

January—December

2023 Q4

Year-end report




Key figures full year 2023


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

KSEK

Net sales

50,123 (33,552)  **+49%**

EBIT

15,083 (5,109)  **+295%**

Q4 | 2023-10-01—2023-12-31

- Net sales for the quarter amounted to 13,494 (11,109) kSEK, increase by +21 %.
- EBIT for the quarter amounted to 3,193 (1,846) kSEK, increase by +73 %.
- Net profit for the quarter amounted to 2,450 (1,215) kSEK, increase by +102 %.
- Earnings per share for the quarter amounted to 0,23 (0,12) SEK

Q1-Q4 | 2023-01-01—2023-12-31

- Net sales for the period amounted to 50,123 (33,552) kSEK, increase by +49 %.
- EBIT for the period amounted to 15,083 (5,109) kSEK, increase by +295 %
- Net profit for the period amounted to 11,881 (3,831) kSEK, increase by +310 %
- Earnings per share for the period amounted to 1,14 (0,37) SEK
- Total cash and equivalents amounted to 20,344 (14,659) kSEK

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

Definitions

Equity/assetratio, %,

Earnings per share, SEK,

= Equity as a percentage of total assets.

= Net income divided by the average number of shares.

Highlights during 2023

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.

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.

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 Euros.

On March 7, BPC received a purchase order for three additional Gas Endeavour® systems from an Irish multinational industrial group. The total value of the two successive orders amounts to over 97,000 Euros.

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.

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.

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.

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.

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.

On August 21, BPC published an update on the impressive success of its recently launched product, BPC® Blue. 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.

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.

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.

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.

On November 22, BPC announced the global launch of its latest innovation, BioReactor Simulator (BRS) III – the next generation of a laboratory-scale instrument designed to accurately replicate continuously fed biogas production processes.

On November 29, BPC announced a purchase order from the California-based branch of a prominent multinational oil and gas company. The order encompasses delivery of two comprehensive AMPTS® III systems and two BPC® Bioreactors CSTR-10S, with a total order value exceeding 82,000 USD.

On December 19, BPC received three consecutive purchase orders from an Austrian company for supporting the technology and business development in transforming waste into biomethane. The comprehensive package includes the delivery of a system of the newly released BioReactor Simulators (BRS) III, one first-generation BRS, multiple units of BPC® Bioreactors CSTR-5G, and BPC® Go, amounting to a total order value exceeding 92,000 Euros.

On December 21, announced the reception of a substantial purchase order for multiple Gas Endeavour® and its Core units, alongside BPC® Bioreactors CSTR-10S via its French distributor – Labo-M Solution. The order exceeded a total value of 73,000 Euros.

Highlights after the period

On January 25, 2024, BPC received a purchase order from prestigious Swedish University of Agricultural Science (SLU). The order encompasses the delivery of three Gas Endeavour® core units, with a total order value exceeding 729,000 SEK.

On January 30, 2024, BPC revealed the results of its annual customer survey, demonstrating another year of exceptional levels of customer satisfaction. The survey, conducted in December 2023 with nearly 900 global customers, revealed that 95 percent of respondents rate BPC's customer support as 'very satisfied' or 'satisfied'.

On February 20, 2024, BPC announced a purchase order from a prestigious, multi-mission laboratory that provides crucial science and technology to support various federal, state, and local government agencies, companies, and organizations in addressing the most challenging security issues within the US. The order consists of the delivery of two Gas Endeavour® systems, with a total order value equivalent to 673,000 SEK.

CEO Dr. Jing Liu comments:

Wrapping up a record year with steady growth and bright outlook

Lund in February, 2024,

It brings me great pleasure to present a comprehensive overview of the year-end report for the Q4 period & full year of 2023, marking the conclusion of what can only be described as a historic fiscal year for BPC Instruments. As we enter a promising new year, I'm excited to share some insights into our recent achievements and the strategic initiatives that will guide our path forward.

Financially, our journey has been remarkable, with 2023 net sales totalling at KSEK 50,123 – an 49 percent increase compared to the fiscal year of 2022. The robust growth is underscored by our EBIT, standing at KSEK 15,083, marking an impressive 195 percent increase from last year. These numbers not only reflect our commitment to operational efficiency but also highlight the hard work of our dedicated team.

To support our growth journey, I am thrilled to announce that BPC Instruments has recently welcomed four talented individuals in the beginning of 2024. These strategic additions, spread across our sales, business and technical development teams, fortify our capabilities and position us for continued success in the ever-evolving landscape of analytical instrument solutions.

