

BICO Group AB (publ)

Q3 BICO Interim report
July-September 2021

Financial summary

Third quarter

July-September 2021

Net sales amounted to MSEK 315.6 (80.6), which corresponds to an increase of 292% (121) compared to the corresponding period previous year. Organic growth amounted to 59% (49). Adjusted for sales of non-recurring pandemic-related hygiene products the previous year, the quarter's organic growth was 80%.

EBITDA amounted to MSEK -33.8 (-5.6), corresponding to a margin of -10.7% (-6.9). The operating profit during the quarter was affected by acquisition costs totalling MSEK 4.7 (9.8). Other costs affecting comparability include implementation costs for ERP of MSEK 2.7 and costs for name change and rebranding of MSEK 2.5.

Net profit/loss for the period amounted to MSEK -105.0 (-12.2), corresponding to earnings per share before and after dilution of SEK -1.81 (-0.26).

The gross margin amounted to 73.1% (66.2). In the quarter, the company was positively affected by the product mix, partly due to the recent acquisitions, compared with the second quarter of 2021. In the comparison quarter, the Group was negatively affected by currency fluctuations and the sale of hygiene products that took place at a lower gross margin.

Net sales from consumables amounted to MSEK 63.1 (16.4), an increase of 286%. The share of total product sales was 23.0%, which corresponded to an increase of 1.3 percentage points (21.7% in the comparison period).

During the quarter, Advanced BioMatrix was acquired for a total purchase price of MSEK 156.9.

Q1-Q3

January-September 2021

Net sales amounted to MSEK 738.2 (158.8), which corresponds to an increase of 365% (75) compared to the corresponding period previous year. Organic growth amounted to 69% (29). Adjusted for sales of non-recurring pandemic-related hygiene products the previous year, organic growth was 86%.

EBITDA amounted to MSEK -58.1 (-27.3), corresponding to a margin of -7.9% (-17.2). The operating profit during the first nine months was affected by acquisition costs totalling MSEK 34.3 (9.8). Other costs affecting comparability include implementation costs for ERP of MSEK 2.7 and costs for name change and rebranding of MSEK 6.5.

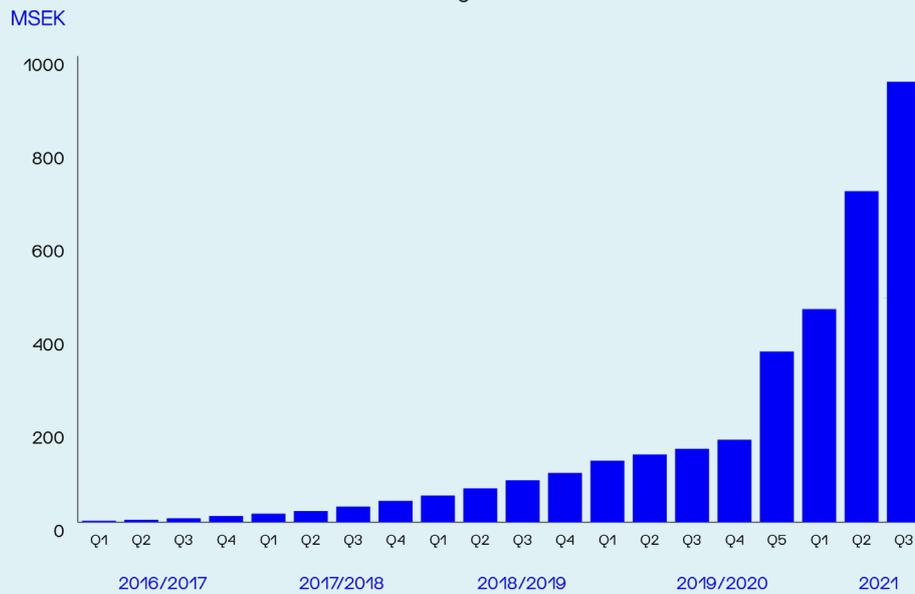
Net profit/loss for the period amounted to MSEK -203.3 (-50.5), corresponding to earnings per share before and after dilution of SEK -3.62 (-1.15).

