

January – March

# 2023 Q1



# Significant events Q1 2023

## January

On January 19, BPC informed that the Company has been selected as member of the European Biomethane Industrial Partnership to enable increased biogas production in Europe.

## January

On January 25, BPC announced that the Company has signed an agreement to establish a new Joint Venture firm in Malmö for assembling the core modules and key components of Company's flagship products.

## January

On January 31, BPC received a purchase order of two Gas Endeavour® systems with a total order value of over 500 000 SEK from a Danish multinational industrial group after a successful product demonstration and technical evaluation for compostability analysis of new plastic materials.

## February

On February 1, BPC announced that Fore C Investment, founded by Göran Nordlund, acquired LU Holding's entire shareholding in BPC. Fore C thus becomes the new fourth major shareholder and holds 4.2 percent of ownership in BPC.

## February

On February 10, BPC received a purchase order from a Korean consortium consisting of five companies and a university for the delivery of multiple products of the Company's flagship analytical instruments with a total order value of over 81 000 Euro.

## February

On February 24, BPC Instruments announced that the Company has terminated its liquidity guarantee agreement with Sedermera Corporate Finance for BPC's share.

## March

On March 7, BPC received a purchase order for three additional Gas Endeavour® systems from an Irish multinational industrial group. This order comes after the successful delivery and testing of one such system by the client in January and February 2023. The total value of the two successive orders amounts to over 97 000 Euro.

## March

On March 14, BPC informed that the Company expects to report a result for the first quarter of 2023 that is higher than current market expectations. The Company's preliminary figures for the first quarter show an approximately +50 percent increase in net sales compared to the corresponding quarter in the previous financial year. The increase is largely due to higher order intake.

## March

On March 16, BPC announced the global launch of AMPTS® III and AMPTS® III Light – the next-generation analytical tools for anaerobic batch fermentation assays. The new instrument features brand-new hardware and software platform that will replace the existing product AMPTS® II, which has had a big contribution to sales turnover of approx. SEK 10 million annually in the last three years.

## After the period

### April

On April 21, BPC sent out notice to the Company's AGM 2023 on Thursday, May 25th, 2023, at Mobilvägen 4-6 (the EATERY restaurant area at ground floor), 223 62 Lund and digitally by LegiMeet.

## Key figures Q1 2023

The figures in parentheses refer to the corresponding period last year.

KSEK

### Net sales

**12 192** (5 467) **+123 %**

### EBIT

**2 385** (202) **+1 081 %**

### 2023-01-01–2023-03-31 (Q1)

- Net sales for the quarter amounted to 12 192 (5 467) kSEK
- EBIT for the quarter amounted to 2 385 (202) kSEK
- Net profit for the quarter amounted to 2 014 (130) kSEK
- Earnings per share for the quarter amounted to 0,19 (0,01) SEK
- Total cash and equivalents amounted to 16 679 kSEK (16 776 kSEK)

"BPC Instruments" refers to BPC Instruments AB with organization number 556687-2460. The number of shares in BPC Instruments as of March 31, 2023: 10 454 000 shares (10 454 000).



CEO Dr. Jing Liu comments:

# Triple-digit growth summarizes our best quarter to date

It is with great pride we close the first quarter of 2023 – and the best quarter ever for BPC. The financial results clearly confirm that our major business expansion is now beginning, with a total turnover of KSEK 12,889 – an increase of 130 percent compared to the same quarter of 2022. Our EBIT increase is even higher, ending up with KSEK 2,385 compared to KSEK 202 a year ago. Expanding in both biogas and our new market segments, BPC's status as a solid and stable green-tech company must be considered and proven once and for all.

In fact, our financial results this quarter were so strong we felt compelled to issue a reverse profit warning. Behind the numbers, there are many encouraging factors contributing to this historical result. First and foremost, an amazing and ever-growing team of committed professionals who work hard not only to achieve our goals but to continuously exceed them. Therefore, I would like to thank the entire BPC team and our partners for our best quarter result to date.

