

2021 Q4

Year-end report

October – December 2021



Summary of the year-end report

2021-10-01 - 2021-12-31 (fourth quarter)

- Net sales for the quarter amounted to 9,2 MSEK (10,4 MSEK)
- Net profit for the quarter amounted to 2,7 MSEK (3,5 MSEK)
- Earnings per share for the quarter amounted to SEK 0,26 (SEK 0,36*)

2021-01-01 - 2021-12-31 (financial year, twelve months)

- Net sales for the year amounted to 26,4 MSEK (22,1 MSEK)
- Net profit for the year amounted to 4,6 MSEK (3,9 MSEK)
- Earnings per share for the period amounted to SEK 0,44 (SEK 0,40*)
- Cash and cash equivalents at the end of the financial year were 15,6 + 2,4 = 18,0 MSEK (7,2 + 1,3 = 8,5 MSEK)

“BPC Instruments” refers to BPC Instruments AB with organization number 556687-2460. The number of shares in BPC Instruments as of December 31, 2021: 10 454 000 shares (9 722 000).*

**The number of shares for the comparing periods has been recalculated with regards to the merger 1:400 that was made in 2021.*

Significant events during the financial year

Fourth quarter (2021-10-01 – 2021-12-31)

16 December 2021 was the first day of trading in BPC Instruments AB (“BPC Instruments”) shares. BPC Instruments shares are traded under the ticker “BPCINS” with ISIN SE0017130826.

Prior to the listing at Spotlight Stock Market, BPC Instruments has conducted a successful IPO which has provided the company with approx. SEK 15 million (before issue costs) and approx. 400 new shareholders. The issue proceeds will primarily finance the acceleration of new product development including the next generation of flagship apparatus, the business expansion both in new potential industrial sectors/segments and the key geography markets outside the EU such as the US and China and strengthen cash buffer to support the growth of the business operation.

Significant events after the end of the financial year

No other significant events have occurred since the end of the period that has materially affected this report.

CEO Jing Liu

I am proud to share BPC's first year-end report as a listed company. BPC Instruments has developed and sold automated, analytical instruments that allow for more efficient, reliable, and higher quality of research and analysis in the biogas sector for over 15 years. 2021 marks an eventful year in BPC's history in which we have seen a record high turnover for our flagship products and welcomed 400 new shareholders to the Company.

I would like to begin by thanking everyone who participated in the issue of shares in connection with our successful IPO and welcoming 400 new shareholders to our Company. We are very grateful for the confidence and interest shown in BPC Instruments and we will now use the funds to finance our business expansion in both geographic distribution and market penetration in different application fields. The capital provided allows us to accelerate new product development including the next generation of flagship apparatus, which we expect to share more information about over the coming year.

The interest in BPC and our technology is rapidly growing and I am proud to announce that we have seen a record-high turnover in 2021 for our flagship products Gas Endeavour® and AMPTS® II. The high interest is clearly shown in our figures for 2021 in which we have received net sales revenue amounting to SEK 26,4 million with a profit before tax of SEK 5,2 million. Even during the most unstable of times, like during the current pandemic, our smart analytical instruments kept being the top choice of universities, research institutes, and service providers all around the world.

The figures strongly support that BPC is a very solid and stable Company and matches our performance record in the past years in which we have kept that trend. Our annual financial figures show 19,4 % net sales growth which means BPC is not only keeping the solid and stable trend but also demonstrating quite remarkable growth in the most unstable of times. The net sales of our flagship products surpassed our H2 2021 and Q4 2021 expectations and I am looking forward to a continued strong sales pipeline in 2022 to further meet our goal of building solid long-term business growth based on cleantech and sustainability.

During the year, we have welcomed many new companies and universities to our ever-growing

family of customers and we are committed to ensuring the highest product quality throughout our portfolio, focusing on being service-minded, and always meeting the needs of our customers.

It is our ambition to make sure that our instruments can be our clients' tools for more efficient, reliable, and high-quality research and analysis, leading to significant reductions in time consumption and labor requirement, as well as more efficient utilization of manpower resources.

