	2.1	2.1	2.0	0.6	9.0
Accounts payable	15.0	-	-	-	-	15.0
Other liabilities	-	-	-	-	-	-

Increased total sales and the history of bad debt losses in acquired companies have contributed to the changed loss allowance compared with previous years. Receivables are only written off when the counterparty is declared bankrupt, or changes to the nominal values of the receivable are agreed. See also Note 15 for further information on the Group's accounts receivable.

The company also has credit and counterparty risk for cash and cash equivalents. To control the risk, the company has consistently invested cash in well-established counterparties assessed as having a low risk of default.

Risk management of capital
The Group's capital structure must be kept at a level that ensures the opportunity to continue operations that create returns for shareholders and benefits for other stakeholders, while maintaining an optimal structure to reduce capital costs. In order to maintain or adjust the capital structure, the Group may, with shareholder approval when appropriate, vary the dividend to the shareholders, reduce the share capital for payment to the shareholders, issue new shares or sell assets to reduce the debt/equity ratio.

The Group continuously analyzes the ratio between debt and equity. Net debt includes interest-bearing financial liabilities. The Group's capital consists of short-term investments and cash less interest-bearing liabilities. The Group has no external capital requirements. From time to time, the Group has more liquid assets than required to conduct the company's operations, on which occasions excess liquidity is invested in interest-bearing funds in accordance with the Group's finance policy.

The purpose is to manage the Group's capital at the lowest risk possible for when the company needs the capital for acquisitions or other investments, for example. The investments should preserve value rather than generate significant capital gains. The company's liquidity must be available at short notice to support continued growth. A basic condition for the investment is that there is an official rating or credit analysis of the issuer. The lowest permitted rating for the investments made is BB-. Individual investments may be included with a maximum of 6 years until the due date or first redemption day and there must be a final due date specified. See the table below for how the company's investment of excess liquidity should be weighted.

Issuer	Risk category	Allowed maximum exposure
Individual issuer of bonds and hybrid capital	Investment grade	10% however never exceeding 120 MSEK
Individual issuer of bonds and hybrid capital	High yield	5% however never exceeding 60 MSEK
Individual issuer of company certificates	Investment grade	10% however never exceeding 120 MSEK
Individual issuer of company certificates	High yield	5% however never exceeding 60 MSEK
Bonds, treasury bills and hybrid capital issued by the Swedish state		30%
Bonds, treasury bills and hybrid capital issued by directly or indirectly wholly owned subsidiaries to the Swedish state		20%

Note 3 Critical accounting estimates

Preparation of the financial statements in accordance with IFRS requires that Group management make accounting estimates and assumptions that affect the application of accounting principles and the carrying amounts of assets, liabilities, income and expenses. Estimates and assumptions are based on historical experience and a number of other factors that seem reasonable in the prevailing circumstances. The results of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not otherwise clearly evident from other sources. The actual outcome may differ from these accounting estimates. Estimates and assumptions are reviewed regularly depending on their nature, but at least once a year. Changes in estimates are recognized in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects the current and future periods. Assessments made by Group management that have a significant impact on the financial statements and estimates that may lead to significant adjustments in future financial statements are described below.

Business combinations
Business combinations are reported in accordance with the acquisition method. The determination of fair value often requires Group management to make assumptions and estimates about future events. Assumptions and estimates relating to the determination of the fair value of acquired patents, technologies, customer relationships and trademarks generally require major assessments and include estimates of forecasted cash flows, growth and discount rates. Changes in any of these assumptions or estimates used to determine the fair value of acquired assets and liabilities may affect the amounts relating to assets, liabilities and goodwill as a result of how the purchase price is allocated. Future net gains may be affected as a result of changes in depreciation/amortization and impairment of assets including goodwill. The Group hires external valuation experts to prepare purchase price allocations to ensure that the acquired net assets are assessed objectively. See also Note 26 for a description of acquisitions carried out.

Assessment of cash-generating units and impairment testing of goodwill and other intangible assets
Impairment testing requires the identification of the Group's

smallest cash-generating units, which relies on assessments. On December 31, 2021, the Group was deemed to consist of 12 cash-generating units, which reflects the Group's revenue streams and historical acquisitions. Testing for impairment has been carried out at this level. A change in this assessment could have significant consequences on the Group's earnings in future periods. See Note 12 for further information.

While calculating cash-generating units' recoverable amounts to assess possible impairment requirements for goodwill and other intangible assets, several assumptions have been made about future conditions and estimates of parameters. A description of these can be found in Note 12.

Contingent consideration

In connection with the Group's acquisitions, a portion of the purchase price, or consideration, depends on future events, such as sales and profit development in the acquired unit. In these cases, a discounted, probability-weighted assessment of the possible outcomes of the contingent consideration is conducted at the time of acquisition and included in the purchase price, and recognized under other liability. Future sales, order intake and the discount rate are important non-observable input data in the calculation. An increase in these input data (or a decrease in the discount rate) increases the outcome of the contingent consideration.

Renewed assessments of the potential outcome of the contingent considerations are carried out at each reporting period. 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, adjustments are made to the purchase price allocation, provided that this is still preliminary. Changes in the assessment can thus lead to a significant impact on the Group's earnings. See also Note 20 and Note 23 for information on the contingent consideration.

Loss allowance for accounts receivable

BICO recognizes loss allowances for accounts receivable based on the rules in IFRS 9 on expected credit losses. In relation to this, accounting estimates are made as to whether or not accounts receivable will be recoverable at their full value, and at what level the loss allowance should be recognized. BICO's cash-generating units have varied in the past with regard to bad debt losses, which means that estimates are required to assess the risk of future credit losses. The principles are described in more detail in Notes 2 and 15.

Deferred tax

Deferred tax assets attributable to tax losses have been capitalized in the Group to the extent that they can be used against future taxable profits. To determine this, Group management has produced forecasts for the companies that have tax losses. Assumptions and estimates used in the forecast generally require major assessments and include estimates of forecasted cash flows and growth per legal entity. A change in any of these factors could lead to changes in the assessments. See Note 11 for further information.

Leasing

Recognition of leases in accordance with IFRS 16 requires a certain degree of judgment, primarily regarding the lease term. The Group defines the lease term as the non-terminable term of the lease, together with all periods covered by an option to extend the lease if it is reasonably certain to exercise the option.

The Group has several leases that include extension and termination options. At the beginning of the lease term, the Group judges whether or not it is reasonably certain to exercise the option to renew or terminate the agreement. This assessment takes account of all the relevant factors that create an economic incentive to either renew or terminate the lease. After the start date, the Group reviews the lease term if a significant event occurs or if there is a change in circumstances within the Group's control that affects its ability to exercise or not exercise the option to renew or terminate the lease (e.g. the expense of major improvements or adaptations to the leased asset).

The Group included the renewal period as part of the lease term for leases of premises with non-terminable periods of less than three years. Within this period it is usually judged to be reasonably certain that the Group will exercise its option to renew these leases. The extension periods for leases with longer non-terminable periods are not included in the lease term as it is not reasonably certain that the option to renew will be exercised. Furthermore, the renewal options for leases of motor vehicles are not included in the lease term as the Group usually leases vehicles for a maximum of three years, and does not therefore exercise any renewal options. See Note 24 for further information on the Group's leases.

Capitalization of development expenses

Recognition of capitalized development expenses requires assessments to determine whether or not expenses can be capitalized during the course of a project. Factors affecting the assessment are which development phase the project is in and what future earning capacity the project is expected to contribute. To ensure this is managed correctly, the Group continuously works with project documentation and follow-up, monitoring expenditure incurred in relation to the project budget, and forecasts of future earning capacity.

A change in the assessment of the projects' earning capacity could have significant consequences on the Group's earnings in future periods. See also Note 12 for further information on the Group's capitalized development expenses.

Convertible instruments

On March 19, 2021, the Group issued senior unsecured convertible bonds with a total nominal value of MSEK 1,500. Convertible bonds are a hybrid instrument that mainly comprises two parts: a liability portion and an equity portion. To determine what proportion of the convertible loan should be classified as equity, the implicit market rate is used, i.e. the interest rate at which the company would likely have been able to borrow without the embedded option to convert into shares. This interest rate is used to discount the liability where the difference between the discounted value and the issued convertible debt is the part of the loan classified as equity. The company has judged this interest rate to be 5.5%. A change in this assessment could have important effects on the consolidated income statement and consolidated balance sheet, both during the year and in future periods. See also Note 19 for information on the convertible bonds.

Note 4
Segments

ACCOUNTING PRINCIPLES

The Group's operations are divided into operating segments based on which parts of the operations are monitored by the company's chief operating decision-maker, the Group CEO.

The Group's operations are organized such that Group CEO monitors the sales and earnings generated by the Group's various segments. Each operating segment has a manager who is responsible for the day-to-day operation and who regularly reports to the CEO on the results of the operating segment's performance and its resource requirements.

As the Group CEO follows up the operations' earnings and decides on resource allocation based on the goods and services the Group offers the market, these operations constitute operating segments. The Group's segments are identified based on the fact that various market offerings have been merged into a single segment if they have similar economic characteristics, products, production processes, customers and distribution methods. The Group's segments are primarily monitored at sales and gross margin level, which is why these measures are presented in the table below.

The operating segments' earnings include directly attributable items as well as items that can reasonably and reliably be attributed to the segments. The recognized items in the operating segments' earnings are measured in accordance with the earnings monitored by the company's chief operating decision-maker.

Division into segments

The Group comprises two reporting segments: Laboratory Solutions and Bioautomation (previously Industrial Solutions). The company is actively striving to report in three segments in future in line with the business areas of Bioprinting, Bioscience and Bioautomation.

The division of Laboratory Solutions into Bioprinting and Bioscience has not yet been implemented due to a lack of relevant financial information.

The Group's operating segments

	Laboratory Solutions		*Bioautomation*		*Total*	
	2021	**2019/2020**	**2021**	**2019/2020**	**2021**	**2019/2020**
Sales	741.3	263.8	516.0	152.2	1,257.3	416.0
Raw materials and consumables reduced by change in inventories	-210.0	-76.5	-139.0	-40.9	-349.0	-117.4
Gross profit	**531.3**	**187.3**	**377.0**	**111.3**	**908.3**	**298.6**
Gross margin	**71.7%**	**71.0%**	**73.1%**	**73.1%**	**72.2%**	**71.8%**
Capitalized work for own account	-	-	-	-	94.0	60.7
Other operating income	-	-	-	-	73.8	28.1
Other external expenses	-	-	-	-	-433.1	-142.4
Personnel costs	-	-	-	-	-669.8	-230.8
Depreciation/amortization and impairment losses	-	-	-	-	-191.8	-52.7
Other operating expenses	-	-	-	-	-18.3	-13.4
Financial income	-	-	-	-	96.3	0.6
Financial expenses	-	-	-	-	-72.8	-2.9
Profit before tax	**-**	**-**	**-**	**-**	**-213.4**	**-54.2**

Laboratory Solutions

The operation within Laboratory Solutions consists of the business areas Bioprinting and Biosciences. Bioprinting comprises the companies: CELLINK Bioprinting, MatTek, Visikol, Nanoscribe and Advanced BioMatrix. Biosciences consists of CYTENA, CYTENA Bioprocess Solutions, Dispendix, Discover Echo and Biosero.

The segment offers 3D bioprinters, hybrid microscopes, single-cell and liquid-dispensing instruments, as well as services and consumables related to these products such as bioinks, reagents, microscope lenses, software, printer heads, and 3D-reconstructed human tissue that can be used in product development and for applications within regulatory testing. Through the acquisition of Visikol, the segment also offers services in 3D cell culture, 3D tissue imaging, multiplex imaging and digital pathology to pharma and biotech companies.

The operations within the segment have a similar customer base and distribution chain. In addition, the segment's products complement each other within the framework of customer demand, which is why Group management monitors these operations as one segment.

Bioautomation

The operation within Bioautomation (previously Industrial Solutions) comprises SCIENION along with its subsidiary Cellenion, Ginolis, and QInstruments. The segment offers products within precision dispensing and biosensor technology for industrial customers, which make a high-capacity contribution to customers' production as well as automated diagnostics and advanced robotic solutions for the medical and diagnostics industry.

Non-current assets by geographical area

	Group	
	2021	**2019/2020**
Sweden	209.3	185.1
Germany	2,560.0	1,208.6
US	3 517.5	30.9
Rest of the world	813.7	22.1
Total	**7,100.6**	**1,446.7**

Note 5
Revenue

ACCOUNTING PRINCIPLES

Revenue recognition
The Group recognizes revenue during the transfer of promised goods or services to customers at an amount that reflects the compensation the company expects to be entitled to in exchange for these goods or services.

In order to carry out accounting according to this principle, a five-step model is applied, which consists of the following parts: identify the agreement with the customer, identify the various performance obligations, determine the transaction price, allocate the transaction price to the different performance obligations, and report revenue when performance obligations are met. The Group applies several different payment structures for customers on different markets.

In some cases, goods are sold with a right of return. In these cases, a repayment liability and an asset are reported for the right to recover the product from the customer (which is included net in the item Contract liabilities) for goods that the Group expects to receive in return. Historical data is used to assess the size of returns.

Revenue streams
The Group's products offered on the market consist of instruments, bioinks, tissues, and consumables. The company also sells product-related services in the form of contract manufacturing, maintenance, extended warranties, installations, and training. See also Note 4 for a more detailed description of the market offerings in each segment.

Performance obligations and timing of revenue recognition
BICO's promised performance obligations to customers usually comprise the sale of goods made by the company, and the performance of an agreed task. These performance obligations are stated in the agreement with the customer.

Promises to deliver the goods are considered to be distinct in nature and distinct in the agreement. The customer may choose to buy the goods separately, and is thereby judged to be able to utilize them either separately or together with other goods. Goods have been judged to be separate performance obligations, and sales of goods are recognized as revenue at the time control of the goods has been transferred to the customer, which is when the goods have been delivered in accordance with agreed shipping terms. However, the Group also recognizes certain major product projects that run over several periods, over time. 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.

The guarantees that come with BICO's products are standardized and are therefore not defined as separate performance obligations. For more information on the company's guarantees, see Note 20. The provisions made are deemed to reflect the actual cost of handling guarantees. Extended warranties are recognized as revenue over the length of the agreement.

BICO also sells product-related services and services in the form of onward invoicing of freight. Onward invoicing of freight is recognized as revenue in connection with the delivery being performed. Services are usually invoiced in advance and recognized as revenue over the service contract period. Unrecognized service income is reported as prepaid income (contract liabilities) in the balance sheet.

Services offered are usually stated separately from one another and separately from the product in the agreement with the customer. Even though these services are often performed in close connection with the sale of a product, they are considered to be distinct because the customer can benefit from the good or service separately or together with other resources available to the customer, and because BICO's promise to transfer the good or service to the customer can be differentiated from other promises in the agreement.

DISCLOSURES

Breakdown of revenue
BICO's operations consist of two segments: Bioautomation and Laboratory Solutions. See Note 4 for further information.

A geographical breakdown of the company's sales is presented below. In the past two financial years, BICO had no customer who accounted for more than 10% of total sales.

Contract balances (contract assets and contract liabilities)

	Group	
Contract assets	**2021-12-31**	**2020-12-31**
Unpaid grants for development projects	2.2	4.4
Projects in progress recognized over time and linked to products	130.0	3.6
Total	132.2	8.0

The risk of credit losses linked to contract assets is assessed to be small because they are invoiced on an ongoing basis. The risk of credit losses is therefore judged to relate to accounts receivable rather than contract assets, and no loss allowance is recognized for contract assets. For information on loss allowances for accounts receivable, see Note 2 and Note 15.

The company's contract liabilities can be divided into three different types: (1) services invoiced in advance, (2) goods invoiced in advance whereby advances from customers arise, and (3) projects in progress where revenue is recognized over time and invoicing exceeds the revenue generated.

Revenue from sales of services is recognized as sales over the period the services are delivered to the customers. Advances from customers are recognized as sales when the goods are delivered in accordance with agreed shipping terms.

For projects in progress recognized over time, BICO estimates the degree of completion of the projects on the basis of a comparison between the actual cost incurred and the total expected cost for completing the delivery, and recognizes the project's revenue over time in accordance with this assessment. The tables below provide information on when existing contract liabilities are expected to be recognized as revenue, as well as on revenue recognized during the reporting period which was included in contract liabilities at the beginning of the period.

Net sales by geographic region

MSEK	Laboratory Solutions 2021 12 months	Laboratory Solutions 2019/2020 16 months	Bioautomation 2021 12 months	Bioautomation 2019/2020 16 months	Group Total 2021 12 months	Group Total 2019/2020 16 months	Parent 2021 12 months	Parent 2019/2020 16 months
Europe	201.8	76.9	181.5	51.5	383.3	128.5	80.7	52.3
North America	375.5	117.5	265.6	73.7	641.1	191.1	76.5	54.6
Asia	130.1	61.7	30.4	20.9	160.5	82.6	51.4	52.9
Rest of the world	33.8	7.7	38.6	6.1	72.4	13.8	9.1	7.3
Total	**741.3**	**263.8**	**516.0**	**152.2**	**1,257.3**	**416.0**	**217.7**	**167.1**

Net sales broken down by products and services

MSEK	Laboratory Solutions 2021 12 months	Laboratory Solutions 2019/2020 16 months	Bioautomation 2021 12 months	Bioautomation 2019/2020 16 months	Group Total 2021 12 months	Group Total 2019/2020 16 months	Parent 2021 12 months	Parent 2019/2020 16 months
Products	683.4	256.2	414.8	109.8	1,098.2	366.0	180.0	164.1
Services	57.9	7.6	101.2	42.4	159.1	50.0	37.7	3.0
Total	**741.3**	**263.8**	**516.0**	**152.2**	**1,257.3**	**416.0**	**217.7**	**167.1**

Net sales products broken down by consumables and instruments

MSEK	Laboratory Solutions 2021 12 months	Laboratory Solutions 2019/2020 16 months	Bioautomation 2021 12 months	Bioautomation 2019/2020 16 months	Group Total 2021 12 months	Group Total 2019/2020 16 months	Parent 2021 12 months	Parent 2019/2020 16 months
Consumables	170.0	50.6	44.1	14.0	214.1	64.7	26.2	27.0
Instruments	513.4	205.6	370.7	95.7	884.1	301.3	153.8	137.1
Total	**683.4**	**256.2**	**414.8**	**109.8**	**1,098.2**	**366.0**	**180.0**	**164.1**

The increase in balances from the previous period is attributable to the increasing organic operation and acquisitions.

Contract liabilities	Group 2021-12-31	Group 2020-12-31
Services	50.1	10.0
Projects in progress recognized over time and linked to products	113.0	-
Advances from customers linked to products	38.5	26 .2
Total	**201.5**	**36.2**

Of the 36.2 MSEK that was been classified as contract liabilities at 2020-12-31, 34.1 MSEK has been recognized as revenue during 2021.

Contract liabilities	Group 2022	Group 2023-
Expected timing of revenue recognition	183.1	18.4
Total	**183.1**	**18.4**

Note 6
Employees, personnel costs and board fees

ACCOUNTING PRINCIPLES

Defined contribution plans
The Group only has defined contribution pension plans. This means that the Group pays fixed fees to a separate independent legal entity and has no obligation to pay additional fees. The Group's earnings are debited costs as benefits are earned, which usually coincides with the time premiums are paid.

Recognition of equity-settled programs
The fair value of allotted employee stock options and share programs is calculated at the date of issue using the Black-Scholes valuation model taking into account conditions that are share price-related. The value is recognized as a personnel cost distributed over the vesting period, with a corresponding increase in equity.

The cost recognized corresponds to the fair value of an estimate of the number of options and shares that are expected to be earned. In subsequent periods, this cost is adjusted to reflect the actual number of options earned. In the event of redemption within the equity-settled program, shares are delivered to the employee. The shares delivered are newly issued shares. In the case of redemption, the payment of the strike price from the employee is recognized as equity.

Issued employee stock options are provided free of charge. Regarding warrants programs, Board members and employees who have subscribed to warrants have paid market price for the warrants. These are therefore not recognized within the framework of IFRS 2.

Recognition of state subsidies
Furlough support received is recognized as a reduced personnel cost in the period to which it applies.

Average number of employees and costs for remuneration to employees

	2021			2019/2020		
Average number of employees per country	*Men*	*Women*	**Total**	*Men*	*Women*	**Total**
Parent						
Sweden	57	38	**95**	57	30	**87**
Rest of the Group						
China	4	3	**7**	0	0	**0**
UK	16	6	**22**	1	0	**1**
Sweden	70	48	**118**	0	0	**0**
France	15	17	**32**	5	4	**9**
Finland	57	13	**70**	0	0	**0**
Japan	7	2	**9**	2	1	**3**
Slovakia	7	10	**17**	0	0	**0**
US	124	91	**215**	26	14	**40**
Germany	196	92	**288**	45	21	**66**
Taiwan	10	6	**16**	6	3	**9**
Group total	**563**	**326**	**890**	**142**	**73**	**215**

Percentage of women %

Parent Company and Group	**2021**	**2019/2020**
Board	29	33
Other senior executives	25	13

Costs for remuneration to employees

	2021	**2019/2020**
Parent Company		
Salaries and other remuneration	61.3	64.1
Pension costs, contribution-based plans	4.6	3.1
Social security contributions	19.9	15.9
Subsidiaries		
Salaries and other remuneration	458.7	120.2
Pension costs, contribution-based plans	12.8	2.9
Social security contributions	59.6	16.0
Group total	**616.8**	**222.2**

Of the Group's pension costs, kSEK 563 (525) refers to the Group's Board of Directors and the CEO, of which kSEK 563 (525) pertains to the CEO. Remuneration received for furlough support amounts to kSEK 0.0 (4.6) for the Group, of which kSEK 0.0 (4.0) is attributable to the Parent Company.

