

January – September

# 2023 Q3

## Interim report



# Key figures Q3 2023

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

KSEK

## Net sales

**13 839** (8 646)  **+60 %**

## EBIT

**6 576** (1 899)  **+246 %**

### Q3 | 2023-07-01—2023-09-30

- Net sales for the quarter amounted to 13 839 (8 646) kSEK
- EBIT for the quarter amounted to 6 576 (1 899) kSEK
- Net profit for the quarter amounted to 4 986 (1 497) kSEK
- Earnings per share for the quarter amounted to 0,48 (0,14) SEK

### Q1-Q3 | 2023-01-01—2023-09-30

- Net sales for the period amounted to 36 629 (22 443) kSEK
- EBIT for the period amounted to 11 890 (3 263) kSEK
- Net profit for the period amounted to 9 432 (2 617) kSEK
- Earnings per share for the period amounted to 0,90 (0,25) SEK
- Total cash and equivalents amounted to 16 640 (17 272) kSEK

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

#### Definitions

Equity/assetratio, %,

= Equity as a percentage of total assets.

Earnings per share, SEK,

= Net income divided by the average number of shares.

# Significant events Q3 2023

## August

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 euros from China through its Chinese joint venture.

## September

On September 24, BPC received a purchase order from a leading multinational manufacturer of sugar, alcohol, and starch, headquartered in Belgium. The order encompasses the delivery of two complete AMPTS® III systems, with a total order value exceeding 54,000 euros.

## September

On September 26, BPC announced that its CEO Jing Liu was a featured speaker and nominated finalist for the European Entrepreneur of the Year Award at the EU Supplier Diversity Conference and Awards 2023 on September 20-21st in Amsterdam. During the conference, Jing Liu participated in a panel debate regarding ESG-driven supplier diversity.

## After the period

### November

On November 8, BPC announced that the Company has received purchase orders from three Indian biogas companies for the delivery of several of the Company's flagship analytical instruments with a total order value of over 94 000 euros.

## After the period

### November

On November 13, BPC launched BPC® Core – a self-contained, high precision gas volume and flow meter array designed for monitoring of up to 9 or 18 parallel gas streams. Its distinctive integrated data acquisition and processing systems enable it to operate autonomously, eliminating the need for a computer or any other external device.

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



## CEO Dr. Jing Liu comments:

# Product development paves the way for future growth

**I'm pleased to present our Q3 2023 report for BPC Instruments. This quarter, we've sustained the exceptional momentum from the first half of the year. Our Q3 net sales amounted to KSEK 13,839, representing a 60 percent increase from the same period last year. Additionally, our EBIT reached a solid KSEK 6,576, a substantial increase of 246 percent compared to the same period in 2022. These figures reflect the robustness of our operations and highlight the continued growth and success of BPC Instruments. I extend my gratitude to our dedicated team and partners for their commitment to our current business expansion.**

One of the defining highlights of this quarter was the warm welcome of our recently launched product, BPC® Blue. Just two months after its global introduction, we have witnessed a strong increase in purchase orders, including a significant order of 83,000 euros from China through our Chinese joint venture. This rapid market adoption has led to a robust sales pipeline, with multiple sold leads in key markets across North America, Europe, and Asia. The recognition and demand for BPC® Blue underscore its potential as a groundbreaking solution for cost-effective material biodegradability analysis, aligning perfectly with the global shift towards eco-friendly, biodegradable materials to replace single-use plastics.

As we continue to expand into new market segments, our reputation as a stable green-tech company grows stronger. This quarter, we received a significant order from a leading global sugar producer for biogas production, further validating the relevance of our products in the biogas sector. The order includes the delivery of two complete AMPTS® III systems, with a total order value exceeding 54,000 euros. This order highlights the importance of feedstock quality control and the effectiveness of our flagship product, AMPTS®.