Our latest innovation, BPC® Core, has garnered significant attention and praise since its global launch. This state-of-the-art meter array sets a new standard in gas volume and flow monitoring, catering to diverse research and industrial applications. BPC® Core not only signifies our commitment to innovation but also equips us to offer even more diverse and flexible solutions. Simultaneously, Automatic Methane Potential Test System (AMPTS®) III and BioReactor Simulator (BRS) III, our precision instruments for batch and continuous fermentation tests, have proven instrumental in supporting feedstock quality control, more stable and efficient biogas production.

These strategic innovations solidify our position as leaders in the biomethane industry, especially in regions prioritizing reduced dependence on imported natural gas. Our initiatives in the vibrant Indian biogas market have yielded meaningful success, evidenced by multiple purchase orders totaling over 94,000 Euros from three major Indian biogas companies. This achievement reflects our adaptability to market trends and highlights our commitment to providing cutting-edge solutions tailored to the unique needs of this dynamic market. Additionally, our involvement in the Renewable Energy India Expo 2023 played a pivotal role in enhancing our visibility and building important relationships in this promising region.

In addition to these accomplishments, I am delighted to share the exceptional outcomes of our annual customer satisfaction survey for 2023. BPC has achieved an impressive 95 % satisfaction rate in customer support and a remarkable 92 % overall satisfaction rate. The positive feedback received on product quality, user-friendliness, and reliability serves as a testament to our commitment to excellence.

A heartfelt thank you to our global customers who participated in the survey; your insights are invaluable and play a crucial role in guiding BPC's mission to be the preferred choice for industrial and academic clients worldwide.

As we celebrate these achievements and embark on a new year filled with promise, I am thankful for the increased awareness that BPC is receiving from new and long-term investors. I extend my sincere appreciation for your continued support and trust in BPC Instruments. Our journey of growth and innovation is made possible by your partnership, and we look forward to delivering even greater value in the years to come.

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 industry, with the Board of Directors estimating its current global market share in feedstock quality analysis for biogas production to be approximately 90 percent. This rapidly expanding market is being propelled by the urgent necessity for increased biomethane production across Europe, the United States, India, and globally, to ensure national energy security and enhance sustainable development across all industrial sectors. 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.

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.

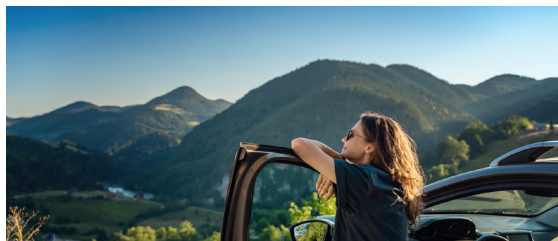


2 Diversified market presence

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 fourth quarter of 2023 amounted to 13,494 kSEK (11,109 kSEK). Net sales for the full year of 2023 amounted to 50,123 kSEK (33,552 kSEK).

Costs

The operating expenses consist of mainly other external costs, personnel cost, raw material and consumables. The operating expenses during the fourth quarter of 2023 amounted to -10,381 kSEK (-10,250 kSEK). The operating expenses during the full year of 2023 amounted to -37,097 kSEK (-31,198 kSEK).

Results

The profit after financial items for the fourth quarter of 2023 amounted to 3,086 kSEK (1,600 kSEK). The profit after financial items for the full year of 2023 amounted to 14,905 kSEK (4,900 kSEK).

Financing and financial position

Cash as of December 31, 2023, amounted to 11,129 kSEK (3,941 kSEK). Including short and long term investments the total cash and equivalents amounted to 20,344 kSEK (14,659 kSEK).

Equity

At the end of the period, BPC Instruments' equity/asset ratio was 0.87 % (0.81 %).

Number of employees

As of December 31, 2023, the number of employees was 12 (13).

Audit of the report

This interim 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 principle.

Proposal for disposition of BPC Instruments' results

The Board and the CEO propose that no dividend be paid for the financial year 2023-01-01–2023-12-31.