Salaries and other remuneration broken down between Board/CEO and other employees

	2021		2019/2020	
	Board and CEO	*Other employees*	*Board and CEO*	*Other employees*
Parent total	**10.4**	**50.9**	**3.7**	**60.6**
(varav tantiem o.d.)	*0.7*	*0.1*	*0.2*	*1.3*
Dotterbolag totalt	**16.6**	**442.1**	**3.2**	**117.0**
(varav tantiem o.d.)	*1.6*	*17.4*	*0.9*	*11.8*
Group total	**26.9**	**493.1**	**6.9**	**177.6**

SALARIES AND OTHER REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES IN BICO

Board
In accordance with the resolution of the 2021 AGM, kSEK 1,630 was expensed as fees to the Board during the year. The Chairman of the Board received kSEK 565 (425) and the other members jointly received kSEK 1,065 (825). There are no pension costs or pension commitments for the Board. For information on related party transactions conducted with members of the Board, see Note 29.

CEO
Erik Gatenholm has been the CEO since BICO was established. During the 2021 financial year, the CEO was paid kSEK 2,292 (2,256) in fixed basic salary and kSEK 2,178 (200) in variable remuneration. The pension is defined contribution.

The company shall observe a 12-month notice period and the CEO shall observe a six-month notice period. The CEO is entitled to six months' severance pay upon termination of employment. If the CEO finds other employment that the company approves during the notice period, the company shall have the right to offset the remuneration received by the CEO from the new employment. In connection with either party's termination of the agreement, the company has the right to demand that the CEO leave his position with immediate effect.

Other senior executives
The category "Other senior executives" comprises members of Group management, which consists of the Group's CEO, CTO, CFO, HR director, General Counsel, and business area managers. During the 2021 financial year, senior executives consisted of eight (eight) people including the CEO and were paid a fixed basic salary of kSEK 14,531 (11,289). Variable remuneration totaled kSEK 5,557 (2,414). Premiums for the usual occupational pension have been paid. In the event of termination of employment for senior executives (excl. the CEO), the Group, as well as senior executives, shall observe a notice period of three months.

Remuneration and other benefits for the parent company board and group management 2021

kSEK	Board fees/ Fixed basic salary	Variable remuneration and LTI	Other benefits	Pension costs	Total	No. of outstanding options
Board						
Carsten Browall, Chairman of the Board	565	-	-	-	565	160,000
Aristotelis Nastos, Board member	225	-	-	-	225	-
Bengt Sjöholm, Board member	240	-	-	-	240	20,000
Helena Skåntorp, Board member	275	-	-	-	275	40,000
Susan Tousi, Board member	100	-	-	-	100	-
Christian Wildmoser, Board member	225	-	-	-	225	40,000
Total	**1,630**	**0**	**0**	**0**	**1,630**	**260,000**
GROUP MANAGEMENT						
Erik Gatenholm, CEO	2,292	2,178	0	563	5,033	-
Other senior executives (7)	12,239	3,379	0	1,986	17,605	358,000
Total	**14,531**	**5,557**	**0**	**2,549**	**22,638**	**358,000**

Remuneration and other benefits for the parent company board and group management 2019/2020

kSEK	Board fees/ Fixed basic salary	Variable remuneration and LTI	Other benefits	Pension costs	Total	No. of outstanding options
Board						
Carsten Browall, Chairman of the Board	425	-	-	-	425	160,000
Ingela Hallberg, Board member	150	-	-	-	150	90,000
Bengt Sjöholm, Board member	175	-	-	-	175	100,000
Artur Aira, Board member	150	-	-	-	150	120,000
Helena Skåntorp, Board member	200	-	-	-	200	40,000
Christian Wildmoser, Board member	150	-	-	-	150	40,000
Total	**1,250**	**-**	**-**	**-**	**1,250**	**550,000**
GROUP MANAGEMENT						
Erik Gatenholm, CEO	2,256	200	-	525	2,981	-
Other senior executives (7)	9,033	2,214	-	905	12,152	375,000
Total	**11,289**	**2,414**	**-**	**1,430**	**15,133**	**375,000**

Share-based remuneration
BICO had a total of four long-term incentive programs aimed at the Group's staff and Board members during the year. The purpose of the incentive programs is to encourage broad share ownership among BICO's employees, facilitate recruitment, retain skilled employees, and increase motivation to achieve or exceed the Group's goals.

The options in the first program could be redeemed for one share each in 2021 at a price of SEK 44.375. Options were redeemed during the period February to August 2021. A total of 962,936 options, corresponding to 962,936 shares, were redeemed during the financial year. As of December 31, no more options in the first program were outstanding.

The second program encompasses a maximum of 1,600,000 options for employees and 80,000 options for the Board, each redeemable for one share at a price of SEK 74.34. The program expires in January 2022 for the employees and in January 2023 for the Board.

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

The 2021 AGM decided on April 26, 2021 to introduce a fourth incentive program aimed at employees within the BICO Group. The program encompasses a maximum of 3,000,000 options, 2,500,000 of which are free of charge. Options in the fourth incentive program were allotted during the third and fourth quarters of 2021. For employees, the options will be redeemable for one share at a price of SEK 598.50 during the period May 2025 to May 2026, provided that the following terms are met:

1. 50% of the BICO Group's sales per share amounts to or equals SEK 50 in 2024; and

2. 50% of the BICO Group's EBITDA is positive for every year from 2021 to 2024 inclusive (the entitlement shall decrease by 12.5% for each year the BICO Group's EBITDA is not positive from 2021 to 2024 inclusive).

As of December 31, 2021, a total of 4,246,935 options are outstanding, of which 2,919,850 options are reported under IFRS 2. The remaining outstanding options have been issued at market price and are therefore not subject to the rules of IFRS 2.

The options reported within the framework of IFRS 2 have a vesting requirement that the employee must still be employed in the Group on the redemption date. In addition to the employment requirement, the fourth incentive program has other terms for redemption, as described above. Other options are not covered by any vesting requirements. None of the Group's incentive programs are cash-settled.

If all outstanding options were to be exercised for shares, this would correspond to a total dilution of approximately 6.8% of the number of outstanding shares as of December 31, 2021.

Outstanding options as of December 31, 2021 had a weighted average strike price of SEK 463.46, with a weighted average remaining term of 3.43 years. In 2021, the options were primarily allotted in August 2021, but options were also allotted to new employees later in the year. The sum of the estimated fair value of allotted options on the allotment date amounted to MSEK 264.1. In 2019/2020, the options were allotted in January 2020 and the sum of the estimated fair value of allotted options at this date was MSEK 12.0. The fair value at each allotment date is calculated using the Black-Scholes valuation model. The input data in the model is presented below:

	2021	2019/2020
Weighted average share price	518.76	126.25
Weighted average strike price	598.50	126.46
Expected volatility	32.72%	33.36%
Term of the option (years)	4.7	2.6
Risk-free interest rate	-0.10%	-0.26%
Expected dividend	0.00%	0.00%

The cost for stock option programs issued during the year amounts to MSEK 12.1 (3.3).

Below is a summary of the options allotted within the framework of IFRS 2:

	2021		2019/2020	
	Number of options	Weighted average strike prices (SEK)	Number of options	Weighted average strike prices (SEK)
Outstanding at beginning of year	1,574,936	73.80	1,298,936	53.97
Allotted during the year	2,222,750	598.50	533,200	136.65
Forfeited during the year	-154,900	286.58	-257,200	88.01
Redeemed during the year	-722,936	44.38	-	-
Outstanding at year-end	**2,919,850**	**463.46**	**1,574,936**	**73.80**

Note 7
Other operating income

ACCOUNTING PRINCIPLES

Revenue from public grants not linked to future performance requirements is recognized as other operating income when the conditions for receiving the grant are met and the economic benefits associated with the transaction are likely to accrue to the Group, and the income can be reliably calculated. Public grants have been measured at the fair value of the asset received by the company. Revenue from public grants linked to future performance requirements is recognized as revenue when the performance occurs and the economic benefits associated with the transaction are likely to accrue to the Group, and the income can be reliably calculated. Public grants have been measured at the fair value of the asset received by the Group. Grants received before the terms for recognizing them as revenue are met, are recognized as contract liabilities. In the event that state subsidies are received for capitalized development projects, the subsidies are recognized in the balance sheet, either as a reduced asset or as prepaid income. When the project is complete, the state subsidies are subsequently recognized in the income statement in the same period as the asset is amortized.

Furlough support received is recognized as a reduced personnel cost in the period to which it applies, see Note 6 for further information.

Receivables and liabilities in foreign currencies are measured at the closing day rate. Exchange rate differences on operating receivables and operating liabilities are included in operating profit.

Renewed assessments of the potential outcome of the contingent considerations are carried out at each reporting period.

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, adjustments are made to the purchase price allocation, provided that this is still preliminary. Changes in the assessment can thus lead to a significant impact on the Group's earnings.

	Group		*Parent*	
	2021	**2019/2020**	**2021**	**2019/2020**
Exchange rate gains on receivables/liabilities of an operating nature	20.9	0.1	10.6	-
Public grants	26.1	19.9	1.1	14.4
Loan forgiveness	-	1.7	-	-
Profit/loss from dissolving provisions	-	3.5	-	-
Management fee	-	-	-	3.4
Sales commission	-	-	-	16.5
Capital gain on transfer of operation	-	-	158.5	-
Revaluation of contingent consideration	25.0	-	25.0	-
Other	1.8	2.9	0.3	4.2
Total	**73.8**	**28.1**	**195.5**	**38.5**

Note 8
Other operating expenses

ACCOUNTING PRINCIPLES

Receivables and liabilities in foreign currencies are measured at the closing day rate. Exchange rate differences on operating receivables and operating liabilities are included in operating profit.

	Group		*Parent*	
	2021	**2019/2020**	**2021**	**2019/2020**
Exchange rate losses on receivables/liabilities of an operating nature	12.1	12.5	7.7	10.7
Capital losses	5.0	-	2.8	-
Other	1.2	0.9	-	-
Total	**18.3**	**13.4**	**10.5**	**10.7**

Note 9
Renumeration to auditors

Audit engagement means a review of the annual report and accounting, and of the other duties of the Board of Directors and the CEO that it is incumbent upon the company auditor to perform, as well as advice or other assistance prompted by observations during such a review or in the performance of other such duties. Audit business in addition to audit engagement describes quality assurance services, including assistance with observations during such reviews – which must be carried out in accordance with the constitution, articles of association, statutes and agreements – which culminate in a report that is also intended for parties other than the client. Tax advice is reported separately if received. Everything else comes under other services.

	Group		*Parent*	
Deloitte	**2021**	**2019/ 2020**	**2021**	**2019/ 2020**
Audit engagement	5.6	1.4	1.9	1.3
Audit business in addition to audit engagement	1.5	0.7	1.5	0.7
Tax consultancy	1.6	0.4	0.0	0.3
Other services	1.3	1.6	1.3	1.6
Total remuneration to Deloitte	**9.9**	**4.1**	**4.7**	**3.9**

Of the total fee to Deloitte of 9.9 for the financial year 2021, the fee to Deloitte AB amounted to 6.2, of which 3.5 pertains to the audit engagement, 1.5 for auditing business in addition to the audit assignment and 1.2 for tax consultancy and other services.

	Group		*Parent*	
Other auditors	**2021**	**2019/ 2020**	**2021**	**2019/ 2020**
Audit engagement	0.0	0.5	-	-
Audit business in addition to audit engagement	-	-	-	-
Tax consultancy	-	0.7	-	-
Other services	-	0.4	-	-
Total remuneration to other auditors	**0.0**	**1.6**	**-**	**-**
Total remuneration to auditors	**9.9**	**5.7**	**4.7**	**3.9**

Note 10
Financial items

ACCOUNTING PRINCIPLES

Interest income and interest expenses are distributed over the term using the effective interest method. The effective rate is the interest rate at which the present value of all future payments and disbursements during the fixed-interest period equals the gross value of the financial asset or the amortized cost of the financial liability.

Dividends are recognized when the owner's right to receive payment has been established. Receivables and liabilities in foreign currencies are measured at the closing day rate. Exchange rate differences on financial receivables and liabilities held for financing purposes are recognized among financial items.

Group	**2021**	**2019/2020**
Net gains on financial assets measured at fair value	10.9	-
Dividends on holdings measured at fair value through profit or loss	2.0	-
Exchange rate gains	83.2	0.5
Interest income on financial assets recognized at amortized cost	0.1	0.1
Total financial income	**96.3**	**0.6**
Net losses on financial assets measured at fair value	-	-1.2
Exchange rate losses	-3.6	-
Charges resulting from financial liabilities	-4.7	-
Increase during the period of discounted amounts for contingent consideration	-5.2	-
Interest expenses on financial liabilities measured at amortized cost	-59.3	-1.7
Total financial expenses	**-72.8**	**-2.9**

Parent Company	**2021**	**2019/2020**
Net gains on financial assets measured at fair value	10.9	-
Dividends on holdings measured at fair value through profit or loss	2.0	-
Net exchange rate gains	87.8	-
Intragroup interest income	56.1	0.9
Interest income on financial assets recognized at amortized cost	-	0.1
Total financial income	**156.8**	**1.0**
Net exchange rate losses	-	-2.4
Net losses on financial assets measured at fair value	-	-1.2
Increase during the period of discounted amounts for contingent consideration	-5.2	-
Charges resulting from financial liabilities	-4.0	-
Interest expenses on financial liabilities measured at amortized cost	-54.7	-0.4
Total financial expenses	**-63.9**	**-4.0**

Note 11
Taxes

ACCOUNTING PRINCIPLES

Income tax in the consolidated income statement consists of current tax based on taxable income for the period in question and changes in deferred tax. Tax is recognized in the income statement except when it relates to items recognized in other comprehensive income or directly in equity; in these cases, the tax expense is also recognized in other comprehensive income or against equity.

The basis for calculating current income tax is the tax rates and tax laws that have been adopted or announced on the balance sheet date. Current tax assets and tax liabilities for the current period and previous periods are determined at the amount expected to be recovered from or paid to the tax authority.

Deferred tax is recognized on the balance sheet date in accordance with the balance sheet method for temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax liabilities, however, are not recognized if they arise from the initial recognition of goodwill. Neither is deferred tax recognized if it arises from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or taxable profit. Deferred income tax is calculated using the tax rates (and laws) that have been decided on or announced on the balance sheet date and that are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that future tax surpluses will be available, against which the temporary differences can be used. Deferred tax assets and liabilities are offset where there is a legal offset right for the tax assets and liabilities in question and when the deferred tax assets and liabilities relate to taxes charged by a single tax authority and relate to either the same taxable entity or different taxable entities where the intention is to settle the balances through net payments.

Tax recognized in the income statement

	Group		*Parent Company*	
	2021	**2019/2020**	**2021**	**2019/2020**
Current tax on profit/loss for the year	-15.2	-	-	-
Tax attributable to previous year	-0.3	-	-	-
Deferred tax regarding temporary differences	10.3	6.9	-1.6	1.5
Deferred tax regarding loss carry-forwards	-10.6	-1.7	-35.7	15.0
Total recognized tax cost	**-15.8**	**5.2**	**-37.3**	**16.5**

Reconciliation of effective tax

The link between tax in accordance with the average tax rate and recognized tax for the Group is shown in the table below:

	Group				*Parent Company*			
	2021	**%**	**2019/ 2020**	**%**	**2021**	**%**	**2019/ 2020**	**%**
Profit before tax	-213.4	-	-54.2	-	59.3	-	-84.8	-
Tax in accordance with applicable tax rate for Parent Company	44.0	20.6%	11.6	21.4%	-12.2	20.6%	18.2	21.4%
Tax effect of:								
Non-deductible costs	-18.8	-8.8%	-4.2	-7.7%	-16.9	28.5%	-1.0	-1.1%
Non-deductible income	8.2	3.8%	0.7	1.3%	5.1	-8.7%	-	-
Capitalization of previously non-capitalized loss carry-forwards	6.3	2.9%	0.1	0.1%	-	-	-	-
Utilization of previously non-capitalized loss carry-forwards	0.3	0.2%	0.5	0.9%	-	-	-	-
Increase in loss carry-forwards without equivalent capitalization of deferred tax	-58.2	-27.3%	-0.6	-1.2%	-13.3	22.5%	-	-
Effect of foreign tax rates	2.9	1.4%	-1.7	-3.1%	-	-	-	-
Tax attributable to previous years	-0.3	-0.2%	-0.6	-1.1%	-	-	-	-
Change in tax rate	-	0.0%	-0.5	-1.0%	-	0.0%	-0.7	-0.8%
Total tax	**-15.8**	**-7.4%**	**5.2**	**9.6%**	**-37.3**	**62.9%**	**16.5**	**19.5%**

Tax losses

Deferred tax assets attributable to tax losses have been capitalized in cases where the assessment is that these can be used against future taxable profits.

During the year, the Group made acquisitions of companies with historical loss carryforwards. These have not been forfeited, but have to a certain extent been restricted for use for a number of years after the completion of the acquisitions. The Group's total tax losses expire as described below. Accumulated loss carry-forwards that are not reported amount to MSEK 233.9 (6.1).

Expiry structure of loss carry-forwards	Not restricted	Restricted
Loss carry-forwards that expire within 1 year	-	-
Loss carry-forwards that expire within 2 years	-	-
Loss carry-forwards that expire within 3 years	-	-
Loss carry-forwards that expire within 4 years	-	-
Loss carry-forwards that expire within 5 years	4.0	-
Loss carry-forwards that expire after 5 years	170.4	34.7
Loss carry-forwards with no expiry date	327.0	47.4
Total loss carry-forwards	**501.5**	**82.1**

Issue costs

During the financial year, issue costs of MSEK 64.1 (53.8), booked in equity, were deducted as deductible costs in the tax computation. The tax effect of MSEK 7.0 (11.1) has been recognized directly in equity. In addition, issue costs of MSEK 3.5 (0.0) linked to convertible bonds have been recognized in equity. These become deductible in the event of conversion into shares.

Recognised deferred taxes in the balance sheet

Deferred tax assets and liabilities in the balance sheet relate to the following:

Group	2021-12-31		2020-12-31	
	Receivables	*Liabilities*	*Receivables*	*Liabilities*
Intangible assets	1.2	-244.5	0.7	-59.3
Property, plant and equipment	1.7	-7.7	0.9	-
Inventories	2.0	-3.2	0.6	-
Accounts receivable	0.4	-	1.3	-
Provisions	-	-0.5	-	-
Other operating liabilities	7.8	-	-	-
Loss carry-forwards	82.7	-	35.9	-
Other	0.8	-4.3	-	-0.3
Total	**96.5**	**-260.2**	**39.5**	**-59.6**

Parent Company	2021-12-31		2020-12-31	
	Receivables	*Liabilities*	*Receivables*	*Liabilities*
Accounts receivable	-	-	1.5	-
Loss carry-forwards	-	-	28.8	-
Total	**-**	**-**	**30.3**	**-**

Change in deferred taxes on temporary differences and loss carryforwards

	2021-12-31		2020-12-31	
	Group	*Parent*	*Group*	*Parent*
Ingoing balances deferred taxes, net	-20.1	30.3	-10.0	2.7
Accounted in profit and loss	-0.3	-37.3	5.2	16.5
Accounted in other comprehensive income	1.6	-	0.6	-
Accounted in equity	7.0	7.0	11.1	11.1
Business combinations	-143.3	-	-28.9	-
Translation differences	-8.6	-	1.9	-
Outgoing balances deferred taxes, net	**-163.7**	**-**	**-20.1**	**30.3**

Note 12
Intangible assets

ACCOUNTING PRINCIPLES

Goodwill
Goodwill represents the difference between the cost of business acquisitions and the fair value of acquired assets, assumed liabilities and contingent liabilities. Goodwill is measured at cost minus any accumulated impairment losses. To test for impairment, goodwill is allocated to the respective cash-generating unit. A cash-generating unit is the lowest level at which goodwill is followed-up in the Group's internal governance. Tests for impairment are carried out annually, or more frequently if there are indications that impairment exists. Expenses for internally generated goodwill are recognized in the income statement as an expense when they arise.

Capitalized product development expenses
Research costs are expenses for research aimed at obtaining new scientific or technical knowledge. Product development expenses refer to expenditure where research results or other knowledge is applied to achieve new or improved products or processes. Research expenses are expensed in the period in which they arise. If state subsidies for research are received, the subsidies are recognized as revenue in the same period as the expenses are expensed.