In recent months, we've been actively participating in global business events, solidifying our presence in key industry gatherings. Writing this, I recently returned from the European Biomethane Week

2023 in Brussels – a crucial event for biogas industry stakeholders and we were thrilled to be a part of it. The conference featured a high-level European Biogas Conference with over 600 participants and 40 speakers, all dedicated to advancing sustainable biomethane production.

During the event, we had the opportunity to showcase one of our key products, the AMPTS® III, which plays a pivotal role in selecting and ensuring quality control of sustainable feedstock for boosting biomethane production to reduce dependence of imports of fossil natural gas and contribute to achieving climate and environmental goals in Europe. The demand for sustainable biomass feedstock is clear, and the EU's new investments and policies have created significant business opportunities for the fast growing biogas/biomethane business. We are fully engaged in supporting the European Commission's goal, and we're excited about the possibilities this endeavor holds for our company.

In conclusion, the third quarter of 2023 has been a period of significant growth for BPC Instruments. We have observed robust financial performance, characterized by a consistent trend of numerous purchase orders of standard sizes around the world. Additionally, the successful launch of BPC® Blue, accompanied by significant orders, further reaffirms our strong position in the market. As we move forward in 2023, we are excited about the sustained high market interest and a strong sales pipeline. Our unwavering commitment to innovation continues to propel us toward future growth and success. I look forward to keeping you updated on our latest product developments.

We appreciate your continued support and look forward to sharing more exciting developments in the upcoming quarter. Thank you for being a part of our journey.

Lund, in November, 2023

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







# How do BPC's products contribute to diverse industrial applications?

In any production process, maintaining control over the quality of raw materials is essential to ensure the production of high-quality, scalable, and stable end products. This principle holds true for the biogas and biomethane industry, and BPC offers intelligent and automated analytical instruments for the evaluation and control of biomass feedstock. Whether it's food waste, manure, agricultural residues, sewage sludge, or wastewater, BPC's flagship products, such as AMPTS® and BioReactor Simulator (BRS) play a crucial role in ensuring the efficient and reliable large-scale production of biogas and biomethane.

By employing a precise and automated procedure, AMPTS® and BRS helps limit the costs and errors associated with conventional manual analysis. This, in turn, empowers the biogas industry to select the right feedstock and execute suitable process operations, maximizing biomethane production from biomass feedstock at any given moment.

The same concept extends to various biological fermentation processes, including assessing the biodegradability of new plastic materials, analyzing wastewater treatment processes, and conducting animal feed analyses. Here, BPC's products like BPC® Blue, BPC® Go and Gas Endeavour® III serve as powerful tools for the analysis of gas evolution or consumption. These instruments are pivotal in optimizing and controlling fermentation processes and in performing quality control of raw materials and 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. 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>

# 5 reasons to join BPC's journey as an investor

## 1 Proven track record

BPC Instruments has a strong track record, setting the stage for future growth. Our history of success shows our capability to seize opportunities and handle challenges adeptly.

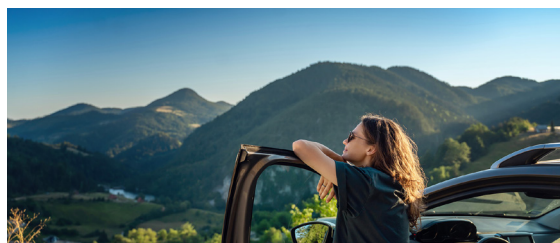


## 2 Diversified market presence

BPC Instruments transitioned from a niche player to diversify its presence in multiple biotechnology sectors, reducing risks and enabling new growth opportunities.

## 3 Focus on green technologies

BPC Instruments aligns with global demand for eco-friendly solutions, ensuring long-term sustainability and market relevance through its green tech and biotech innovation.



## 4 Digital transformation

The company swiftly adopts digitalization in marketing, sales, training, and support to enhance competitiveness, customer engagement, and efficiency.

## 5 Team of experts

BPC Instruments has a collaborative team known for their unwavering commitment to innovation. The management and board bring both scientific and strategic expertise for sustainable growth.