The gross margin amounted to 72.2% (69.3). The gross margin structure in acquired companies varies depending on the product mix. A larger share of service revenues than in the previous year, for instance through the acquisitions of MatTek and Visikol, makes a positive contribution, while Ginolis in particular operates with a lower gross margin than other companies in the Group.

Net sales from consumables amounted to MSEK 140.6 (29.4), an increase of 378%. The share of total product sales was 21.9%, which corresponded to an increase of 2.4 percentage points (19.5% in the comparison period).

Net sales

Rolling 12 month



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	Q3 2021 Jul-Sep	Q3 2020 Jul-Sep*	Q1-Q3 2021 Jan-Sep	Q1-Q3 2020 Jan-Sep*	2019/2020 Full year 16 months	2020 Calendar year 12 months
Net sales	315.6	80.6	738.2	158.8	416.0	365.8
Gross profit	230.7	53.3	533.2	110.0	298.6	263.6
Gross margin, %	73.1	66.2	72.2	69.3	71.8	72.0
Operating profit before depreciation and amortization (EBITDA)	-33.8	-5.6	-58.1	-27.3	0.8	16.4
Operating margin before depreciation and amortization (EBITDA), %	-10.7	-6.9	-7.9	-17.2	0.2	4.5
Operating profit (EBIT)	-91.3	-16.2	-183.5	-51.4	-51.9	-29.4
Operating margin (EBIT), %	-28.9	-20.2	-24.9	-32.4	-12.5	-8.0
Profit/loss for the period	-105.0	-12.2	-203.3	-50.5	-49.0	-30.1
Earnings per share before and after dilution, SEK**	-1.81	-0.26	-3.62	-1.15	-1.10	-0.64
Net debt (-)/Net cash (+)	-241.6	834.1	-241.6	834.1	755.7	755.7
Cash flow from operating activities	-160.3	10.7	-296.9	-35.1	-79.4	-65.6
Number of shares at the end of the period	57,707,417	51,601,285	57,707,417	51,601,285	51,601,285	51,601,285
Share price on closing day, SEK	522.0	204.0	522.0	204.0	234.5	234.5
Market capitalization on closing day, BSEK	30.1	10.5	30.1	10.5	12.1	12.1
Number of employees at the end of the period	997	298	997	298	396	396

*The comparison period for Q3 2020 and first nine months 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 29.

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.



Continued strong organic growth, improved gross margin and supply chain challenges

On BICO's behalf, I would like to begin by thanking the Swedish Government for awarding us as the Exporter of the Year 2021. We are proud recipients of this newly introduced award. We see it as proof of our relevance and strong position in the global market through our unique offering within bio convergence. BICO is currently represented in more than 65 countries across the globe with over 25,000 instruments in the field and we have been cited in more than 9,500 scientific publications.

During the quarter, the world started to open up, and I have had the privilege of being able to meet with customers and my colleagues at BICO again. This has led to many exciting customer meetings, business relationships and new business opportunities. A heartfelt thanks to the BICO team for your dedicated work, your passion for what you do and how you have helped to put BICO on the map. I would also like to thank our approximately 19,000 shareholders for the confidence you have placed in us. Last but not least, I would like to express my sincere thanks to the BICO Board for our collaboration and guidance that have strengthened our position as the leading company in bio convergence.

Strong organic growth and challenges in supply chains

Net sales in the third quarter amounted to MSEK 315.6, an increase of 292 percent compared with the corresponding period last year, of which 59 percent was organic growth. When excluding the sale of non-recurring pandemic-related hygiene products during 2020, comparable organic growth amounted to 80 percent, which was driven by a strong demand for bioprinters and liquid handling robots. We saw a strong demand in the Group for our instruments and reagents and an increased share of revenue from consumables and new product launches during the period. We also showed an improved gross margin of 73.1 percent which was almost 7 percentage units higher than corresponding quarter last year. This was due to the product mix from recent acquisitions. The EBITDA margin for the third quarter amounted to -10.7 percent for the quarter, compared with -6.9 percent in the corresponding period last year.