In the Group, expenses for development are recognized as intangible assets if the asset is deemed to be able to generate future economic benefits and then only if it is technically and financially possible to complete the asset, if the intention and conditions are in place for the asset to be used in the business or sold, and if the value can be calculated reliably. In the consolidated balance sheet, capitalized development expenses recognized at cost are reduced by accumulated amortization and any impairment losses. In the event that state subsidies are received for capitalized development projects, the subsidies are recognized in the balance sheet, either as a reduced asset or as prepaid income. When the project is complete, the state subsidies are subsequently recognized in the income statement in the same period as the asset is amortized.

Patents and licenses
Patents and licenses are recognized at cost minus accumulated amortization and any impairment losses. In addition to patents acquired from third parties, the company has recognized expenses for external legal representatives and registration fees for patent applications in the balance sheet. These expenses relate to the acquisition of legal rights in accordance with IAS 38 and have thus been capitalized. Amortization for capitalized patent costs that have not yet been approved is commenced in connection with the implementation of the underlying technology.

Trademarks
Trademarks identified during business combinations are recognized at cost minus accumulated amortization and any impairment. Internally generated trademarks are recognized as expenses in the period in which they arise.

Software-as-a-Service (SaaS) arrangement
A SaaS arrangement is a contract that gives the Group access to cloud-based software for the term of the contract. Costs related to configuration and adaptation, and ongoing costs for access to the cloud-based software, are entered as other external expenses during the period in which the service is used.

Amortization
Amortization is recognized in the income statement on a straight-line basis over the estimated useful life of intangible assets, unless the useful life is considered indefinite. Goodwill is tested for impairment annually or as soon as indications arise that the asset in question has decreased in value. Amortizable intangible assets are amortized from the date they are available for use. The estimated useful lives are:

Asset	Years
Capitalized development costs	5–10 years
Patents	10–12 years
Customer relations	5–10 years
Trademarks	10 years to indefinable
Technology	5–15 years
Other	5–10 years

Capitalized product development expenses are mainly amortized over 5 to 10 years, which corresponds to the expected useful life of most products. The amortization period for patents follows the useful life of the underlying patents. If the useful life of the patent exceeds the economic life of the underlying technology, the amortization period is adapted to the shorter life. Amortization of patents begins when the underlying technology has been put into use and the application has been registered.

Impairment
At each balance sheet date, an assessment is made of whether there is any indication of a decrease in value of the Group's assets. For goodwill and trademarks, which are not amortized on an ongoing basis, tests for impairment are performed at least once a year. However, the tests may be more frequent if there are indications that the asset may have decreased in value.

An impairment test is performed to assess the asset's recoverable amount. The recoverable amount is the asset's fair value minus selling costs, or its value in use, whichever is higher. Value in use is the present value of future cash flows attributable to the asset and the present value of the net sales value at the end of the useful life. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount. An earlier impairment loss is reversed when there has been a change in the assumptions that formed the basis for determining the asset's recoverable amount when it was written down, which means that the impairment loss is no longer deemed necessary. Reversals of previously carried out impairment losses are tested individually and recognized in the income statement. Impairment losses on goodwill are not reversed in a subsequent period.

Group	2021							2019/2020						
	Goodwill	*Capitalized product development expenses*	*Patents, licenses and trademarks*	*Customer relations*	*Technology*	*Other*	Total	*Goodwill*	*Capitalized product development expenses*	*Patents, licenses and trademarks*	*Customer relations*	*Technology*	*Other*	Total
Accumulated costs														
At beginning of the year	919.2	140.7	48.8	68.9	86.4	33.3	1,297.2	276.8	52.0	37.1	11.8	21.2	-	398.9
Investments	-	144.9	5.7	-	-	6.7	157.3	-	88.8	13.9	-	0.2	0.4	103.3
Reclassifications	-	-1.6	0.2	-	-	1.6	0.2	-	-	-	-	-	0.0	0.1
Business combinations	4,396.4	19.6	114.4	117.0	394.2	27.9	5,069.4	682.4	-	-	59.7	68.2	33.8	844.2
Divestments and disposals	-	-2.2	-	-	-	-	-2.2	-	-	-0.2	-	-	-	-0.2
Translation differences	125.9	0.6	4.5	5.4	13.9	1.7	151.9	-40.0	-0.1	-2.0	-2.6	-3.3	-1.0	-49.1
At year-end	**5,441.5**	**301.9**	**173.4**	**191.3**	**494.4**	**71.2**	**6,673.8**	**919.2**	**140.7**	**48.8**	**68.9**	**86.4**	**33.3**	**1,297.2**
Accumulated amortization and impairment losses														
At beginning of the year	-	-13.9	-5.0	-7.2	-8.7	-1.5	-36.3	-	-6.7	-1.0	-0.1	-1.2	-	-9.0
Amortization and impairment losses for the year	-	-21.4	-12.9	-25.5	-33.2	-21.7	-114.7	-	-7.2	-4.2	-7.3	-7.9	-1.5	-28.1
Reclassifications	-	1.4	-0.2	-	-	-1.3	-0.1	-	-	-0.1	-	-	-	-0.1
Divestments and disposals	-	1.5	-	-	-	-	1.5	-	-	-	-	-	-	-
Translation differences	-	0.2	-	-0.6	-0.8	-0.3	-1.5	-	-	0.1	0.2	0.4	-	0.8
At year-end	**-**	**-32.2**	**-18.1**	**-33.3**	**-42.8**	**-24.7**	**-151.1**	**-**	**-13.9**	**-5.0**	**-7.2**	**-8.7**	**-1.5**	**-36.3**
Carrying amount at beginning of the year	**919.2**	**126.8**	**43.7**	**61.7**	**77.7**	**31.8**	**1,260.9**	**276.8**	**45.3**	**36.1**	**11.7**	**20.0**	**-**	**389.9**
Carrying amount at year-end	**5,441.5**	**269.8**	**155.3**	**158.0**	**451.7**	**46.5**	**6,522.7**	**919.2**	**126.8**	**43.7**	**61.7**	**77.7**	**31.8**	**1,260.9**

Parent company	2021				2019/2020		
	Capitalized product development expenses	*Patents, licenses and trademarks*	*Other*	*Total*	*Capitalized product development expenses*	*Patents, licenses and trademarks*	*Total*
Accumulated costs							
At beginning of the year	120.2	27.9	-	148.0	52.2	11.9	64.1
Reclassifications	-1.6	-0.2	1.5	-0.3	-	-	-
Investments	46.5	2.1	-	48.6	68.0	16.0	84.0
Divestments and disposals	-162.6	-29.6	3.0	-189.2	-	-	-
At year-end	**2.4**	**0.2**	**4.5**	**7.1**	**120.2**	**27.9**	**148.0**
Accumulated amortization and impairment losses							
At beginning of the year	-13.7	-1.9	-	-15.5	-6.7	-0.8	-7.5
Reclassifications	1.4	0.2	-1.2	0.4	-	-	-
Amortization and impairment losses for the year	-9.3	-8.0	-0.5	-17.8	-7.0	-1.1	-8.1
Divestments and disposals	20.9	9.6	-	30.5	-	-	-
At year-end	**-0.8**	**0.0**	**-1.7**	**-2.4**	**-13.7**	**-1.9**	**-15.5**
Carrying amount at beginning of the year	**106.5**	**26.0**	**-**	**132.5**	**45.5**	**11.1**	**56.6**
Carrying amount at year-end	**1.7**	**0.2**	**2.8**	**4.7**	**106.5**	**26.0**	**132.5**

OTHER INFORMATION

Expenditure for research and development that has been expensed

Expenditure for research and development of MSEK 105.2 (16.7) has been expensed during the year and included in operating expenses. The corresponding figure for the Parent Company is MSEK 2.1 (15.7).

Impairment test

The Group's goodwill is attributable to acquisitions of subsidiaries and their operations. Impairment tests for goodwill have been carried out for each cash-generating unit. On December 31, 2021, the Group was deemed to consist of 12 separate cash-generating units, which reflects the Group's revenue streams and historical acquisitions. The assessment is based on the fact that the separate units are not as integrated with each other as before due to a new organizational structure. Furthermore, the companies acquired by the Group in 2021 were capable of generating cash flows locally prior to the acquisition and have not subsequently been significantly integrated into BICO's other cash-generating units.

As a result, at the end of 2021 all of the historical acquisitions and the original CELLINK operation are viewed as separate cash-generating units that can generate cash flows independently of each other.

The Group's recognized goodwill amounts to MSEK 5,441.5 (919.2) and is broken down by cash-generating unit as shown in the table below:

Goodwill	2021-12-31	2020-12-31
CELLINK	-	-
DISPENDIX	47.6	46.7
CYTENA	214.3	210.4
SCIENION	675.9	662.1
Ginolis	601.2	-
MatTek	496.3	-
Visikol	154.9	-
Nanoscribe	382.2	-
Discover Echo	850.8	-
Advanced Biomatrix	130.1	-
QInstruments	458.1	-
Biosero	1,430.1*	-
Total	**5,441.5**	**919.1**

* The identification of acquired surplus values for Biosero will take place in the first quarter of 2022, whereby Group goodwill is expected to decrease.

In addition to goodwill, there are also brands with an indefinite useful life from acquisitions amounting to SEK 79.5 million (0.0), which is allocated per cash-generating unit according to the table below:

Brands with indefinite useful life	2021-12-31	2020-12-31
Discover Echo	43.4	-
Advanced Biomatrix	17.4	-
QInstruments	18.6	-
Total	**79.5**	**-**

The impairment test of goodwill and trademarks has been carried out on the basis of forecasts. The forecasts have been produced internally by the Group management and with the help of the management of the subsidiaries based on historical data, the management's overall experience, and their best assessment of the company's development potential and market growth.

Discount rate after tax	2021-12-31	2020-12-31
All cash-generating units	9.0%	9.1%

The most important variables in the forecast are growth, gross margin, sales costs and investments. The calculations are generally based on a gross margin on a par with the respective unit's history and a gradual reduction in the investment need in relation to sales as a result of sales development and planned rate of investment. The growth rate used is a weighted assessment of the management forecasts and external market reports, which generally indicate good growth for the industry in which BICO's companies operate in the years to come, even if the absolute numbers vary from unit to unit.

Working capital has been assumed to change in proportion to sales and to gradually decrease as a result of more mature operations. The debt/equity ratio is deemed to stay unchanged as growth is assumed to take place within the framework of the existing operations and with the Group's own funds. The forecasts cover a period of 10 years; the justification for this is that the growth rate forecast by the Group is not reflected in an impairment test with a shorter forecast period. The long-term growth rate is generally estimated at 3% in all cash-generating units, which is somewhat above expected inflation in the long term, which is motivated since the company is active in a disruptive business which is anticipated to grow strongly for many years to come.

The growth rate and gross margins have not changed to a significant extent since the previous period and since the date of each acquisition. The WACC has been calculated using the CAPM for the Group as a whole. The recoverable amounts, which in the Group are calculated as value in use, exceed the carrying amounts. To support the impairment tests of the intangible assets, the sensitivity of the variables used in the model has been analyzed.

The sensitivity in the calculations has been tested for an increase in WACC of 2 percentage points, a decrease in the annual growth rate of 3 percentage points, a lower EBITDA margin per year of 3 percentage points and a decrease in the long-term growth rate to 2%. Group management believes that no reasonable changes in the important variables and assumptions will result in the need to write-down goodwill.

Note 13
Propery, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are recognized as assets in the balance sheet when, based on available information, it is likely that the future economic benefits associated with the holding will accrue to the Group, and that the cost of the asset can be reliably calculated. The carrying amount of property, plant and equipment consists of costs minus accumulated depreciation and any impairment losses.

Additional expenses

Additional expenses are added to the cost only if it is likely that the future economic benefits associated with the asset will benefit the company and the cost can be calculated reliably.

All other additional expenses are recognized as expenses in the period in which they arise.

Depreciation

Depreciation according to plan is based on original costs less the calculated residual value. The residual values and useful lives of property, plant and equipment are reviewed at each balance sheet date and adjusted as necessary.

Depreciation is applied on a straight-line basis to the asset's estimated useful life. Land is not depreciated. The estimated useful lives are:

Asset	Years
Equipment, tools, fixtures and fittings	3–5 years
Expenditure on improving leased property	5 years
Buildings	20–50 years

Group	2021				2019/2020		
	Buildings and land	*Expenditure on leased property*	*Equipment. tools. fixtures and fittings*	Total	*Expenditure on leased property*	*Equipment. tools. fixtures and fittings*	Total
Accumulated costs							
At beginning of the year	-	8.9	53.6	62.5	1.4	8.4	9.8
Reclassifications	6.5	-6.5	3.6	3.6	-	-	-
Investments	30.9	12.4	76.8	120.1	3.2	27.8	31.0
Business combinations	-	16.3	58.5	74.8	4.5	20.2	24.7
Divestments	-	-	-10.2	-10.2	-	-1.4	-1.4
Translation differences	-	0.3	2.0	2.3	-0.2	-1.4	-1.6
At year-end	**37.4**	**31.4**	**184.3**	**253.1**	**8.9**	**53.6**	**62.5**
Accumulated depreciation and impairment losses							
At beginning of the year	-	-0.9	-9.1	-10.0	-0.2	-1.1	-1.2
Reclassifications	-	-	-3.8	-3.8	-	-	-
Depreciation and impairment losses for the year	-	-2.3	-31.6	-33.9	-0.7	-8.7	-9.4
Divestments	-	-	4.3	4.3	-	0.3	0.3
Translation differences	-	-	-0.6	-0.6	-	0.4	0.4
At year-end	**-**	**-3.2**	**-40.8**	**-44.0**	**-0.9**	**-9.1**	**-10.0**
Carrying amount at beginning of the year	**-**	**8.1**	**44.5**	**52.5**	**1.2**	**7.4**	**8.6**
Carrying amount at year-end	**37.4**	**28.3**	**143.5**	**209.1**	**8.1**	**44.5**	**52.5**

Parent company	2021			2019/2020		
	Expenditure on leased property	*Equipment. tools. fixtures and fittings*	Total	*Expenditure on leased property*	*Equipment. tools. fixtures and fittings*	Total
Accumulated costs						
At beginning of the year	1.8	10.6	12.5	1.0	1.5	2.5
Reclassifications	-	0.1	0.1	-	-	-
Investments	0.5	7.8	8.3	0.9	9.1	10.0
Divestments and disposals	-1.9	-15.5	-17.4	-	-	-
At year-end	**0.4**	**3.0**	**3.4**	**1.8**	**10.6**	**12.5**
Accumulated depreciation and impairment losses						
At beginning of the year	-0.6	-2.8	-3.4	-0.2	-0.4	-0.5
Reclassifications	-	-0.2	-0.2	-	-	-
Depreciation and impairment losses for the year	-0.4	-3.8	-4.3	-0.5	-2.4	-2.8
Divestments and disposals	0.9	5.7	6.6	-	-	-
At year-end	**-0.2**	**-1.1**	**-1.3**	**-0.6**	**-2.8**	**-3.4**
Carrying amount at beginning of the year	**1.2**	**7.9**	**9.1**	**0.8**	**1.1**	**1.9**
Carrying amount at year-end	**0.2**	**1.9**	**2.1**	**1.2**	**7.9**	**9.1**

Note 14
Inventories

ACCOUNTING PRINCIPLES
Inventories are recognized at the lower of cost and net realizable value. where the cost is calculated using the first-in, first-out principle. The cost of inventories includes the costs for purchasing and manufacturing as well as other expenses to bring the goods to their current location and condition. In addition to costs directly attributable to the production of an asset, the cost of a self-manufactured asset includes a reasonable proportion of indirect manufacturing costs.

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Raw materials and consumables	179.7	52.0	-	17.1
Advances to supplier	32.9	6.7	-	0.5
Work in progress	34.7	5.0	-	-
Finished goods and goods for resale	106.2	21.6	-	6.4
Total	**353.5**	**85.3**	**-**	**23.9**

An obsolescence write-down for raw materials of MSEK 2.5 (0.7) is included in closing inventories.

Note 15
Accounts receivable

ACCOUNTING PRINCIPLES
Accounts receivable are initially measured at fair value and subsequently at amortized cost. As the expected term of accounts receivable is short, the value is approximated to the nominal amount without discounting. If the expected holding period is longer than 12 months. the receivables are classified as long term.

Measurement of expected credit losses
BICO uses the simplified model for expected credit losses for accounts receivable, under which reserves for expected customer losses are recognized at an amount corresponding to expected credit losses for the entire term of the receivable and are observed on initial recognition.

At each balance sheet date. the Group assesses whether financial assets recognized at amortized cost are impaired by credit. Credit risk is handled in the accounts by recognizing a loss allowance based on how long the receivable has been overdue. and by conducting an individual review of the customer based on previous payment patterns and external factors. Expected credit losses also include receivables that are not overdue.

Loss allowances for accounts receivable are deducted from the assets' gross value and recognized as an other external cost. The Group's expected credit losses have been valued at MSEK 32.2 (13.1). As several of the Group's customers generally pay their receivables late. BICO believes that the loss allowance covers the risk that exists on the balance sheet date. even though the allowance is less than the sum overdue by over 90 days. The Group's customers largely consist of universities and large pharmaceutical companies with assessed good solvency.

Receivables are only written off when the counterparty is declared bankrupt. or changes to the nominal values of the receivable are agreed.

Changes in loss allowance for accounts receivable

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Opening balance	-13.1	-1.3	-7.0	-1.3
Acquired loss allowance	-0.5	-3.2	-	-
Amounts written down	-	-0.4	-	-0.4
Revaluation of loss reserve, net	-18.6	-8.2	-9.5	-5.3
Closing balance	**-32.2**	**-13.1**	**-16.5**	**-7.0**

See further note 2 for a description on credit and counterparty risks. The model for expected credit losses has been adjusted marginally during the financial period to take into account the history of credit losses in acquired companies. The total reserve, however, is higher than last year as a result of larger gross receivables.

	Group		*Parent*	
Age analysis:	**2021-12-31**	**2020-12-31**	**2021-12-31**	**2020-12-31**
Not overdue	314.1	80.9	11.5	27.4
Receivables overdue 1–30 days	100.2	37.0	0.0	4.9
Receivables overdue 31–90 days	91.8	34.7	16.5	2.7
Receivables overdue 91–180 days	36.3	15.5	8.2	1.1
Receivables overdue 181–365 days	34.3	9.2	4.7	4.0
Receivables overdue >365 days	32.4	12.1	14.5	10.9
Total accounts receivable. gross	**609.1**	**189.5**	**55.4**	**51.0**

	Group		*Parent*	
Accounts receivable	**2021-12-31**	**2020-12-31**	**2021-12-31**	**2020-12-31**
Accounts receivable. gross	609.1	189.5	55.4	51.0
Loss allowance. receivables not overdue	-1.8	-0.2	-0.0	-0.1
Loss allowance. receivables overdue 1–30 days	-	-0.4	-0.0	-0.1
Loss allowance. receivables overdue 31–90 days	-1.0	-0.9	-0.3	-0.1
Loss allowance. receivables overdue 91–180 days	-2.0	-1.5	-0.8	-0.1
Loss allowance. receivables overdue 181–365 days	-5.9	-2.2	-1.1	-0.9
Loss allowance. receivables overdue >365 days	-21.5	-7.9	-14.3	-5.9
Accounts receivable. net	**576.9**	**176.4**	**38.9**	**44.0**

Note 16
Prepaid expenses

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Rent and leases	0.1	-	1.4	1.3
Insurance and alarms	1.6	0.2	0.1	0.1
Pension premiums	-	-	0.2	-
Fairs	3.3	0.4	-	0.2
Goods and servicing	2.7	-	-	-
Licenses	5.1	1.6	2.2	1.1
Unpaid grants for development projects	-	-	0.1	4.4
Other	6.3	0.1	0.6	-
Total	**19.1**	**2.3**	**4.6**	**7.1**

Note 17
Equity

ACCOUNTING PRINCIPLES
Transaction costs directly attributable to the issue of new shares or options are recognized, net after tax, in equity as a deduction from the issue proceeds.

The Group has designated certain intragroup receivables of a financial character as a part of net investment in a foreign operation. Monetary long-term receivables to a foreign operation, for which settlement is not planned or is not likely to happen in the foreseeable future, are in practice part of the company's net investment in the foreign operation. The exchange rate difference arising from the monetary long-term receivable is recognized in other comprehensive income and accumulated in the translation reserve in equity.

Share capital
As of December 31, 2021, the company's registered share capital amounted to SEK 1,553,257 (1,290,032), consisting of 62,130,269 shares (51,601,285), of which 1,500,000 Series A shares and 60,630,269 Series B shares with a quota value of SEK 0.025.

The change in the number of shares and share capital during the financial year is shown below.