## Financial information

### Income

Net sales mainly consist of the company's products such as instruments. Net sales for the third quarter of 2023 amounted to 13 839 kSEK (8 646 kSEK). Net sales for the first nine months of 2023 amounted to 36 629 kSEK (22 443 kSEK).

### Costs

The operating expenses consist of mainly other external costs, personnel cost, raw material and consumables. The operating expenses during the third quarter of 2023 amounted to -7 583 kSEK (-7 373 kSEK). The operating expenses during the first nine months of 2023 amounted to -26 715 kSEK (-20 948 kSEK).

### Results

The profit after financial items for the third quarter of 2023 amounted to 6 280 kSEK (1 888 kSEK). The profit after financial items for the first nine months of 2023 amounted to 11 819 kSEK (3 300 kSEK).

### Financing and financial position

Cash as of September 30, 2023, amounted to 8 025 kSEK (7 452 kSEK). Including short and long investments the total cash and equivalents amounted to 16 640 kSEK (17 277 kSEK).

### Equity

At the end of the period, BPC Instruments' equity/asset ratio was 89,2 % (81,9 %).

### Number of employees

As of September 30, 2023, the number of employees was 12 (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 September 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.

### Share-based incentive programs

BPC's eight core employees has, through a long-term incentive program, held a total of 93,304 warrants of series 2021/2023, which entitled them to subscribe for an equal number of shares, at a price of 41 SEK per share, during the period October 28 – November 11, 2023. During the subscription period, no holder of subscription warrants signed for new shares. If the

warrants had been fully exercised, it had corresponded to a dilution of the number of shares and votes in the Company of approximately 0.95 percent.

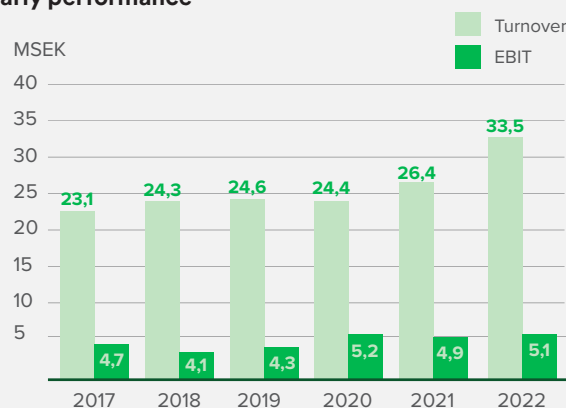
### Financial calendar:

Events	Date
Year-end report Q4 2023	2024-02-28
Interim report Q1 2024	2024-05-06
Annual report 2023	2024-05-06
AGM 2024	2024-05-28
Interim report Q2 2024	2024-08-29
Interim report Q3 2024	2024-11-14

The table below shows the company's ten largest shareholders at the end of the period:

Names	Votes & Capital
BPCI Holding AB (Jing Liu)	65,26%
Gustaf Olsson	12,19%
Sustainable Holding Sweden AB (Kristofer Cook)	5,21%
Nordnet Pensionsförsäkring	3,91%
ES Aktiehandel AB (Erik Selin)	3,48%
Avanza Pension	2,40%
Exelity AB	1,40%
Kent Eklund	0,51%
Gerardus Straatman	0,35%
Anders Joel Sjöstrand	0,31%
<b>Total ten largest shareholders</b>	<b>95,02%</b>
Other shareholders	4,98%
<b>Total</b>	<b>100%</b>