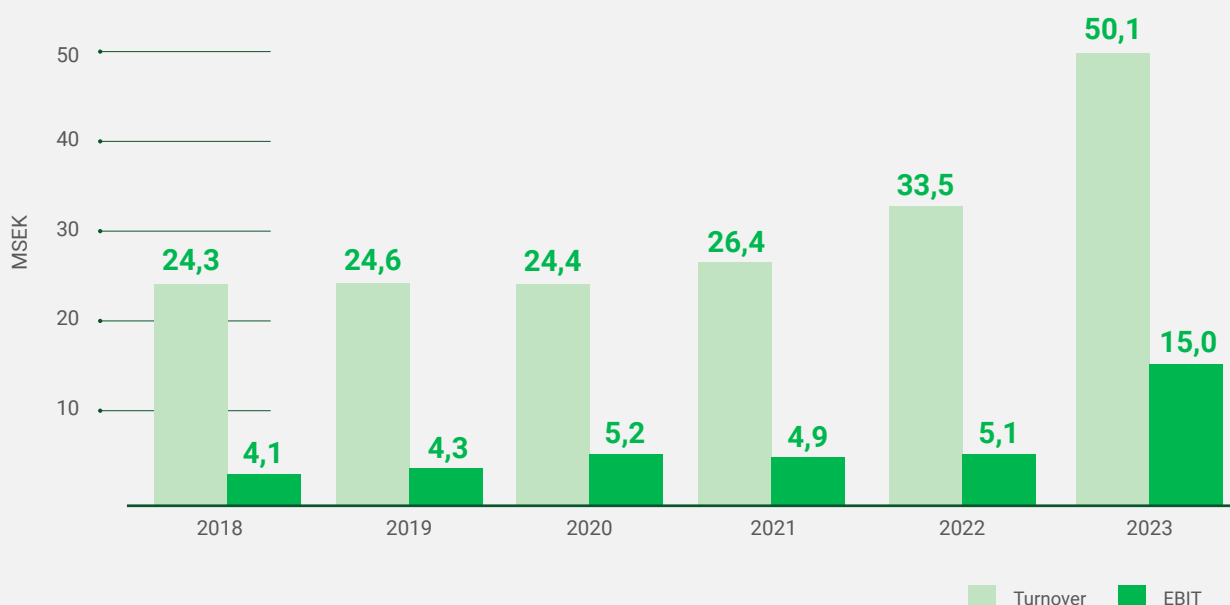
Annual General Meeting and availability of the Annual report

The Annual General Meeting will be held on May 28, 2024, 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.

Financial calendar:

Events	Date
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
Interim report Q4 2024	2025-02-26

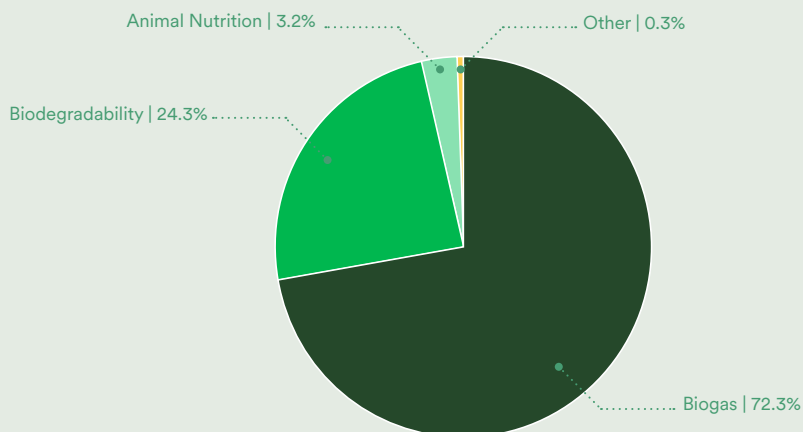
Yearly performance



BPC's Market distribution in 2023

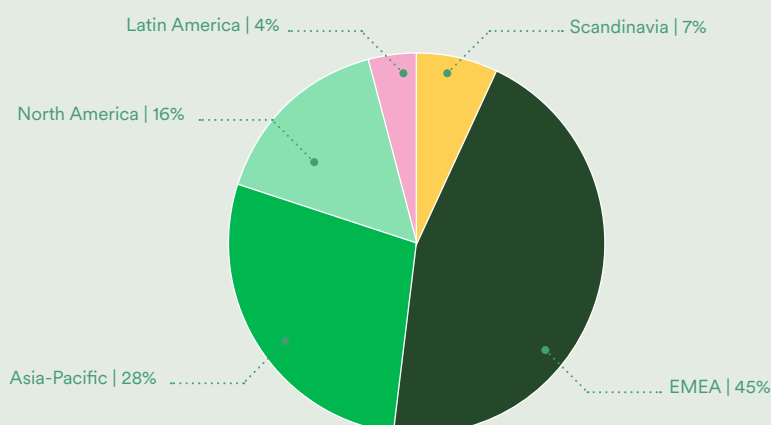
Sector distribution of net sales

In 2023, BPC instruments primarily derived sales from biogas applications, accounting for 72.3% of their net sales. Biodegradability applications followed at 24.3%. Animal nutrition and other sectors made smaller contributions, comprising 3.2% and 0.3% respectively. This distribution highlights BPC's emphasis on biogas applications within its product portfolio.