Margins during the quarter were mainly affected by two reasons:

1. During the quarter, three of the companies in the Group had challenges due to global supply chain disruptions and under capacity in production. As a result of this they could not deliver according to their orders. We have addressed these issues. Our assessment is that the measures taken in the form of increased inventory levels combined with recruitment to increase production capacity will gradually have a positive effect from the fourth quarter of 2021. These companies had a particularly large gap between their order intake and sales during the quarter. As a result, the order intake during the quarter was higher than sales, which generated a significant increase in order backlog.
2. Furthermore, we continue to invest to scale our organization and invest in R&D to support our long-term growth strategy which also affected our margins in the quarter. Investments to establish a global cohesive Group in terms of systems, employees and supply chains have continued.

In addition, the cost base for the acquired companies has also been fully consolidated, while the delivery difficulties due to global supply chain disruptions meant that sales levels did not develop at the corresponding pace. In addition, the group was also affected by seasonal variations, impacted by a decrease in

demand during the holiday season (June-August). The quarter was charged with acquisition expenses of MSEK 4.7 attributable to investments for both the Group and Group companies for continued growth. For the first nine months we achieved significantly improved operating margins compared to the corresponding period last year due to substantially increased productivity.

Acquisitions, synergies and new offerings

During the quarter, Advanced BioMatrix – a leading company in reagents with a particularly strong position in the production of high-quality collagen and collagen ink designed for 3D bioprinting – was acquired. An asset transfer was also carried out in which HUREL, a company focusing on 2D liver models, was integrated in Visikol. In September, the first shared service offering from MatTek, Visikol and CELLINK was launched. The companies offer complete 3D biomanufacturing and services for in-vitro analysis, which relates to the Group's agenda for bio convergence. It gives customers access to the companies' collective expertise in cell culture, advanced tissue models, 3D bioprinting, microscopy and advanced cell-culture analyses. After the end of the quarter, Qinstruments was acquired, a company focusing on advanced automated sample preparation for biomedicine and life science research as well as clinical diagnostics. Qinstruments' technology can be integrated into the Group's workflows and can continue to be sold as independent products. There is also potential to integrate the technology into new instruments and allow it to converge with the other companies in the Group.

BICO wants to contribute to ensuring that cosmetic and pharmaceutical development in the future is free from animal testing

There is an ongoing global debate concerning the relevance of animal testing in the production of pharmaceuticals and cosmetics, particularly in the US and Europe. In September, the European Parliament adopted a resolution calling on the European Commission to establish an action plan to actively phase-out animal experiments. A few weeks ago, the *FDA Modernization Act* was presented in the US Congress. In brief, the proposal entails that experimental drugs would no longer require to be tested on animals in clinical studies to obtain approval by the US Food and Drug Administration, FDA. BICO fully supports these initiatives. It showcases that legislation for these issues needs to be updated. This is entirely in line with our vision of a future where animal testing is entirely phased out and replaced by our tissue models, which enable faster, more secure and cost-efficient production of pharmaceuticals.

Focus on measures and development of innovative offerings that creates the future of health

During the final months of the year, we will focus on ensuring that the measures implemented to address the challenges we have with the companies' supply chains are working. In addition to this, the focus will be on product development and innovation which will result in customer solutions that address the health challenges we are facing and that contributes to the future of health.

Gothenburg, November 10, 2021

Erik Gatenholm
President and CEO of BICO Group AB



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, is possible. The key to life itself.



BICO in numbers



65+
countries



25,000+
instruments in the field



990+
employees



59%
organic growth



13
Group companies



9,500+
publications



Significant events during the financial year

Events during the quarter

July-September 2021

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 (**BiO CO**nvergence).

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.

On August 27, an agreement was signed to acquire Advanced BioMatrix, an innovative company focusing on 3D applications, in order to be able to ensure a market-leading product portfolio in bioinks and reagents. The purchase price amounted to MSEK 156.9 and the acquisition was completed the same day. Advanced BioMatrix is a subsidiary of CELLINK.

