

BICO Group AB (publ)



Q2 BICO Interim report
January-June 2021

Financial summary

Second quarter

April-June 2021

Net sales amounted to MSEK 293.1 (40.2), which corresponds to an increase of 628% (36) compared to the corresponding period previous year, of which 95% (8) was organic growth.

EBITDA amounted to MSEK 10.6 (-16.0), corresponding to a margin of 3.6% (-39.8). The operating profit during the quarter was affected by acquisition costs totalling MSEK 9.1 and costs of approximately MSEK 5 related to changing the company's name and subsequent re-branding.

Net profit/loss for the period amounted to MSEK -50.5 (-4.8), corresponding to earnings per share before and after dilution of SEK -0.89 (-0.11). The result was positively affected by the market valuation of the company's short-term investments of MSEK 1.7 (12.2).

The gross margin amounted to 69.1% (70.2). The gross margin for the companies that was already included in the comparison period amounted to 75.9%, which was an improvement of 5.7 percentage points compared with the previous year. The change in gross margin was attributable to a changed product mix through the acquisitions where Ginolis and SCIENION had a lower gross margin than other companies in the Group.

Net sales from consumables amounted to MSEK 61.6 (8.6), an increase of 616%. The share of total product sales was 23.4%, which corresponded to an increase of 1.1 percentage points (22.3% in the comparison period).

During the quarter, three acquisitions were made. **German Nanoscribe**, which offers advanced 3D bioprinters based on 2PP technology for MSEK 544, **American Visikol**, which offers contract services in e.g., 3D cell culture, 3D tissue imaging and digital pathology for pharmaceutical and biotechnology companies for MSEK 159, and **American Discover Echo**, which offers innovative hybrid microscopes for MSEK 1,003.

First half-year

January-June 2021

Net sales amounted to MSEK 422.6 (78.2), which corresponds to an increase of 440% (46) compared to the corresponding period previous year, of which 79% (15) was organic growth.

EBITDA amounted to MSEK -24.3 (-21.7), corresponding to a margin of -5.8% (-27.7). The operating profit during the first half year was affected by acquisition costs totalling MSEK 29.6 and costs of approximately MSEK 5 related to changing the company's name and subsequent re-branding.

Net profit/loss for the period amounted to MSEK -98.3 (-38.3), corresponding to earnings per share before and after dilution of SEK -1.78 (-0.90). The result was positively affected by the market valuation of the company's short-term investments of MSEK 6.1 (-10.5).

The gross margin amounted to 71.6% (72.5). The gross margin for the companies that was already included in the comparison period amounted to 78.5%, which was an improvement of 6.0 percentage points compared with the previous year. The change in gross margin was attributable to a changed product mix through the acquisitions where Ginolis and SCIENION had a lower gross margin than other companies in the Group.

Net sales from consumables amounted to MSEK 77.5 (13.1), an increase of 491%. The share of total product sales was 21.1%, which corresponded to an increase of 0.1 percentage points (21.0% in the comparison period).

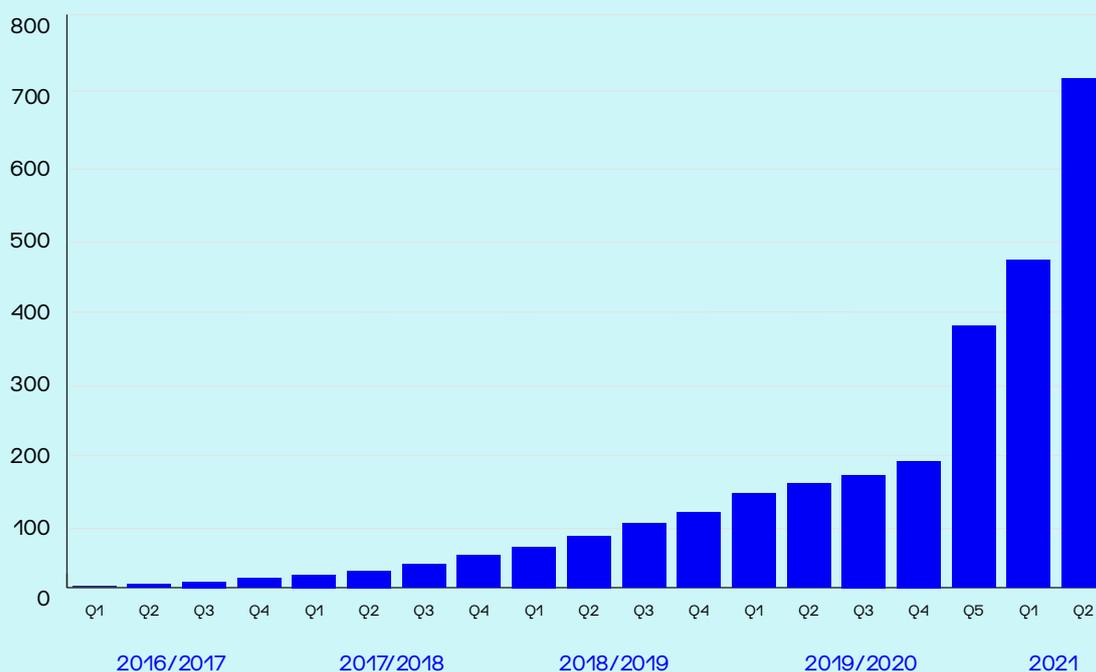
Name change to BICO Group AB (publ)

Read more on pages 5, 7-9 and 15.

Net sales

Rolling 12 months

MSEK



BICO's transition to reporting per calendar year has meant that the company had a fifth quarter (Q5) 2020 which included four months; September 1, 2020, to December 31, 2020. This also meant that 2019/2020 corresponded to reporting from September 1, 2019, to December 31, 2020. All reporting from and including Q1 2021 runs per calendar year.

Group key figures

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|---|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| Gross profit | 202.4 | 28.3 | 302.5 | 56.7 | 298.6 | 263.6 |
| Gross margin, % | 69.1% | 70.2% | 71.6% | 72.5% | 71.8% | 72.0% |
| Operating profit before depreciation and amortization (EBITDA) | 10.6 | -16.0 | -24.3 | -21.7 | 0.8 | 16.4 |
| Operating margin before depreciation and amortization (EBITDA), % | 3.6% | -39.8% | -5.8% | -27.7% | 0.2% | 4.5% |
| Operating profit (EBIT) | -31.4 | -23.1 | -92.2 | -35.2 | -51.9 | -29.4 |
| Operating margin (EBIT), % | -10.7% | -57.4% | -21.8% | -45.0% | -12.5% | -8.0% |
| Profit/loss for the period | -50.5 | -4.8 | -98.3 | -38.3 | -49.0 | -30.1 |
| Earnings per share before and after dilution, SEK** | -0.89 | -0.11 | -1.78 | -0.90 | -1.10 | -0.64 |
| Net debt (-)/Net cash (+) | 138.8 | 339.9 | 138.8 | 339.9 | 755.7 | 755.7 |
| Cash flow from operating activities | -116.8 | -4.4 | -133.1 | -45.8 | -79.4 | -65.6 |
| Number of shares at the end of the period | 57,326,417 | 42,874,776 | 57,326,417 | 42,874,776 | 51,601,285 | 51,601,285 |
| Share price on closing day, SEK | 424.2 | 119.6 | 424.2 | 119.6 | 234.5 | 234.5 |
| Market capitalization on closing day, BSEK | 24.3 | 5.1 | 24.3 | 5.1 | 12.1 | 12.1 |
| Number of employees at the end of the period | 924 | 192 | 924 | 192 | 396 | 396 |

*The comparison period for Q1 2020 and first half year 2020 has been recalculated as a result of the financial year's transition to a calendar year from January 2021.

** BICO conducted a 4:1 split on January 10, 2020. Comparison periods have been restated for correct comparison.

For definitions of alternative key ratios see page 30.

This is a translation of the Swedish original. In the events of any differences between the translation and the Swedish original, the latter shall prevail.



This is BICO

We are industry-leading experts in Bio Convergence. By combining the power of biology, engineering and computer science, we create the future of health. We extend the boundaries of what's possible to give people better and healthier lives.

With Bio Convergence, we can create human tissues and organs using cells from our own bodies, paving the way to save lives and even make us our own organ donors, reducing organ rejection and solve the problem with lack of donors.

We can save lives with faster and more accurate methods for drug discovery, while eliminating the unnecessary use of animal testing.

We can improve healing by developing new, better and individualized treatments, even faster than before.

We can prevent outbreaks and proactively plan around new diseases with better diagnostics.

With Bio Convergence, we take away pain, worries and illness.

We see a future where robotics, artificial intelligence, advanced genomics and bioprinting come together to fundamentally shift the global healthcare industry.

Bio Convergence is where life and technology becomes one, and where doing the seemingly impossible, possible. The key to life itself.

BICO in numbers



65+ countries



2,000+ laboratories



900+ employees



95% organic growth



11 Group companies



1,850+ publications

Since 2016, we have built a world-leading group that offers something unique - namely a revolution in bioconvergence. This concept is indicative for us and therefore we have changed the name of the parent company from CELLINK to BICO. The new name reflects our business strategic agenda in bioconvergence and clarifies that we are a group consisting of 11 subsidiaries divided into three strong business areas: Bioprinting (CELLINK, MatTek, Visikol and Nanoscribe), Biosciences (CYTENA, CYTENA Bioprocess Solutions, Dispendix and Discover Echo) and Bioautomation (SCIENION, CELLENION and Ginolis).

CELLINK is and remains a world-leading brand in 3D bioprinting. CELLINK is a wholly owned subsidiary of BICO and will continue its goal-oriented work with a focus on bioprinting of human organs and tissues. For more information about CELLINK's innovative product portfolio and offer in 3D bioprinting, please visit www.cellink.com.





Significant events during the financial year

Events during the rest of the financial year January-March 2021

On January 25, BICO launched the UP.SIGHT, an effective microscope and single-cell dispenser with double assurance of clonality within cell line development that increases efficiency across workflows.

On January 28, the cooperation between BICO and AstraZeneca in pharmaceutical research was extended for the third year in a row. BICO provides the company's latest 3D-bioprinters and workflows for the exploration of new therapies and pharmaceutical research within AstraZeneca's main therapeutical areas.

On February 8, a new distribution agreement was announced between BICO and seqWell for Single-Cell RNA Sequencing and NGS Library Preparation.

On February 15, an agreement was signed to acquire Ginolis, active within advanced robotics and diagnostics automation. The purchase price amounted to MSEK 648.8 and the acquisition was completed on March 1, 2021.

On March 10, an agreement was signed to acquire MatTek, the global leader in in-vitro technology and alternative drug testing models. The purchase price amounted to MSEK 610 and the acquisition was completed on March 22, 2021.

On March 11-12, the offer and completion of Senior Unsecured Convertible Bonds convertible into Class B shares and a Class B share issue was announced, to a total amount of BSEK 3.

On March 15, BICO launched The BIO MDX™ series, the next-generation bioprinters. The product line is the first to combine CELLINK's and SCIENION's technologies.

On March 23, CELLINK's bioprinter BIO X6 won the prestigious Red Dot Design Award for outstanding design quality.

