

January – June

2023 Q2



Key figures Q2 2023


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

KSEK

Net sales

10 598 (8 330)  **+27 %**

EBIT

2 929 (1 162)  **+152 %**

Q2 | 2023-04-01—2023-06-30

- Net sales for the quarter amounted to 10 598 (8 330) kSEK
- EBIT for the quarter amounted to 2 929 (1 162) kSEK
- Net profit for the quarter amounted to 2 432 (990) kSEK
- Earnings per share for the quarter amounted to 0,23 (0,09) SEK

Q1-Q2 | 2023-01-01—2023-06-30

- Net sales for the period amounted to 22 790 (13 797) kSEK
- EBIT for the period amounted to 5 314 (1 364) kSEK
- Net profit for the period amounted to 4 446 (1 120) kSEK
- Earnings per share for the period amounted to 0,43 (0,11) SEK
- Total cash and equivalents amounted to 11 386 kSEK (16 068 kSEK)

“BPC Instruments” refers to BPC Instruments AB with organization number 556687-2460. The number of shares in BPC Instruments as of June 30, 2023: 10 454 000 shares (10 454 000).

Significant events Q2 2023

May

On May 11, BPC informed that the company has been approved for Global Innovation Accelerator (“GIA”) program. The GIA program is the next step in the company’s strategy to expand its business network and increase its physical presence in North America.

June

On June 8, BPC announced its participation in the newly launched Business Accelerator Program Southeast Asia (BAPSEA) program. The 18-month program will give BPC access to tailored advice, delegation trips, and networking opportunities with industry leaders, government officials, and potential business partners to help accelerate the company’s business expansion in Southeast Asia.

June

On June 21, BPC announced the global launch of BPC® Blue. The laboratory instrument is specifically designed to determine the aerobic and anaerobic biodegradability of various biodegradable plastic and polymer materials under simulated environmental conditions. The launch included the introduction of BPC® Blue Standard 18-channel version and a more compact 9-channel Light Version.

June

On June 28, BPC announced the global launch of BPC’s latest innovation, Gas Endeavour® III and Gas Endeavour® III Light – the next-generation laboratory instrument platform designed for the precise evaluation of gas production or consumption in both batch and continuous processes. The laboratory instrument features brand-new hardware and software platform that replaces the early model Gas Endeavour®.

June

On June 29, BPC informed that ES Aktiehandel AB and Exelity AB have acquired a total of 700,000 shares in the company from Kristofer Cook, Board Member of BPC.

After the period

On August 21, BPC published an update on the impressive success of its recently launched product, BPC® Blue, within a mere two months of its introduction. The Company has witnessed a remarkable surge of purchase orders of an ordinary size, including a larger single order of 83 000 Euro from China through its Chinese joint venture.

CEO Dr. Jing Liu comments:

Two major product launches and increased recognition among institutional investors

I am proud to share that the second quarter of 2023 has been another strong period for BPC, building on the momentum from our record-breaking first quarter. Our net sales reached a solid KSEK 10,598, representing a 27 percent increase compared to the same quarter last year. Additionally, our EBIT increased to KSEK 2,929, a substantial rise from KSEK 1,162, in the corresponding period of 2022. The figures for the first six months of 2023 paint an even more impressive picture with a 65 percent increase in net sales and an EBIT increase of 290 percent compared to H1 2022. These strong financial results are a testament to our current major business expansion and the dedication of our team of professionals.

During the quarter, BPC Instruments has been very active in product development, and we are excited to announce the successful global launch of two innovative products that have further strengthened our market position.

Firstly, we proudly introduced BPC® Blue, a state-of-the-art laboratory instrument designed specifically to determine the aerobic and anaerobic biodegradability of various biodegradable plastics and polymer materials under simulated environmental conditions. This launch includes the BPC® Blue Standard 18-channel version and a more compact 9-channel Light version, available in five configurations for both versions, catering to different biodegradability assessment needs. With the rising global demand for environmentally-friendly materials to replace fossil-based plastics, we foresee an increase in sales turnover and profit in the biodegradability business segment.