### Yearly performance





## Income statement

(KSEK)	2023 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec full year
Net sales	13 839	8 646	36 629	22 443	33 552
Activated work for own account	165	468	1 005	1 286	1 868
Other income	155	158	971	482	887
<b>Operating income</b>	<b>14 159</b>	<b>9 272</b>	<b>38 605</b>	<b>24 211</b>	<b>36 306</b>
<i>Operating expenses</i>					
Raw materials and consumables	-2 842	-2 593	-10 238	-7 151	-11 357
Other external costs	-1 866	-1 727	-5 969	-5 348	-6 987
Personnel costs	-2 420	-2 572	-8 871	-6 923	-10 636
Depreciation of tangible and intangible assets	-410	-488	-1 247	-1 495	-1 985
Other operating expenses	-46	8	-391	-31	-232
	-7 583	-7 373	-26 715	-20 948	-31 198
<b>EBIT</b>	<b>6 576</b>	<b>1 899</b>	<b>11 890</b>	<b>3 263</b>	<b>5 109</b>
<i>Result from financial investments</i>					
Other interest income and similar items	66	113	433	300	76
Other interest expenses and similar items	-362	-124	-504	-263	-284
<b>Total result from financial investments</b>	<b>-296</b>	<b>-12</b>	<b>-71</b>	<b>37</b>	<b>-209</b>
<b>Profit after financial items</b>	<b>6 280</b>	<b>1 888</b>	<b>11 819</b>	<b>3 300</b>	<b>4 900</b>
Tax	-1 295	-391	-2 388	-683	-1 069
<b>Net Profit</b>	<b>4 986</b>	<b>1 497</b>	<b>9 432</b>	<b>2 617</b>	<b>3 831</b>
Earnings per share before and after dilution (SEK)	0,48	0,14	0,90	0,25	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)	2023-09-30	2022-09-30	2022-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
<i><b>Intangible assets</b></i>			
Capitalized expenditure on development and similar work	6 492	5 859	6 162
Patent	335	629	537
<b>Total intangible assets</b>	<b>6 827</b>	<b>6 488</b>	<b>6 700</b>
<i><b>Tangible assets</b></i>			
Equipment, tools, fixtures, and fittings	1 422	1 603	1 670
<b>Total tangible assets</b>	<b>1 422</b>	<b>1 603</b>	<b>1 670</b>
<i><b>Financial assets</b></i>			
Investment in associated companies	6 824	5 081	5 081
Endowment insurance	5 621	2 821	5 021
Other financial assets	109	0	-
<b>Total financial assets</b>	<b>12 554</b>	<b>7 902</b>	<b>10 102</b>
<b>Total fixed assets</b>	<b>20 803</b>	<b>15 992</b>	<b>18 471</b>
<b>Current assets</b>			
Inventories			
Raw materials and consumables	<b>11 172</b>	<b>5 547</b>	<b>7 676</b>
<i><b>Short-term receivables</b></i>			
Accounts receivables	5 900	4 236	6 689
Tax receivables	0	661	108
Other receivables	574	1 103	1 077
Prepaid expenses and acquired income	1 764	795	742
<b>Total current receivables</b>	<b>8 238</b>	<b>6 794</b>	<b>8 615</b>
<i><b>Other short-term investments</b></i>			
Other short-term investments	2 994	7 000	5 697
<i><b>Cash and cash equivalents</b></i>			
Cash and cash equivalents	8 025	7 452	3 941
<b>Total current assets</b>	<b>30 430</b>	<b>26 793</b>	<b>25 930</b>
<b>Total assets</b>	<b>51 233</b>	<b>42 786</b>	<b>44 401</b>