In March we launched our latest innovations, AMPTS® III and AMPTS® III Light – the next-generation analytical tools for anaerobic batch fermentation assays. This global launch took place only a year after the successful launch of another upgraded flagship product, BPC® Go, which in its first year sold over 130 units, valued at over MSEK 3.1. Compared to its predecessor, that equals a 140 percent increase in sales revenue and nearly double the gross profit. With a world-class development track record like this, our hopes for AMPTS® III and AMPTS® III Light are understandably high for the rest of 2023.

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**Not only is 2023 off to a fantastic start – it's only beginning. Just like BPC's major business expansion.**

For the entire biogas business, the future looks very bright indeed. The European Union is firmly decided to increase the annual EU production and use of sustainable biomethane by 35 billion cubic meters annually by 2030, an equivalent of ten times the current level of biomethane production. And BPC is proud to have been selected as a member of Task Force 3 and subtask group leader of the Biomethane Industrial Partnership, adding our expertise to support this achievement.

In short, our market is growing, our products are in high demand and our customers are happy, as our customer survey in late 2022 clearly showed. As of March 2023, we completed the transfer of our production of the core modules and key components to the Joint Venture firm communicated in January. Thereby securing our production line and ensuring a stable worldwide delivery of our automated analytical instruments. Not only is 2023 off to a fantastic start – it's only beginning. Just like BPC's major business expansion.

**Dr. Jing Liu**  
CEO, BPC Instruments AB





# Why is it important to measure and analyze gas volume and flows?

As with any kind of production, it's critical to control the quality of the raw material to ensure high-quality, large, and stable production of the end product. The same is true with biogas/biomethane. BPC offers smart and automated analytical instruments to measure and control the raw material, whether it may be food waste, manure, agricultural residues, sewage sludge or wastewater.

BPC's flagship products such as AMPTS® and BPC® Go help to ensure stable and large-scale production of biogas/biomethane by analyzing the potential of biogas and biomethane production from biomass feedstock in a precise and automated procedure that limits the costs and error of conventional manual analysis. Thereby making sure the biogas industry gets the most out of biomass feedstock at any given moment.

A similar concept also applies to other biological fermentation processes, such as biodegradability of plastics, wastewater treatment and animal feed analyses, where either gas production or consumption can be used as a process indicator for optimizing and controlling fermentation processes and performing the quality control of raw materials or end products.



## BPC Instruments in brief

**BPC Instruments is a Swedish-based global technology company developing and offering analytical instruments enabling more efficient, reliable, and higher quality research and analysis for industries in renewable energy and environmental technology. The result is not only higher accuracy and precision, but also significant reduction in time consumption and labour requirement for performing analysis. The BPC Instruments innovative products offer high quality hardware and software based on deep knowledge and experience of target applications.**

The business is based on a foundation built on results and experiences by scientists who have created a well-established and IP-protected niche product portfolio. BPC Instruments continues to develop new solutions based on innovative ideas. This has enabled the company to continuously become cash flow positive over ten years and establish a client base across nearly 70 nations.

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 brought about 20 years of industry-leading research in the areas of instrumentation, control, and automation of anaerobic digestion processes.

### A Green-tech investment

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

### Business model

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

### 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>



## Financial information

### Income

Net sales mainly consist of the company's products such as instruments. Net sales for the first quarter of 2023 amounted to 12 192 kSEK (5 467 kSEK).

### Costs

The operating expenses consist of mainly other external costs, personnel cost, raw material and consumables. The operating expenses during the first quarter of 2023 amounted to 10 504 kSEK (5 405 kSEK).

### Results

The profit after financial items for the first quarter of 2023 amounted to 2 490 kSEK (164 kSEK).

### Financing and financial position

Total cash and equivalents as of March 31, 2023, amounted to 16 679 kSEK (16 776 kSEK).

### Equity

At the end of the period, BPC Instruments' equity/asset ratio was 80 % (79 %).

### Number of employees

As of March 31, 2023, the number of employees was 13 (9).