Events during the quarter April-June 2021

On April 6, the cooperation between BICO and UPM Biomedicals with the aim to bring together UPM's expertise for producing biomaterials with CELLINK's 3D-bioprinting was communicated.

On April 14, BICO received the prestigious gold award for the BIO X6 and two design excellence awards for the C.WASH and UP.SIGHT at the iF Design Awards 2021.

On April 26, the Annual General Meeting 2021 resolved to, among other things, adopt a long-term incentive program for employees, issue convertible bonds and authorize the Board to decide on new share issues.



On May 19, an agreement was signed to acquire German Nanoscribe, who offer advanced 3D-bioprinters based on 2PP-technology. The purchase price amounted to MSEK 544 and the acquisition was completed on May 31, 2021.

On May 20, an agreement was signed to acquire American Visikol, who offer contract research services within e.g., 3D cell culture, 3D tissue imaging and digital pathology for pharmaceutical and biotechnology companies. The purchase price amounted to MSEK 159 and the acquisition was completed the same day.

On June 23, it was communicated that BICO's EpiDerm™ skin model has been approved by the OECD as a stand-alone in-vitro test method for phototoxicity.

On June 26, an agreement was signed to acquire American Discover Echo Inc., an innovative and revolutionary microscopy company. The purchase price amounted to MSEK 1,003 and the acquisition was completed on June 30, 2021.

On June 29, it was communicated that BICO was granted a patent for "Cellulose Nanofibrillar Bioink for 3D Bioprinting for Cell Culturing, Tissue Engineering and Regenerative Medicine Applications" from European Patent Office.

On June 30, it was communicated that BICO was granted its first patent for a robotic-based system for personalized and automated aesthetic medical procedures.

Events after the end of the period

On July 6, it was communicated that Visikol partners with MatTek to leverage their advanced cell culture models in its suite of drug discovery services.

On July 7, it was communicated that the company initiated the process to change name from CELLINK to BICO (**Bl**o **C**o**N**vergence).

On July 19, the S-NEST was launched, a high-throughput micro-bioreactor with real-time monitoring to ensure maximum cell growth and streamlined workflows.

On August 6, the extraordinary general meeting resolved, in accordance with the proposal by the board of directors, to change the company name from CELLINK AB (publ) to BICO Group AB (publ) provided registration of the Swedish Companies Registration Office and to change the company's objects in the articles of association.

The name change only applies to CELLINK AB and not the subsidiaries that are part of the group. The name CELLINK will be used by the wholly owned subsidiary CELLINK Bioprinting AB, which develops and sells bioprinters and consumables under the CELLINK brand.

On August 12, the name change from CELLINK AB (publ) to BICO Group AB (publ) came into force after registration with the Swedish Companies Registration office. This also changed the company's ticker from CLNK to BICO. ISIN and LEI codes remain the same. Otherwise, there are no changes regarding the company's financial instruments.



Increased net sales of 628% driven by M&A and organic growth of 95% and positive EBITDA in Q2.



It is with enormous gratitude that BICO ends the second quarter with growth, acquisitions, and positive EBITDA. During the second quarter, net sales increased to approximately MSEK 293, resulting in organic net sales growth of 95 percent compared with the corresponding period last year. The company's position in the global market has been strengthened thanks to three new customer-oriented acquisitions, efficient work by the global sales team, and further development of the global workforce. I would like to thank the entire team for your dedicated work, the board for your guidance and good cooperation, and our shareholders for your continued trust.

Net sales

Net sales in the second quarter amounted to MSEK 293.1 (40.2), an increase compared with the corresponding period last year of 628% (36). For the first half of the year, net sales amounted to MSEK 422.6 (78.2), an increase compared with the corresponding period last year of 440% (46). BICO delivered strong organic growth during the second quarter equating to 95% (8) and organic growth of 79% (15) was reported for the first half of the year, compared with the corresponding period last year. This was due to continued favorable underlying demand for instruments in Bioprinting and Biosciences. Bioprinting continued to strengthen its market-leading position during the quarter and Biosciences continued to break new ground and increase its market penetration. As of the next interim report, specifically as of September 2021, the comparative figures for SCIENION and CELLENION will be included in the comparative period for organic growth.

The strong growth in sales was due to several factors. The US market has continued to open up and we have a recovery effect in many places; especially from customers in the pharmaceutical industry and academic customers who have been shut down during most of the pandemic. However, there are still differences in different markets and the US opened up to a much greater extent in the quarter compared with Europe and Asia, which showed more restraint.

Bioautomation (formerly Industrial Solutions) reported very strong sales in the second quarter compared with the last quarter. This is due to higher delivery rates and development in major projects. Sales in the segment are partially project-based and are separate from Laboratory Solutions. Our business has been transformed in recent years, which is attributable to our acquisitions but also because we have grown our business both

in terms of volume and product mix. We are continuing to note fluctuations and seasonal effects in the segment and it is our assessment that the last quarter of the year historically has been stronger than the third quarter.

During the quarter, sales of consumables as a share of total product sales corresponded to 23.4%. The growing installed base as well as demand per customer made positive contributions to performance. This is in line with our growth strategy regarding recurring revenues. The relationship between instrument sales and sales of services and consumables was also affected by the acquired companies. MatTek contributed increased sales of consumables, with a high share of recurring revenue, while Ginolis had a lower share of revenue from consumables and services. Nanoscribe had a higher share of service than the rest of the Group. In relative terms, the new companies in the Group have reduced the share of services and had a neutral effect on consumables.

Results

The gross margin in the second quarter was 69.1% (70.2) and the gross margin for the companies that was already included in the comparison period amounted to 75.9% in the quarter, which is an improvement of 5.7 percentage points compared with the previous year.

The change in gross margin pertains to the change in revenue mix due to the acquisitions during the year, since Ginolis and SCIENION had a lower gross margin than other companies in the Group. However, Laboratory Solutions posted a higher gross margin during the quarter, which was due to organic growth, higher average prices for bioprinters and a product mix with more instruments with higher list prices.

In terms of earnings, the Group delivered EBITDA for the second quarter corresponding to a margin of 3.6% (-39.9). The improvement in earnings was primarily due to the increased volume of sales in existing and acquired operations. Earnings for the quarter were charged acquisition costs of MSEK 9.1 and costs of approximately MSEK 5 related to changing the company's name to BICO and the subsequent re-branding. The company is also, as communicated earlier, continuing to invest in Group-wide systems such as ERP, CRM and IT. Investments are also being made in the Group's innovative product development, primarily in bioprinting, live-cell imaging and single-cell proteomics.

We are BICO – the leader in Bio Convergence. We create the future of health by combining technology with biology

In five years, we have built something truly unique – namely a revolution in Bio Convergence. This interim report is the company's first as BICO, which is our new name, a combination of **B**io and **C**onvergence.

After all, it is when biology converges with technology that the most interesting and relevant business opportunities arise for BICO. Therein also lie the answers to many of the difficult healthcare challenges we face today, which is what BICO's Bio Convergence agenda addresses.

CELLINK will remain a subsidiary within BICO and continue to strengthen its position as a world-leading company within 3D bioprinting that offers instruments and consumables to researchers and pharmaceutical companies. BICO also clarifies the Group structure, which consists of a Parent Company and 11 Group Companies in three business areas: Bioprinting, Biosciences and Bioautomation. Through the Bio Convergence agenda, the Group Companies can capitalize on the overall technological development agenda, coordination within product design and UX, synergies in sales of the Group's offering through our own sales teams as well as the joint marketing and communication that put BICO on the map. The Group Companies' focus are product development, sales, and customers. Our customers' demands and needs are our guiding principles. That is why decisions and development need to happen in the Group Companies – close to the customer.

This change has entailed a lot of hard work, and it will continue to do so. It takes courage to innovate, adapt and leverage the opportunities within Bio Convergence. By integrating technology within life science, we can offer something that sets us apart: our instruments and solutions, which can be connected to create efficient workflows. The entire Group offering is compatible with each other and can be customized according to the customer's specific needs. This is unique. Merely within tissue engineering, cell line development, single-cell omics, and diagnostics there are market opportunities exceeding BUSD 150 by 2027.

Complementary strategic acquisitions

This quarter was also eventful in terms of acquisitions, with three new companies. Together, they complement the existing portfolio, and the Group also looks forward to the opportunity to leverage significant synergies.

Nanoscribe stands for revolutionary technology within 3D bioprinting and 2PP technology. Nanoscribe's technology empowers cutting edge science and drives industrial innovation in a wide variety of sectors such as bioprinting, microfluidics, micro-optics, micromechanics, biomedical engineering, and integrated photonics technologies. The life science industry is currently undergoing a very exciting transformation where many processes and technologies are being miniaturized to increase throughput and reduce cost. With Nanoscribe's technology, BICO can drive this transformation, and this enables us to miniaturize devices for a wide range of applications, resulting in internal capabilities to further expand our consumables offering across all business areas.

What BICO adds:

- The development agenda in R&D where we combine biology, engineering and computer science. One example is the combination of technology in BIO MDX.
- We can offer market-leading products, services and consumables customized to our customers' specific needs, and which can be combined to create customized workflows.
- Group synergies in terms of business opportunities, sales structure and structural capital to increase and strengthen our market penetration. One example of this is the sales collaboration between Visikol and MatTek, which began during the quarter.
- An innovative and entrepreneurial culture that permeates all the companies, based on Future. Forward. Fast.
- Sustainability. BICO's overall sustainability agenda, including clear and measurable goals, will be launched during the coming year. Sustainability is part of our DNA – the difference that our instruments make improving people's health.
- A Group-wide M&A agenda focused on acquisitions that add value through unique technology or service offerings that complement the existing portfolio.

BICO has identified considerable potential with the acquisition of **Visikol** through being able to offer additional elements in the drug discovery process by combining the Visikol® HISTO™ tissue clearing reagents with cloud-based technology for analysis, advanced imaging with digital pathology and 3D cell culture assays. This provides an entrance into the contract research market, a BUSD 11.58 market growing at about 8% CAGR. The technology used for analysis also provides synergies, for example for MatTek's customers within 3D tissues. Additionally, the Group has identified the opportunity to continue to develop a strong service-related offering within bioprinting.

Discover Echo has revolutionized the microscopy industry with the world's first and only hybrid (transformable) microscopes. Discover Echo's hybrid microscopes offer the capabilities of both upright and inverted, in a single high-quality instrument, eliminating the need for two separate systems (which is otherwise standard for other microscope manufacturers). BICO offers a myriad of products used by cell culture researchers (e.g., in bioprinting, cell line development or live cell imaging). All of these customers could benefit from Discover Echo's products. This opens up a potential for cross-selling and product bundling, that could help grow multiple product lines and increase the usage of consumables offered by the Group.

Join the Bio Convergence revolution

BICO is currently in a transformative phase. We will continue to challenge. Our investments in research, innovation and development will, to all intents and purposes, change the future of healthcare. Together we are breaking new ground for what's possible. Join the Bio Convergence revolution.

Gothenburg, August 18, 2021

Erik Gatenholm

President and CEO of BICO



The Group

Net sales

Net sales in the second quarter amounted to MSEK 293.1 (40.2), an increase compared to the corresponding period last year of 628% (36), of which 95% (8) was organic growth.