No. of shares	Series A shares	Series B shares	Total
At beginning of the year	1,500,000	50,101,285	51,601,285
New share issue	-	8,784,365	8,784,365
Issue for non-cash consideration	-	1,744,619	1,744,619
At year-end	**1,500,000**	**60,630,269**	**62,130,269**

Share capital	Series A shares	Series B shares	Total
At beginning of the year	37,500	1,252,532	1,290,032
New share issue	-	219,609	219,609
Issue for non-cash consideration	-	43,615	43,615
At year-end	**37,500**	**1,515,757**	**1,553,257**

In addition to the registered share capital at year-end, there are ongoing but yet to be registered issues totaling 1,249,900 shares on December 31, 2021. 1,200,000 of these shares relate to an issue for non-cash consideration linked to the acquisition of Biosero on December 28, 2021, and 48,900 of these shares relate to a payment to redeem options in December 2021. The shares were registered with the Swedish Companies Registration Office in January 2022.

Other contributed capital
Refers to equity contributed by the owners. This includes share premium reserves that have arisen in connection with issues.

Translation reserve
The translation reserve includes all exchange rate differences that arise when translating financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

Dividend
Dividends are proposed by the Board in accordance with the rules of the Swedish Companies Act and as resolved by the Annual General Meeting. The Board of Directors proposes that no dividend be paid for the 2021 financial year.

Dilutive effect of outstanding stock option programs and convertible bonds
If all outstanding options were to be exercised for shares, this would correspond to a total dilution of approximately 6.8% as of December 31, 2021. If all outstanding convertible bonds were to be exercised for shares, this would correspond to a total dilution of approximately 4.0% as of December 31, 2021.

A description of the outstanding stock option programs is provided in Note 6. A description of the convertible bonds is provided in Note 19.

Note 18
Earnings per share

ACCOUNTING PRINCIPLES

Earnings per share before dilution is calculated based on profit/loss for the year attributable to the Parent Company's shareholders in the Group and on the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated by adjusting the average number of shares to include all potential ordinary shares that give rise to the dilutive effect. The dilution from BICO's incentive program is attributable to the outstanding stock options and the warrants.

	Before dilution		*After dilution*	
	2021	**2019/2020**	**2021**	**2019/2020**
Earnings per share, SEK	-3.97	-1.10	-3.97	-1.10

The calculations for the numerators and denominators used in the above calculations of earnings per share are shown below.

Earnings per share before dilution

Earnings per share before dilution for 2021 has been calculated based on profit/loss for the year attributable to the Parent Company's holders of ordinary shares, which totals MSEK -227.6 (-48.2), and on the weighted average number of shares outstanding in 2021, which equals 57,265,416 (43,856,141). The two components have been calculated as follows:

Profit/loss for the year attributable to Parent Company shareholders, before dilution

	2021	**2019/2020**
Profit/loss for the year attributable to Parent Company shareholders	-227.6	-48.2
Profit/loss attributable to Parent Company shareholders, before dilution	**-227.6**	**-48.2**

Weighted average number of shares outstanding, before dilution

	2021	**2019/2020**
Number of shares outstanding, opening balance	51,601,285	9,746,194
Effect of new share issues	4,493,714	4,167,857
Effect of issues for non-cash consideration	1,170,417	703,508
Effect of split [1]	-	29,238,582
Number of shares when calculating earnings per share before dilution	**57,265,416**	**43,856,141**

[1] On January 10, 2020, a 4:1 share split was carried out.

The number of shares outstanding at year-end was 62,130,269 (51,601,285).

Diluted earnings per share

Diluted earnings per share for 2021 has been calculated based on profit/loss for the year attributable to the Parent Company's holders of ordinary shares, which totals MSEK -193.9 (-48.2), and on the weighted average number of shares outstanding in 2021, which equals 61,352,967 (44,888,273). The two components have been calculated as follows:

Profit/loss for the year attributable to Parent Company shareholders, after dilution

	2021	**2019/2020**
Profit/loss for the year attributable to Parent Company shareholders	-227.6	-48.2
Effect of interest on convertible bonds (after tax)	33.7	-
Profit/loss attributable to Parent Company shareholders, after dilution	**-193.9**	**-48.2**

Weighted average number of shares outstanding, after dilution

	2021	**2019/2020**
Weighted average number of shares, before dilution	57,265,416	43,856,141
Effect of stock option programs	1,581,801	1,032,132
Effect of convertible bonds	2,505,750	-
Number of shares when calculating diluted earnings per share	**61,352,967**	**44,888,273**

Options assigned to employees have been deemed to be potential ordinary shares in the event that the share price exceeds the strike price. They have been included in the calculation of diluted earnings per share if the qualifying terms linked to the options would have been met based on the company's performance up until the balance sheet date, and to the extent that they give rise to a dilutive effect. If the profit for the year is a loss, the dilutive effect is not taken into account in calculating earnings per share. The options have not been included in the calculation for earnings per share before dilution. Further information on the options can be found in Note 6.

Dilution from convertible bonds is calculated by increasing the number of shares by the total number of shares that the convertibles correspond to, and increasing the result by the reported interest expense after tax. Potential ordinary shares are seen as dilutive only during periods when it leads to a lower profit or greater loss per share.

Note 19
Interest-bearing liabilities

ACCOUNTING PRINCIPLES

Borrowing is initially recognized at fair value, net after transaction costs, and subsequently at amortized cost. Any difference between the amount received and the amount repaid is recognized in the income statement, distributed over the term of the loan, using the effective interest method. Borrowing is classified as interest-bearing non-current or current liabilities in the balance sheet.

	Group		Parent	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Non-current liabilities				
Liabilities to credit institutions [1]	21.8	26.1	4.0	6.0
Convertible bonds	1,328.4	-	1,328.4	-
Lease liabilities	198.2	60.1	-	-
Other interest-bearing liabilities	-	0.6	-	0.6
Total	**1,548.5**	**86.8**	**1,332.4**	**6.6**
Current liabilities				
Liabilities to credit institutions[1]	5.0	2.0	2.0	2.0
Lease liabilities	53.3	20.1	-	-
Total	**58.2**	**22.1**	**2.0**	**2.0**

[1] For information on pledged assets, see Note 27.

Convertible bonds

On March 19, 2021, the company issued senior unsecured convertible bonds with a total nominal value of MSEK 1,500. The number of bonds amounts to 750 and the nominal value per convertible is MSEK 2.0. As of March 19, 2026 the holders of the bonds have the right to convert them into shares at a conversion price of SEK 598.5 per share, which corresponds to a premium of 42.5% on the share price at issue. Bonds that are not converted into shares will be redeemed at the nominal amount on March 19, 2026. The convertible agreement contains several derivative elements where the convertible holders and the company have the right to redeem the convertible debt prematurely if specific conditions are met. These embedded derivative instruments will be valued on an ongoing basis by the company and recognized at fair value at level 3.

The main drivers of the value of these derivatives are the company's share price and the time from issue of the convertible. As of December 31, these derivative instruments have been recognized at MSEK 0.0.

The coupon rate is 2.875% and is paid semi-annually in September and March with the first payment in September 2021.

	Group		Parent	
Convertible bonds	**2021**	**2019/2020**	**2021**	**2019/2020**
Balance after issuing 750 convertible bonds	1,500.0	-	1,500.0	-
Transaction costs	-28.3	-	-28.3	-
Amount classified as equity	-163.7	-	-163.7	-
Capitalized interest	20.4	-	20.4	-
Recognized liability, December 31	**1,328.4**	**-**	**1,328.4**	**-**

Convertible bonds are a hybrid instrument that mainly comprises two parts: a liability portion and an equity portion. To determine what proportion of the convertible loan should be classified as equity, the implicit market rate is used, i.e. the interest rate at which the company would likely have been able to borrow without the embedded option to convert into shares. This interest rate is used to discount the liability where the difference between the discounted value and the issued convertible debt is the part of the loan classified as equity. The company has judged this interest rate to be 5.5%. Over the term of the loan, the loan will be adjusted upwards using the same discount rate so that at the end of the loan the liability will amount to MSEK 1,500.

The equity portion of the convertible bonds amounts to MSEK 163.7 after deductions for transaction costs of MSEK 3.4. The liability portion is recognized at amortized cost.

Note 20
Other liabilities

ACCOUNTING PRINCIPLES

Contingent consideration has been measured at fair value during the preparation of the purchase price allocation using a weighted probability assessment of the various possible outcomes, after which it has been discounted to the present value.

Future sales, order intake and the discount rate are important non-observable input data in the calculation. An increase in these input data (or a decrease in the discount rate) increases the outcome of the contingent consideration.

Contingent consideration has been classified as other non-current liabilities or other current liabilities and is measured at fair value in accordance with IFRS 13, level 3. Renewed assessments of the potential outcome of the contingent considerations are carried out at each reporting period. 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, adjustments are made to the purchase price allocation, provided that this is still preliminary. Changes in the assessment can thus lead to a significant impact on the Group's earnings.

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Other non-current liabilities				
Contingent consideration	388.6	-	388.6	-
Other non-current liabilities	4.7	-	0.6	-
Total	**393.3**	**-**	**389.2**	**-**
Other current liabilities				
Contingent consideration	108.1	-	108.1	-
Other current liabilities	43.8	4.1	2.6	1.3
Total	**151.9**	**4.1**	**110.7**	**1.3**

Note 21
Other provisions

ACCOUNTING PRINCIPLES

A provision is recognized in the balance sheet when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is likely that an outflow of financial resources will be required to settle the obligation and that a reliable estimate of the amount can be made.

Provisions are not made for future operating losses. Where the effect of the timing of payment is significant, provisions are calculated by discounting the expected future cash flow at a pretax interest rate that reflects current market assessments of money's time value and, if applicable, the risks associated with the obligation.

Provisions that are non-current liabilities

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Warranty commitments	18.3	4.7	-	0.5
Other	1.2	-	-	-
Total	**19.5**	**4.7**	**-**	**0.5**

Change in warranty provision

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Carrying amount at the beginning of the period	4.7	1.0	0.5	0.4
Provisions made during the period	7.4	6.1	0.3	0.2
Amounts claimed during the period	-2.2	-3.5	-0.8	-0.1
Acquired provisions	9.3	1.2	-	-
Translation differences	-0.9	-0.1	-	-
Carrying amount at the end of the period	**18.3**	**4.7**	**-**	**0.5**

Note 22
Accrued expenses

	Group		*Parent*	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Personnel-related expenses	109.5	33.8	20.0	9.2
Consultancy, audit and Board fees	11.1	2.8	4.7	1.8
Accrued cost of materials	2.3	2.6	-	-
Prepaid grants	-	7.0	-	7.0
Accrued interest	12.2	-	12.2	-
Other accrued expenses	45.3	7.6	13.5	3.2
Other prepaid income	-	-	5.5	2.1
Total	**180.3**	**53.9**	**55.9**	**23.3**

Note 23
Financial assets and liabilities

ACCOUNTING PRINCIPLES

Financial instruments that are recognized in the balance sheet include the following assets and liabilities: long-term investments, long-term receivables, accounts receivables, contract assets, receivables and liabilities from/to Group companies, short-term investments, cash and cash equivalents, interest-bearing liabilities, contingent considerations and accounts payable. Accounts receivable and debt instruments are recognized when they are issued. Other financial assets and financial liabilities are recognized when the Group becomes party to the instrument's contractual terms. On initial recognition, a financial asset or financial liability is measured at fair value.

Assets and liabilities measured at amortized cost

After initial recognition, long-term receivables, accounts receivables, contract assets, receivables and liabilities from/to Group companies, cash and cash equivalents, interest-bearing liabilities and accounts payable are measured at amortized cost including any transaction costs. Interest income and expenses as well as exchange rate gains and losses are recognized in the income statement. Gains or losses arising from derecognition are recognized through profit. Financial assets measured at amortized cost are subject to ongoing impairment tests and allowances for expected credit losses. See also Note 15 for a description of how expected credit losses in the Group's accounts receivable are managed.

Financial assets and liabilities measured at fair value through profit or loss

Long- and short-term investments are measured at fair value through profit or loss after initial recognition. This means that net gains and losses, including all interest and dividend income, are recognized in the income statement. The Group does not apply hedge accounting. The Group's short-term investments, which mainly consist of quoted interest-bearing funds and bonds, are measured at fair value in accordance with IFRS 13 level 1 (quoted market values in active markets).

The Group's long-term investments consist of strategic investments in unlisted companies. The investments are measured at fair value in accordance with IFRS 13 level 3 (input data not observable on the market). With acquisitions of long-term investments, the cost has been judged to correspond to the fair value when the transaction is between two independent parties. After this, financial changes to the acquired object, such as valuations due to new share issues and developments in earnings and sales, are considered to be factors that affect the fair value. Renewed assessments of the fair value of long-term investments are carried out every reporting period and any difference with the previously reported amount is recognized in net financial items in the period in which the change arises.

Contingent consideration has been measured at fair value during the preparation of the purchase price allocation using a weighted probability assessment of the various possible outcomes, after which it has been discounted to the present value. Future sales, order intake and the discount rate are important non-observable input data in the calculation. An increase in these input data (or a decrease in the discount rate) increases the outcome of the contingent consideration. Contingent consideration has been classified as other non-current liabilities or other current liabilities and is measured at fair value in accordance with IFRS 13, level 3.

Renewed assessments of the potential outcome of the contingent considerations are carried out at each reporting period. 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, adjustments are made to the purchase price allocation, provided that this is still preliminary. Implicit interest and exchange rate differences that arise on the contingent considerations are reported in net financial items.

Derecognition

A financial asset is removed from the balance sheet when the rights in the agreement are realized, expire or the company loses control of it. The same applies to part of a financial asset.

A financial debt is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise terminated. The same applies to part of a financial liability. Acquisitions and divestments of financial assets are recognized on the date the company undertakes to acquire or divest the asset, except in cases where the company acquires or sells quoted securities when the cash or settlement approach is applied.

Fair values in level 3

The table below presents the reconciliation between the opening and closing balance for financial instruments measures in level 3. The Group had no instruments valued at level 3 during the comparison year.

Group	Contingent consideration	Long-term investments
Fair value, Jan 1, 2021	-	-
Cost on acquisition	-507.4	3.4
Total recognized gains and losses in operating profit/loss for the year	25.0	-
Total recognized gains and losses in net financial items for the year	-14.2	-
Fair value, Dec 31, 2021	**-496.6**	**3.4**

Group	2021-12-31	2020-12-31	IFRS 13 division of fair value into levels
Financial assets			
Financial assets measured at fair value through profit or loss			
Long-term investments	3.4	-	3
Short-term investments	993.6	349.5	1
Financial assets measured at amortized cost			
Long-term receivables	20.4	13.0	
Contract assets	132.2	8.0	
Accounts receivable	576.9	176.4	
Cash and cash equivalents	481.2	434.9	
Total financial assets	**2,207.7**	**981.8**	
Financial liabilities			
Financial liabilities measured at fair value			
Contingent consideration	-496.6	-	3
Financial liabilities measured at amortized cost			
Liabilities to credit institutions	-26.8	-28.7	
Convertible bonds	-1,328.4	-	
Lease liabilities	-251.6	-80.2	
Accounts payable	-129.2	-33.0	
Total financial liabilities	**-2,232.6**	**-141.8**	

Financial assets or liabilities have been offset to the extent that they have the same counterparties and maturity structure, which affects certain intragroup receivables and liabilities in the Parent Company. The carrying amounts above for financial assets and liabilities correspond in all essentials to the fair values.

Parent	2021-12-31	2020-12-31	IFRS 13 division of fair value into levels
Financial assets			
Financial assets measured at fair value through profit or loss			
Long-term investments	3.4	-	3
Short-term investments	993.6	349.5	1
Financial assets measured at amortized cost			
Long-term receivables	1.3	1.2	
Accounts receivable	38.9	44.0	
Receivables from Group companies	3,493.8	62.2	
Cash and cash equivalents	91.1	302.4	
Total financial assets	**4,622.1**	**759.4**	
Financial liabilities			
Financial liabilities measured at fair value			
Contingent consideration	-496.6	-	3
Financial liabilities measured at amortized cost			
Liabilities to credit institutions	-6.0	-8.0	
Convertible bonds	-1,328.4	-	
Other interest-bearing liabilities	-	-0.6	
Liabilities to Group companies	-1.4	-1.9	
Accounts payable	-5.6	-15.0	
Total financial liabilities	**-1,838.0**	**-25.5**	

Valuation methods and significant non-observable input data

Instrument	Valuation method	Significant non-observable input data	Link between significant non-observable input data and calculation of fair value
Contingent consideration	Discounted cash flows: The valuation model discounts the present value of expected cash flows using a risk-adjusted discount rate. Expected cash flows are determined based on probable scenarios for future outcomes in relevant parameters, amounts that will be paid in each outcome and the probability of each outcome.	• Forecast annual growth rate • Discount rate	The estimated fair value would increase (decrease) if: • Annual growth were higher (lower) • The discount rate were lower (higher)
Long-term investments	The valuation model is based on the most recent transaction for the specific company, if a transaction has taken place recently. If there has been significant changes in the conditions between the transaction date and the balance sheet date which, in BICO's assessment, could have a significant impact on fair value, the carrying amount is adjusted to reflect these changes.	• Multiple on equity • Valuation at the latest new share issue	• The estimated fair value would increase (decrease) if: • The multiple on equity were higher (lower) • The valuation at the latest new share issue were higher (lower)

SENSITIVITY ANALYSIS

Contingent considerations

In 2021, BICO completed eight company acquisitions and one asset acquisition, five of which contain a contingent consideration. The contingent considerations are primarily linked to future sales and order intake. The contingent considerations have been discounted with an interest rate of 1.25-4.68%. 64% is nominated in USD and 36% in EUR.

In total, contingent considerations of SEK 496.6 million is reported. If all contingent considerations had been estimated to fall out with a 100 percent probability, the reported liability for contingent considerations (short- and long-term) would amount to SEK 542.4 million as of December 31, 2021, all other things unchanged. Other reasonably possible changes in unobservable input data would, all other things unchanged, have the following effect on the reported liabilities:

	Increase	Decrease
Discount rate (1% change)	-6.9	7.1
Exchange rates EUR and USD (10% change)	49.7	-49.7
Future revenue and order intake (10% change)	43.0	-247.1

Refer to Note 26 for information on the contingent consideration in each acquisition.

Note 24
Leases

ACCOUNTING PRINCIPLES

When an agreement is entered, the Group assesses whether or not it is, or contains, a lease. An agreement is, or contains, a lease if it transfers the right over a certain period to decide on the use of an identified asset in exchange for compensation.

At the beginning of the lease or when reviewing a lease that contains multiple components – lease and non-lease components – the Group allocates the compensation, as set out in the agreement, to each component based on the independent price.

Leases in which the Group is the lessee

The Group recognizes a right-of-use asset and a lease liability at the start of the lease. The right-of-use asset is initially measured at cost, which consists of the initial value of the lease liability plus lease payments paid at or before the start date plus any initial direct expenses. The right-of-use asset is then depreciated on a straight-line basis from the start date to the end of the asset's useful life or the end of the lease term, whichever is earlier, which for the Group is usually the end of the lease term.

The lease liability, which is divided into non-current and current portions, is initially measured at the present value of the remaining lease payments for the estimated lease term. The lease term consists of the non-terminable term plus any additional periods in the agreement if, at the starting date, it is deemed reasonably certain that they will be utilized.

The lease payments are usually discounted by the Group's incremental borrowing rate, which, in addition to the Group's credit risk, reflects each agreement's lease term, currency, and the quality of the underlying asset as planned security.

Where the lease's implicit interest can readily be determined, that rate is used instead.

The lease liability encompasses the present value both of the fixed payments and of variable lease payments linked to indices or prices over the estimated lease term. The value of the liability is increased by the interest expense for the respective period and decreased by the lease payments. Interest expense is calculated as the value of the liability multiplied by the discount rate.

The lease liability for the Group's premises with index-linked rent is calculated based on the rent that applies at the end of the reporting period. At this point, the liability is adjusted and a corresponding adjustment is made to the carrying amount of the right-of-use asset. Correspondingly, the value of the liability and asset is adjusted if the lease term is revised. This happens when the last termination date in the previously assessed lease term for the premises lease has passed, or when significant events occur or circumstances change materially in a way that is within the Group's control and affects the prevailing assessment of the term.

The Group presents right-of-use assets and lease liabilities as separate items in the balance sheet.

No right-of-use asset or lease liability is recognized for leases with a term of 12 months or less or for leases with a low-value underlying asset (less than kSEK 50). Lease payments for these leases are recognized as a cost on a straight-line basis over the lease term.

Lessee

The Group's property, plant and equipment consist of both owned and leased assets.

	2021-12-31	2020-12-31
Property, plant and equipment owned	209.1	52.5
Right-of-use assets	248.5	80.9
Total	**457.6**	**133.4**

Leased assets mainly consist of real estate and premises, and to a lesser extent vehicles and office equipment. No leases contain covenants or other restrictions, except for the security in the leased asset.

Real estate leases

The Group leases buildings for its offices, production, and storage. The leases generally have a term from one to 10 years. Since the acquisition of SCIENION, there is also a real estate lease with a term of 65 years.

Sometimes the leases contain lease payments based on changes in local price indices. In addition, some leases require the Group to pay fees relating to real estate taxes and other expenses that are imposed on the lessee.