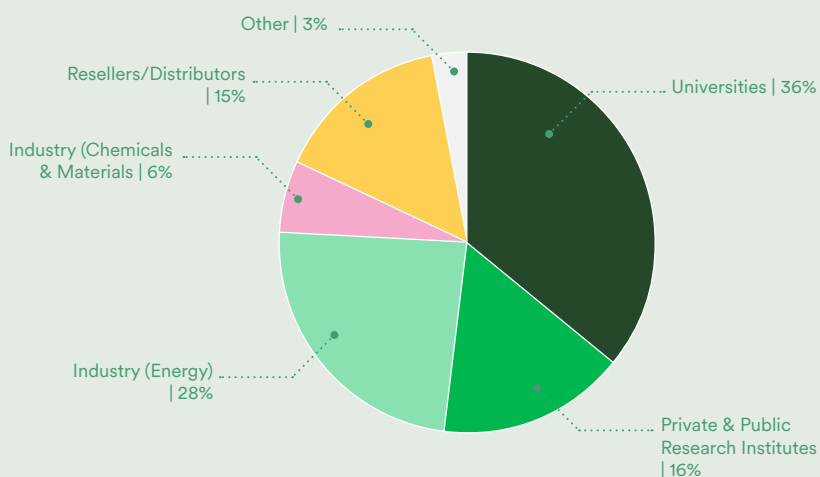
Region distribution of net sales

BPC instruments witnessed diversified market distribution in 2023, with EMEA leading at 45%, followed by Asia-Pacific at 28%, North America at 16%, and Scandinavia at 7%. Latin America contributed 4%, demonstrating a well-rounded global distribution strategy.



Region distribution of customer type

Across regions, universities emerged as the largest customer segment at 36%, followed by industry sectors such as energy (24%) and chemicals/materials (6%). Private and public research institutes accounted for 16%, while resellers/distributors and other contributed 15% and 3% respectively, reflecting a tailored approach to diverse market segments.



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 December 31, 2023, was 10 454 000.

Ticker: BPCINS

Marketplace: Spotlight Stock Market

ISIN Code: SE0017130826

Names	Votes & Capital
BPCI Holding AB (Jing Liu)	65.26%
Gustaf Olsson	12.19%
Sustainable Holding Sweden AB (Kristofer Cook)	5.21%
ES Aktiehandel AB (Erik Selin)	3.83%
Nordnet Pensionsförsäkring	3.54%
Avanza Pension	1.71%
Exelity AB	1.20%
Kent Eklund	0.52%
Gerardus Straatman	0.34%
Anders Joel Sjöstrand	0.32%
Total ten largest shareholders	94.12%
Other shareholders	5.88%
Total	100%

Share price development 2023



Income statement

(kSEK)	2023 Oct-Dec 3 months	2022 Oct-Dec 3 months	2023 Jan-Dec full year	2022 Jan-Dec full year
Net sales	13,494	11,109	50,123	33,552
Activated work for own account	30	582	1,036	1,868
Other income	50	405	1,021	887
Operating income	13,574	12,096	52,179	36,306
<i>Operating expenses</i>				
Raw materials and consumables	-3,017	-4,206	-13,255	-11,357
Other external costs	-2,620	-1,639	-8,589	-6,987
Personnel costs	-3,996	-3,713	-12,867	-10,636
Depreciation of tangible and intangible assets	-407	-490	-1,654	-1,985
Other operating expenses	-341	-201	-731	-232
	-10,381	-10,250	-37,097	-31,198
EBIT	3,193	1,846	15,083	5,109
<i>Result from financial investments</i>				
Other interest income and similar items	50	-224	483	76
Other interest expenses and similar items	-157	-22	-661	-284
Total result from financial investments	-107	-246	-177	-209
Profit after financial items	3,086	1,600	14,905	4,900
Tax	-636	-386	-3,024	-1,069
Net Profit	2,450	1,215	11,881	3,831
Earnings per share before and after dilution (SEK)	0,23	0,12	1,14	0,37
Total number of shares	10,454,000	10,454,000	10,454,000	10,454,000