During the quarter, three acquisitions were completed, Nanoscribe GmbH, Visikol Inc., and Discover Echo Inc. Nanoscribe and Visikol are included in the accounts for the month of June, while Discover Echo only affects the closing balances in the quarter. This means that balance sheet items such as inventories and accounts receivable look higher in relation to net sales than if the companies had been included during the entire quarter. The opening balances of the acquired companies during the quarter increased accounts receivable in the Group by MSEK 57.3, inventories by MSEK 39.5 while impacting net sales during the quarter by MSEK 10.2.

During the quarter, demand and the company's delivery capacity increased compared to the previous quarter. Other factors that drove the organic sales growth were increased

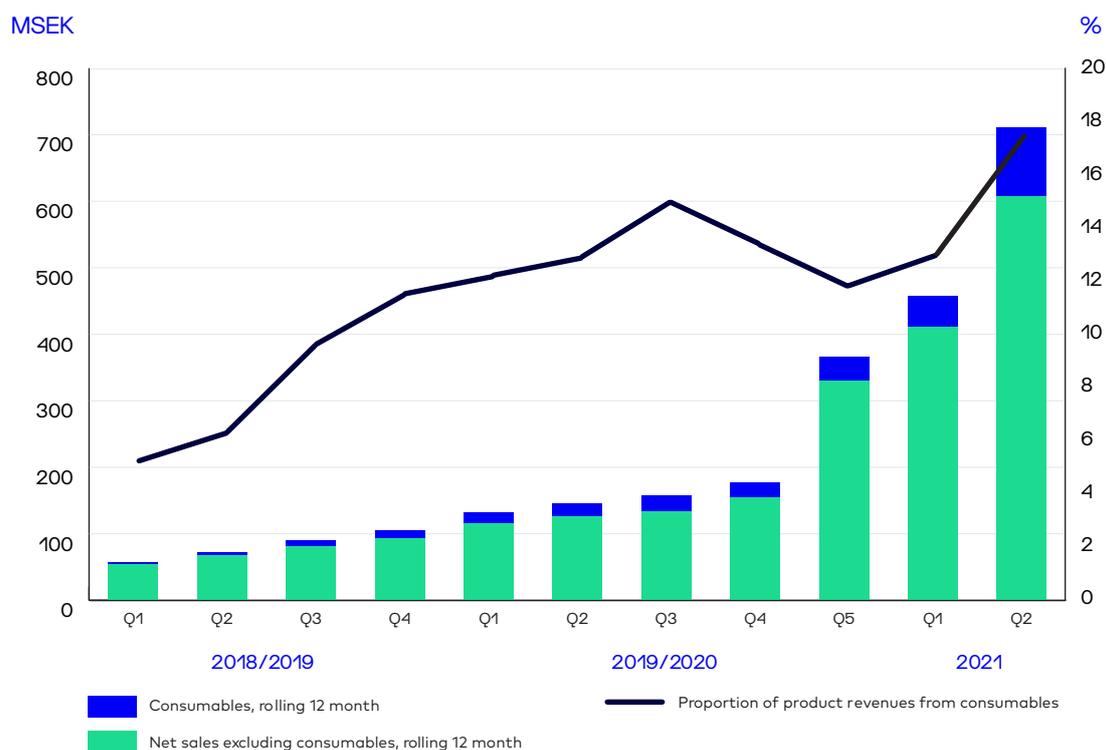
sales of consumables and an increase in the average order value compared to the previous year.

During the quarter, the share of sales of consumables increased sharply. A larger installed base and a positive trend in demand per customer contributed to the development. Net sales from consumables for the quarter amounted to MSEK 61.6 (8.6), an increase of 616%. The share of total product sales was 23.4%, representing an increase of 1.1 percentage points (22.3% in the comparison period). The shares of instrument sales, sales of services, and sales of consumables are affected by the acquired companies. MatTek contributes to increased sales of consumables with a high proportion of recurring revenues, while Ginolis and Nanoscribe have a lower share of revenues from consumables and services.

Net sales for the first half of the year amounted to MSEK 422.6 (78.2), an increase of 440% (46) compared to the corresponding period last year, of which 79% (15) was organic growth.

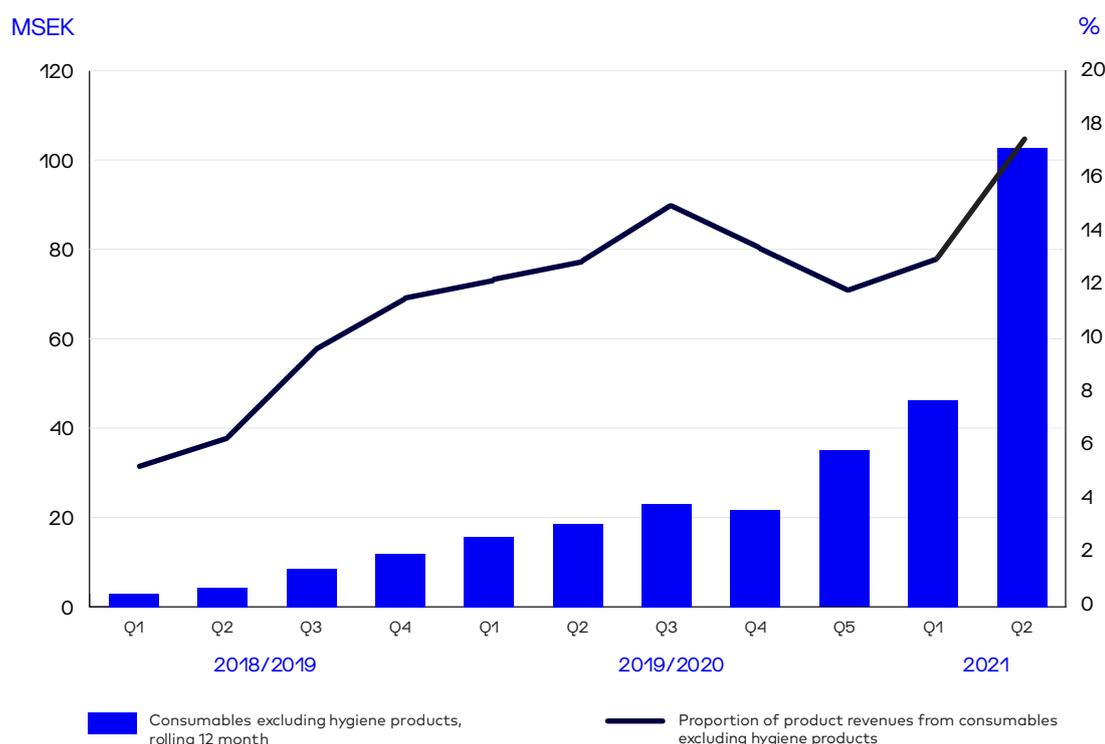
Net sales

Rolling 12 months



Proportion of product revenues from consumables

Rolling 12 months



Results

Gross profit in the second quarter amounted to MSEK 202.4 (28.3), corresponding to a gross margin of 69.1% (70.2). The gross margin for the companies in the comparison period amounted to 75.9% in the quarter, which was an improvement of 5.7 percentage points compared with the previous year. The change in gross margin was attributable to a changed revenue mix resulting from the completed acquisitions where Ginolis has a lower gross margin than the other companies in the Group. Gross profit for the first half of the year amounted to MSEK 302.5 (56.7), corresponding to a gross margin of 71.6% (72.5).

Operating profit for the second quarter amounted to MSEK -31.4 (-23.1), corresponding to an operating margin of -10.7% (-57.4). The profitability improvement was attributable to the increased sales volume of existing and new operations. Operating profit was also affected by acquisition costs of MSEK -9.1 and costs related to name change and re-branding of MSEK -5.

Operating profit for the first half of the year amounted to MSEK -92.2 (-35.2), corresponding to an operating margin of -21.8% (-45.0). Operating profit was affected by acquisition costs of MSEK -29.6.

Operating profit in the second quarter was impacted by amortization of acquired intangible assets of MSEK -15.6 (-1.7) and for the first half of the year MSEK -26.6 (-3.5). The increase compared to the corresponding period last year was attributable to the acquisitions of SCIENION and Ginolis. For other acquired companies during the current year, full purchase price allocation will be carried out in upcoming quarters.

EBITDA for the second quarter amounted to MSEK 10.6 (-16.0), corresponding to an EBITDA margin of 3.6% (-39.8). EBITDA for the first half of the year amounted to MSEK -24.3 (-21.7), corresponding to an EBITDA margin of -5.8% (-27.7).

Other operating income for the second quarter amounted to MSEK 9.0 (0.0) and for the first half of the year MSEK 16.9 (8.6). Other operating income consists mainly of revenues related to grants for development projects and positive currency effects.

Financial items have been affected by positive performance of the company's short-term investments of MSEK 1.7 (12.2) in the quarter and MSEK 6.1 (-10.5) for the first half of the year. The negative return in the



first half of last year was a result of the market turmoil caused by COVID-19 in spring 2020. Financial items has also been affected by interest expenses on convertible loans of MSEK -14.3, see further under the section Cash flow, investments and liquidity and Note 4.

Net/profit loss for the second quarter amounted to MSEK -50.5 (-4.8), corresponding to earnings per share before and after dilution of SEK -0.89 (-0.11). For the first half of the year, net/profit loss for the period amounted to MSEK -98.3 (-38.3), corresponding to earnings per share before and after dilution of SEK -1.78 (-0.90).

Cash flow, investments and liquidity

Cash flow from operating activities for the second quarter amounted to MSEK -116.8 (-4.4). For the first six months, cash flow from operating activities amounted to MSEK -133.1 (-45.8). Part of the negative cash flow from operations can be attributed to an increase in inventories of approximately MSEK 37.7 in the quarter and MSEK 76.3 in the first half of the year. Accounts receivable in relation to the rolling 12-month net sales in comparable operations continues to decrease during the quarter, which has a positive effect on cash flow. However, the balance sheet items look larger than they are in relation to net sales due to acquisitions where the balances are included but not yet any or minor part of the net sales. The Group is actively working with the collection of receivables and the management of working capital to reduce the Group's need for net working capital in the future. Cash flow from operating activities is also continued to be affected by integration costs and investments in group-wide systems within ERP, CRM and IT.

Cash flow from investing activities in the second quarter amounted to MSEK -2,100.7 (-11.7), of which MSEK -1,080.4 was attributable to the purchase price paid in cash and acquisition costs for the three acquisitions made during the quarter and MSEK -944.2 (8.8) was attributable to the purchase of short-term interest funds and other short-term investments during the quarter. For the first half of the year, cash flow from investing activities amounted to MSEK -2,745.7 (-279.4), of which MSEK -1,965.9 was attributable to the purchase price paid in cash and acquisition costs for the total of five acquisitions made during the period and MSEK -665.2 (-233.1) was attributable to investments in short-term investments. No acquisition took place in the comparison periods for the previous year. The timing and structure of the acquisitions carried out by the Group thus significantly affect the cash flow from the investing activities.

During the second quarter, the Group invested MSEK -48.4 (-18.8) in intangible fixed assets, mainly attributable to product development. For the first half of the year, the corresponding investments amounted to MSEK -85.6 (-39.8). This increase is attributable to increased investments in product development in bioprinting, live-cell imaging and single cell proteomics in particular. Investments in R&D are not planned to increase at the same

pace as sales growth, which will eventually contribute to an improved total cash flow.