BPC® Blue represents a significant milestone for BPC, perfectly aligned with our objectives for 2023. This strategic achievement further expands our market penetration and enhances our position in this niche sector.

Secondly, we are thrilled to introduce Gas Endeavour® III and Gas Endeavour® III Light – the next-generation laboratory instrument platform designed for the precise evaluation of gas production or consumption in both batch and continuous microbial fermentation or biodegradation processes in multiple configurations. This innovative instrument opens exciting possibilities across multiple industries, from animal nutrition studies to wastewater analyses, ethanol fermentation, hydrogen production, and microbial community evaluation.

As we continue to expand in both the biogas and new market segments, BPC's status as a solid and stable green-tech company becomes increasingly evident. Our track record of previous successes has garnered increased recognition among institutional investors. I'm therefore pleased to share that ES Aktiehandel AB, a company owned by Erik Selin Fastigheter AB, and Exelity AB, a Swedish fund have acquired a total of 700,000 shares. We welcome them as shareholders and are excited to have them as part of the BPC family.

In conclusion, the second quarter of 2023 has been a very eventful period for BPC Instruments, marked by strong financial results with a large portion of purchase orders of ordinary size, successful product launches, and increased recognition among investors.

Looking ahead to the rest of 2023, we are thrilled by the significant market interest and robust sales pipeline for our products at BPC. Our team is driven by a clear focus and high energy as we remain committed to developing and launching new products to meet the growing market demand. Moreover, we are dedicated to fortifying and expanding our organization to support our business ventures in Europe, North America, and Asia.

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 second quarter of 2023 amounted to 10 598 kSEK (8 330 kSEK). Net sales for the first six months of 2023 amounted to 22 790 kSEK (13 797 kSEK).

Costs

The operating expenses consist of mainly other external costs, personnel cost, raw material and consumables. The operating expenses during the second quarter of 2023 amounted to 8 628 kSEK (8 170 kSEK). The operating expenses during the first six months of 2023 amounted to 19 132 kSEK (13 575 kSEK).

Results

The profit after financial items for the second quarter of 2023 amounted to 3 049 kSEK (1 248 kSEK). The profit after financial items for the first six months of 2023 amounted to 5 539 kSEK (1 412 kSEK).

Financing and financial position

Total cash and equivalents as of June 30, 2023, amounted to 11 386 kSEK (16 068 kSEK).

Equity

At the end of the period, BPC Instruments' equity/asset ratio was 91 % (82 %).

Number of employees

As of June 30, 2023, the number of employees was 13 (14).

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 June 30, 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:

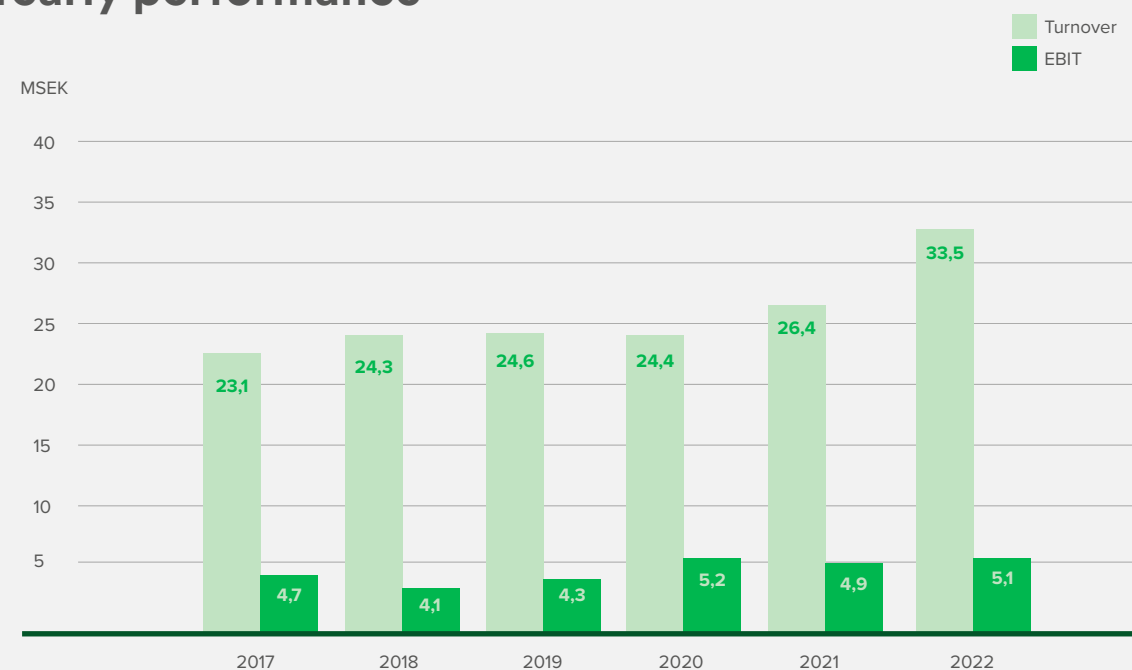
Events	Date
Interim report Q3 2023	2023-11-16
Year-end report Q4 2023	2024-02-28

Definitions

Equity/asset ratio, %, = Equity as a percentage of total assets.

Earnings per share, SEK, = Net income divided by the average number of shares.

Yearly performance



Income statement

(KSEK)	2023 Apr–Jun 3 months	2022 Apr–Jun 3 months	2023 Jan–Jun 6 months	2022 Jan–Jun 6 months	2022 Jan–Dec full year
Net sales	10 598	8 330	22 790	13 797	33 552
Activated work for own account	553	818	840	818	1 868
Other income	406	184	816	324	887
Operating income	11 557	9 331	24 446	14 939	36 306
<i>Operating expenses</i>					
Raw materials and consumables	-2 678	-3 332	-7 396	-4 557	-11 357
Other external costs	-1 902	-2 009	-4 103	-3 622	-6 987
Personnel costs	-3 420	-2 376	-6 451	-4 350	-10 636
Depreciation of tangible and intangible assets	-422	-535	-837	-1 007	-1 985
Other operating expenses	-206	82	-345	-39	-232
	-8 628	-8 170	-19 132	-13 575	-31 198
EBIT	2 929	1 162	5 314	1 364	5 109
<i>Result from financial investments</i>					
Other interest income and similar items	188	107	367	187	76
Other interest expenses and similar items	-69	-20	-142	-139	-284
Total result from financial investments	120	87	225	48	-209
Profit after financial items	3 049	1 248	5 539	1 412	4 900
Tax	-617	-258	-1 093	-292	-1 069
Net Profit	2 432	990	4 446	1 120	3 831
Earnings per share before and after dilution (SEK)	0,23	0,09	0,43	0,11	0,37
Total number of shares	10 454 000	10 454 000	10 454 000	10 454 000	10 454 000

Balance sheet – Assets

(KSEK)	2023-06-30	2022-06-30	2022-12-31
Assets			
Fixed assets			
<i>Intangible assets</i>			
Capitalized expenditure on development and similar work	6 555	5 671	6 162
Patent	402	720	537
Total intangible assets	6 957	6 390	6 700
<i>Tangible assets</i>			
Equipment, tools, fixtures, and fittings	1 537	1 427	1 670
Total tangible assets	1 537	1 427	1 670
<i>Financial assets</i>			
Investment in associated companies	5 081	5 081	5 081
Endowment insurance	5 421	2 821	5 021
Other financial assets	109	-	-
Total financial assets	10 611	7 902	10 102
Total fixed assets	19 105	15 719	18 471
Current assets			
Inventories			
Raw materials and consumables	12 051	4 004	7 676
<i>Short-term receivables</i>			
Accounts receivables	6 139	5 171	6 689
Tax receivables	-	730	108
Other receivables	393	1 163	1 077
Prepaid expenses and acquired income	1 118	863	742
Total current receivables	7 650	7 927	8 615
<i>Other short-term investments</i>			
Other short-term investments	2 994	6 400	5 697
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	2 971	6 847	3 941
Total current assets	25 666	25 178	25 930
Total assets	44 771	40 898	44 401