### Audit of the report

This interim report has not been reviewed by the company's auditor.

### BPC Instruments share

BPC Instruments share is listed on Spotlight Stock Market as of 16 December 2021. The share has the ticker name BPCINS and ISIN code SE0017130826. The number of outstanding shares as of March 31, 2023, was 10 454 000.

### 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.

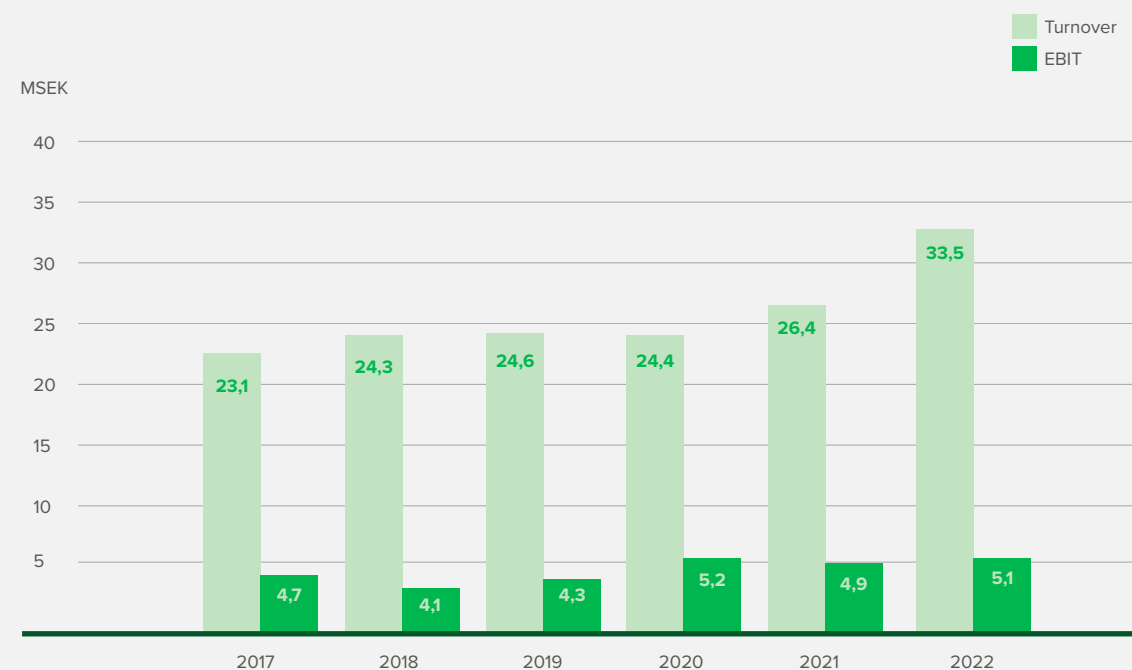
### Financial calendar:

Events	Date
Annual General Meeting 2023	2023-05-25
Interim report Q2/H1 2023	2023-08-29
Interim report Q3 2023	2023-11-16
Year-end report Q4 2023	2024-02-28

### 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)	2023 Jan–Mar 3 months	2022 Jan–Mar 3 months	2022 Jan–Dec full year
Net sales	12 192	5 467	33 552
Activated work for own account	287	-	1 868
Other income	410	140	887
<b>Operating income</b>	<b>12 889</b>	<b>5 607</b>	<b>36 306</b>
<i>Operating expenses</i>			
Raw materials and consumables	-4 718	-1 226	-11 357
Other external costs	-2 201	-1 612	-6 987
Personnel costs	-3 031	-1 974	-10 636
Depreciation of tangible and intangible assets	-415	-472	-1 985
Other operating expenses	-139	-121	-232
	<b>-10 504</b>	<b>-5 405</b>	<b>-31 198</b>
<b>EBIT</b>	<b>2 385</b>	<b>202</b>	<b>5 109</b>
<i>Result from financial investments</i>			
Other interest income and similar items	179	80	76
Other interest expenses and similar items	-73	-118	-284
<b>Total result from financial investments</b>	<b>105</b>	<b>-38</b>	<b>-209</b>
<b>Profit after financial items</b>	<b>2 490</b>	<b>164</b>	<b>4 900</b>
Tax	-476	-34	-1 069
<b>Net Profit</b>	<b>2 014</b>	<b>130</b>	<b>3 831</b>
Earnings per share before and after dilution (SEK)	0,19	0,01	0,37
Total number of shares	10 454 000	10 454 000	10 454 000