Cash flow from financing activities for the second quarter amounted to MSEK -15.9 (-1.0). For the first half of the year, cash flow from financing activities amounted to MSEK 2,883.2 (382.5) and consisted mainly of contributions from completed new share issues and raised convertible loan. Repayments have also been made of loans that were taken over in connection with the acquisitions. Total cash flow for the quarter amounted to MSEK -2,233.4 (-17.1) and for the first half of the year to MSEK 4.4 (57.3).

The Company carried out a new share issue on March 12, 2021, that provided the company with BSEK 1.5 before issue costs and comprised of 3,571,429 new Class B shares, corresponding to approximately 7.0 percent of the current outstanding share capital of Class B shares in BICO and 6.8 percent of the current outstanding total share capital in BICO and a convertible issue of BSEK 1.5 that provided that full conversion takes place, entails a dilution of 4.8 percent of the total number of outstanding shares and 3.8 percent of the votes in BICO through an increase in the number of outstanding Class B shares by approximately 2,505,750. The subscription price in the new share issue amounted to SEK 420 per new Class B share and was set through an accelerated bookbuilding procedure. A large number of Swedish and international institutional investors and existing shareholders participated in the new share issue.

In total, the company received BSEK 3 before issue costs through the share and convertible issues. The proceeds have been used in part to finance the acquisitions of MatTek, Nanoscribe, Visikol and Discover Echo and the remaining proceeds will be used for the company's continued expansion activities.

As of March 31, 2021, the entire convertible debt was booked as a short-term interest-bearing liability pending the resolution made by the General Meeting on April 26, 2021. During the second quarter (after the general meeting), the convertible debt has been classified as a long-term interest-bearing loan and one part as equity. In addition, there are a number of derivatives in the convertible agreement that as of the balance sheet date are not estimated to hold significant value. More about how the convertible debt affects BICO's accounting in Note 4.

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to MSEK 1,462.6 (349.5). The short-term investments are invested in short-term interest funds and other short-term investments. The Group's external financing consists of interest-bearing liabilities of MSEK 1,323.8, of which MSEK 1,291.4 relates to the convertible loan, net of transaction costs. The Group thus continues to have a net cash position and a good financial position. In addition, there are financial lease liabilities totalling MSEK 206.8.



Parent company

The Parent Company's net sales in the second quarter amounted to MSEK 65.3 (26.5), of which MSEK 34.7 (6.9) related to intra-group sales. Profit/loss after financial items amounted to MSEK -67.9 (-14.2) and net profit/loss for the period amounted to MSEK -56.4 (-7.6).

Net sales for the period January to June 2021 amounted to MSEK 112.2 (49.3), of which MSEK 53.8 (14.1) related to intra-group sales. Profit/loss after financial items amounted to MSEK -91.7 (-44.5) and net profit/loss for the period amounted to MSEK -75.3 (-34.7).

At the end of the quarter, the Parent Company's cash, cash equivalents and short-term investments amounted to MSEK 1,224.4 (307.3). The Parent Company's external financing consists of a convertible debt of MSEK 1,291.4, external loans of MSEK 7.0 and other long-term financing of MSEK 0.6. For more information on the convertible debt, see Note 4.



Additional information

COVID-19

The company continuously monitors the development of COVID-19 and its impact on the global economy. The company monitors developments closely and takes measures on an ongoing basis to reduce the risk that the company and its employees will be negatively affected. The health and safety of the employees is the Group's highest priority.

During the second quarter, the company continued to face challenges with travel restrictions, cancelled trade fairs and difficulties in conducting demonstrations in customers' laboratories. The company is affected differently depending on the product category, where products with a large customer base in academic research have been most negatively affected, while products for automation and liquid handling can be used to help with the production and carrying out of tests.

Development related to COVID-19 after the end of the period

The ongoing pandemic continues to limit global mobility and makes product demonstrations of the company's instruments more difficult. BICO closely follows the development of the Delta variant and what possible consequences this will have in the coming quarters. The company sees that sales correlate directly with the markets that began to open up during the second quarter, including the company's largest market, USA.

The company enjoys continued good demand for its products and a good response to the digital activities that have replaced trade fairs and in-person customer visits. However, there is reason to expect a continued negative impact on sales as long as the pandemic continues to limit travel and physical meetings.

Transactions with related parties

No transactions that materially affected the company's earnings and financial position were carried out with related parties during the quarter. For information on related party relations, see the Annual Report for 2019/2020, Note 28, page 108.

Employees

The number of employees in the BICO Group at the beginning of the quarter was 676 and as of June 30, 2021, the number of employees in the BICO Group was 924 (192). With the acquisition of Nanoscribe in May 2021, approximately 80 employees were added and with the acquisition of Visikol later the same month, approximately 20 more employees were added. The acquisition in June of Discover Echo added approximately 50 additional employees. The Group intends to continue to increase its workforce in the future, both through acquisitions and through recruitment.

Seasonal variations

BICO's sales are affected by seasonal effects. During holiday periods (June-August) there is usually a decline in orders. The reason why orders decrease during the holiday periods is that the universities' semesters affect purchases and budgets. Overall, total demand is usually slightly higher in the second calendar half of the year compared to the first.

The Bioautomation segment has historically had a sales cycle that means higher sales and earnings especially during the fourth quarter.

Risk management

The Group is exposed to various types of risks through its operations. Risks can be divided into external risks, operational risks and financial risks. External risks include changes in economic conditions, commodity prices and the legal environment. Operational risks include BICO's ability to develop, patent and sell new innovative products and solutions, and that the Group can attract and retain qualified employees.



The Group has an active acquisition agenda, which entails financial and operational risks. The main risk is that the acquired companies will not develop in line with expectations.

The financial risks are summarized under currency risk, liquidity and financing risk, market risk, credit risk and interest rate risk. BICO's risks and uncertainties are described in the Annual Report for 2019/2020 on pages 62-64.

Reporting per calendar year

BICO's transition to reporting per calendar year from January 1, 2021, resulted in a fifth quarter (Q5) 2020 which corresponded to four months; September 1 to December 31, 2020. Comparative figures for Q2 2020 and for the first half year 2020 are in this report recalculated per calendar year.

From CELLINK to BICO

Since the beginning of 2021, extensive branding and strategy work has been carried out in the Group. The purpose has been to create a brand strategy that better reflects the Group's development and to make better use of the power, strength and future potential that is contained in a new brand. An important component has been to further strengthen the link to the Group's business strategic agenda for bio convergence, which the new name reflects, **BIO** **CO**nvergence. This has resulted in a new group name, visual identity and logo.

BICO is the new parent company for the Group with Group-wide functions and with a focus on delivering on the agenda for Bio Convergence, identifying synergies, developing the offering and technologies, and contributing to the development of the Group's various companies. Organizationally, BICO is divided into three business areas: Bioprinting, Biosciences and Bioautomation. Each business area includes the Group

companies: CELLINK Bioprinting, MatTek, Visikol and Nanoscribe (Bioprinting), CYTENA, CYTENA BPS, Dispensix and Discover Echo (Biosciences) and SCIENION, CELLENION and Ginolis (Bioautomation).

On August 6, the extraordinary general meeting resolved, in accordance with the proposal by the board of directors, to change the company name from CELLINK AB (publ) to BICO Group AB (publ) provided registration of the Swedish Companies Registration Office and to change the company's objects in the articles of association.

The name change only applies to CELLINK AB and not the subsidiaries that are part of the group. The name CELLINK will be used by the wholly owned subsidiary CELLINK Bioprinting AB, which develops and sells bioprinters and consumables under the CELLINK brand.

On August 12, the name change from CELLINK AB (publ) to BICO Group AB (publ) came into force after registration with the Swedish Companies Registration office. This also changed the company's ticker from CLNK to BICO. ISIN and LEI codes remain the same. Otherwise, there are no changes regarding the company's financial instruments.

Reporting segments

In terms of reporting, BICO reports divided into two segments: Bioautomation and Laboratory solutions where Bioprinting and Biosciences are included. Bioautomation differs from Laboratory Solutions in terms of customer base, order structure and production process.

Review of the interim report

This interim report has not been subject to review by the company's auditors.



Condensed consolidated income statements

| MSEK | Note | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun*** | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun*** | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|--|------|--------------------|-----------------------|---------------------------|------------------------------|-------------------------------------|------------------------------------|
| Net sales | 3 | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| Change in inventories | | 28.0 | 8.4 | 65.3 | 9.4 | 3.5 | -2.7 |
| Capitalized work for own account | | 26.3 | 3.9 | 42.4 | 20.0 | 60.7 | 48.3 |
| Other operating income | | 9.0 | 0.0 | 16.9 | 8.6 | 28.1 | 17.7 |
| Operating expenses | | | | | | | |
| Raw materials and supplies | | -118.7 | -20.4 | -185.4 | -30.9 | -120.8 | -99.6 |
| Other external costs | | -84.1 | -16.9 | -155.0 | -39.2 | -142.4 | -111.9 |
| Personnel expenses | | -138.0 | -28.1 | -224.6 | -64.6 | -230.8 | -190.7 |
| Depreciation and amortization of fixed assets | | -42.0 | -7.1 | -67.9 | -13.5 | -52.7 | -45.8 |
| Other operating expenses | | -5.0 | -3.2 | -6.5 | -3.2 | -13.4 | -10.6 |
| Operating profit/loss | | -31.4 | -23.1 | -92.2 | -35.2 | -51.9 | -29.4 |
| Financial items | | | | | | | |
| Financial income | | 5.5 | 12.2 | 15.2 | 12.2 | 0.6 | 0.4 |
| Financial expenses | | -23.1 | -0.3 | -26.3 | -23.1 | -2.9 | -2.7 |
| Profit/loss after financial items | | -49.0 | -11.2 | -103.3 | -46.0 | -54.2 | -31.8 |
| Tax for the period | | -1.5 | 6.4 | 5.0 | 7.7 | 5.2 | 1.7 |
| Net profit/loss for the period | | -50.5 | -4.8 | -98.3 | -38.3 | -49.0 | -30.1 |
| Attributable to: | | | | | | | |
| Parent company shareholders | | -50.3 | -4.5 | -97.8 | -37.9 | -48.2 | -29.3 |
| Non-controlling interest | | -0.2 | -0.2 | -0.5 | -0.4 | -0.8 | -0.8 |
| Earnings per share before dilution, SEK** | | -0.89 | -0.11 | -1.78 | -0.90 | -1.10 | -0.64 |
| Earnings per share after dilution, SEK** | | -0.89 | -0.11 | -1.78 | -0.90 | -1.10 | -0.64 |
| Average number of shares before dilution * ** | | 56,733,471 | 42,874,776 | 54,881,136 | 42,254,941 | 44,888,273 | 46,730,428 |
| Number of shares at the end of the period after dilution* ** | | 58,705,239 | 43,930,772 | 56,766,285 | 43,183,418 | 51,601,285 | 51,601,285 |

*Average number of shares including potential ordinary shares.