Extension and termination options

Certain leases contain extension or termination options, which the Group may or may not exercise up to one year before the end of the non-terminable lease term.

When possible, the Group attempts to include such options in new leases, as it contributes to operating flexibility. The options may only be exercised by the Group, and not the lessor.

It is determined at the start of the lease whether or not it is reasonably certain that an extension option will be exercised. The Group reviews whether or not it is reasonably certain that an extension option will be exercised if there is a significant event or there are material changes to circumstances within the Group's control.

The Group's leases usually have non-terminable terms of 1–10 years, with options for the Group to extend for further periods. The agreements contain no final end date. For agreements with a non-terminable term of 3–10 years, it has been judged that it is not reasonably certain that additional periods will be utilized. For agreements with a non-terminable term of less than three years, in most cases it has been judged that it is reasonably certain that additional period(s) will be utilized, which usually results in lease terms of 3–5 years.

During the year, lease liabilities/assets increased by MSEK 0.0 (0.3) as a result of the Group exercising options not previously included in the lease liability. Significant changes may occur in future if there were a review of the lease term for any of the Group's key leases.

Other leases
Leases of vehicles and office equipment usually have lease terms of 1–3 years. These leases are usually short-term leases and/or leases of low value. The Group has chosen not to recognize right-of-use assets and lease liabilities for these leases.

The Group did not have any agreements where the Group is the lessor during either 2019/2020 or 2021.

Additional right-of-use assets in 2021 amounted to MSEK 101.0. This figure includes the cost of right-of-use assets newly acquired during the year and additional amounts from reviewing lease liabilities due to changed payments as a result of changes in the lease term. Larger additional right-of-use assets during the financial year include new premises for DISPENDIX and MatTek.

Right-of-use assets

	2021			2019/2020		
	Real estate	**Other**	**Total**	**Real estate**	**Other**	**Total**
Opening balance	78.4	2.5	**80.8**	27.9	-	**27.9**
Additional right-of-use assets	97.0	4.0	**101.0**	40.5	0.9	**41.4**
Business combinations	133.1	3.3	**136.4**	26.1	2.1	**28.2**
Expiring right-of-use assets	-28.3	-0.8	**-29.1**	-0.7	-	**-0.7**
Depreciation during the year	-40.6	-1.0	**-41.6**	-14.7	-0.5	**-15.2**
Translation differences	0.9	-	**0.9**	-0.8	-0.1	**-0.8**
Closing balance	**240.5**	**8.0**	**248.5**	**78.4**	**2.5**	**80.8**

Lease liabilities

	2021-12-31	**2020-12-31**
Current	53.3	20.1
Non-current	198.2	60.1
Lease liabilities included in the balance sheet	**251.5**	**80.2**

See Note 2 Financial Risk Management for a maturity analysis of the lease liabilities.

Amounts recognized in profit

	Group	
IFRS 16	**2021**	**2019/2020**
Depreciation of right-of-use assets	-41.6	-15.2
Interest on lease liabilities	-3.5	-1.2
Costs for short-term leases	-4.9	-2.7
Costs for leases of low-value assets	0.0	-0.0
Total	**-50.0**	**-19.1**

IAS 17 - Non-terminable lease payments amount to:

	Parent	
	2021-12-31	**2020-12-31**
Within 1 year	3.7	5.0
1–5 years	0.6	8.9
> 5 years	-	-
Total	**4.2**	**13.9**

IAS 17 - Expensed fees for operating leases amount to:

	Parent	
	2021	**2019/2020**
Minimum lease payments	5.7	6.9
Total lease costs	**5.7**	**6.9**

Note 25
Participation in group companies

Parent Company	2021-12-31	2020-12-31
Accumulated costs		
At beginning of the year	1,325.7	365.4
Purchases	2,868.3	960.8
Liquidation*	-	-4.0
Shareholder contributions paid	72.4	3.5
At year-end	**4,266.4**	**1,325.7**
Accumulated impairment losses		
At beginning of the year	-4.4	-0.6
Impairment losses for the year	-40.3	-3.8
At year-end	**-44.7**	**-4.4**
Carrying amount at year-end	**4,221.7**	**1,321.3**

The five US acquisitions during 2021 have been completed through acquisition companies which have since been merged with the acquired company. Part of the purchase price thus consists of receivables from Group companies and is not included in shares in subsidiaries. Thus, the item shares in subsidiaries does not reflect the full purchase price for these companies.

Directly owned subsidiaries	Corp. ID no.	Domicile	No. of shares	Holding, %	Book value 2021-12-31	Book value 2020-12-31
CELLINK LLC	81-3033020	Blacksburg, VA, USA	10,000	100	1.7	1.3
CELLINK Options AB	559144-2008	Gothenburg, Sweden	50,000	100	0.1	0.1
DISPENDIX GmbH	755770	Stuttgart, Germany	25,000	100	52.9	52.5
CYTENA GmbH	711600	Freiburg, Germany	78,461	100	333.0	306.7
CELLINK Ltd	1200920	Brighton, UK	1	100	0.0	0.0
CELLINK SAS	877893693	Lyon, France	1	100	0.0	0.0
CELLINK KK	6130001066261	Kyoto, Japan	100,000	100	0.5	0.5
SCIENION AG	19874	Dortmund, Germany	186,665	100	961.4	960.3
Ginolis OY	2344452-8	Oulu, Finland	63,056,813	100	664.6	-
MatTek Corp	42877744	Massachussets, USA	1,000	100	157.2	-
CELLINK Bioprinting AB	559314-6169	Gothenburg, Sverige	100	100	0.6	-
Visikol Inc	5946263	Delaware, USA	1,000	100	105.9	-
Nanoscribe GmbH**	703637	Mannheim, Germany	41,600	100	550.6	-
Discover Echo	5386719	Delaware, USA	1 ,000	100	139.1	-
Advanced BioMatrix	6190156	Delaware, USA	1,000	100	52.4	-
Qinstruments GmbH	209986	Jena, Germany	66,500	100	635.1	-
Biosero Inc	6123939	Delaware, USA	1,000	100	566.6	-
Carrying amount at year-end					**4,221.7**	**1,321.3**

* Liquidation did not have any effect on the Parent Company's earnings because the subsidiary's net assets, which were transferred to the Parent Company, came to the same amount.

**The consolidated financial statements of BICO Group AB represent an exemption for Nanoscribe GmbH & Co. KG, Eggenstein-Leopoldshafen/Germany in accordance with section 264b of the German Commercial Code (HGB).

Note 26
Aquisitions

Preliminary purchase price allocations, MSEK	Ginolis	MatTek	Visikol	Nanoscribe	Discover Echo	Advanced BioMatrix	QInstruments	Biosero[1]
Acquired assets:								
Identified intangible assets	114.8	70.1	20.4	111.2	138.9	23.2	194.2	-
Tangible fixed assets	15.9	52.9	12.5	78.1	15.8	5.6	5.4	22.5
Deferred tax asset	24.1	14.5	-	5.4	9.5	-	-	-
Inventories	7.5	13.9	1.2	26.1	13.2	3.1	18.8	10.7
Accounts receivable	16.9	13.8	4.8	20.5	32.4	3.0	13.1	75.0
Other current assets	13.9	42.1	0.2	10.3	1.8	0.2	1.9	33.0
Cash and cash equivalents	6.4	36.2	3.4	37.7	33.6	2.0	38.4	59.3
Total assets	**199.5**	**243.5**	**42.5**	**289.3**	**245.2**	**37.1**	**271.8**	**200.5**
Acquired provisions and liabilities:								
Provisions	-	-	-	-9.3	-	-	-	-
Interest-bearing liabilities	-66.2	-21.3	-16.0	-58.0	-13.1	-5.3	-3.3	-18.8
Accounts payable	-37.6	-1.5	-0.5	-5.5	-10.1	-	-1.2	-12.2
Current operating liabilities	-26.2	-49.0	-0.2	-19.4	-14.4	-1.8	-23.0	-81.6
Deferred tax liability	-18.6	-23.8	-6.7	-30.8	-41.5	-6.5	-61.3	-7.6
Total provisions and liabilities	**-148.6**	**-95.6**	**-23.4**	**-123.0**	**-79.1**	**-13.6**	**-88.8**	**-120.2**
Net of identified assets and liabilities	**50.9**	**147.9**	**19.1**	**166.3**	**166.1**	**23.5**	**183.0**	**80.3**
Group goodwill	597.9	467.0	125.1	378.6	800.7	125.1	448.6	1,433.8
Purchase price	**648.8**	**614.9**	**144.2**	**544.9**	**966.8**	**148.6**	**631.6**	**1,514.1**
Settled through:								
Cash and cash equivalents	-406.5	-499.6	-38.9	-250.5	-860.3	-130.1	-523.2	-984.6
Issued shares [2]	-242.3	-115.3	-20.7	-132.3	-106.5	-	-80.1	-315.6
Contingent consideration [3]	-	-	-84.6	-162.1	-	-18.5	-28.3	-213.9
Net cash flow at time of acquisition:								
Compensation paid in cash and cash equivalents	-406.5	-499.6	-38.9	-250.5	-860.3	-130.1	-523.2	-984.6
Minus: Cash and cash equivalents in acquired company	6.4	36.2	3.4	37.7	33.6	2.0	38.4	59.3
Effect on the Group's cash and cash equivalents	**-400.1**	**-463.4**	**-35.5**	**-212.8**	**-826.7**	**-128.1**	**-484.8**	**-925.3**

[1] The identification of acquired surplus values for Biosero will take place in the first quarter of 2022, whereby Group goodwill is expected to decrease.
[2] The value of the newly issued shares transferred to the sellers, which has been recognized in accordance with that registered with the Swedish Companies Registration Office for each issue for non-cash consideration.
[3] Carrying amount on the acquisition date, which has been calculated using a probability approach looking at the possible outcomes and computed at present value.

EFFECTS OF ACQUISITIONS

Ginolis

On March 1, 2021, BICO acquired 100% of the shares in Finnish company Ginolis Oy, registered in Oulu, Finland. The company focuses on automating the production of diagnostics tests using advanced robots. The purchase price amounted to MSEK 648.8, of which MSEK 242.3 consisted of 666,028 newly issued BICO shares and MSEK 406.5 was paid in cash. The newly issued shares were valued at the volume-weighted average price on February 26, 2021.

Through Ginolis' complementary technology offering, BICO envisions great synergies that will support future growth within the Bioautomation business area.

Ginolis' sales amounted to MEUR 18 in 2020, with an EBITDA margin of 12%. BICO deems that Ginolis has the capacity to grow in line with the company's financial targets. In addition to recorded net assets in Ginolis, surplus values in the form of technology, customer relationships, and customer contracts entered into have been identified in the purchase price allocation.

The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of more efficient production and sales processes in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If Ginolis had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 195 instead of the MSEK 170 recognized.

MatTek

On March 22, 2021, BICO acquired 100% of the shares in American company MatTek Corp, registered in Massachussets, the USA. The company focuses on in vitro-based human innovative tissue models, cell isolation, and cell cultivation. The purchase price amounted to MSEK 614.9, of which MSEK 115.3 consisted of 284,176 newly issued BICO shares and MSEK 499.6 was paid in cash. The newly issued shares were valued at the average closing price for the period March 5 to March 12, 2021.
Through MatTek's complementary technology offering, BICO will strengthen its product offering in 3D tissue and accelerate development of new reagents and tissues within Bioprinting.
MatTek's sales amounted to MUSD 16.6 in 2020, with an EBITDA margin of 21.9%. BICO deems that MatTek has the capacity to grow faster than in the past by means of synergies that could be realized within the Bioprinting business area.

In addition to recorded net assets in MatTek, surplus values in the form of technology and customer relationships have been identified in the purchase price allocation. The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of more efficient production and sales processes in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If MatTek had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 147 instead of the MSEK 115 recognized.

Visikol

On May 20, 2021, BICO acquired 100% of the shares in American company Visikol Corp, registered in Delaware, the USA and with main activity in Hampshire, New Jersey, the USA. This is a contract research company offering leading services in 3D cell culture, 3D tissue imaging, multiplex imaging, and digital pathology to pharma and biotech companies. The purchase price amounted to MSEK 144.2, of which MSEK 20.7 consisted of 57,911 newly issued shares and MSEK 38.9 was paid in cash on the acquisition date. The newly issued shares were valued at the closing price on May 19, 2021. The purchase price also includes a recognized contingent consideration of MSEK 84.6, which is based on financial targets for the 2022 and 2023 financial years being met. The maximum contingent consideration payable is MUSD 12 and requires (among other targets) the company to achieve sales of at least MUSD 13.9 in 2023.

The BICO Group sees great potential in Visikol through the ability to offer more stages in the process for developing new drugs by combining Visikol® HISTO™ tissue reagent with cloud-based technology for analysis, advanced imaging with digital pathology, and 3D cell cultivation analysis. The technology, which is used for analysis, creates synergies for existing customers within the Group, such as MatTek's customers in the field of 3D tissue. The Group also sees opportunities to continue developing strong service-related offerings within Bioprinting.

In addition to recorded net assets in Visikol, surplus values in the form of technology and customer relationships have been identified in the purchase price allocation. The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of cross-selling and utilizing customer relationships in the Group after the acquisition. No part of the goodwill is expected to be tax deductible. If Visikol had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 25 instead of the MSEK 18 recognized.

Nanoscribe

On May 31, 2021, BICO acquired 100% of the shares in German company Nanoscribe Holding GmbH, registered in Mannheim, Germany and with main activity in Karlsruhe, Germany. The company focuses on the development of high-precision 3D printers based on 2PP (Two-Photon Polymerization) technology. The purchase price amounted to MSEK 544.9, of which MSEK 132.3 consisted of 301,332 newly issued BICO shares and MSEK 250.5 was paid in cash on the acquisition date. The newly issued shares were valued at the closing price on May 28, 2021. The purchase price also includes a recognized contingent consideration of MSEK 162.1, which is based on financial targets (order intake and sales) for the 2021–2023 financial years being met. The contingent consideration is theoretically unlimited in size, based on target fulfillment of order intake in 2021 and sales in 2022 and 2023. For full payment, it is required, among other targets, that Nanoscribe has sales of at least EUR 24.8 million in the financial year 2023. The company will be part of the Bioprinting business area.

By combining BICO and Nanoscribe's innovative technologies, the Group can offer market-leading 2PP products to a broad customer segment. Nanoscribe's technology enables advanced research and develops industrial innovation in a host of different sectors, such as bioprinting, microfluids, microoptics, micromechanics, biomedical technology, and integrated photonics. With Nanoscribe's technology, the Group can remain competitive by enabling the miniaturization of units for a great many applications, which creates the internal capacity to further expand our range of consumables in all business areas.

In addition to recorded net assets in Nanoscribe, surplus values in the form of technology and patents have been identified in the purchase price allocation. The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of cross-selling in the Group after the acquisition. No part of the goodwill is expected to be tax deductible. If Nanoscribe had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 128 instead of the MSEK 98 recognized.

Discover Echo

On June 30, 2021, BICO acquired 100% of the shares in American company Discover Echo Inc, registered in Delaware, the USA and with main activity in San Diego, California, the USA. The company focuses on the development, production, and sale of patented and rotating hybrid microscopes. Discover Echo's hybrid microscope with both upright and inverted capability, in a single high-quality instrument, eliminates the need for two separate systems. Furthermore, Discover Echo is redefining the industry when it comes to the user experience because the company's products integrate ultra hi-resolution touchscreens with built-in software.

The purchase price amounted to MSEK 966.8, of which MSEK 106.5 consisted of 262,320 newly issued shares and MSEK 860.3 was paid in cash. The newly issued shares were valued at the volume-weighted average price for the period June 24 to 29, 2021.

All of the BICO Group's existing customers in cell culture research could benefit from Discover Echo's product portfolio. This opens up the potential for cross-selling and product packaging, which could help grow most of the product lines while increasing the use of consumables offered by BICO. Such product packaging will bring the Group closer to its goal of offering its customers complete workflows. Discover Echo has strong growth potential in the bioprocessing industry, where BICO is already a well-known supplier and has the expertise to accelerate Discover Echo's breakthrough in this sector. The company will be part of the Biosciences business area.

In addition to recorded net assets in Discover Echo, surplus values in the form of technology, customer relationships, and trademarks have been identified in the purchase price allocation. The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of cross-selling in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If Discover Echo had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 177 instead of the MSEK 109 recognized.

Advanced BioMatrix

On August 27, 2021, BICO acquired 100% of the shares in American company Advanced BioMatrix Corp, registered in Delaware, the USA and with main activity in San Diego, California, the USA. The company focuses on 3D research applications. The company's portfolio consists of collagen bioinks, high-purity extracellular matrix proteins, chemically modified proteins and polysaccharides, and other reagents and cell assays, which are sold to research institutes and pharma and biotech companies. The company reported sales of around MUSD 3 and an adjusted EBITDA margin of around 50% in its most recent financial year prior to the acquisition.

The purchase price amounted to MSEK 148.6, of which MSEK 130.1 was paid in cash and MSEK 18.5 was recognized as contingent consideration. The contingent consideration is based on certain senior executives in Advanced BioMatrix (not selling shareholders) remaining with the company for a three-year period after the acquisition is carried out. The maximum contingent consideration payable is MUSD 2.25.

Combining the BICO Group and Advanced BioMatrix's innovative offerings secures a market-leading product portfolio in bioinks and reagents. Together the companies can also develop innovative application offerings to meet customers' future needs and demand, which also demonstrates the strength of BICO's business model. The company will be part of the Bioprinting business area.

In addition to recorded net assets in Advanced BioMatrix, surplus values in the form of technology and trademarks have been identified in the purchase price allocation. The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of more efficient sales processes and integration projects, primarily with CELLINK. No part of the goodwill is expected to be tax deductible.

If Advanced BioMatrix had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 31 instead of the MSEK 10 recognized.

QInstruments

On October 15, 2021, BICO acquired 100% of the shares in German company QInstruments GmbH, with its registered office in Jena, Germany. This is a leading developer, manufacturer, and supplier of advanced sample preparation automation and liquid handling robots for workflows within biomedical and life science research and clinical diagnostics. At the time of acquisition, QInstruments was expected to grow by approximately 40% in 2021 and generate approximately MEUR 10.8 in net sales with an EBIT margin of 45%.

The purchase price amounted to MSEK 631.6, of which MSEK 523.2 was paid in cash, MSEK 80.1 was paid through 172,852 newly issues shares, and MSEK 28.3 was recognized as contingent consideration. The newly issued shares were valued at the volume-weighted average price for the period October 8 to 14, 2021. The contingent consideration is based on the company's EBITDA and sales in 2022 and can be a maximum of MEUR 3. For the contingent consideration to be realized, sales must amount to at least MEUR 12.5 in 2022.

QInstrument's innovative product portfolio in advanced liquid handling can be seamlessly integrated into BICO's existing workflows. The Group also sees great potential in integrating this technology into new instruments. The company will be part of the Bioautomation business area.

In addition to recorded net assets in QInstruments, surplus values in the form of technology, customer relationships, and trademarks have been identified in the purchase price allocation. The majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of more efficient sales processes in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If QInstruments had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 110 instead of the MSEK 20 recognized.

Biosero

On December 28, 2021, BICO acquired 100% of the shares in American company Biosero Inc, registered in Delaware, the USA and with main activity in San Diego, California, the USA. The company offers software solutions and services that enable seamless laboratory automation for connected and smart workflows. Biosero's revenue at the time of acquisition was expected to total MUSD 26 in 2021, with an EBITDA margin above 25%. The company will be part of the Bioscience business area.

The purchase price preliminarily amounted to MSEK 1,514.1, of which MSEK 315.6 consisted of 1,200,000 newly issued shares and MSEK 984.6 was paid in cash on the acquisition date. The newly issued shares were valued at the closing price on December 15, 2021, the day before the deal was announced. The purchase price also includes a recognized contingent consideration of MSEK 213.9, which is based on revenue targets for the 2022-2024 financial years being met. The maximum contingent consideration payable is MUSD 25.7 and requires, among other targets, sales of MUSD 95 in 2024.

With the acquisition of Biosero, the Group is taking an important and strategic step forward in expanding its portfolio with smart, combinable software systems to enable automated systems. Biosero's software platform links together an extensive portfolio of hardware instruments and solutions, and connects the main hardware technologies in the Group. The company will be part of the Biosciences business area.

As the acquisition is recent, no surplus values have yet been identified; instead the entire difference between the recorded values and the purchase price has been allocated to goodwill in the preliminary purchase price allocation above. The company intends to identify surplus values in the coming quarter.

If Biosero had been included in the company's accounts for the whole financial year, the acquisition would have contributed sales totaling around MSEK 235 instead of the MSEK 0 recognized.

Hurel

On September 15, 2021, the assets and operations of HUREL Corp., a leading American life science company focused on providing customers with two-dimensional liver culture models and analysis services, were acquired. HUREL's acquired assets and operations have been integrated into Visikol. The purchase price amounted to SEK 21.5 million.