## Balance sheet – Assets

(KSEK)	2023-03-31	2022-03-31	2022-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
<i><b>Intangible assets</b></i>			
Capitalized expenditure on development and similar work	6 229	5 190	6 162
Patent	470	812	537
<b>Total intangible assets</b>	<b>6 699</b>	<b>6 001</b>	<b>6 700</b>
<i><b>Tangible assets</b></i>			
Equipment, tools, fixtures, and fittings	1 707	1 394	1 670
<b>Total tangible assets</b>	<b>1 707</b>	<b>1 394</b>	<b>1 670</b>
<i><b>Financial assets</b></i>			
Investment in associated companies	5 081	5 081	5 081
Endowment insurance	5 421	2 721	5 021
Other financial assets	109	-	-
<b>Total financial assets</b>	<b>10 610</b>	<b>7 802</b>	<b>10 102</b>
<b>Total fixed assets</b>	<b>19 017</b>	<b>15 197</b>	<b>18 471</b>
<b>Current assets</b>			
Inventories			
Raw materials and consumables	<b>9 177</b>	<b>3 389</b>	<b>7 676</b>
<i><b>Short-term receivables</b></i>			
Accounts receivables	6 074	5 175	6 689
Tax receivables	-	505	108
Other receivables	1 435	1 134	1 077
Prepaid expenses and acquired income	741	1 316	742
<b>Total current receivables</b>	<b>8 250</b>	<b>8 130</b>	<b>8 615</b>
<i><b>Other short-term investments</b></i>			
Other short-term investments	5 882	-	5 697
<i><b>Cash and cash equivalents</b></i>			
Cash and cash equivalents	5 377	14 055	3 941
<b>Total current assets</b>	<b>28 685</b>	<b>25 574</b>	<b>25 930</b>
<b>Total assets</b>	<b>47 702</b>	<b>40 771</b>	<b>44 401</b>

## Balance sheet – Equity

(KSEK)	2023-03-31	2022-03-31	2022-12-31
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i><b>Restricted equity</b></i>			
Share capital	575	575	575
Reserve development costs	6 699	5 943	6 700
<b>Total restricted equity</b>	<b>7 274</b>	<b>6 518</b>	<b>7 275</b>
<i><b>Non restricted equity</b></i>			
Share premium reserve	16 925	16 925	16 925
Profit or loss brought forward	12 071	8 998	8 240
Profit/loss for the year	2 014	130	3 831
<b>Total non-restricted equity</b>	<b>31 010</b>	<b>26 053</b>	<b>28 996</b>
<b>Total equity</b>	<b>38 284</b>	<b>32 571</b>	<b>36 271</b>
<i><b>Long term liabilities</b></i>			
Loan to credit institutions	-	1 500	750
<b>Total long-term liabilities</b>	<b>-</b>	<b>1 500</b>	<b>750</b>
<i><b>Current liabilities</b></i>			
Credit institutions	0	1 000	1 000
Account payables	6 359	3 223	3 813
Tax liabilities	47	-	-
Other liabilities	345	376	337
Accrued expenses and deferred income	2 667	2 100	2 231
<b>Total current liabilities</b>	<b>9 418</b>	<b>6 699</b>	<b>7 380</b>
<b>Total equity and liabilities</b>	<b>47 702</b>	<b>40 771</b>	<b>44 401</b>