**CELLINK conducted a 4:1 split on January 10, 2020. Comparison periods have been restated for correct comparison.

***The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.

Condensed consolidated statements of comprehensive income

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|--|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Net profit/loss for the period | -50.5 | -4.8 | -98.3 | -38.3 | -49.0 | -30.1 |
| <i>Items that have been transferred or can be transferred to the profit for the period</i> | | | | | | |
| Translation differences on foreign operations | -33.6 | -20.8 | 17.4 | 1.5 | -58.4 | -45.7 |
| Tax attributable to items that have been transferred or can be transferred to the profit | -1.0 | - | -0.4 | - | 0.6 | 0.6 |
| Total comprehensive income | -85.1 | -25.5 | -81.3 | -36.8 | -106.8 | -75.2 |
| Attributable to | | | | | | |
| Parent company shareholders | -84.7 | -25.1 | -80.9 | -36.3 | -105.7 | -74.2 |
| Non-controlling interest | -0.4 | -0.4 | -0.4 | -0.5 | -1.1 | -1.0 |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.



Condensed consolidated statements of financial position

| MSEK | Note | 2021-06-30 | 2020-06-30* | 2020-12-31 |
|--|------|----------------|--------------|----------------|
| ASSETS | | | | |
| Fixed assets | | | | |
| Intangible fixed assets | 6 | 4,123.9 | 426.9 | 1,260.9 |
| Property, plant and equipment | | 151.9 | 17.0 | 52.5 |
| Right-of-use assets | | 206.8 | 34.7 | 80.8 |
| Financial fixed assets | | 12.7 | 2.2 | 13.0 |
| Deferred tax assets | | 81.7 | 19.3 | 39.5 |
| Total fixed assets | | 4,577.0 | 500.2 | 1,446.7 |
| Current assets | | | | |
| Inventories | | 224.4 | 47.7 | 85.3 |
| Accounts receivables | | 305.7 | 44.9 | 176.4 |
| Prepaid expenses and accrued income | | 16.4 | 6.9 | 10.3 |
| Other current assets | | 107.1 | 7.8 | 10.8 |
| Short-term investments | 4 | 1 021.4 | 238.1 | 349.5 |
| Cash and cash equivalents | | 441.2 | 111.3 | 434.9 |
| Total current assets | | 2 116.2 | 456.9 | 1,067.3 |
| TOTAL ASSETS | | 6,693.2 | 957.1 | 2,514.0 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to parent company shareholders | | 4,426.0 | 861.7 | 2,201.9 |
| Non-controlling interest | | 6.2 | 1.7 | 6.6 |
| Total equity | | 4,432.2 | 863.5 | 2,208.5 |
| Long-term liabilities | | | | |
| Long-term interest-bearing liabilities | 4, 7 | 1,319.6 | 7.6 | 26.7 |
| Long-term lease liabilities | | 161.5 | 24.8 | 60.1 |
| Other provisions | | 15.4 | 1.4 | 4.7 |
| Other long-term liabilities | | 196.9 | - | - |
| Deferred tax liabilities | | 87.1 | 14.9 | 59.6 |
| Total long-term liabilities | | 1,780.5 | 48.7 | 151.1 |
| Current liabilities | | | | |
| Interest-bearing loans | | 4.2 | 2.0 | 2.0 |
| Short-term lease liabilities | | 45.3 | 8.7 | 20.1 |
| Accounts payable | | 116.3 | 14.1 | 33.0 |
| Other current liabilities | | 184.7 | 6.2 | 35.5 |
| Accrued expenses and deferred income | | 130.0 | 14.0 | 63.8 |
| Total current liabilities | | 480.5 | 45.0 | 154.4 |
| Total liabilities | | 2,261.0 | 93.6 | 305.5 |
| TOTAL EQUITY AND LIABILITIES | | 6,693.2 | 957.1 | 2,514.0 |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.



Condensed consolidated cash flow statements

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|--|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Profit/loss after financial items | -49.0 | -11.2 | -103.3 | -46.0 | -54.2 | -31.8 |
| Adjustments for non-cash items | 56.2 | -2.5 | 78.9 | 27.8 | 64.9 | 55.7 |
| Income tax paid | -8.0 | -0.3 | -14.4 | -0.4 | 0.9 | 1.2 |
| Increase (-)/Decrease (+) in inventories | -37.7 | -6.7 | -76.3 | -6.9 | 13.3 | 25.7 |
| Increase (-)/Decrease (+) in trade receivables | -70.6 | 14.2 | -59.1 | -16.8 | -118.5 | -130.1 |
| Increase (+)/Decrease (-) of trade liabilities | -7.7 | 2.1 | 41.1 | -3.4 | 14.4 | 13.6 |
| Cash flow from operating activities | -116.8 | -4.4 | -133.1 | -45.8 | -79.4 | -65.6 |
| Acquisition of property, plant and equipment | -27.7 | -1.7 | -38.0 | -6.6 | -30.1 | -25.2 |
| Acquisition of intangible fixed assets | -48.4 | -18.8 | -85.6 | -39.8 | -103.8 | -85.5 |
| Acquisition of subsidiaries/operations, net proceeds | -1,080.4 | - | -1,956.9 | - | -417.5 | -417.5 |
| Acquisition/disposal of short-term investments, net | -944.2 | 8.8 | -665.2 | -233.1 | -276.6 | -330.4 |
| Cash flow from investing activities | -2,100.7 | -11.7 | -2,745.7 | -279.4 | -828.0 | -858.5 |
| Option premiums received | - | 2.1 | - | 10.4 | 11.7 | 11.7 |
| New issues | 5.6 | - | 1,716.5 | 384.1 | 1,336.3 | 1,336.3 |
| Issue costs | -0.2 | -0.4 | -33.0 | -16.8 | -53.8 | -53.6 |
| Repurchase of own options | - | -0.1 | - | -0.1 | -0.1 | -0.1 |
| Borrowings, net arrangement fees | - | - | 1,279.0 | 10.0 | 30.1 | 30.1 |
| Repayment of loans | -13.0 | -0.5 | -65.9 | -1.0 | -2.0 | -2.0 |
| Amortization of lease liabilities | -8.3 | -2.1 | -13.4 | -4.1 | -13.4 | -11.9 |
| Cash flow from financing activities | -15.9 | -1.0 | 2,883.2 | 382.5 | 1,308.9 | 1,310.6 |
| Cash flow for the period | -2,233.4 | -17.1 | 4.4 | 57.3 | 401.5 | 386.5 |
| Opening cash and cash equivalents | 2,679.3 | 130.3 | 434.9 | 53.9 | 39.8 | 53.9 |
| Exchange difference in cash and cash equivalents | -4.7 | -1.8 | 1.9 | 0.2 | -6.5 | -5.5 |
| Closing cash and cash equivalents | 441.2 | 111.3 | 441.2 | 111.3 | 434.9 | 434.9 |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.



Consolidated changes in equity

| MSEK | Share capital | Other contributed capital | Translation reserve | Retained earnings including profit/loss for the period | Non-controlling interest | Total equity |
|--|---------------|---------------------------|---------------------|--|--------------------------|----------------|
| Opening balance as of September 1, 2019 | 1.0 | 541.9 | 5.1 | 1.7 | 0.0 | 549.7 |
| Net profit/loss for the period | - | - | - | -48.2 | -0.8 | -49.0 |
| Other comprehensive income | - | - | -57.6 | - | -0.3 | -57.9 |
| New share issue | 0.2 | 1,330.1 | - | - | 6.0 | 1,336.3 |
| Non-cash issue | 0.1 | 456.9 | - | - | - | 457.0 |
| Transaction costs, net of tax | - | -42.7 | - | - | - | -42.7 |
| Options premiums | - | 11.8 | - | - | - | 11.8 |
| Share-based compensation | - | 3.3 | - | - | - | 3.3 |
| Repurchase of own options | - | -0.1 | - | - | - | -0.1 |
| Disposal to non-controlling interests | - | -1.7 | - | - | 1.7 | 0.0 |
| Closing balance as of December 31, 2020 | 1.3 | 2,299.5 | -52.5 | -46.4 | 6.6 | 2,208.5 |
| Opening balance as of January 1, 2021 | 1.3 | 2,299.5 | -52.5 | -46.4 | 6.6 | 2,208.5 |
| Net profit/loss for the period | - | - | - | -97.8 | -0.5 | -98.3 |
| Other comprehensive income | - | - | 16.9 | - | 0.1 | 17.0 |
| New share issue | 0.1 | 1,525.7 | - | - | - | 1,525.8 |
| Non-cash issue | 0.0 | 505.7 | - | - | - | 505.7 |
| Not yet registered non-cash issue | 0.0 | 106.6 | - | - | - | 106.6 |
| Equity part of convertible loan | - | 190.7 | - | - | - | 190.7 |
| Transaction costs, net of tax | - | -26.2 | - | - | - | -26.2 |
| Share-based compensation | - | 2.4 | - | - | - | 2.4 |
| Closing balance as of June 30, 2021 | 1.4 | 4,604.4 | -35.6 | -144.2 | 6.2 | 4,432.2 |

Condensed income statements for the parent company

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|---|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Net sales | 65.3 | 26.5 | 112.2 | 49.3 | 167.1 | 139.4 |
| Change in inventories | 10.1 | 3.8 | 21.6 | 2.6 | 9.4 | 4.0 |
| Capitalized work for own account | 7.0 | 1.4 | 13.8 | 4.4 | 19.4 | 16.7 |
| Other operating income | 1.2 | 0.1 | 7.0 | 12.8 | 38.5 | 27.8 |
| Operating expenses | | | | | | |
| Raw materials and supplies | -51.4 | -15.0 | -90.4 | -19.0 | -67.1 | -55.2 |
| Other external costs | -39.0 | -25.9 | -76.7 | -48.0 | -135.8 | -106.6 |
| Personnel expenses | -38.2 | -12.2 | -61.2 | -29.2 | -87.9 | -67.9 |
| Depreciation and amortization of fixed assets | -6.3 | -2.0 | -11.1 | -3.8 | -10.9 | -9.0 |
| Other operating expenses | -0.3 | -0.3 | -1.2 | -0.6 | -10.7 | -8.1 |
| Operating profit/loss | -51.6 | -23.6 | -86.0 | -31.5 | -77.9 | -58.7 |
| Financial items | | | | | | |
| Profit from shares in Group companies | - | -2.8 | -0.3 | -2.8 | -3.8 | -3.8 |
| Financial income | 2.4 | - | 14.9 | 0.2 | 1.0 | 0.9 |
| Financial expenses | -18.7 | 12.3 | -20.3 | -10.4 | -4.0 | -4.3 |
| Profit/loss after financial items | -67.9 | -14.2 | -91.7 | -44.5 | -84.8 | -65.9 |
| Tax for the period | 11.5 | 6.5 | 16.4 | 9.8 | 16.5 | 14.8 |
| Net profit/loss for the period** | -56.4 | -7.6 | -75.3 | -34.7 | -68.3 | -51.1 |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.