Acquisition-related expenses

Acquisition-related expenses amounted to MSEK 42.0 (9.8) during the financial year and were allocated as follows: Ginolis MSEK 15.2 (of which MSEK 10.0 in transaction taxes), MatTek MSEK 5.8, Visikol MSEK 2.8, Nanoscribe MSEK 4.7, Discover Echo MSEK 2.0, Advanced BioMatrix MSEK 5.2, Hurel MSEK 1.2, QInstruments MSEK 3.4, and Biosero MSEK 1.8.

The expenses relate to fees to lawyers, consultants in connection with due diligence, and a tax expense of MSEK 10.0 that the buyer is obliged to pay for the acquisition in Finland. These expenses have been recognized as other external costs in the consolidated income statement, and under acquisitions of subsidiaries/operations within the net cash flow from investing activities in the consolidated cash flow statement.

Issue expenses related to the acquisitions amounted to MSEK 1.5 for January to December and have been recognized as a reduction in equity after deduction of deferred tax.

2019/2020

On September 1, 2020, BICO acquired 100% of the shares in the German company SCIENION AG (corporate identity number HRB 19874, registered office in Berlin, Germany), a company that focuses on precision-dispensing technology. The purchase price amounted to MSEK 950.8, of which MSEK 457.0 consisted of 2,814,032 newly issued CELLINK shares and MSEK 493.8 was paid in cash. Through SCIENION's complementary technology offering, CELLINK sees great synergies that will support future growth. SCIENION currently has subsidiaries in England, France and the USA.

Note 27
Pledged assets and contingent liabilities

ACCOUNTING PRINCIPLES

A contingent liability is recognized when there is a possible obligation originating from an event that has occurred and the existence of which is confirmed only by one or more uncertain future events, or when there is an obligation that is not recognized as a liability or provision because it is not likely that an outflow of resources will be needed.

Pledged assets

As of December 31, 2021, the Parent Company and the Group have outstanding pledged assets in the form of chattel mortgages totaling MSEK 6.0 (8.0). The mortgages relate to a bank loan for MSEK 6.0 (8.0).

Contingent liabilities

The Group and Parent Company have no contingent liabilities to disclose as of December 31, 2021. The parent company has issued several guarantee commitments for the benefit of subsidiaries. It is considered that there is an extremely small probability that these guarantee commitments would need to be used, whereby no amounts for these are reproduced.

Note 28
Cash flow statement

	Group		*Parent*	
Cash and cash equivalents	**2021-12-31**	**2020-12-31**	**2021-12-31**	**2020-12-31**
Cash and cash equivalents includes the following sub-components:				
Cash and bank balances [1]	481.2	434.9	91.1	302.4
Total as per balance sheet	**481.2**	**434.9**	**91.1**	**302.4**
Total as per cash flow statement	**481.2**	**434.9**	**91.1**	**302.4**

[1] The balance includes blocked funds of MSEK 4.0 (3.2) for the Group and MSEK 3.2 (3.2) for the Parent Company.

	Group		*Parent*	
Interest	**2021**	**2019/2020**	**2021**	**2019/2020**
Interest received	0.1	0.1	0.1	1.0
Interest paid	-26.8	-1.7	-22.2	-0.4
Total	**-26.7**	**-1.6**	**-22.1**	**0.6**

	Group		*Parent*	
Adjustments for non-cash items	**2021**	**2019/2020**	**2021**	**2019/2020**
Depreciation/amortization and impairment losses	191.8	52.7	62.4	18.7
Capital gain from sale of non-current assets	4.2	-	-155.6	-
Unrealized change in value of short-term investments	-1.1	-3.6	-1.1	-3.6
Unrealized exchange rate differences	-64.3	0.9	-84.5	11.7
Provision for loss allowance for accounts receivable	9.5	8.9	9.5	5.7
Accrued interest	12.2	-	-43.9	-
Revaluation of contingent consideration	-25.0	-	-25.0	-
Implicit interest expenses for liabilities measured at amortized cost	25.6	-	25.6	-
Allocation of issue costs to a period	3.5	-	3.5	-
Change in other provisions	5.2	2.6	0.3	0.1
Costs for share-based remuneration	12.1	3.3	0.4	1.2
Total	**173.7**	**64.9**	**-208.4**	**33.7**

Acquisitions of subsidiaries and other business units [2]	Group 2021	2019/2020
Acquired assets:		
Intangible assets	5,069.1	844.2
Other non-current assets	262.2	76.7
Inventories	94.9	73.5
Other current assets	501.5	123.6
Total assets	**5,927.7**	**1,118.0**
Acquired provisions and liabilities:		
Provisions	-9.3	-1.3
Deferred tax liability	-196.8	-52.7
Interest-bearing liabilities	-202.0	-28.2
Current operating liabilities	-284.2	-85.1
Total provisions and liabilities	**-692.3**	**-167.3**
Purchase price	**5,235.4**	**950.8**
Settled through:		
Cash and cash equivalents	-3,715.2	-493.8
Issued shares	-1,012.8	-457.0
Contingent consideration	-507.4	0.0
Net cash flow at time of acquisition:		
Compensation paid in cash and cash equivalents	-3,715.2	-493.8
Acquisition costs	-42.0	-[3]
Minus: Cash and cash equivalents in acquired company	217.0	76.3
Effect on cash and cash equivalents	**-3,540.2**	**-417.5**

[2] See Note 26 Acquisitions
[3] Acquisition costs of MSEK 9.8 were included the previous year in cash flow from operating activities.

Reconciliation of liabilities derived from financing activities

Group	2020-12-31	*Changes not affecting cash flow* Liabilities in acquired companies	New/expiring leases via IFRS 16	Translation differences	Implicit interest expenses	Cash flows	2021-12-31
Lease liabilities	80.2	136.4	72.3	0.3	-	-37.6	251.6
Liabilities to credit institutions	28.1	65.5	-	6.4	-	-73.2	26.8
Convertible bonds	-	-	-	-	20.4	1,308.0	1,328.4
Other interest-bearing liabilities	0.6	-	-	-0.6	-	-	-
Total	**108.9**	**201.9**	**72.3**	**6.1**	**20.4**	**1,197.2**	**1,606.8**

Group	2019-08-31	*Changes not affecting cash flow* Liabilities in acquired companies	New/expiring leases via IFRS 16	Translation differences	Cash flows	2020-12-31
Lease liabilities	-	28.2	66.2	-0.8	-13.4	80.2
Liabilities to credit institutions	-	-	-	-	28.1	28.1
Other interest-bearing liabilities	0.6	-	-	-	-	0.6
Total	**0.6**	**28.2**	**66.2**	**-0.8**	**14.7**	**108.9**

Parent	2020-12-31	Implicit interest expenses	Cash flows	2021-12-31
Liabilities to credit institutions	8.0	-	-2.0	6.0
Convertible bonds	-	20.4	1,308.0	1,328.4
Other interest-bearing liabilities	0.6	-	-0.6	-
Total	**8.6**	**20.4**	**1,305.4**	**1,334.4**

Parent	2019-08-31	Cash flows	2020-12-31
Liabilities to credit institutions	-	8.0	8.0
Other interest-bearing liabilities	0.6	-	0.6
Total	**0.6**	**8.0**	**8.6**

Note 29
Related parties

The Parent Company has a related party relationship with its subsidiaries, see Note 25. Of the Parent Company's total purchases and sales, 37% (38) of the purchases and 44% (37) of the sales are intragroup transactions.

Internal prices within the Group are set based on the arm's length principle, i.e. where the parties are independent of each other, well-informed and are interested in conducting the transactions.

Long-term receivables from Group companies

	Parent Company	
	2021-12-31	**2020-12-31**
CELLINK Options AB	6.7	-
CELLINK Bioprinting AB	306.2	-
CELLINK LLC	92.9	37.8
DISPENDIX GmbH	137.8	10.4
CYTENA GmbH	135.9	-
Nanoscribe GmbH	0.1	-
Ginolis Oy	158.1	-
Visikol Inc	92.7	-
Advanced BioMatrix Inc	107.5	-
Biosero Inc	946.9	-
Discover Echo Inc	907.0	-
Mattek Corp	514.1	-
Total	**3,405.9**	**48.2**

Short-term receivables from Group companies

	Parent company	
	2021-12-31	**2020-12-31**
Advanced BioMatrix Inc	0.3	-
Cellenion SAS	0.1	-
CELLINK Bioprinting AB	16.0	-
CELLINK KK	3.5	-
CELLINK Ltd	3.3	0.0
CELLINK Options AB	-	7.6
CELLINK SAS	2.4	6.3
CYTENA Bioprocess Solutions	0.3	-
CYTENA GmbH	35.1	-
Discover Echo Inc	2.7	-
Ginolis Oy	4.3	-
MatTek Corp	3.1	-
Nanoscribe GmbH	2.5	-
Qinstruments GmbH	0.4	-
SCIENION GmbH	5.8	-
SCIENION Inc	2.7	-
SCENION UK Ltd	3.7	-
Visikol Inc	1.7	-
Total	**87.9**	**14.0**

Current liabilities to Group companies

	Parent company	
	2021-12-31	**2020-12-31**
CELLINK KK	-1.4	-0.3
CYTENA Bioprocess Solutions	-	-1.0
CYTENAGmbH	-	-0.5
SCIENION GmbH	-	-0.1
Total	**-1.4**	**-1.9**

The company has tested the intragroup receivables for impairment and there is no indication of impairment. The receivables are subject to interest applying the arm's length principle.

Transactions with key people in senior positions
During the financial year, the Group allotted a total of 170,000 stock options to members of the Group management free of charge. The options are part of the program decided on at the 2021 AGM. See Note 6 for further information.

Not 30
Subsequent events

Comment on developments in Ukraine
BICO is closely following recent developments in Ukraine and can initially state that neither the parent company nor any of the Group's subsidiaries have operations in Ukraine or Russia. The Group also has no employees in place in the region. Suppliers that are defined as critical in the supply chain also do not exist in the region, and Ukraine and Russia together accounted for less than one percent of the Group's sales, based on 2021 sales figures.

BICO closely follows developments and the advice and recommendations of the authorities and the international community. Furthermore, it is not excluded that the Group, partners, suppliers and / or customers may be affected in the future both directly and indirectly as a result of macroeconomic events or global disruptions in the supply chain. The Group monitors developments proactively and makes continuous assessments of how geopolitical developments affect the financial markets.

Patent license agreement with Organovo
In February 2022, BICO reached a settlement with Organovo in which was agreed to resolve all aspects of the disputes between the parties. The reached patent license agreement provides BICO with possibilities to access Organovo's bioprinting technologies, and means that all civil actions regarding potential infringements and IPRs concerning validity of Organovo's patents are dismissed and/or terminated.

The total annual revenue covered by the license agreement is expected to amount to approximately 1-2 percent of the Group's estimated revenues in 2022, and is therefore deemed as non-material for the Group.

Note 31
Proposed appropiation of profit

The following non-restricted funds are at the disposal of the AGM (SEK)

Share premium reserve	7,002,700,681
Retained earnings	-54,826,472
Profit/loss for the year	22,020,436
Total to appropriate	**6,969,894,645**

The Board recommends that the non-restricted funds be appropriated as follows:

Carried forward (SEK):	6,969,894,645

Note 32
Disclosures about the parent company

BICO (formerly CELLINK) was founded in 2016 and is a world-leading company in bioconvergence that combines various technologies, such as robotics, artificial intelligence, computer science, and 3D bioprinting, with biology to enable our customers to improve people's health and change lives for the better.

The company's main focus, via its subsidiaries, is on developing technologies that enable Health 4.0, with an emphasis on the application areas of tissue engineering, diagnostics, multiomics and cell line development. BICO's technologies enable life science researchers to culture cells in 3D environments, conduct high-throughput drugs screening, and print human tissue and organs for the medical, pharmaceutical, and cosmetics industries.

The Parent Company BICO Group AB (formerly CELLINK AB), corporate ID number 559052-5052, is a registered listed company based in Gothenburg, Sweden. The Group consists of the Parent Company and 34 subsidiaries. The Parent Company has been both operationally active during the year and owns and manages subsidiaries.

During the latter half of 2021, the Group carried out a gradual restructuring, whereby personnel, IP, inventories, and non-current assets were transferred from the parent company to three subsidiaries. The transfer took place at arm's length and resulted in a capital gain of MSEK 158.5 in Q4 of 2021, which has been eliminated in the Group. The restructuring also resulted in a reorganization of the invoicing flow, which has led to a decrease in the Parent Company's net sales to the benefit of the subsidiaries. As of December 1, 2021, all external invoicing is carried out directly from the subsidiaries.

Address of the head office:
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Arvid Wallgrens Backe 20
SE-413 46 Gothenburg, Sweden.
www.bico.com

The Board of Directors and the President & CEO regard this Annual Report to be prepared in accordance with the generally accepted accounting policies in Sweden and the consolidated financial statements have prepared in compliance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of IFRS and generally accepted accounting. The Annual report and the consolidated accounts provide a true and fair view of the position and results of the Group and the Parent Company. The Administration Report for the Parent Company and the Group gives a true and fair overview of the development of the Company's and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gothenburg, March 16, 2022

Carsten Browall Chairman of the Board	**Aristotelis Nastos** Board member	**Bengt Sjöholm** Board member	**Helena Skåntorp** Board member	**Susan Tousi** Board member	**Christian Wildmoser** Board member

Erik Gatenholm
Board member and CEO

Our audit report was submitted on March 16, 2022
Deloitte AB

Fredrik Jonsson
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of BICO Group AB (publ) corporate identity number 559050-5052

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of BICO Group AB (publ) for the financial year 2021-01-01 - 2021-12-31. The annual accounts and consolidated accounts of the company are included on pages 62 - 121 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

Revenue amounts to SEK 1 257 million for the financial year, and is generated from two segments, mainly within Europe, Asia and North America. For further information related to the company's revenue recognition is referred to note 4 and 5 on the pages 86-88 in the annual report which sets out accounting principles, segment reporting and revenue per geographical area and revenue type.

We focus on this area due to high transaction volumes and variations in customer agreements regarding delivery terms and whether a sale is made directly to a customer or via a distributor, which may affect the point in time of revenue recognition.

Our audit procedures

Our audit procedures include, but are not limited to:

- Evaluate the company's policy for revenue recognition in accordance with IFRS 15 to assess whether these are appropriately designed to account for revenue in the correct period.
- Evaluate the design and implementation of relevant internal controls used for revenue recognition in the correct period.
- On a sample basis, test sales transactions to assess whether revenue has been recognized in the correct period.
- Determine that required and accurate disclosures are provided in relevant notes in the annual report related to timing of revenue recognition.

Business combinations – purchase price allocation and valuation of goodwill and intangible assets with indefinite useful life
In 2021, the company has made nine acquisitions for a total purchase price of SEK 5 235 million. As a result of the business combinations and based on the preliminary purchase price allocations, a significant amount has been allocated to intangible assets including goodwill of SEK 5 050 million respective SEK 4 377 million in the group. Combined with business combinations from prior years, the total goodwill amounts to SEK 5 442 million as of December 31, 2021. The value of the recognized goodwill and other intangible assets with an indefinite useful life, is dependent on future return and profitability in the respective cash generating unit the goodwill and other intangible assets are allocated to and is tested for impairment at least on a yearly basis. For further information of the company's business combinations, accounting of goodwill and other intangible assets with an indefinite useful life, and significant judgements and estimates, refer to note 3, note 12 and note 26 on the pages 84-85, 96-99 and 113-116 in the annual report

We focus on these areas due to the significant judgements and estimates made by management in the preparation of the purchase price allocation, determination of cash generating units and impairment tests of goodwill and other intangible assets with indefinite useful life for the respective cash generating units.

Our audit procedures
Our audit procedures include, but are not limited to:

- Assess and challenge management's significant assumptions made in the purchase price allocation, assess that established valuation methodologies have been used, test integrity in input data which the calculations are based upon, and test the arithmetic accuracy of the valuation model used.
- Test the purchase price consideration which has been recognized in relation to the share purchase agreement and in relation to relevant accounting standards.
- Evaluate the design of the company's routines, processes and valuation model for the impairment testing of goodwill and other intangible assets with indefinite useful life and the company's identification of cash generating units on which the impairment test is based upon.
- Assess and challenge management's significant assumptions in the impairment test, assess that the valuation model is consistently applied, test integrity in input data which the calculations are based upon, and test the arithmetic accuracy of the valuation model used.
- Determine that required and accurate disclosures are provided in relevant notes in the annual report.
- Involve valuation- and accounting experts in the execution of certain audit procedures.

Other information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 - 61 and Report on renumeration to senior executives. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BICO Group AB (publ) for the financial year 2021-01-01 - 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for BICO Group AB for the financial year 2021-01-01 – 2021-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[e3da418fc287b313f-63da4679150b076a8f08e20a1784672627ca27703b764d6] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of BICO Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Deloitte AB, was appointed auditor of BICO Group AB (publ) by the general meeting of the shareholders on the 2021-04-26 and has been the company's auditor since 2016-09-16.

Gothenburg, March 16, 2022
Deloitte AB

Fredrik Jonsson
Authorized public accountant

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in BICO Group AB, corporate identity number 559050-5052.

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the financial year 2021 on pages 48-59 and that it has been prepared in accordance with the Annual Accounts Act.

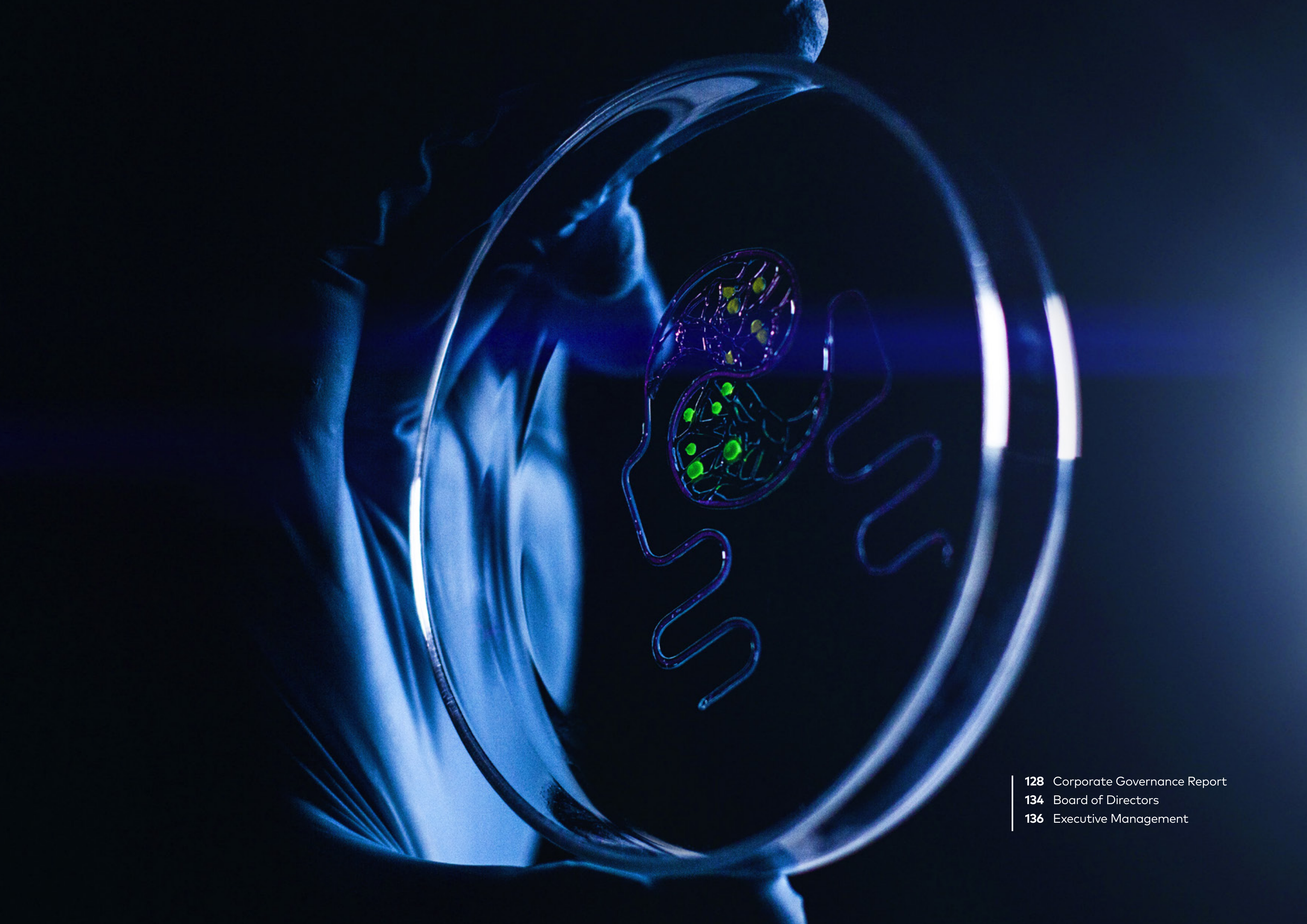
The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Gothenburg, March 16, 2022
Deloitte AB

Fredrik Jonsson
Authorized Public Accountant

Corporate Governance

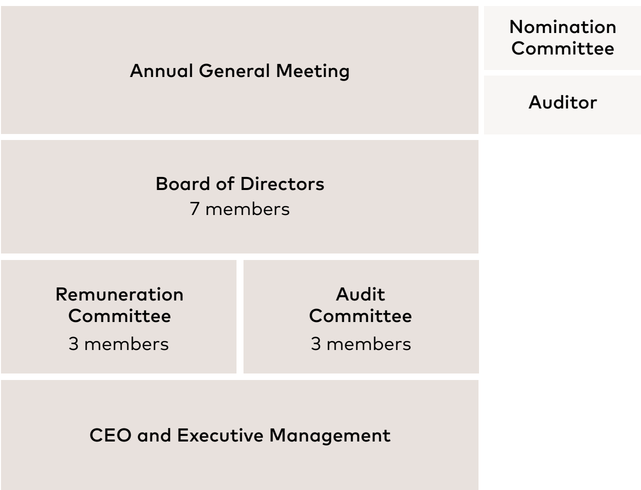


Corporate Governance Report

This Corporate Governance Report has been prepared for BICO Group AB (publ) regarding the financial year 2021, in accordance with Chapter 6, §§6–9 of the Annual Accounts Act.