On September 7, Erica Bell was hired as Chief People Officer. Erica Bell is part of the company's executive management team.

On September 15, an agreement was signed to acquire HUREL, an American life science company focused on providing its customers with two-dimensional liver co-culture and assay services. The purchase price amounted to MSEK 21.5 and the acquisition was completed the same day. HUREL has been integrated into Visikol, a subsidiary in BICO.

On September 21, the subsidiaries CELLINK, MatTek and Visikol launched 3D bioprinting contract research offering.

Events during the rest of the financial year

January-June 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 therapeutic 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 614.9 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 MSEK 3,000.





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.

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 544.9 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 144.2 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 October 1, an agreement was signed to acquire QInstruments, a leading company in advanced sample preparation for biomedical and life science research and clinical diagnostics. The purchase price amounted to MSEK 633.

On October 7, BICO announced the intention to carry out a directed issue of shares of approximately SEK two billion. On October 8, the directed share issue is completed where both existing shareholders and new international institutional shareholders participated.

On October 14, BICO was granted two additional patents, one in the United States and one in Sweden, for 3D bioprinting of temperature sensitive bioinks.

On October 19, the subsidiary CYTENA launched C.STATION, a fully automated platform for stable cell line development to streamline production on antibody and gene therapies.

On October 22, BICO received the Swedish Government's novel Award, Exporter of the Year 2021. The Award was initiated by the Swedish government in effort to promote Swedish exports, by honoring companies that have made particularly meritorious efforts in inspiration and development.



The Group

Net sales

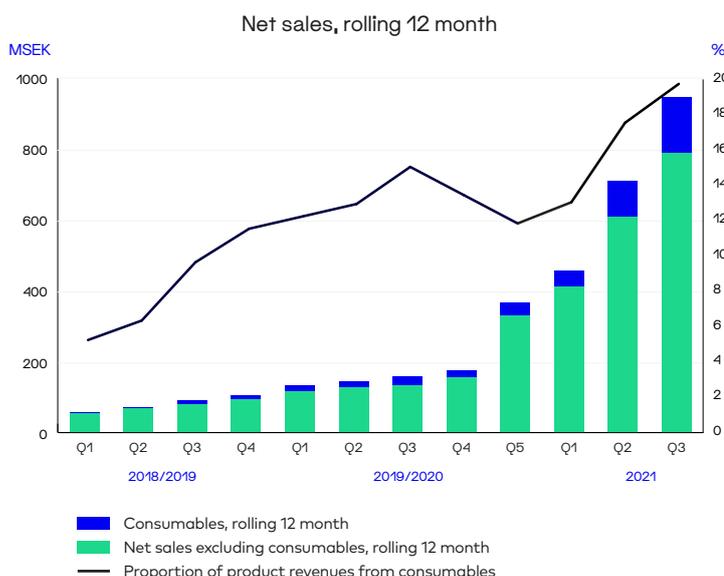
Net sales in the third quarter amounted to MSEK 315.6 (80.6), an increase compared to the corresponding period last year of 292 percent (121). Organic growth amounted to 59 percent (49). Adjusted for sales of non-recurring pandemic-related hygiene products, the quarter's organic growth was 80 percent.

During the quarter, the acquisition of Advanced Biomatrix was completed, which was included in the Group's accounts as of September. Three additional acquisitions, Nanoscribe GmbH, Visikol Inc., and Discover Echo Inc., were not included during parts or the entire second quarter. These companies had total sales of MSEK 68.5 during Q3, compared with MSEK 10.2 during Q2, with fully comparable sales decreasing sequentially by 13 percent compared with the second quarter of 2021.

The development is primarily due to challenges that Ginolis, Nanoscribe and Discover Echo had due to global supply chain disruptions and under capacity in production. As a result, order intake during the quarter was stronger than sales, which generated a significant increase in order backlog. BICO does not currently report the size of order intake or order backlog.