** Profit for the year and comprehensive income for the year amount to the same amount for all reported periods.



Condensed parent company statements of financial position

| MSEK | Note | 2021-06-30 | 2020-06-30* | 2020-12-31 |
|---|------|----------------|--------------|----------------|
| ASSETS | | | | |
| Fixed assets | | | | |
| Intangible fixed assets | | 173.7 | 98.6 | 132.5 |
| Property, plant and equipment | | 14.7 | 7.2 | 9.1 |
| Shares in Group companies | 6 | 4,315.9 | 365.0 | 1,321.3 |
| Receivables from Group companies | | 251.4 | 30.0 | 48.2 |
| Other financial fixed assets | | 0.9 | 1.7 | 1.2 |
| Deferred tax assets | | 53.5 | 17.7 | 30.3 |
| Total fixed assets | | 4,810.1 | 520.2 | 1,542.6 |
| Current assets | | | | |
| Inventories | | 45.7 | 23.5 | 23.9 |
| Accounts receivables | | 51.7 | 26.2 | 44.0 |
| Receivables from Group companies | | 14.6 | 27.7 | 14.0 |
| Other current assets | | 6.2 | 4.6 | 5.8 |
| Prepaid expenses and accrued income | | 3.0 | 2.7 | 7.1 |
| Short-term investments | 4 | 1,021.4 | 238.1 | 349.5 |
| Cash and cash equivalents | | 203.0 | 69.2 | 302.4 |
| Total current assets | | 1,345.6 | 392.0 | 746.8 |
| TOTAL ASSETS | | 6,155.7 | 912.2 | 2,289.4 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| | | 4,465.7 | 880.5 | 2,238.7 |
| Long-term liabilities | | | | |
| Other provisions | | 0.7 | 0.4 | 0.5 |
| Long-term interest-bearing liabilities | 7 | 1,297.0 | 7.6 | 6.6 |
| Other long-term liabilities | | 196.9 | - | - |
| Total long-term liabilities | | 1,494.6 | 8.0 | 7.1 |
| Current liabilities | | | | |
| Short-term interest-bearing liabilities | | 2.0 | 2.0 | 2.0 |
| Liabilities to Group companies | | 13.9 | - | 1.9 |
| Accounts payable | | 16.2 | 12.2 | 15.0 |
| Other current liabilities | | 110.7 | 3.0 | 1.3 |
| Accrued expenses and deferred income | | 52.6 | 6.5 | 23.3 |
| Total current liabilities | | 195.4 | 23.7 | 43.6 |
| TOTAL EQUITY AND LIABILITIES | | 6,155.7 | 912.2 | 2,289.4 |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.



Notes to the financial reports

Note 1. Accounting principles

This consolidated interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting and the applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and RFR 2. For the Group and the Parent Company, the same accounting principles and calculation criteria have been applied as in the most recent annual report.

In addition to the financial statements and its accompanying notes, disclosures pursuant to IAS 34.16A are also included in other parts of the interim report.

Note 2. Estimates and assessments

The preparation of the interim report requires management to make assessments and estimates and make assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates in the second quarter of 2021 are generally the same as described in the Annual Report for 2019/2020, Note 3, pages 84-85.

Although COVID-19 has meant deferred cash flows from customers, the company's assessment is that the reported values of intangible assets, deferred taxes and other valuation items are not significantly affected by the pandemic.

The purchase price allocation regarding the acquisition of SCIENION in September 2020 has been adjusted by MSEK 1.3 after the end of the previous financial year, thereby increasing the goodwill value. This is due to an adjustment of the acquired company's net assets.

Information and the purchase price allocation for the acquired companies Ginolis and MatTek, acquired during the first quarter, and Nanoscribe, Visikol and Discover Echo, acquired during the second quarter, are shown in Note 6.

Note 3. Operating segments and breakdown of revenues

The majority of BICO's sales consist of products, which represent separate performance commitments. Sales of products are normally recognized in connection with delivery to the customer, depending on the terms of delivery. Major projects that run over several periods are also recognized as revenue over time in accordance with IFRS 15.

BICO also sells services in the form of services linked to products. The services are partly invoiced in advance, and are recognized as revenue over the duration of the service contracts. Non-recognized revenue for service income is recognized as deferred income (contractual liabilities) in the balance sheet. In addition to these service contracts, the company provides services in the form of contract manufacturing and research. BICO considers that these services also constitute separate performance commitments.

The Group's products offered on the market consist of instruments, bioinks, tissues and consumables. Of the Group's other operating income, the majority consists of different types of government grants that the Group receives to run development projects.

Segments

The Group's operations are organized in such a way that Group management monitors the sales and earnings generated by the Group's various segments. Each operating segment has a manager who is responsible for day-to-day operations and who regularly reports the outcome of the operating segment's performance and needs for resources to Group management. As Group management monitors the results of the business and decides on resource allocation based on the goods and services that the Group offers on the market, these constitute the Group's operating segments.

The Group's segments are identified on the basis that different market offerings have been merged into one segment in cases where they have similar economic properties, products, production processes, customers and distribution methods. Follow-up of the Group's segments is mainly on sales and gross margin level, which is why these performance measures are presented in tables on the next page.

Segment reporting

The company consists of two reporting segments, Laboratory Solutions and Bioautomation. The company is actively working to in the future be able to report in three segments divided by business area. The split of Laboratory Solutions has not yet been completed due to the lack of relevant financial information.

Laboratory Solutions

The operations within Laboratory Solutions consist of the Bioprinting and Biosciences business areas. Bioprinting consists of the companies: CELLINK Bioprinting, MatTek, Visikol and Nanoscribe. Biosciences consists of CYTENA, CYTENA Bioprocess Solutions, Dispendix and Discover Echo.

The segment offers 3D bioprinters, hybrid microscopes, single-cell dispensing instruments and liquid handling instruments, as well as services and consumables associated with these



products such as 3D reconstructed human tissues that can be used in product development as well as for applications in regulatory testing. By the acquisition of Visikol, the segment also offers services in 3D cell culture, 3D tissue imaging, multiplex imaging and digital pathology to pharmaceutical and biotechnology companies. The operations in the segment have a similar customer base and supply chain. In addition, the segment's products complement each other within the customer demand, with Group management following up on this business as a segment.

Bioautomation

The Bioautomation business formerly known as Industrial Solutions consists of SCIENION, with its subsidiary CELLENION, and Ginolis. The segment offers products in precision dispensing and biosensor technology to industrial customers that contribute to customers' high capacity production as well as diagnostics automation and advanced robotics solutions for the medical and diagnostic industries.

The tables on the following pages present the distribution of net sales by geographic market, in terms of products and services, and the distribution of product sales between consumables and instruments. In addition, gross margin and segment reporting are presented for the two segments.

The BICO Group

Net sales by geographic region

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|-------------------|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Europe | 112.4 | 14.1 | 165.6 | 26.3 | 128.5 | 111.7 |
| North America | 135.2 | 14.5 | 190.6 | 28.5 | 191.1 | 173.2 |
| Asia | 36.4 | 10.9 | 55.2 | 21.1 | 82.6 | 69.1 |
| Rest of the world | 9.2 | 0.7 | 11.2 | 2.3 | 13.8 | 11.9 |
| Total | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |

Net sales broken down by products and services

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|--------------|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Products | 263.8 | 38.7 | 366.1 | 75.4 | 366.0 | 317.6 |
| Services | 29.4 | 1.5 | 56.6 | 2.8 | 50.0 | 48.2 |
| Total | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |

Net sales products broken down by consumables and instruments

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|-----------------------|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Consumables | 61.6 | 8.6 | 77.5 | 13.1 | 64.7 | 58.7 |
| Instruments | 202.2 | 30.1 | 288.6 | 62.3 | 301.3 | 258.9 |
| Total products | 263.8 | 38.7 | 366.1 | 75.4 | 366.0 | 317.6 |

Gross profit and gross margin

| MSEK | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|---|--------------------|---------------------|---------------------------|----------------------------|-------------------------------------|------------------------------------|
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| Raw materials and supplies reduced with changes in inventories | -90.7 | -12.0 | -120.1 | -21.5 | -117.4 | -102.3 |
| Gross profit | 202.4 | 28.3 | 302.5 | 56.7 | 298.6 | 263.6 |
| Gross margin, % | 69.1% | 70.2% | 71.6% | 72.5% | 71.8% | 72.0% |

* The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.



Segment reporting

| MSEK | Laboratory Solutions | | Bioautomation | | | Total | | |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------------|------------------------------------|
| | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
| Net sales | 192.5 | 78.2 | 230.1 | - | 422.6 | 78.2 | 416.0 | 365.8 |
| Raw materials and supplies reduced with changes in inventories | -40.5 | -21.5 | -79.6 | - | -120.1 | -21.5 | -117.4 | -102.2 |
| Gross profit | 152.0 | 56.7 | 150.6 | - | 302.5 | 56.7 | 298.6 | 263.6 |
| Gross margin, % | 79.0% | 72.5% | 65.4% | - | 71.6% | 72.5% | 71.8% | 72.0% |
| Capitalized work for own account | - | - | - | - | 42.4 | 20.0 | 60.7 | 48.3 |
| Other operating income | - | - | - | - | 16.9 | 8.6 | 28.1 | 17.7 |
| Other external costs | - | - | - | - | -155.0 | -39.2 | -142.4 | -111.9 |
| Personnel expenses | - | - | - | - | -224.6 | -64.6 | -230.8 | -190.7 |
| Depreciation and amortization of fixed assets | - | - | - | - | -67.9 | -13.5 | -52.7 | -45.8 |
| Other operating expenses | - | - | - | - | -6.5 | -3.2 | -13.4 | -10.6 |
| Financial income | - | - | - | - | 15.2 | 12.2 | 0.6 | 0.4 |
| Financial expenses | - | - | - | - | -26.3 | -23.1 | -2.9 | -2.7 |
| Profit/loss before tax | - | - | - | - | -103.3 | -46.0 | -54.2 | -31.8 |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.

Note 4. Financial instruments - fair value

The Group's financial instruments consist of long-term receivables, accounts receivable, cash and cash equivalents, interest-bearing liabilities, long-term liabilities, lease liabilities, accounts payable, and short-term investments. All instruments except short-term investments, long-term liabilities and convertible bonds are valued at amortized cost.

The Group's short-term investments, consisting of interest-bearing funds and market-listed bonds, are valued at fair value in accordance with IFRS 13 level 1 (listed market values on the active market).

Valuation at fair value for short-term investments has generated an impact on the income statement of MSEK 1.7 (12.2) for the second quarter and MSEK 6.1 (-10.5) for the first half of the year. This effect is reported among financial items. In the previous financial year, the volatile markets that started with the COVID outbreak resulted in a decrease in the value of financial instruments in the first quarter of 2020 and after that a strong upturn during the remaining calendar year.

During the first quarter of 2021, the company issued a convertible bond totaling BSEK 1.5. The convertible agreement contains several derivatives where convertible holders and the company have the right to redeem the convertible debt early if specific conditions are met. These embedded derivative instruments will be continuously valued by the company and recognized at fair value. The main drivers of the value of these derivatives are the

company's share price and time from the issue of the convertible loan. As of the closing date, the value of these derivatives was assessed as non-material and has therefore not been recognized at any value. All derivatives will be classified within valuation level 3 (Non-observable inputs).