Introduction and principles of corporate governance

BICO Group AB ("BICO") is a Swedish public limited liability company based in Gothenburg and with its shares of series B listed on Nasdaq Stockholm. The corporate governance of BICO is based on the Swedish Companies Act, the Annual Accounts Act, the Nasdaq Stockholm Rule Book for Issuers, internal rules and the Swedish Corporate Governance Code ("the Code").



BICO applies the rules that follow from laws or other statutes, as well as the Code. To the extent BICO deviates from the Code, the company adheres to the so-called "follow or explain" principle which is permitted under the Code for deviation from the rules. BICO has complied with the Code in all respects during the financial year 2021.

Corporate governance structure

At general meetings, the shareholders resolve on the appointments and the guidelines that form the basis for the corporate governance of BICO. The organization chart below summarizes the structure of the corporate governance in BICO.

Control instruments

External control instruments that form the framework for corporate governance within BICO include the Swedish Companies Act, the Annual Accounts Act, the Nasdaq Stockholm Rule Book for Issuers, the Code and other relevant laws. Foreign subsidiaries apply the laws and regulations in force in each respective country, but do also ensure that the Group's guidelines for governance and control are complied with. The Board of Directors is ultimately responsible for the organization and management of the company's affairs. Supervision is exercised by authorities and bodies appointed by the authorities, both through the company's reporting to them and through regular audits by the authorities.

Internal control instruments include the Articles of Association as adopted by the AGM and similarly the Rules of Procedure for the Board and the instructions for the CEO, the Board's committees and the financial reporting.

Annual general meeting

The shareholders of BICO exercise their right to resolve on the company's affairs at the annual general meeting (AGM), or, where applicable, at an extraordinary general meeting (EGM). The general meeting is the highest decision-making body of BICO.

The AGM shall be held within six months after the end of each financial year. The AGM resolves on the Articles of Association, appoints the Board of Directors and the Chairman of the Board, elects the auditor, adopts the income statement and balance sheet, resolves on the appropriation of profits and discharge from liability, and also resolves on the principles for the appointment of the Nomination Committee, guidelines for the remuneration of senior executives, etc.

At the AGM, each shareholder has the right to participate, in person or through a proxy. Each shareholder has the right to raise issues to be addressed at the AGM and each shareholder is entitled to vote for all shares held by him or her. Notices of meetings and other information prior to general meetings are available at BICO's website. Information that the convening notice has been published shall be announced simultaneously in Dagens Industri.

Shareholders who wish to have a matter addressed at the AGM should make a written request to the Board of Directors. The request must normally be made to the Board of Directors well in advance of the AGM, in accordance with the information provided at BICO's website in connection with the publication of the time and place of the AGM.

Shareholders

BICO's shares of series B have been listed on Nasdaq Stockholm since April 20, 2020. According to the share register kept by Euroclear Sweden, as of December 31, 2021 there were 20,650 shareholders in BICO.

The share capital amounted to SEK 1,553,256, divided among 62,130,269 shares, of which 1,500,000 are shares of series A, which carry 10 votes per share, and 60,630,269 are shares of series B, which carry 1 vote per share.

As of December 31, 2021, Erik Gatenholm had an ownership of 15.0 percent of the total number of shares and 22.4 percent of the votes. As of December 31, 2021, Héctor Martínez had an ownership of 10.0 percent of the total number of shares and 15.0 percent of the votes. No other shareholder held a direct or indirect shareholding representing 10 percent or more of the votes for all shares in BICO.

Annual general meeting 2021

The AGM of BICO 2021 (in respect of the financial year 2019/2020) took place on April 26, 2021. At the AGM, approximately 74.1 percent of the votes were represented.

The AGM passed, inter alia, the following resolutions (in addition to matters ordinarily dealt with by the AGM):

- To adopt a new long-term incentive program for employees within the Group through a directed issue of not more than 3,000,000 warrants in aggregate
- To approve the Board's decision for the company, through the issue of convertibles, to raise a convertible loan amounting to not more than SEK 1,500,000,000
- To authorize the Board of Directors, until the end of the next AGM on one or more occasions and with or without deviation from the shareholders' preferential rights, to resolve on new issue of shares of series B. The issues may be effectuated through cash issue, issue for non-cash consideration or set-off corresponding to not more than 10 percent of the registered share capital in the company at the time of the issue resolution. In addition, in connection with acquisitions of businesses, companies or rights, the Board shall be entitled to resolve upon an issue for non-cash consideration or through set-off corresponding to additionally not more than 10 percent of the registered share capital in the company at the time of the issue resolution
- To adopt revised Articles of Association

Extraordinary general meetings 2021

In 2021, BICO held two EGMs: on August 6, 2021, and on November 17, 2021.

EGM August 6, 2021

At the EGM held on August 6, 2021, it was resolved, inter alia, to change the company's name to BICO AB (publ) and to adopt revised Articles of Association.

EGM November 17, 2021

At the EGM held on November 17, 2021, it was resolved, inter alia, to elect Susan Tousi as a new Board member and to authorize the Board of Directors, until the end of the next AGM on one or more occasions and with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares of series B. The issues may be effectuated through cash issue, issue for non-cash consideration or set-off corresponding to not more than 20 percent of the registered share capital in the company at the time of the issue resolution. Deviations from the shareholders' preferential rights should only be possible in connection with acquisitions of businesses, companies, ownership shares and rights, or for the company's continued expansion.

Annual general meeting 2022

BICO's Annual General Meeting 2022 will take place on April 26, 2022.

Nomination committee

BICO's AGM resolves on the principles for the appointment of the members of the Nomination Committee and its instructions. The AGM 2021 resolved that there shall be five members of the Nomination Committee, one of whom shall be the Chairman of the Board. The other members shall be appointed by the four largest shareholders (in terms of voting rights) in the company as of the end of September. If the Chairman of the Board, directly or indirectly, is one of the four largest shareholders, the Chairman of the Board shall refrain from nominating a member to the Nomination Committee. The principles also include a procedure for the replacement of a member who leaves the Nomination Committee prematurely or where a member represents a shareholder who is no longer one of the four largest shareholders in terms of voting rights.

The names of the members of the Nomination Committee shall be presented no later than six months before the AGM 2022. The composition of the Nomination Committee from time to time shall be published at BICO's website. A press release stating the composition of the Nomination Committee and the procedure for shareholders to submit proposals to the Nomination Committee was published on October 8, 2021, and has been made available at BICO's website. The following members of the Nomination Committee were appointed: Mats Engström (appointed by Erik Gatenholm), Claes Dinkelspiel (appointed by Héctor Martínez), Malin Björkmo (appointed by Handelsbanken Fonder), Jan Dworsky (appointed by Swedbank Robur Fonder) and Carsten Browall (Chairman of the Board). In aggregate, the nominating shareholders represented approximately 50 percent of the votes in BICO. The Nomination Committee held 5 meetings during the year.

The Nomination Committee shall submit proposals for resolution to the AGM 2022 regarding the election of the Chairman of the AGM, the number of Board members, the election of the Chairman and other members of the Board, Board fees and remuneration for committee work, election and remuneration of auditors, and, where applicable, changes to the instructions for the Nomination Committee.

The Nomination Committee has considered diversity issues in its work, and it has applied Rule 4.1 of the Code as its diversity policy. The representation on the Board comprises two women and five men. The Nomination Committee notes that the proposed Board does not meet the goal of equal gender distribution as stipulated by the Code. In its ongoing work, the Nomination Committee intends to strive to achieve the goal as stipulated by the Code.

The Nomination Committee deems that the proposed Board, which consists of seven persons, has a reasonable composition with regard to the company's operations, phase of development and other general circumstances. In assessing the proposed Board members' independence, the Nomination Committee has found that its proposal for Board composition in BICO meets the requirement for independence as stipulated by the Code.

Auditor

The auditors of BICO are elected at the AGM. The AGM 2021 resolved in accordance with the Nomination Committee's proposal for the re-election of Deloitte AB with Fredrik Jonsson as auditor in charge.

Audit work

The auditor shall review the company's annual report and accounting and the administration by the Board of Directors and the CEO. After the end of each financial year, the auditor shall submit an auditor's report and an auditor's report for the Group to the AGM. According to BICO's Articles of Association, BICO shall have at least one auditor and no more than one deputy auditor.

The auditor in charge has reported his observations from the audit work to the Board of Directors and to the Audit Committee. In connection with the audit work described above, the annual report, the accounting and the administration by the Board of Directors and the CEO have been reviewed. In addition to the audit assignment, which is paid according to the customary charging standards, during the financial year Deloitte AB has provided consultations and audit-related services of approximately MSEK 1.0.

The board of directors

According to the Articles of Association, the Board of Directors of BICO shall consist of a minimum of three and a maximum of eight members without any deputies. At the end of the financial year 2021, the Board of Directors of BICO consisted of seven members, elected by the general meeting.

The Board of Directors follows written rules of procedure which are revised annually and adopted at the statutory Board meeting following election each year. The rules of procedure regulate, among other things, Board practices, functions, and the division of work between the Board members and the CEO. In connection with the statutory Board meeting following election, the Board also adopts instructions for the CEO including financial reporting.

Evaluation of the board work

The Board of Directors annually conducts a systematic evaluation during which the members are given the opportunity to present their views on working methods and materials as well as their own and the other members' efforts in connection with the Board work. The purpose is to improve the work of the Board and to provide the Nomination Committee with relevant decision guidance documentation prior to the AGM.

Independence

According to the Code, a majority of the members elected by the general meeting shall be independent in relation to the company and the company management. Moreover, at least two of these members shall be independent in relation to the company's major shareholders.

BICO's Board of Directors is deemed to have met the requirements of the Code regarding independence since six of the members elected by the general meeting are considered independent in relation to both the company and the company management as well as the company's major shareholders. During 2021, all members elected by the general meeting have been independent in relation to the company, the company management and to the company's major shareholders, with the exception of Board member Erik Gatenholm as he is both the CEO and the largest shareholder of the company.

Board work and responsibilities

The AGM 2021 elected six ordinary Board members with expertise in both medical technology and the field of finance and strategy. The EGM held on November 17, 2021 elected a seventh ordinary Board member. The company's General Counsel, Lotta Bus, has been the secretary of the Board during the year. During 2021, 35 Board meetings have been held (29 meetings during 2019/2020). Minutes have been kept at all of them. The CEO and the CFO have been presenting matters at the Board meetings. On a couple of occasions, also other members of the company's management have been presenting.

The Board of Directors oversees the work of the CEO and is responsible for ensuring that the organization, management, and guidelines for the company's funds are appropriately structured. The Board of Directors is also responsible for ensuring that the company is organized in such a way that there is appropriate internal control, and that appropriate systems exist for monitoring of the business and its risks, and for compliance with laws,

	Elected	Board meetings	Remuneration Committee	Audit Committee	Total remuneration
Carsten Browall	2018	35/35	3/3	6/6	565
Erik Gatenholm	2016	35/35	-	-	0
Ingela Hallberg[1]	2017	11/35	1/3	-	0
Aristotelis Nastos[2]	2020	35/35	2/3	-	225
Bengt Sjöholm[3]	2016	35/35	1/3	6/6	240
Helena Skåntorp	2019	35/35	-	6/6	275
Susan Tousi[4]	2021	4/35	-	-	100
Christian Wildmoser	2019	35/35	3/3	-	225

[1] Ingela Hallberg declined re-election as board member on the Annual General Meeting 2021 which took place on April 26, 2021.

[2] Aristotelis Nastos was elected member of the Remuneration committee post the Annual General Meeting 2021 which took place on April 26, 2021.

[3] Bengt Sjöholm was member of the Remuneration Committee until the AGM 2021 which took place on April 26, 2021.

[4] Susan Tousi was elected board member on the Extraordinary general meeting which took place on November 17, 2021. During the autumn of 2021, Susan Tousi participated as a co-opted board member. Her remuneration is based on this.

rules, and internal guidelines. The Board of Directors is further responsible for the development and follow-up of the company's strategies through plans and objectives, decisions on acquisitions and divestments of operations, major investments, appointments, and remuneration of management, along with ongoing follow-up during the year. The Board of Directors approves the budget and annual accounts.

Board work during 2021
During 2021, the Board has shown great dedication in what has been a dynamic year with many meetings. At the ordinary meetings, the Board has discussed fixed agenda items as per its annual plan such as strategy for the Group and its three business areas, long-term goals, financial goals, risks and risk management, corporate governance documents, sustainability issues, as well as year-end accounts and interim reports. Moreover, during the year, the Board has continuously discussed the business situation in the Group's three business areas, financial issues, corporate acquisitions and other investments, ethics and compliance, general organizational matters and issues in relation to the supply chain. The Board has gained ongoing insight into operations, either through visits to subsidiaries or through presentations from business area managers and the CEOs of the subsidiaries. In addition to ordinary Board meetings, the Board is provided with monthly reports by the CEO.

Rules of procedure for the board of directors
In advance of each Board meeting, the draft agenda and the background material on the matters to be discussed at the meeting are distributed. The draft agenda is prepared by the CEO in consultation with the Chairman. Matters referred to the Board are either for information, for discussion or for decision. Decisions are made only after discussion and after all members present at the meeting have been given the opportunity to comment. The broad experience of the Board in various areas ensures a constructive and open discussion. During the year, no member has expressed reservation against a decision. Open questions are followed up on an ongoing basis.

The board committees
The Board has the full knowledge of, and is responsible for, all matters on its agenda. During the year, Board work has been carried out in two committees appointed by the Board: the Audit Committee and the Remuneration Committee.

Audit committee
The Board has appointed an Audit Committee consisting of Helena Skåntorp (chairman), Carsten Browall and Bengt Sjöholm. The tasks of the Audit Committee are set out in its rules of procedure, which are adopted annually. Without prejudice to the general responsibilities and tasks of the Board of Directors, the Audit Committee shall, inter alia, monitor BICO's financial reporting, monitor the effectiveness of BICO's internal control and risk management, stay informed of the audit of the annual accounts and consolidated accounts, monitor the handling of related party transactions, review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than audit services, and assist in preparations to procure audit services.

Remuneration committee
The Board has appointed a Remuneration Committee consisting of Carsten Browall (chairman), Aristotelis Nastos, and Christian Wildmoser. The tasks of the Remuneration Committee are set out in its rules of procedure, which are adopted annually. The Remuneration Committee shall prepare proposals regarding remuneration principles, remuneration and other terms of employment for the company's senior executives. The Remuneration Committee shall also review and evaluate the company's program for variable remuneration to senior executives, compliance with the guidelines for remuneration to senior executives as decided by the AGM, and the company's current remuneration levels and structures.

The Managing Director (CEO)

In accordance with the rules of the Swedish Companies Act and other legislation, the CEO is responsible for the day-to-day management in accordance with the Board's guidelines and instructions and should take care of any necessary measures to ensure that the company's accounts are handled in a satisfactory manner. Furthermore, the CEO shall ensure that the Board of Directors is provided with information on an ongoing basis necessary to adequately monitor the company and the Group's financial situation, position and development and otherwise fulfill its reporting obligation regarding financial conditions.

The CEO is also responsible for preparing reports and compiling information from the management prior to Board meetings. The CEO is presenting the information at the Board meetings.

The CEO shall keep the Board of Directors continuously informed of the development of the company's operations, the development of the sales, the company's results and financial position, liquidity and credit situation, important business events and any other event, circumstance or situation that is likely to be of material importance to the company's shareholders.

Guidelines for remuneration to senior executives

At the AGM on April 26, 2021, it was resolved to introduce guidelines for remuneration to senior executives. The term senior executives refer to the CEO, the CFO and certain other people in the company management. The guidelines, which must be updated at least every fourth year, essentially entail the following:

Remuneration shall be market-based and may consist of fixed salary, variable cash remuneration, pension benefits and other benefits. The general meeting may also decide on share and share price-related remuneration. The fixed salary shall be based on each individual's areas of responsibility and experience and shall be reviewed annually. The remuneration guidelines are available on the company's website.

The fulfillment of criteria for paying variable cash remuneration should be measurable over a period of one or several years. Variable cash remuneration shall amount to a maximum of 100 percent of the total fixed salary during the measurement period. Additional variable remuneration may be payable in extraordinary circumstances.

The CEO's pension benefits shall be defined contribution plans. Pension benefits for other senior executives shall be defined contribution plans, unless the executive is covered by a defined benefit plan under mandatory provisions in a collective agreement. Pension premiums for defined contribution plans shall amount to no more than 31 percent of the fixed annual salary. Other benefits may include e.g., life insurance, health insurance and car benefits. Such benefits may amount to no more in total than 5 percent of the fixed annual salary.

In the event of termination of employment by the company, the period of notice may be no more than 12 months. Fixed salary during the period of notice and severance pay may not exceed in total a sum equivalent to the fixed salary for 12 months. In the event of termination of employment by the senior executive, the period of notice may be no more than six months, without entitlement to severance pay.

As mentioned previously, a Remuneration Committee has been established by the Board of Directors. The tasks of the committee include, inter alia, preparing the Board's decisions on proposed guidelines for remuneration to senior executives. The Board shall prepare new guidelines at least every four years and shall present its proposal for decision by the AGM. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the company management, the application of the guidelines for remuneration to senior executives, and prevailing remuneration structures and remuneration levels in the company.

The Board of Directors may decide temporarily to deviate from the guidelines, in part or in whole, if there are particular, justifying reasons in an individual case to protect the company's long-term interests, including its sustainability, or to assure the company's financial viability.

Further information at bico.com

- Articles of Association
- Information from previous AGMs (notices, documentation, minutes, etc.)
- Information about the Nomination Committee
- Corporate Governance Report

Control environment

The Board of Directors is responsible for the internal control in the company, in accordance with the Swedish Companies Act and the Code. Moreover, according to the Swedish Annual Accounts Act, the Corporate Governance Report shall include information about the most important elements of the company's system for internal control and risk management in connection with the financial reporting. In addition, the Board of Directors is responsible for ensuring that there are suitable systems for monitoring and controlling the company's operations and the risks associated with the company and its operations.

The overall purpose of the internal control is to reasonably ensure that the company's operational strategies and objectives are followed up and that the shareholders' investment is protected. Furthermore, the internal control shall ensure that external financial reporting is reliable and prepared with reasonable assurance in accordance with generally accepted accounting principles, in compliance with applicable laws and regulations, and in compliance with requirements for publicly listed companies.

BICO's internal control structure is mainly based on the following five components:

- Control environment
- Risk assessment
- Control activities
- Follow-up
- Information and communication

Control environment

The Board of Directors has established a number of policy documents for the company's internal control and governance, including rules of procedure for the Board and instructions for the CEO and the Board's committees, reporting instructions and a financial policy, all of which aim to ensure a clear division of roles and responsibilities.

The Board of Directors has overall responsibility for the internal control in respect of the financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies and policy documents in respect of the financial reporting. These consist mainly of the rules of procedure for the Board, the instructions for the CEO, the rules of procedure for the Audit Committee and the instructions for financial reporting. The company has also adopted a financial policy that includes principles, guidelines and process descriptions for accounting and financial reporting.

Maintenance of an effective control environment and the ongoing work with internal control and risk management is the responsibility of the CEO, who reports to the Board based on established procedures. Responsibility for internal activity-specific control in day-to-day operations lies with the CEO.

Risk assessment

The risk assessment includes identifying risks that may arise if the fundamental requirements on financial reporting in the company are not met. The management team of BICO has prepared a risk register, identifying and evaluating the risks that arise in the company's operations and evaluated in what way the risks can be managed. The management of BICO shall annually carry out an overall risk assessment regarding strategic, operational and financial risks and present these to the Audit Committee and to the Board of Directors. The CEO is responsible for the presentation and the management's risk assessment shall be reviewed by the CFO on an annual basis before being presented to the Audit Committee and to the Board of Directors. Within the Board, the Audit Committee is primarily responsible for continuously evaluating the company's risk situation, after which the Board also conducts an annual review and assesses the risk situation.