In 2021 we successfully entered several new industrial segments and today market advanced analytical tools globally for optimizing biogas production, improving animal feed and nutrition, and biodegradability evaluation of new polymer materials for replacing plastics. We will use the strong momentum we have achieved moving forward to further expand globally into new markets, such as East Asia and North America, and accelerate the development of a new generation of our popular flagship apparatus.

It's with great pride that I sum up a successful year for BPC Instruments where our single most important event was the listing on the Spotlight Stock Market. Once again, I would like to thank everyone who subscribed in connection with the IPO, for your interest in BPC instruments and our technology and I look forward to an exciting period ahead that will include several value-creating milestones throughout the year 2022.

Dr. Jing Liu
CEO, BPC Instruments AB



About BPC Instruments

A world-leading company

BPC Instruments offers world-leading instruments for measuring ultra-low gas volume and flow rate. Many biotechnological processes such as biogas production, various microbial fermentation, and biological degradation processes are performed by microorganisms. The triggering catalyst is determined when the activity of the microbes performing the reaction changes. BPC Instruments develops and sells automated analytical apparatuses that analyze these reactions with high accuracy and precision. The Company is a pioneer in its field, and the Board of Directors estimates that the Company's current share of the global market of feedstock quality analysis in biogas production equals approx. 90 percent. BPC Instruments has recently expanded towards other biotech business fields including biodegradability of plastics and in-vitro feed analysis for animal farming. The company aims to expand from a single niche market to multiple biotech industrial markets and have a substantial first-mover advantage.

Based on cutting edge research

The Company was founded in 2005 and brings about 20 years of industry-leading research in the areas of instrumentation, control, and automation of anaerobic digestion processes. Staffed by experienced scientists and engineers, BPC Instruments exports to more than 60 countries.

A cleantech investment

BPC Instruments' business development activities, with core competence and focus on clean technologies, renewable resources, sustainability, and innovation in biotechnology analysis perfectly matches with global business trends. BPC Instruments' products make a positive difference – for the Company's customers as well as for the climate.

Business model

The core business model is to develop and manufacture analytical instruments to analyze different types of bioprocesses. BPC Instrument's business focus is on developing, producing, and selling high-margin and niche analytical instruments in multiple biotech sectors.

BPC Instruments' share

BPC Instruments' share is listed on Spotlight Stock Market, www.spotlightstockmarket.com as of December 16, 2021. The share has the ticker name BPCINS and ISIN code SE0017130826. The number of outstanding shares as of 31 December 2021 was 10 454 000.

Business-related risks and uncertainties

The risks and uncertainties to which BPC Instruments operations are exposed are, in summary, key staff and employees, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred. For a more detailed description of significant risk factors in BPC Instruments' operations, please see the company's prospectus published in November 2021. Since then, no significant changes have occurred regarding risks or uncertainty factors.

Owners and insider trade

For BPC Instruments' list of owners and insider trading, please refer to Spotlight Stock Markets via the following link: <https://spotlightstockmarket.com/sv/bolag/irabout?InstrumentId=XSAT00008YY2>

Comment on financial development

Income

Net sales for the fourth quarter amounted to 9 157 kSEK (10 433 kSEK) and for the twelve months to 26 447 kSEK (22 110 kSEK). The lower sales in the fourth quarter are due to unusually high sales in the fourth quarter of 2020 caused by purchasing delays linked to Covid-19 pandemic, and an ability of the company to improve the distribution of sales throughout 2021.

Costs

The operating expenses during the fourth quarter amounted to 7 535 kSEK (6 532 kSEK). The operating expenses for the financial year amounted to 24 709 kSEK (19 157 kSEK). The capitalized development costs in the fourth quarter amounted to 1 121 kSEK (1 968 kSEK) and for the twelve-month period to 3 076 kSEK (1 968 kSEK)

Results

The profit after financial items for the quarter amounted to 2 797 kSEK (4 469 kSEK). The profit after financial items during the financial year amounted to 5 206 kSEK (4 991 kSEK).