Balance sheet – Equity

(KSEK)	2023-06-30	2022-06-30	2022-12-31
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital	575	575	575
Reserve development costs	6 957	6 391	6 700
Total restricted equity	7 532	6 966	7 275
<i>Non restricted equity</i>			
Share premium reserve	16 925	28 653	16 925
Profit or loss brought forward	11 814	-3 179	8 240
Profit/loss for the year	4 446	1 120	3 831
Total non-restricted equity	33 185	26 594	28 996
Total equity	40 717	33 560	36 271
<i>Long term liabilities</i>			
Loan to credit institutions	-	1 250	750
Total long-term liabilities	-	1 250	750
<i>Current liabilities</i>			
Credit institutions	-	1 000	1 000
Prepayment from customers	319	-	327
Account payables	1 412	2 121	3 813
Tax liabilities	343	-	-
Other liabilities	386	296	548
Accrued expenses and deferred income	1 594	2 672	1 692
Total current liabilities	4 054	6 089	7 380
Total equity and liabilities	44 771	40 898	44 401

Changes in shareholder equity H1 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	
Share equity 2023-01-01	575	6 700	16 925	8 240	3 831	36 271
Brought forward	-	-	-	3 831	-3 831	-
Reserve development costs	-	257	-	-257	-	-
Profit for the year	-	-	-	-	4 446	4 446
Share equity 2023-06-30	575	6 957	16 925	11 814	4 446	40 717

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	
Share equity 2022-01-01	575	6 275	16 925	4 084	4 582	32 440
Brought forward	-	-	-	4 582	-4 582	-
Reserve development costs	-	425	-	-425	-	-
Profit for the year	-	-	-	-	3 831	3 831
Share equity 2022-12-31	575	6 700	16 925	8 240	3 831	36 271

Statement of cash flow

(KSEK)	2023 Apr–Jun 3 months	2022 Apr–Jun 3 months	2023 Jan–Jun 6 months	2022 Jan–Jun 6 months	2022 Jan–Dec full year
Operating activities					
Profit after financial items	3 049	1 248	5540	1 412	4 900
Adjustment depreciations, other	450	534	780	1 007	2 130
Paid income tax	-321	-506	-642	-990	-1 218
Cash flow from changes in working capital					
Changes in inventory	-2 874	-615	-4 375	-1 526	-5 198
Changes in account receivables	-78	4	437	-241	-1 595
Changes in other receivables	666	424	308	287	493
Changes in account payables	-4 948	-1 102	-2 402	-681	1 011
Changes in other liabilities	-711	492	-267	933	628
Cash flow from operating activities	-4 768	477	-621	199	1 151
Investment activities					
Investment in intangible assets	-553	-818	-840	-818	-1 868
Investment in tangible assets	-85	-118	-250	-812	-1 320
Increase/decrease short term financial investments and receivables	3 000	-6 500	2 491	-6 800	-8 600
Cash flow from investment activities	2 362	-7 436	1 401	-8 430	-11 788
Financing activities					
Changes in long-term loan	-	-250	-1 750	-500	-1 000
Cash flow from financing activities	-	-250	-1 750	-500	-1 000
Cash flow for the period	-2 406	-7 208	-970	-8 730	-11 636
Cash at the beginning of the period	5 377	14 055	3 941	15 577	15 577
Cash at the end of the period	2 971	6 847	2 971	6 847	3 941
Short-term investment	8 415	9 221	8 415	9 221	10 718
Total cash and equivalents at the end of the period	11 386	16 068	11 386	16 068	14 659

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, August 29, 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

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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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