## Balance sheet – Equity

(KSEK)	2023-09-30	2022-09-30	2022-12-31
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b><i>Restricted equity</i></b>			
Share capital	575	575	575
Reserve development costs	6 827	6 488	6 700
<b>Total restricted equity</b>	<b>7 402</b>	<b>7 063</b>	<b>7 275</b>
<b><i>Non restricted equity</i></b>			
Share premium reserve	16 925	16 925	16 925
Profit or loss brought forward	11 944	8 452	8 240
Profit/loss for the year	9 432	2 617	3 831
<b>Total non-restricted equity</b>	<b>38 301</b>	<b>27 994</b>	<b>28 996</b>
<b>Total equity</b>	<b>45 703</b>	<b>35 057</b>	<b>36 271</b>
<b><i>Long term liabilities</i></b>			
Loan to credit institutions	0	1 000	750
<b>Total long-term liabilities</b>	<b>0</b>	<b>1 000</b>	<b>750</b>
<b><i>Current liabilities</i></b>			
Credit institutions	0	1 000	1 000
Prepayment from customers	49	0	327
Account payables	2 238	3 423	3 813
Tax liabilities	1 316	0	-
Other liabilities	356	374	548
Accrued expenses and deferred income	1 572	1 932	1 692
<b>Total current liabilities</b>	<b>5 530</b>	<b>6 729</b>	<b>7 380</b>
<b>Total equity and liabilities</b>	<b>51 233</b>	<b>42 786</b>	<b>44 401</b>

## Changes in shareholder equity Q3 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	-	127	-	-127		0
Profit for the year	-	-	-	-	9 432	9 432
<b>Share equity 2023-09-30</b>	<b>575</b>	<b>6 827</b>	<b>16 925</b>	<b>11 944</b>	<b>9 432</b>	<b>45 703</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 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec full year
<b>Operating activities</b>					
Profit after financial items	6 280	1 888	11820	3 300	4 900
Adjustment depreciations, other	692	465	1 472	1 472	2 130
Paid income tax	-321	-298	-963	-1 289	-1 218
<b>Cash flow from changes in working capital</b>					
Changes in inventory	879	-1 543	-3 496	-3 069	-5 198
Changes in account receivables	-44	936	393	694	-1 595
Changes in other receivables	-827	128	-519	415	493
Changes in account payables	826	1 303	-1 576	621	1 011
Changes in other liabilities	-323	-662	-590	271	628
<b>Cash flow from operating activities</b>	<b>7 162</b>	<b>2 216</b>	<b>6 541</b>	<b>2 415</b>	<b>1 151</b>
<b>Investment activities</b>					
Investment in intangible assets	-165	-468	-1 005	-1 286	-1 868
Investment in tangible assets	0	-294	-250	-1 105	-1 320
Investment in associated companies	-1 743	0	-1 743	0	0
Increase/decrease short term financial investments and receivables	-200	-600	2 291	-7 400	-8 600
<b>Cash flow from investment activities</b>	<b>-2 108</b>	<b>-1 361</b>	<b>-707</b>	<b>-9 791</b>	<b>-11 788</b>
<b>Financing activities</b>					
Changes in long-term loan	0	-250	-1 750	-750	-1 000
<b>Cash flow from financing activities</b>	<b>0</b>	<b>-250</b>	<b>-1 750</b>	<b>-750</b>	<b>-1 000</b>
<b>Cash flow for the period</b>	<b>5 054</b>	<b>605</b>	<b>4 084</b>	<b>-8 125</b>	<b>-11 636</b>
Cash at the beginning of the period	2 971	6 847	3 941	15 577	15 577
<b>Cash at the end of the period</b>	<b>8 025</b>	<b>7 452</b>	<b>8 025</b>	<b>7 452</b>	<b>3 941</b>
Short-term investment	8 615	9 821	8 615	9 821	10 718
<b>Total cash and equivalents at the end of the period</b>	<b>16 640</b>	<b>17 272</b>	<b>16 640</b>	<b>17 272</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, November 16, 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*

For further information, please contact:  
Dr. Jing Liu, CEO  
[ir@bpcinstruments.com](mailto:ir@bpcinstruments.com)

**BPC Instruments AB (publ)**  
Mobilvägen 10  
SE-223 62 Lund  
Sweden

Phone: +46 (0) 46 16 39 51  
IR contact: [ir@bpcinstruments.com](mailto:ir@bpcinstruments.com)  
Website: [www.bpcinstruments.com](http://www.bpcinstruments.com)  
Orgnr: 556687-2460



**Excellence is built  
on precision and  
accuracy**

BPC Instruments AB  
Mobilvägen 10  
SE-223 62 Lund  
Sweden