During the quarter, the share of sales of consumables increased. 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 63.1 (16.4), an increase of 286 percent. The share of total product sales was 23.0 percent, representing an increase of 1.3 percentage points (21.7 percent 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. Visikol contributed with an increased share of service revenues, while Ginolis, Nanoscribe, and Discover Echo have a lower share of revenues from consumables and services. Overall, sales of consumables are growing at a higher rate than sales overall.

Net sales for the first nine months of the year amounted to MSEK 738.2 (158.8), an increase of 365 percent (75) compared to the corresponding period last year. Organic growth amounted to 69 percent (29). Organic sales growth in the companies, which were reported as organic during Q2, amounted to 92 percent during the quarter. As SCIENION had a very strong September last year, they had a negative impact on organic growth in Q3.



Results

Gross profit in the third quarter amounted to MSEK 230.7 (53.3), corresponding to a gross margin of 73.1 percent (66.2). In the quarter, the company was positively affected by the product mix and partly from newly acquired companies compared with the second quarter of 2021. In the comparison quarter, the Group was negatively affected by currency fluctuations and the sale of hygiene products that took place at a lower gross margin. The gross margin structure in acquired companies varies depending on the product mix. A larger share of service revenues than in the previous year, for instance through the acquisitions of MatTek and Visikol, makes a positive contribution, while Ginolis in particular operates with a lower gross margin than other companies in the Group.

Gross profit for the first nine months of the year amounted to MSEK 533.2 (110.0), corresponding to a gross margin of 72.2 percent (69.3).

EBITDA for the third quarter amounted to MSEK -33.8 (-5.6), corresponding to an EBITDA margin of -10.7 percent (-6.9). During the quarter, EBITDA was impacted by acquisition costs equalling MSEK 4.7 (9.8). Compared with the second quarter of 2021, EBITDA decreased by MSEK 44.4.





Margins during the quarter were mainly affected by two reasons:

1. During the quarter, three of the companies in the Group had challenges due to global supply chain disruptions and under capacity in production. As a result of this they could not deliver according to their orders. We have addressed these issues. Our assessment is that the measures taken in the form of increased inventory levels combined with recruitment to increase production capacity will gradually have a positive effect from the fourth quarter of 2021. These companies had a particularly large gap between their order intake and sales during the quarter. As a result, the order intake during the quarter was higher than sales, which generated a significant increase in order backlog.
2. Furthermore, we continue to invest to scale our organization and invest in R&D to support our long-term growth strategy which also affected our margins in the quarter. Investments to establish a global cohesive Group in terms of systems, employees and supply chains have continued.

In addition, the cost base for the acquired companies has also been fully consolidated, while the delivery difficulties due to global supply chain disruptions meant that sales levels did not develop at the corresponding pace. In addition, the group was also affected by seasonal variations, impacted by a decrease in demand during the holiday season (June-August).

EBITDA for the first nine months of the year amounted to MSEK -58.1 (-27.3), corresponding to an EBITDA margin of -7.9% (-17.2). Acquisition costs amounted to MSEK 34.3 (9.8).

Operating profit/loss for the third quarter amounted to MSEK -91.3 (-16.2), corresponding to an operating margin of -28.9 percent (-20.2). Operating profit/loss in the third quarter was affected by amortization of acquired intangible assets of MSEK -26.2 (-3.7) and for the first nine months MSEK -52.8 (-7.3). The increase compared with the corresponding period last year is attributable to the number of acquisitions that have been completed.

Operating profit/loss for the first nine months of the year amounted to MSEK -183.5 (-51.4), corresponding to an operating margin of -24.9 percent (-32.4).

For the first nine months we achieved significantly improved operating margins compared to the corresponding period last year due to substantially increased productivity.

Other operating income for the third quarter amounted to MSEK 8.2 (5.1) and for the first nine months of the year MSEK 22.5 (11.7). 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 5.7 (5.1) in the quarter and MSEK 11.8 (-5.4) for the first nine months of the year. The negative return last year was a result of the market turmoil caused by COVID-19 in spring 2020. Financial items have also been affected by costs related to the convertible loans of MSEK 37.7, see further under the section Cash flow, investments and liquidity and Note 4.