Financing and financial position

Cash and cash equivalents as of 31 December 2021 amounted to 15 577 + 2 421 = 17 998 kSEK (7 161 + 1 300 = 8 461 kSEK). The Board assesses that the planned operations are financed for the next twelve months.

Equity

At the end of the period, BPC Instruments equity/asset ratio was 81,0 % (63,5 %).

Number of employees

As of 31 December 2021, the number of employees was 9 (9)

Audit of the report

This year-end report has not been reviewed by the company's auditor.

Accounting and accounting principles

BPC Instruments AB is preparing annual reports according to the Annual Accounts Act and K3 accounting principles. Quarterly reports are prepared under the same principles.

Proposal for disposition of BPC Instruments' results

The Board and the CEO propose that no dividend be paid for the financial year 2021-01-01 - 2021-12-31.

Annual General Meeting and availability of the annual report

The Annual General Meeting will be held on May 27, 2022, in Lund. The annual report will be available on the Company's website (www.bpcinstruments.com) no later than three weeks before the Annual General Meeting.

Definitions

Equity/asset ratio, %, = Equity as a percentage of total assets.
Earnings per share, SEK, = Net income divided by the average number of shares.

Income statement

KSEK	Q4 2021	Q4 2020	2021	2020
	Oct-Dec	Oct-Dec	Full Year	Full Year
Net sales	9 157	10 433	26 447	22 110
Activated work for own account	1 121	563	3 076	1 968
Other income	51	132	129	287
Operating income	10 329	11 128	29 653	24 365
<i>Operating expenses</i>				
Raw materials and consumables	-2 618	-3 030	-9 627	-7 298
Other external costs	-1 580	-1 058	-4 960	-4 053
Personnel costs	-2 842	-2 001	-8 507	-6 293
Depreciation of tangible and intangible assets	-478	-320	-1 514	-1 230
Other operating expenses	-17	-124	-101	-284
	-7 535	-6 532	-24 709	-19 157
Operating profit	2 794	4 595	4 944	5 208
<i>Result from financial investments</i>				
Other interest income and similar items	55	1	472	89
Other interest expenses and similar items	-52	-127	-210	-305
Total result from financial investments	3	-126	262	-217
Profit after financial items	2 797	4 469	5 206	4 991
Tax	-125	-958	-624	-1 071
Net profit	2 672	3 511	4 582	3 920
Earnings per share before and after dilution (SEK)	0,26	144,44	0,44	161,28
Total number of shares	10 454 000	24 305	10 454 000	24 305

Balance Sheet

KSEK	2021-12-31	2020-12-31
Assets		
Fixed assets		
<i>Intangible assets</i>		
Capitalized expenditure on development and similar work	5 448	3 743
Patent	903	819
Total intangible assets	6 391	4 562
<i>Tangible assets</i>		
Equipment, tools, fixtures, and fittings	781	790
Total tangible assets	781	790
<i>Financial Assets</i>		
Investment in associated companies	5 081	3 363
Endowment insurance	2 421	0
Total financial assets	7 502	3 363
Total fixed assets	14 674	8 714
Current assets		
<i>Inventories</i>		
Raw materials and consumables	2 478	1 204
<i>Short-term receivables</i>		
Accounts receivables	4 930	4 195
Tax receivables	55	0
Other receivables	1 269	1 142
Prepaid expenses and acquired income	1 043	742
Total current receivables	7 297	6 079
<i>Other short-term investments</i>		
Other short-term investments	0	1 300
<i>Cash and cash equivalents</i>		
Cash and cash equivalents	15 577	7 161
Total current assets	25 353	15 744
Total assets	40 027	24 458

Balance Sheet

KSEK	2021-12-31	2020-12-31
Equity and liabilities		
Equity		
<i>Restricted equity</i>		
Share capital	575	243
Reserve development costs	5 950	4 214
Total restricted equity	6 525	4 457
<i>Non restricted equity</i>		
Share premium reserve	16 925	4 937
Profit or loss brought forward	4 408	2 225
Profit/loss for the year	4 582	3 920
Total non-restricted equity	25 915	11 081
Total equity	32 440	15 538
<i>Long term liabilities</i>		
Loan to credit institutions	1 750	2 750
Total long-term liabilities	1 750	2 750
<i>Current liabilities</i>		
Credit institutions	1 000	1 000
Account payables	2 802	2 939
Tax liabilities	0	755
Other liabilities	297	216
Accrued expenses and deferred income	1 737	1 260
Total current liabilities	5 837	6 170
Total equity and liabilities	40 027	24 458