## Changes in shareholder equity Q1 2023

KSEK	Restricted equity		Non-restricted equity			Total
	Share capital	Reserve development costs	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	Shareholder's equity
<b>Share equity 2023-01-01</b>	<b>575</b>	<b>6 700</b>	<b>16 925</b>	<b>8 240</b>	<b>3 831</b>	<b>36 271</b>
Brought forward	-	-	-	3 831	-3 831	0
Reserve development costs	-	-1	-	1	-	0
Profit for the year	-	-	-	-	2 014	2 014
<b>Share equity 2023-03-31</b>	<b>575</b>	<b>6 699</b>	<b>16 925</b>	<b>12 071</b>	<b>2 014</b>	<b>38 284</b>

## Changes in shareholder equity full year 2022

KSEK	Restricted equity		Non-restricted equity			Total
	Share capital	Reserve development costs	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	Shareholder's equity
<b>Share equity 2022-01-01</b>	<b>575</b>	<b>6 275</b>	<b>16 925</b>	<b>4 084</b>	<b>4 582</b>	<b>32 440</b>
Brought forward	-	-	-	4 582	-4 582	0
Reserve development costs	-	425	-	-425	-	0
Profit for the year	-	-	-	-	3 831	3 831
<b>Share equity 2022-12-31</b>	<b>575</b>	<b>6 700</b>	<b>16 925</b>	<b>8 240</b>	<b>3 831</b>	<b>36 271</b>

## Statement of cash flow

(KSEK)	2023 Jan-Mar 3 months	2022 Jan-Mar 3 months	2022 Jan-Dec full year
<b>Operating activities</b>			
Profit after financial items	2491	164	4 900
Adjustment depreciations, other	330	473	1 961
Paid income tax	-321	-484	-1 122
<b>Cash flow from changes in working capital</b>			
Changes in inventory	-1 500	-911	-5 198
Changes in account receivables	515	-245	-1 759
Changes in other receivables	-358	-137	495
Changes in account payables	2 546	421	1 011
Changes in other liabilities	444	441	532
<b>Cash flow from operating activities</b>	<b>4 147</b>	<b>-278</b>	<b>820</b>
<b>Investment activities</b>			
Investment in intangible assets	-287	-	-1 868
Investment in tangible assets	-166	-694	-1 292
Increase/decrease short term financial investments and receivables	-509	-300	-8 297
<b>Cash flow from investment activities</b>	<b>-961</b>	<b>-994</b>	<b>-11 456</b>
<b>Financing activities</b>			
Changes in long-term loan	-1 750	-250	-1 000
<b>Cash flow from financing activities</b>	<b>-1 750</b>	<b>-250</b>	<b>-1 000</b>
<b>Cash flow for the period</b>	<b>1 436</b>	<b>-1 522</b>	<b>-11 636</b>
Cash at the beginning of the period	3 941	15 577	15 577
<b>Cash at the end of the period</b>	<b>5 377</b>	<b>14 055</b>	<b>3 941</b>
Short-term investment	11 303	2 721	10 718
<b>Total cash and equivalents at the end of the period</b>	<b>16 679</b>	<b>16 776</b>	<b>14 659</b>

## Statement by the Board of Directors

The Board of Directors provide their assurance that the interim report provides a fair and true overview of the Company's operations, financial position, and results.

**Lund, May 4, 2023**  
BPC Instruments AB (publ)

Gustaf Olsson  
*Chairman of the Board*

Jing Liu  
*CEO and Board member*

Kristofer Cook  
*Board member*

Anita Sindberg  
*Board member*

*This information is such information that BPC Instruments AB is obliged to publish in accordance with the EU Market Abuse Regulation (MAR). The information was submitted, through the agency of the contact person below, for publication on May 4, 2023.*

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## What problems are we solving for our customers?

The general problems for bioanalysis with conventional analysis that is operated manually are:

- Large random error due to manual operation.
- Poor data quality and quantity.
- Individual skill dependence and lack of standardization.
- Due to labor-intensive work in conventional analysis, the cost of skilled labor is very high.



**Excellence is built  
on precision and  
accuracy**

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