The convertible loan is a hybrid instrument consisting primarily of two parts, a debt portion and an equity portion. In order to assess the proportion of the convertible loan to be classified as equity, the implicit market rate is used, the interest rate on which the company would likely have been allowed to borrow without the embedded option. This interest is used to discount the liability where the difference between the discounted value and the issued convertible liability is the part of the loan classified as equity. During the term of the loan, the debt will be increased by the same discount rate in order for the liability at the end of the loan to amount to BSEK 1.5. This means that the interest expense reported exceeds the cash flow-affecting coupon rate paid on a semi-annual basis. Cumulatively, the coupon interest amounted to MSEK 3.6 and the implicit interest expense to MSEK 10.7 as of June 30, i.e. interest expenses totaling MSEK 14.3.

The earn outs that were indebted in connection with the acquisitions made during the quarter have been classified as other long-term liabilities and other current liabilities, respectively, and have been valued at fair value.

For financial instruments that are not recognised at fair value, fair values are not significantly different from the carrying amounts.

| MSEK | Level | 2021-06-30 | 2020-06-30 | 2020-12-31 |
|---|-------|------------|------------|------------|
| Financial instruments valued at fair value | | | | |
| Short-term investments | 1 | 1,021.4 | 238.1 | 349.5 |
| Convertible loan | 3 | 1,291.4 | - | - |
| Earn outs | 3 | 303.0 | - | - |



Note 5. Incentive programs

BICO has four long-term incentive programs aimed at the Group's staff and board members. The purpose of the incentive programs is to encourage broad shareholding among BICO's employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed the Group's goals.

The first program includes a maximum of 1,273,352 options* for employees and 240,000 options* for the Board, each redeemable for a share at a price of SEK 44.375*. Exercise of warrants takes place during the period February to August of 2021. During the first half of the financial year, option owners chose to exercise a total of 581,936 options corresponding to 581,936 shares registered as of the end of June 30, 2021.

The second program includes a maximum of 1,600,000 options* for employees and 80,000 options* for the Board, each redeemable for a share at a price of SEK 74.34*. The program expires in January 2022 for the employees and in January 2023 for the Board.

The third program includes a maximum of 1,600,000 options for employees and 220,000 options for board members. For employees, each of the options will be redeemable for a share at a price of SEK 126.46 in January 2023. For board members, each of the options will be redeemable for a share at a price of SEK 143.32 during the period December 2024 to December 2025.

The Annual General Meeting 2021 resolved on April 26, 2021 to introduce a fourth incentive program aimed at employees within the BICO Group. The program comprises a maximum of 3,000,000 options, of which 2,500,000 are free of charge. For employees, options may be redeemed against a share at a price of SEK 598.50 in May 2025, provided that the following conditions are met:

1. 50 percent if the BICO Group's sales per share has amounted to or equated SEK 50 per share during 2024; and
2. 50 percent if BICO Group's EBITDA has been positive in each year from 2021 to 2024 (earnings shall decrease by 12.5 percent for each year that the BICO Group's EBITDA has not been positive from 2021 through 2024).

Valuation and accounting policies for the first three incentive programs are described in Note 6 of the Annual Report for 2019/2020.

As of June 30, 2021, a total of 2,529,085 options are outstanding, of which 1,042,000 options are reported under IFRS 2. The remaining outstanding options have been issued at market prices and are therefore not subject to the rules of IFRS 2.

If all outstanding options were to be exercised for shares, this would correspond to a total dilution of approximately 4.2 percent as of June 30, 2021. As of June 30, 2021, the fourth option program is not yet assigned, and is thus not included in the above dilution effect.

*After split 4:1 completed January 10, 2020.

Note 6. Acquisitions

Ginolis

On March 1, 2021, BICO acquired 100 percent of the shares in the Finnish company Ginolis Oy based in Oulu, Finland, that focuses on automation of production of diagnostic tests using advanced robots. The purchase price amounted to MSEK 648.8, of which MSEK 242 consisted of 666,028 newly issued CELLINK shares and MSEK 407 was paid in cash.

Through Ginolis' complementary technology offering, BICO has recognized great synergies that will support future growth in the Bioautomation business area.

Ginolis' net sales amounted to MEUR 18 in 2020 with an EBITDA margin of 12 percent. BICO estimates that Ginolis has the capacity to grow in line with the company's financial targets. In addition to net assets in Ginolis, surplus values in the form of technology, customer relationships and entered into customer contracts have been identified in the purchase price allocation.

A majority of the purchase price has been attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of more efficient production and sales processes in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If Ginolis had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 98 instead of the reported MSEK 73.

Ginolis' net assets at the time of acquisition

| MSEK | |
|--|--------------|
| Property, plant and equipment | 15.9 |
| Intangible fixed assets | 134.3 |
| Deferred tax asset | 22.3 |
| Inventories | 8.8 |
| Accounts receivable and other receivables | 30.7 |
| Cash and cash equivalents | 6.4 |
| Interest-bearing liabilities | -66.2 |
| Accounts payable and other operating liabilities | -68.5 |
| Deferred tax liability | -22.5 |
| Net identifiable assets and liabilities | 61.4 |
| Group goodwill | 587.4 |
| Total purchase price | 648.8 |
| Less: | |
| Issued shares | -242.3 |
| Cash in acquired companies | -6.4 |
| Effect on group cash and cash equivalents | 400.1 |

MatTek

On March 22, 2021, BICO acquired 100 percent of the shares in the US company MatTek Corp., headquartered in Boston, USA, a company that focuses on in vitro-based innovative human tissue models, cell isolation and cell culture. The purchase price amounted to MSEK 610, of which MSEK 110 consisted of 284,176 newly issued CELLINK shares and MSEK 500 was paid in cash.

With MatTek's complementary technology offering, BICO will strengthen its 3D tissue product offering and accelerate the development of new reagents and tissues.

MatTek's net sales amounted to MUS\$ 16.6 in 2020 with an EBITDA margin of 21.9 percent. BICO believes that MatTek has the capacity to grow faster than historically through synergies that can be realized in the Bioprinting business area.

In view of the recent acquisition, no preliminary purchase price allocation has yet been prepared, which is why no excess values have yet been identified. The difference between book value and purchase price is allocated to goodwill. The company intends to identify excess values in upcoming quarters.

If MatTek had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 75 instead of the reported MSEK 43.

Nanoscribe

On May 31, 2021, BICO acquired a 100 percent stake in the German company Nanoscribe Holding GmbH, based in Karlsruhe, Germany, focusing on the development of high-precision 3D printers based on 2PP technology (Two-Photon Polymerization). The purchase price amounted to MSEK 544, of which MSEK 132 consisted of 301,332 newly issued BICO shares and MSEK 250 was paid in cash at the time of acquisition. The purchase price also includes an additional purchase price of MSEK 162, which is based on target fulfilment of financial targets for the financial years 2021-2023.

By combining BICO's and Nanoscribe's innovative technologies, we can offer market-leading 2PP products to a wide customer segment. Nanoscribe's technology enables advanced research and develops industrial innovation in a variety of sectors such as bioprinting, microfluids, microoptics, micromechanics, biomedical engineering and integrated photonics technology.

With Nanoscribe's technology, we can remain competitive by enabling device miniaturization for a wide range of applications, resulting in internal capacity to further expand our supply of consumables in all business areas.

In view of the fact that the acquisition took place late in the period, no preliminary purchase price allocation has yet been prepared, which is why no excess values have yet been identified. The difference between book value and purchase price is allocated to goodwill. The company intends to identify excess values in upcoming quarters.

If Nanoscribe had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 38 instead of the reported MSEK 8.

Visikol

On May 20, 2021, BICO acquired a 100 percent stake in the U.S. company Visikol Corp. based in Hampshire, New Jersey, USA, a contract research company offering leading services in 3D cell culture, 3D tissue imaging, multiplex imaging and digital pathology to pharmaceutical and biotechnology companies. The purchase price amounted to MSEK 159, of which MSEK 21 consisted of 57,911 newly issued shares and MSEK 39 was paid in cash at the time of the acquisition. The purchase price also includes an additional consideration of MSEK 99, which is based on target fulfilment of financial targets for the financial years 2022 and 2023.

The BICO Group sees great potential with Visikol by being able to offer more steps in the process of developing new drugs by combining Visikol® HISTO™ tissue reagent with cloud-based technology for analysis, advanced imaging with digital pathology and 3D cell culture analysis. The technology used for analysis involves synergies for current customers within the Group, for example for MatTek's customers in 3D tissues. The Group also sees opportunities to continue to develop strong service-related offerings within Bioprinting.

In view of the fact that the acquisition took place late in the period no preliminary purchase price allocation has yet been prepared, which is why no excess values have yet been identified. The difference between book value and purchase price is allocated to goodwill. The company intends to identify excess values in upcoming quarters.

If Visikol had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 10 instead of the reported MSEK 2.6.

Discover Echo

On June 30, 2021, BICO acquired a 100 percent stake in the U.S. company Discover Echo Inc. based in San Diego, California, USA, with a focus on the development, manufacture and sales of patented and rotating hybrid microscopes. Discover Echo's hybrid microscope with both upright and inverted capability, in a single high-quality instrument, eliminates the need for two separate systems. In addition, Discover Echo redefines the industry in terms of user experience as the company's products integrate ultra-high-resolution touchscreens with firmware.

The purchase price amounted to MSEK 1,003, of which MSEK 107 consisted of 262,320 newly issued shares and MSEK 854 was paid in cash at the time of acquisition. The purchase price also includes an additional consideration of MSEK 42, which is based on target fulfilment of financial targets for the financial years 2021-2025.

The BICO Group offers products used in cell culture research (e.g. in bioprinting, cell line development or live cell imaging) and all these customers could benefit from Discover Echo's product portfolio. This opens up the potential for cross-selling and product packaging, which can help grow most product lines in parallel and increase the use of consumables offered by BICO. Such product packaging will bring the Group closer to offering complete workflows.

Discover Echo has great growth potential in the bioprocessing industry where BICO is already a well-known supplier and



has the expertise to accelerate Discover Echo's penetration in this sector.

Given the fact that the acquisition took place late in the period, no preliminary purchase price allocation has yet been prepared, which is why no excess values have yet been identified. The difference between book value and purchase price is allocated to goodwill. The company intends to identify excess values in upcoming quarters.

If Discover Echo had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 42.

Acquisition costs

Acquisition costs amounted to MSEK 9.1 in the second quarter. Total acquisition costs during the first half of the year amounted to MSEK 29.6 and were distributed as follows: Ginolis MSEK 15.2 (of which MSEK 10.0 related to transaction taxes), MatTek MSEK 5.6, Visikol MSEK 2.6, Nanoscribe MSEK 4.1 and Discover Echo MSEK 2.1. The costs related to fees to consultants in connection with due diligence and a tax expense of MSEK 10.0 that the buyer is obliged to pay in the case of acquisitions in Finland. These costs have been recognized as other external costs in the Group's income statement and within acquisitions of subsidiaries/operations within the net cash flow from investing activities in the Group's cash flow analysis.

Share issue expenses related to the acquisitions amounted to MSEK 0.5 for the period January - June, and have been recognized as a decrease in equity less deferred tax.