Net/profit loss for the third quarter amounted to MSEK -105.0 (-12.2), corresponding to earnings per share before and after dilution of SEK -1.81 (-0.26). For the first nine months of the year, net/profit loss for the period amounted to MSEK -203.3 (-50.5), corresponding to earnings per share before and after dilution of SEK -3.62 (-1.15).

Cash flow, investments and liquidity

Cash flow from operating activities for the third quarter amounted to MSEK -160.3 (10.7). For the first nine months, cash flow from operating activities amounted to MSEK -296.9 (-35.1). Part of the negative cash flow from operations can be attributed to an increase in inventories of approximately MSEK 50.7 in the quarter and MSEK 127.0 in the first nine months of the year. The build-up is planned to reduce the risks of the delivery disruptions the Group sees in subcontractors. Capital tied up in operating receivables continues to increase, which is an effect of both strong organic growth and acquired companies. 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. See also Note 4 for information on accounts receivable and sales in acquired companies. 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 third quarter amounted to MSEK 30.0 (-528.7), of which MSEK -159.7



(-417.5) was attributable to the purchase price paid in cash and acquisition costs for the acquisitions made during the quarter and MSEK 242.4 (-88.4) was attributable to the purchase of short-term interest funds and other short-term investments during the quarter. For the first nine months of the year, cash flow from investing activities amounted to MSEK -2,715.7 (-808.2), of which MSEK -2,116.6 (-417.5) was attributable to the purchase price paid in cash and acquisition costs for the total of seven acquisitions made during the period and MSEK -422.7 (-321.5) was attributable to investments in short-term investments. In the comparison period for the previous year, Scienion was acquired. The timing and structure of the acquisitions carried out by the Group as well as the timing of issues and subsequent investments in short-term investments, thus affect the cash flow from investing activities to a significant extent.

During the third quarter, the Group invested MSEK -35.4 (-19.1) in intangible fixed assets, mainly attributable to product development. For the first nine months of the year, the corresponding investments amounted to MSEK -121.0 (-58.9). This increase is mainly attributable to increased investments in product development in bioprinting, live-cell imaging and single cell proteomics. 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. During the first nine months, cash outflow linked to R&D increased by 105%, while sales increased by 365%.

Cash flow from financing activities for the third quarter amounted to MSEK 20.8 (913.2). For the first nine months of the year, cash flow from financing activities amounted to MSEK 2,907.6 (1,295.7) and consisted mainly of contributions from completed new share issues and raised convertible loan, net after issue costs. 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 -109.4 (395.2) and for the first nine months of the year to MSEK -105.1 (452.4).

The Company carried out a new share issue on March 12, 2021, that provided the company with MSEK 1,500 before issue costs and comprised of 3,571,429 new Class B shares, corresponding to approximately 6.8 percent of the total outstanding share capital in BICO at the time of the issue. Simultaneously, a convertible issue of MSEK 1,500 that, provided that full conversion takes place, entails a dilution of 4.3 percent of the total number of outstanding shares in BICO as of September 30, 2021, through an increase in the number of outstanding Class B shares by approximately 2,505,750, was carried out. 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. Many Swedish and international institutional investors and existing shareholders participated in the new share issue. More about how the convertible debt affects BICO's accounting in Note 4.

In total, the company received MSEK 3,000 before issue costs through the share and convertible issues. The proceeds have been used to finance this year's acquisitions and other growth activities.

At the end of the period, the Group's cash and cash equivalents and short-term investments amounted to MSEK 1,107.1 (843.2). The short-term investments are invested in short-term interest funds and other market listed bonds. The Group's external financing consists of interest-bearing liabilities of MSEK 1,348.7, of which MSEK 1,320.8 relates to the convertible loan, net of transaction costs. In addition, there are financial lease liabilities totalling MSEK 216.1. The Group thus has a net debt.