Balance sheet – Assets

(kSEK)	2023-12-31	2022-12-31
Assets		
Fixed assets		
<i>Intangible assets</i>		
Capitalized expenditure on development and similar work	6,294	6,162
Patent	268	537
Total intangible assets	6,562	6,700
<i>Tangible assets</i>		
Equipment, tools, fixtures, and fittings	1,382	1,670
Total tangible assets	1,382	1,670
<i>Financial assets</i>		
Investment in associated companies	6,824	5,081
Endowment insurance	6,221	5,021
Other financial assets	109	0
Total financial assets	13,154	10,102
Total fixed assets	21,098	18,471
Current assets		
Inventories		
Raw materials and consumables	12,533	7,676
<i>Short-term receivables</i>		
Accounts receivables	5,505	6,689
Tax receivables	0	108
Other receivables	816	1,077
Prepaid expenses and acquired income	936	742
Total current receivables	7,258	8,615
<i>Other short-term investments</i>		
Other short-term investments	2,994	5,697
<i>Cash and cash equivalents</i>		
Cash and cash equivalents	11,129	3,941
Total current assets	33,914	25,930
Total assets	55,012	44,401

Balance sheet – Equity

(kSEK)	2023-12-31	2022-12-31
Equity and liabilities		
Equity		
<i>Restricted equity</i>		
Share capital	575	575
Reserve development costs	6,661	6,700
Total restricted equity	7,236	7,275
<i>Non restricted equity</i>		
Share premium reserve	16,925	16,925
Profit or loss brought forward	12,111	8,240
Profit/loss for the year	11,881	3,831
Total non-restricted equity	40,918	28,996
Total equity	48,153	36,271
<i>Long term liabilities</i>		
Loan to credit institutions	0	750
Total long-term liabilities	0	750
<i>Current liabilities</i>		
Credit institutions	0	1,000
Prepayment from customers	41	327
Account payables	1,601	3,813
Tax liabilities	892	0
Other liabilities	615	548
Accrued expenses and deferred income	3,710	1,692
Total current liabilities	6,859	7,380
Total equity and liabilities	55,012	44,401

Changes in shareholder equity full year 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
Share equity 2023-01-01	575	6,700	16,925	8,240	3,831	36,271
Brought forward	-	-	-	3,831	-3,831	0
Reserve development costs	-	137	-	-137	-	0
Profit for the year	-	-	-	-	11,881	11,881
Share equity 2023-12-31	575	6,837	16,925	11,934	11,882	48,153

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
Share equity 2022-01-01	575	6,275	16,925	4,084	4,582	32,440
Brought forward	-	-	-	4,582	-4,582	0
Reserve development costs	-	425	-	-425	-	0
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 Oct–Dec 3 months	2022 Oct–Dec 3 months	2023 Jan–Dec full year	2022 Jan–Dec full year
Operating activities				
Profit after financial items	3,086	1,600	14,906	4,900
Adjustment depreciations, other	359	658	1,831	2,130
Paid income tax	-1,061	71	-2,024	-1,218
Cash flow from changes in working capital				
Changes in inventory	-1,360	-2,129	-4,856	-5,198
Changes in account receivables	445	-2,289	838	-1,595
Changes in other receivables	585	80	66	493
Changes in account payables	-637	390	-2,213	1,011
Changes in other liabilities	2,390	357	1,800	628
Cash flow from operating activities	3,807	-1,263	10,348	1,151
Investment activities				
Investment in intangible assets	-31	-582	-1,036	-1,868
Investment in tangible assets	-72	-216	-322	-1,320
Investment in associated companies	0	0	-1,743	0
Increase/decrease short term financial investments and receivables	-600	-1,200	1,691	-8,600
Cash flow from investment activities	-703	-1,998	-1,410	-11,788
Financing activities				
Changes in long-term loan	0	-250	-1,750	-1,000
Cash flow from financing activities	0	-250	-1,750	-1,000
Cash flow for the period	3,104	-3,511	7,188	-11,636
Cash at the beginning of the period	8,025	7,452	3,941	15,577
Cash at the end of the period	11,129	3,941	11,129	3,941
Short & long-term investments	9,215	10,718	9,215	10,718
Total cash and equivalents at the end of the period	20,344	14,659	20,344	14,659

Statement by the Board of Directors

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

Lund, February 28, 2024
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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on precision and
accuracy**

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