Note 7. New issue of shares and convertibles

In connection with the acquisitions, BICO has issued a total of 1,571,767 shares in consideration to the sellers at the time of the acquisitions completed during the year. The Company also carried out a new share issue on March 12, 2021, that provided the company with BSEK 1.5 before issue costs and comprised 3,571,429 new Class B shares, corresponding to approximately 7.0 percent of the current outstanding share capital of B shares in BICO and 6.8 percent of the current outstanding total share capital in BICO and a convertible issue of BSEK 1.5 as provided that full conversion takes place, entails a dilution of 4.8 percent of the total number of outstanding shares and 3.8 percent of the votes in BICO through an increase in the number of outstanding Class B shares by approximately 2,505,750.

The subscription price in the new share issue amounted to SEK 420 per new B-share and was set through an accelerated book building procedure. A large number of Swedish and international institutional investors as well as existing shareholders participated in the rights issue.

The issued convertibles will have an interest coupon of 2.875 percent annually, paid semi-annually with the first payment on September 19, 2021. The conversion rate was set at SEK 598.50 corresponding to a premium amounting to 42.5% compared to the subscription price of a B share in the new share issue. The initial conversion rate is established but can be adjusted to keep the holders' position unchanged relative to the holders of shares. Impacts on the accounting from the issued convertibles are set out in Note 4.

A total of BSEK 3 was added to the company before transaction costs through the share and convertible issues. The proceeds have been used partly to finance the acquisitions of MatTek, Nanoscribe, Visikol and Discover Echo and the remaining proceeds will be used for the company's continued expansion activities.

During the first half of the year, 581,936 options were exercised for the same number of shares for a price of SEK 44.375 per share, which added MSEK 25.8 to the company. This reduced the outstanding number of options in the first programme. More information in Note 5.

Signing of the report

The Board of Directors and the CEO give their assurance that the interim report provides a true and fair view of the Parent Company's and Group's operations, financial position and results and describes significant risks and uncertainties facing the Parent Company and companies within the Group.

Gothenburg August 18, 2021

Carsten Browall
Chairman of the Board

Aristotelis Nastos
Board member

Bengt Sjöholm
Board member

Helena Skåntorp
Board member

Christian Wildmoser
Board member

Erik Gaténholm
CEO and Board member



Alternative key ratios

In this interim report, alternative key ratios are stated, which supplement the measures defined or specified in the applicable rules for financial reporting. Some of these measures are defined in IFRS, others are alternative measures and are not recognized in accordance with applicable financial reporting frameworks or other legislation.

The alternative key ratios are derived from the company's consolidated financial statements. The measures are used by BICO to provide clearer or more in-depth information in their context than the measures defined in the applicable rules for financial reporting, and thus to help investors and management alike to analyze its operations. Below are descriptions of the measures in this interim report, together with definitions and the reason why they are used.

| Alternative key ratio | Definition | Purpose |
|--|---|--|
| Equity ratio | Equity divided by total assets. | BICO considers that solvency is a useful measure for the company's survival. |
| Gross profit | Net sales less raw materials and supplies reduced by inventory change. | Shows efficiency in BICO's operations and together with EBITDA gives an overall picture of the ongoing profit generation and expenses. |
| Gross margin | Gross profit as a percentage of net sales. | The ratio is used for analysis of the Company's effectiveness and profitability |
| Net debt (-)/Net cash (+) excl. leasing | Short-term investments and cash and cash equivalents, reduced by interest-bearing long-term and short-term liabilities excluding leasing liabilities. A positive number indicates net cash. | BICO believes that net debt/net cash is a useful measure of the company's survival and the ability to execute on an established business plan. |
| Operating profit before depreciation and amortization (EBITDA) | Earnings before interest, tax, depreciation, amortization and impairment. | This alternative key ratio is a useful measure for demonstrating the result generated in day-to-day operations. As operating profit is burdened by amortization of surplus values linked to the acquisitions made by BICO, the Group's management considers that operating profit for depreciation (EBITDA) is a fair measure of the Group's earning capacity. |
| Operating margin (EBITDA), % | Earnings before interest, tax, depreciation and amortization (EBITDA) as a percentage of net sales. | BICO considers operating margin (EBITDA, %) to be a useful measure for showing the performance generated in operating activities. |
| Operating profit (EBIT) | Earnings before interest and similar items and tax. | BICO considers operating profit (EBIT) to be a useful measure for demonstrating the result generated in operating activities. |
| Operating margin (EBIT), % | Operating profit (EBIT) as a percentage of net sales. | BICO considers that operating margin (EBIT, %) is a useful measure for showing the result generated in operating activities. |
| Organic revenue growth | Growth generated from operations in companies that existed in the Group during the corresponding comparison period. | Shows the growth in the existing business adjusted for acquisitions in the last 12 months. |

Reconciliation of alternative key ratios

| | Q2 2021 Apr-Jun | Q2 2020 Apr-Jun* | Half year 2021 Jan-Jun | Half year 2020 Jan-Jun* | 2019/2020 Full year 16 months | 2020 Calendar year 12 months |
|---|--------------------|---------------------|------------------------------|-------------------------------|-------------------------------------|------------------------------------|
| Gross profit, MSEK | | | | | | |
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| Raw materials and supplies reduced by inventory change | -90.7 | -12.0 | -120.1 | -21.5 | -117.4 | -102.3 |
| Gross profit | 202.4 | 28.3 | 302.5 | 56.7 | 298.6 | 263.6 |
| Gross margin, % | | | | | | |
| Gross profit | 202.4 | 28.3 | 302.5 | 56.7 | 298.6 | 263.6 |
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| Gross margin, % | 69.1% | 70.2% | 71.6% | 72.5% | 71.8% | 72.0% |
| Operating profit before depreciation and amortization (EBITDA), MSEK | | | | | | |
| Operating income | -31.4 | -23.1 | -92.2 | -35.2 | -51.9 | -29.4 |
| Depreciation and amortization | 42.0 | 7.1 | 67.9 | 13.5 | 52.7 | 45.8 |
| Operating profit before depreciation and amortization (EBITDA) | 10.6 | -16.0 | -24.3 | -21.7 | 0.8 | 16.4 |
| Operating margin before depreciation and amortization, (EBITDA), % | | | | | | |
| EBITDA | 10.6 | -16.0 | -24.3 | -21.7 | 0.8 | 16.4 |
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| EBITDA margin, % | 3.6% | -39.8% | -5.8% | -27.7% | 0.2% | 4.5% |
| Operating margin (EBIT), % | | | | | | |
| Operating income | -31.4 | -23.1 | -92.2 | -35.2 | -51.9 | -29.4 |
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| EBIT margin, % | -10.7% | -57.4% | -21.8% | -45.0% | -12.5% | -8.0% |
| Organic revenue growth, % | | | | | | |
| Net sales | 293.1 | 40.2 | 422.6 | 78.2 | 416.0 | 365.8 |
| Net sales generated from companies acquired in the last 12 months | -214.8 | | -282.8 | | -186.3 | -169.9 |
| Organic net sales | 78.4 | | 139.8 | | 229.7 | 196.0 |
| Net sales comparison period | 40.2 | | 78.2 | | 155.6 | 132.7 |
| Organic revenue growth, % | 95% | 8%** | 79% | 15%** | 48% | 48% |
| | 2021-06-30 | 2020-06-30* | 2020-12-31 | | | |
| Equity ratio, % | | | | | | |
| Equity | 4,432.2 | 863.5 | 2,208.5 | | | |
| Total assets | 6,693.2 | 957.1 | 2,514.0 | | | |
| Equity ratio, % | 66% | 90% | 88% | | | |
| Net debt (-)/Net cash (+) excl. leasing, MSEK | | | | | | |
| Short-term investments | 1,021.4 | 238.1 | 349.5 | | | |
| Cash and cash equivalents | 441.2 | 111.3 | 434.9 | | | |
| Long-term interest-bearing liabilities excl. leasing liabilities | -1,319.6 | -7.6 | -26.7 | | | |
| Short-term interest-bearing liabilities excl. leasing liabilities | -4.2 | -2.0 | -2.0 | | | |
| Net debt (-)/Net cash (+) | 138.8 | 339.9 | 755.7 | | | |

*The comparison periods for Q2 2020 and first half year 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.

**The organic growth for the comparison period is taken from the reported quarters Q2 and Q3 2019/2020. The deviation has been assessed as marginal.



Consolidated income statements by quarter

| MSEK | 2021 Apr-Jun | 2021 Jan-Mar | 2020 Oct-Dec* | 2020 Jul-Sep* | 2020 Apr-Jun* | 2020 Jan-Mar* |
|---|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Net sales | 293.1 | 129.5 | 207.0 | 80.6 | 40.2 | 38.0 |
| Change in inventories | 28.0 | 37.3 | -8.3 | -3.8 | 8.4 | 1.0 |
| Capitalized work for own account | 26.3 | 16.1 | 16.0 | 12.3 | 3.9 | 16.1 |
| Other operating income | 9.0 | 7.9 | 6.0 | 5.1 | 0.0 | 8.6 |
| Operating expenses | | | | | | |
| Raw materials and supplies | -118.7 | -66.7 | -45.1 | -23.5 | -20.4 | -10.5 |
| Other external expenses | -84.1 | -70.9 | -46.0 | -26.8 | -16.9 | -22.3 |
| Personnel expenses | -138.0 | -86.6 | -76.8 | -49.3 | -28.1 | -36.5 |
| Depreciation and amortization of fixed assets | -42.0 | -25.9 | -21.6 | -10.7 | -7.1 | -6.4 |
| Other operating expenses | -5.0 | -1.5 | -9.1 | -0.3 | -3.2 | - |
| Operating income | -31.4 | -60.8 | 22.0 | -16.2 | -23.1 | -12.1 |
| Financial items | | | | | | |
| Financial income | 5.5 | 9.7 | 4.3 | 5.0 | 12.2 | 0.1 |
| Financial expenses | -23.1 | -3.2 | -0.5 | -0.3 | -0.3 | -22.8 |
| Profit/loss after financial items | -49.0 | -54.3 | 25.8 | -11.5 | -11.2 | -34.9 |
| Tax for the period | -1.5 | 6.5 | -5.4 | -0.7 | 6.4 | 1.3 |
| Net profit/loss for the period | -50.5 | -47.8 | 20.4 | -12.2 | -4.8 | -33.5 |
| Attributable to | | | | | | |
| Parent company shareholders | -50.3 | -47.5 | 20.8 | -12.1 | -4.5 | -33.4 |
| Non-controlling interest | -0.2 | -0.3 | -0.3 | -0.1 | -0.2 | -0.1 |

*All quarters 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.

This information is such that BICO Group AB (publ) is required to publish in accordance with the EU Market Abuse Regulation and the Swedish Security Markets Act. The information was submitted for publication, through the agency by the contact persons set out below on August 18, 2021 at 08.00 (CEST).

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Financial calendar

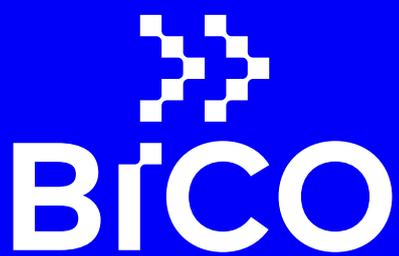
Q3 report 2021 | November 10, 2021

Year-end report 2021 | February 23, 2022

Annual report 2021 | March, 16 2022

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