Control activities

Control activities are limiting the identified risks and are ensuring an accurate and reliable financial reporting. The Board of Directors is responsible for internal control and follow-up of the company's management. This is done through both internal and external control activities, as well as through review and follow-up of the company's policy documents related to risk management. The effectiveness of the control activities is evaluated annually, and the results of these evaluations are reported to the Board of Directors and to the Audit Committee. In agreements with important suppliers, the company is guaranteed the right to review the respective supplier's delivery of its services, including any quality aspects thereof.

Ongoing work and measures for 2022

During 2021, BICO acquired 8 companies and acquired assets and operations in one additional company. This implies a need to review the Group's structure, follow-up and activities within internal control. This work begun in 2021 and examples of activities have been self-assessment through questionnaires and follow-up of annual accounts. In 2022, the work of implementing a uniform program for the Group's internal control will be prioritized. BICO will carry out renewed risk assessments, implement relevant key controls and incorporate processes for the subsidiaries for standardized reporting and compilation to the Board. BICO will also update financial manuals and continuously communicate to the subsidiaries to ensure good internal control and a uniform standard. BICO currently has no internal audit function. The need for a special function for internal audit is evaluated annually.

Follow-up
Compliance with and the effectiveness of the internal controls are monitored on an ongoing basis. The CEO ensures that the Board of Directors receives ongoing reporting on the development of BICO's operations, including the development of the company's results and position, as well as information about important events, such as research results and important agreements. The CEO also reports these issues at each ordinary Board meeting. The company's compliance with applicable policies and policy documents is subject to annual evaluation. The results of these evaluations are compiled by the CFO and are reported annually to the Board of Directors and to the Audit Committee.

Information and communication
The company has information and communication channels aimed at promoting the accuracy of the financial reporting and enabling reporting and feedback from the operation to the Board and management, for example by making policy documents in the shape of internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned. The Board has also adopted an information policy that regulates the company's disclosure of information.

Auditor's report on the corporate governance report

To the general meeting of the shareholders in BICO Group AB (publ)corporate identity number 559050-5052

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the financial year 2021-01-01 - 2021-12-31 on pages 128-133 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg March 16, 2022
Deloitte AB

Fredrik Jonsson
Authorized Public Accountant

Board of Directors

Carsten Browall

Born 1958. Chairman since 2019 and member of the Board since 2018. Chairman of the Remuneration Committee and member of the Audit Committee.

Education and work experience
M.Sc. in economics from the University of Gothenburg. Professional board work. Extensive experience of the medical device and healthcare sectors in fast-growing companies such as Mölnlycke, Nobel Biocare, Capio, Vitrolife and Unfors RaySafe.

Other assignments
Chairman of GHP Speciality Care AB (publ), board member of Bure Equity AB, Semcon AB (publ), and CEO of Carbo AB.

Shareholding in BICO per December 31, 2021
B-shares: 3,600, Options: 160,000
Ownership: 0.01%, voting right: 0.00%

Independent in relation to the company and group management and to the company's major shareholders.

Erik Gatenholm

Born 1989. Board member since 2016. CEO and President since 2016.

Education and work experience
B.Sc. at Virginia Tech University and an MBA from Gothenburg University. Erik has documented success in biotechnology entrepreneurship with more than 14 years of entrepreneurial experience. Honors include: Forbes 30 Under 30, MIT Review 35 Under 35, and Entrepreneur of the year 2020.

Other assignments
-

Shareholding in BICO per December 31, 2021
A-shares: 848,958, B-shares: 8,742,036
Ownership: 15.44%, Voting right: 22.78%

Dependent in relation to the company and group management and to the company's major shareholders.

Aristotelis Nastos

Born 1967. Board member since 2020. Member of the Remuneration Committee.

Education and work experience
Ph.D. in Molecular and Cell Biology. He has more than 20 years of experience from the European VC Industry with a broad network and deep insight in the global Life Science and financing industry.

Other assignments
Head of Life Sciences & Cleantech at NRW.BANK, board member of Abalos Thera-peutics GmbH, Fasciotens GmbH, Emergence Therapeutics AG and Resolve Biosciences GmbH and member of Board of Directors of AYOXXA Biosystems GmbH, CEVEC Pharmaceuticals GmbH and Cryotherapeutics GmbH.

Shareholding in BICO per December 31, 2021
-

Independent in relation to the company and group management and to the company's major shareholders.

Bengt Sjöholm

Born 1953. Board member since 2016. Member of the Audit Committee.

Education and work experience
M.Sc. in electrical engineering from Lund University of Technology. He has been CEO of several Swedish companies such as Tylö and CEO of one of the business areas within the Getinge Group.

Other assignments
Chairman and CEO of BSJ i Halmstad AB and board member of Avidicare Holding AB and Integrum AB.

Shareholding in BICO per December 31, 2021
B-shares: 268,276, Options: 20,000
Ownership: 0.43%, Voting right: 0.35%

Independent in relation to the company and group management and to the company's major shareholders.

Helena Skåntorp

Born 1960. Board member since 2019.
Chairman of the Audit Committee.

Education and work experience
Long experience from leading positions as CEO and CFO, for example for Jarowskij AB and Arla, and Doctoral student at Stockholm School of Economics and Authorized public accountant, PwC. She has been a member of boards of listed companies for more than 15 years.

Other assignments
Chairman of Nielstorp AB, Plint AB and Ljung & Sjöberg AB. Board member of ByggPartner i Dalarna AB, ByggPartner i Dalarna Holding AB (publ) and Mekonomen AB (publ).

Shareholding in BICO per December 31, 2021
B-shares: 4,000, Options: 40,000
Ownership: 0.01%, voting right: 0.00%

Independent in relation to the company and group management and to the company's major shareholders.

Susan Tousi

Born 1969. Board member since 2021.

Education and work experience
CCO at Illumina, where she leads global sales, commercial operations, data analytics and strategy. More than 25 years of R&D and business leadership at Fortune 100 companies within the life sciences industry. Formerly, Corporate VP and GM at Kodak, R&D manager at Phogenix Imaging LLC, a joint venture of Hewlett-Packard and Kodak, and engineering leader at Hewlett-Packard. An MBA from UCLA and an Honors BS in Engineering Science & Mechanics from Pennsylvania State University.

Other assignments
Susan was elected to the National Academy of Engineering, serves on the Scientific Advisory Board of Vizgen, is an executive trustee at the La Jolla Playhouse, and serves on UCSD Jacobs School of Engineering Dean's Council of Advisors.

Shareholding in BICO per December 31, 2021
-

Independent in relation to the company and group management and to the company's major shareholders.

Christian Wildmoser

Born 1955. Board member since 2019.
Member of the Remuneration Committee.

Education and work experience
Doctor of Economics and has worked in banking for 25 years. He has been a partner of CVC Capital Partners for 16 years with responsibility for the operations in German-speaking Europe. Today, he is a private investor in growth companies.

Other assignments
Chairman of Waterdrop Microdrinks GmbH, board member of 1Drop SA, Aurora Holdings GmbH and Board of the African Parks Foundation Switzerland.

Shareholding in BICO per December 31, 2021
B-shares: 318,492 Options: 40,000
Ownership: 0.64%, Voting right: 0.5%

Independent in relation to the company and group management and to the company's major shareholders.

Executive Management

Erik Gatenholm

Chief Executive Officer and President

Born 1989. CEO and President since 2016.

Education and work experience
B.Sc. at Virginia Tech University and an MBA from Gothenburg University. Erik has documented success in biotechnology entrepreneurship with more than 14 years of entrepreneurial experience. Honors include: Forbes 30 Under 30, MIT Review 35 Under 35, and Entrepreneur of the year 2020.

Other assignments
-

Shareholding in BICO per December 31, 2021
A-shares: 848,958, B-shares: 8,742,036
Ownership: 15.44%, Voting right: 22.78%

Gusten Danielsson

EVP and Chief Financial Officer

Born 1992. CFO since 2016.

Education and work experience
B.Sc in Business management and M.Sc in Innovation & Industrial Mangement from Gothenburg University. Experience from positions in corporate finance and business management. Co-founder of BICO, Escape House, and Matvänner.

Other assignments
Board member of Escape House AB, Matvänner AB and Castlemaine Consulting AB.

Shareholding in BICO per December 31, 2021
A-shares: 83,333, B-shares: 1,117,232
Ownership: 1.93%, voting right: 2.58%

Dr. Héctor Martínez

EVP and Chief Technology Officer

Born 1985. CTO since 2016.

Education and work experience
M.Sc. and PhD in biomedical technology from Chalmers University of Technology. Héctor has more than 10 years of experience in developing and commercializing cutting-edge and converging technologies that enable our customers to create, understand and master biology.

Other assignments
-

Shareholding in BICO per December 31, 2021
A-shares: 567,709, B-shares: 5,671,284
Ownership: 10.04%, voting right: 15.01%

Arthur Aira

SVP and Business Area Director Bioprinting

Born 1967. Business Area Director Bioprinting since 2020.

Education and work experience
Medtech Eng., and MBA, Chalmers. More than 25 years' experience in Life Science (biotech, Pharma, Diagnostics). Former CEO of Organon, bioMerieux Nordics, Addtech Life Lifescience, Addlife dvlp, COO and Exec VP Addlife and CEO Abigo Medical AB.

Other assignments
Has Board member experience from more than 35 companies. Board member of Integrum and Predicare. Board member of BICO 2017-2020.

Shareholding in BICO per December 31, 2021
B-shares: 80,000, options: 40,000
Ownership: 0.13%, voting right: 0.11%.

Erica Bell

SVP and Chief People Officer

Born 1973. Chief People Officer since 2021.

Education and work experience
MA, Management from Cambridge College 25 years of HR experience working for large organizations to include GE. Held various HR leadership roles across multiple industries to include 13 years in Healthcare, Medical Device and Life Sciences. Extensive experience in integration & acquisitions, change management and international HR. Proven ability in creating global organizations as well as developing and integrating corporate cultures.

Other assignments
Advisor/Consultant Weavr Health.

Shareholding in BICO per December 31, 2021
-

Lotta Bus

SVP and General Counsel

Born 1970. General Counsel since 2020.

Education and work experience
LL.M. University of Lund & Maastricht. Over 20 years of experience as an attorney working for the law firms Vinge, MAQS and Magnusson including 14 years of experience of management as partner and five years as CEO.

Other assignments
Board member of Sincrly AB.

Shareholding in BICO per December 31, 2021
B-shares: 1,000
Ownership: 0.00%, voting right: 0.00%

Dr. Holger Eickhoff

SVP and Business Area Director Bioautomation

Born 1965. Business Area Director Bioautomation since 2020. CEO SCIENION since 2001.

Education and work experience
Diploma in Chemistry Heidelberg University. PhD in Biology University Jena. Post Doc at Max Planck for Molecular Genetics. Founder SCIENION.

Other assignments
-

Shareholding in BICO per December 31, 2021
B-shares: 251,660
Ownership: 0.49%, voting right: 0.39%

Dr. Jonas Schöndube

SVP and Business Area Director Biosciences

Born 1985. Business Area Director Biosciences since 2020.

Education and work experience
M.Sc. in Micro and Nanosystems from ETH Zurich. PhD in Engineering from University of Freiburg. Founder and CEO of CYTENA (2014-2021).

Other assignments
Board member Spindiag GmbH.

Shareholding in BICO per December 31, 2021
B-shares: 218,168, options: 60,000
Ownership: 0.38%, voting right: 0.31%

Other Financial Information

Multi-year overview

MSEK	2021 *12 months*	2019/2020 *16 months*	2018/2019 *12 months*	2017/2018 *12 months*	2016/2017 *12 months*
INCOME					
Net sales	1,257.3	416.0	105.5	45.3	13.2
Change in inventory	13.2	3.5	7.8	1.7	2.0
Own work capitalized	94.0	60.7	15.9	10.5	4.0
Other operating income	73.8	28.1	18.4	6.9	2.7
Gross profit	**908.3**	**298.6**	**75.4**	**29.1**	**9.0**
Other operating costs	-1,313.3	-439.4	-113.5	-46.1	-16.6
Operating profit	**-236.9**	**-51.8**	**-3.8**	**0.4**	**-0.9**
Profit/loss from financial items	23.5	-2.3	3.8	0.7	0.2
Profit before tax	**-213.4**	**-54.1**	**0.1**	**1.1**	**-0.7**
Tax	-15.8	5.2	0.5	0.1	0.0
Net profit of the year	**-229.2**	**-48.9**	**0.6**	**1.2**	**-0.7**
Other comprehensive income	82.6	-57.8	5.1	-0.1	0.1
TOTAL RESULTS	**-146.6**	**-106.7**	**5.7**	**1.1**	**-0.6**
Summary of cash flow analyzes					
Cash flow from operating activities	-409.2	-79.3	-15.8	-12.3	-1.5
Cash flow from investing activities	-4,453.8	-828.0	-110.2	-97.4	-47.6
Cash flow from investing activities	4,900.1	1,308.8	140.3	121.8	56.7
Cash flow for the period	37.1	401.5	14.3	12.1	7.7
Cash and cash equivalents at the beginning of the period	434.9	39.8	23.0	10.7	3.1
Exchange rate differencies in cash and cash equivalents	9.2	-6.5	2.5	0.2	-0.1
Cash and cash equivalents at the end of the year	481.2	434.9	39.8	23.0	10.7

MSEK	2021-12-31	2020-12-31	2019-08-31	2018-08-31	2017-08-31
BALANCE SHEET					
Fixed assets	7,100.6	1,446.7	404.4	33.1	15.6
Current assets	2,654.0	1,067.2	198.8	161.8	53.3
Total assets	**9,754.6**	**2,513.9**	**603.1**	**195.0**	**69.0**
Equity	6,802.7	2,208.5	549.6	186.2	59.7
Long-term liabilities	2,221.4	151.1	17.0	0.6	2.7
Current liabilities	730.5	154.3	36.5	8.2	6.6
Total equity and liabilities	**9,754.6**	**2,513.9**	**603.1**	**195.0**	**69.0**

Key figures*

Key figures	2021 *12 months*	2019/2020 *16 months*	2018/2019 *12 months*	2017/2018 *12 months*	2016/2017 *12 months*
Gross margin, %	72.2%	71.8%	71.5%	64.2%	68.2%
Operating margin before depriciation (EBITDA), %	-3.6%	0.2%	3.2%	6.6%	3.0%
Operating margin (EBIT), %	-18.8%	-12.5%	-3.6%	0.8%	-0.2%

Other measures	2021-12-31	2020-12-31	2019-08-31	2018-08-31	2017-08-31
Average number of employees	890	215	95	48	18
Net debt (-) / net cash (+) position	119.7	755.7	108.5	135.9	41.6
Solidity	70%	88%	91%	95%	87%

Share data					
Average number of shares outstanding	61,352,967	44,888,273	34,907,324	30,865,408	26,916,148
Number of shares outstanding on the balance sheet date	62,130,269	51,601,285	38,984,776	33,293,756	28,962,704
Earnings per share before dilution, SEK	-3.97	-1.10	0.02	0.04	0.00
Earnings per share after dilution, SEK	-3.97	-1.10	0.02	0.04	0.00
Share price on balance sheet date, SEK	277.8	234.5	66.25	36.5	23.5
Market capitalization on balance day, MDSEK	17.3	12.1	2.6	1.2	0.7

* For definitions of alternative key ratios, see page 142.

Alternative key ratios

In this Annual 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, 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 Annual report, together with definitions and the reason why they are used.

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

Reconciliation of alternative key ratios

Equity ratio, %	2021-12-31	2020-12-31
Equity	6,802.7	2,208.5
Total assets	9,754.6	2,514.0
Equity ratio, %	**70 %**	**88 %**
Net debt (-)/Net cash (+) excl. leasing, MSEK		
Short-term investments	993.8	349.5
Cash and cash equivalents	481.2	434.9
Long-term interest-bearing liabilities excl. leasing liabilities	-1,350.3	-26.7
Short-term interest-bearing liabilities excl. leasing liabilities	-5.0	-2.0
Net debt (-)/Net cash (+)	**119.7**	**755.7**

Gross profit, MSEK	2021 *12 months*	2019/2020 *16 months*
Net sales	1,257.3	416.0
Raw materials and supplies reduced by inventory change	-349.0	-117.4
Gross profit	**908.3**	**298.6**
Gross margin, %		
Gross profit	908.3	298.6
Net sales	1,257.3	416.0
Gross margin, %	**72.2 %**	**71.8 %**
Operating profit before depreciation and amortization (EBITDA), MSEK		
Operating income	-236.9	-51.9
Depreciation and amortization	191.8	52.7
Operating profit before depreciation and amortization (EBITDA)	**-45.1**	**0.8**
Operating margin before depreciation and amortization, (EBITDA), %		
EBITDA	-45.1	0.8
Net sales	1,257.3	416.0
EBITDA margin, %	**-3.6 %**	**0.2 %**
Adjusted EBITDA, MSEK		
EBITDA	-45.1	0.8
Costs related to option programs	16.4	3.3
Acquisition and integration costs	47.4	9.8
Revaluation of contingent consideration	-25.0	-
Government support	-1.1	-4.6
Stock listing costs	-	8.5
Rebranding and ERP	16.7	-
Legal costs	7.6	1.1
Adjusted EBITDA	**16.9**	**18.9**
Adjusted EBITDA, %		
Adjusted EBITDA	16.9	18.9
Net sales	1,257.3	416.0
Adjusted EBITDA, %	**1.3 %**	**4.4 %**
Operating margin (EBIT), %		
Operating income	-236.9	-51.9
Net sales	1,257.3	416.0
EBIT margin, %	**-18.8 %**	**-12.5 %**
Organic revenue growth, %		
Net sales	1,257.3	416.0
Net sales generated from companies acquired in the last 12 months	-730.2	-186.3
Organic net sales	**527.1**	**229.7**
Net sales comparison period	365.8	155.6
Organic revenue growth, %	**44 %**	**48 %**

Glossary

3D cell culturing
The culturing of cells in an artificially created three dimensions that allows cells to interact, proliferate or mature in environments that are more physiologically relevant to in vivo conditions.

Bioautomation
From early research to high-throughput manufacturing, our business area Bioautomation serves customers across many disciplines, including medicine, pharmaceuticals, cosmetics and food. BICO's customers benefit from our unique product portfolio, total solution services and 20 years of expertise in next-generation multiplex analysis. This Business area was previously called Industrial Solutions.

Bioconvergence
A revolution bringing together technology, engineering, artificial intelligence, nanotechnology and biology to inspire and create advanced, efficient and cost-effective solutions for the healthcare challenges of today and the future.

Bioprinting
Using principles of 3D-printing, a combination of cells, growth factors or other biocompatible com-ponents, also knowns as bio-inks, are assembled for 3D cell culturing, creating constructs and engineering tissue, organ or disease models for research in the life sciences and regenerative medicine.

Biosciences
Our division of Biosciences encompasses a range of bioprocessing technologies and devices that automate tasks in the lab that were previously very labor-intensive, like liquid handling, single-cell dispensing, multiomics and next-generation sequencing.

Cell line development
Method of generating a clonal cell line from a single progenitor cells in order to minimize population heterogeneity. A single cell proliferates to form colonies that can be used to develop biologics or recombinant products.

Diagnostics
Diagnostics entails identifying and monitoring biomarkers and metabolic parameters to determine health conditions.

Health 4.0
Health 4.0 is a concept derived from the fourth industrial revolution called Industry 4.0, and refers to increasing interconnectivity and smart automation. Health 4.0 is the transformation of the healthcare sector driven by digital technologies, smart machines and data.

Multiomics
Multiomics is the area of biological analysis approach molecular and genetic biology to integrate diverse omics data such as genomic, transcriptomics, proteomics, epigenomics and metabolomics to find novel association between genotype and phenotype. It has transformed the field of medicine and biology in filling the gaps in understanding human health and disease.

Next Generation Core Industrial Ecosystems (NXCIS)
The future of health is being defined by a number of rapidly accelerating disciplines. Fields of research that are on the cutting edge of technology. At BICO we have identified four such disciplines which can be considered the pillars of this health care revolution and Health 4.0, the Next Generation Core Industrial Ecosystems (NXCIS); Tissue Engineering, Cell Line Development, Multiomics and Diagnostics.

Single cell omics
The genomes, transcriptomes and proteomes of single cells are analyzed to gain insights about cell development and diseases at the cellular level, as well as gene expression.

Tissue Engineering
A practice where researcher combine advanced engineering and material science to recapitulate human and animal biology. It refers to combining cells, and biologically active molecules into functional tissues. The main objective with tissue engineering is to assemble functional models and constructs that restore, maintain, or improve damaged tissues or whole organs.

Workflow
A plan for the sequential execution of established processes and protocols in the laboratory in order to transform or analyze biomaterials in the life sciences. BICO's products and technologies are designed to streamline and optimize these workflows, so researchers are working smarter.

Financial information and Contact information

Financial calendar
April 26, 2022 | **Annual General Meeting 2022**
May 18, 2022 | **Q1-report 2022**
August 24, 2022 | **Q2-report 2022**
November 9, 2022 | **Q3-report 2022**
February 23, 2023 | **Year-end report 2022**

For more information, contact:
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Gusten Danielsson, EVP and CFO BICO, gd@bico.com

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