Changes in shareholder equity 2021

KSEK	Share capital	Reserve development costs	Share Premium reserve	Profit/loss brought forward	Profit/Loss for the year	Shareholder's equity
Share equity 2021-01-01	243	4 214	4 937	2 225	3 920	15 538
Brought forward				3 920	-3 920	0
Dividend			-1 000			-1 000
Reserve development costs		1 736		-1 736		0
Issue of new shares	332		14 966			15 298
Issuance cost			-2 294			-2 294
Warranty			316			316
Profit for the year					4 582	4 582
Share equity 2021-12-31	575	5 950	16 925	4 409	4 582	32 440

Changes in shareholder equity 2020

KSEK	Share capital	Reserve development costs	Share Premium reserve	Profit/loss brought forward	Profit/Loss for the year	Shareholder's equity
Share equity 2021-01-01	243	2 947	6 137	136	3 355	12 818
Brought forward				3 355	-3 355	0
Dividend			-1 200			-1 200
Reserve development costs		1 267		-1 267		0
Profit for the year					3 920	3 920
Share equity 2021-12-31	243	4 214	4 937	2 224	3 920	15 538

Statement of cash flow

KSEK	Q4 2021 Oct-Dec	Q4 2020 Oct-Dec	2021 Full Year	2020 Full Year
Operating activities				
Profit after financial items	2 797	4 469	5 206	4 991
Adjustment depreciations, other	478	319	1 514	1 230
Paid income tax	-278	-141	-1 434	-1 198
<i>Cash flow from changes in working capital</i>				
Changes in inventory	-439	174	-1 274	-250
Changes in account receivables	-853	-2 976	-735	1 766
Changes in other receivables	-568	-670	-428	-152
Changes in account payables	414	1 464	-137	441
Changes in other liabilities	379	442	558	-118
Cash flow from operating activities	1 921	3 082	3 270	6 710
<i>Investment activities</i>				
Investment in intangible assets	-1 121	-563	-3 076	-1 968
Investment in tangible assets	-40	0	-259	-243
Investment in associated companies	-300	-1	-4 139	-1 837
Increase/decrease short term financial investments and receivables	0	-300	0	-1 300
Cash flow from investment activities	-1 461	-863	-7 474	-5 347
<i>Financing activities</i>				
Share Issue	13 004	0	13 004	0
Warranty	316	0	316	0
Dividend, payment	0	0	-1 000	-1 200
Changes in long-term loan	-250	-250	-1 000	-1 000
Cash flow from financing activities	13 070	-250	11 320	-2 200
Cash flow for the period	13 531	1 969	7 117	-837
Cash at the beginning of the period	2 047	5 192	8 461	7 998
Cash at the end of the period	15 577	7 161	15 577	7 161
Short-term investment	2 421	1 300	2 421	1 300
Total cash and equivalents at the end of the period	17 998	8 461	17 998	8 461

The next reporting dates

The annual report for the financial year 2020/2021 is expected to be available from May 6, 2022.

The interim report for the period 1 January to 31 March 2022 (Q1) will be published on May 6, 2022.

The Annual General Meeting will take place on May 27, 2022.

Half-year report for the period 1 January to June 30 (Q2) will be published on Aug 16, 2022

Interim report for the period 1 January to September 30 (Q3) will be published on Nov 11, 2022

The year-end report for the financial year 2021/2022 is expected to be available from Feb 21, 2023.

Lund 22 February 2022

BPC Instruments AB (publ)

Gustaf Olsson
Chairman of the Board

Jing Liu
CEO and Member of the Board

Kristofer Cook
Member of the Board

Anita Sindberg
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**Excellence is
built on
precision and
accuracy.**

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