On October 8, 2021, after the end of the period, a directed new share issue was carried out, which provided the Group with MSEK 2,040 before issue costs. The issue comprised 4,250,000 new B shares, corresponding to a dilution of approximately 7.4 percent of the number of outstanding shares at the time of the issue. The subscription price in the new share issue amounted to SEK 480 per new B share and was set through a so-called accelerated bookbuilding procedure.

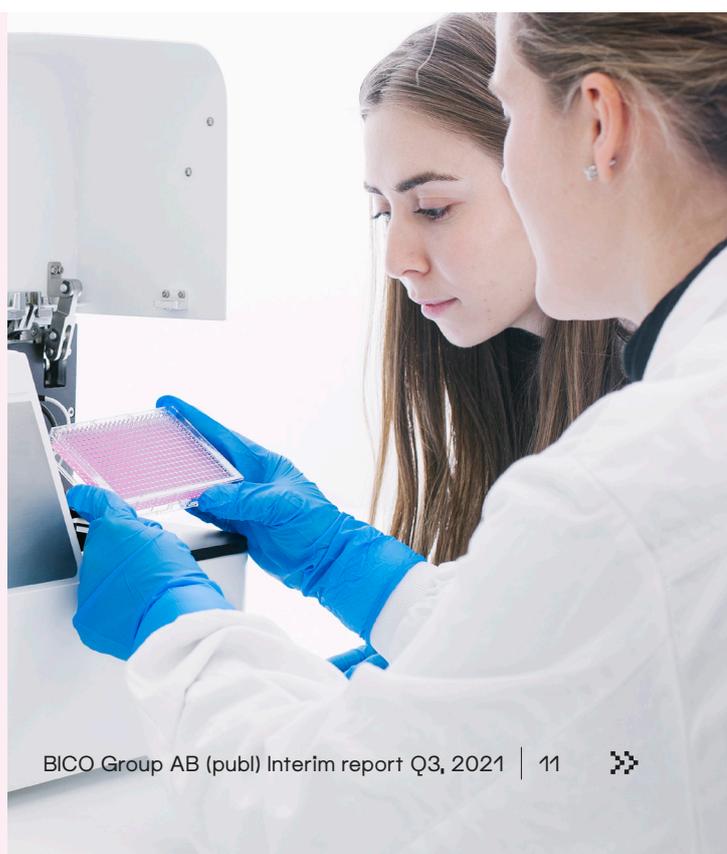
Parent company

The Parent Company's net sales in the third quarter amounted to MSEK 63.0 (33.0), of which MSEK 26.5 (15.8) related to intra-group sales. Profit/loss after financial items amounted to MSEK -52.5 (0.7) and net profit/loss for the period amounted to MSEK -55.3 (0.3).

Net sales for the period January to September 2021 amounted to MSEK 175.2 (82.3), of which MSEK 78.6 (29.6) related to intra-group sales. Profit/loss after financial items amounted to MSEK -144.2 (-43.8) and net profit/loss for the period amounted to MSEK -130.6 (-36.6).

During the second half of 2021, the Group will carry out a gradual restructuring of the invoicing flow, which has led and will continue to lead to the parent company's net sales decreasing in favor of the subsidiaries. As a result, during Q3 2021 the parent company did not capitalize a deferred tax asset related to additional loss carryforwards.

At the end of the quarter, the Parent Company's cash, cash equivalents and short-term investments amounted to MSEK 794.8 (713.2). The Parent Company's external financing consists of a convertible debt of MSEK 1,320.8, external loans of MSEK 6.5 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 third quarter, more markets opened up and travel restrictions have eased, trade fairs and the opportunity to hold demonstrations in customers' laboratories have gradually increased. 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.

Employees

The number of employees in the BICO Group at the beginning of the quarter was 924 and as of September 30, 2021, the number of employees in the BICO Group was 997 (298). The acquisition of Advanced BioMatrix in August added 5 employees and the asset purchase of Hurel in September added 3 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 during the fourth quarter.

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. Certain members of the Group's management team and the Board of Directors hold options in BICO, see Note 5. For information on related party relations, see the Annual Report for 2019/2020, Note 28, page 108.

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, an efficient supply chain and production process 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

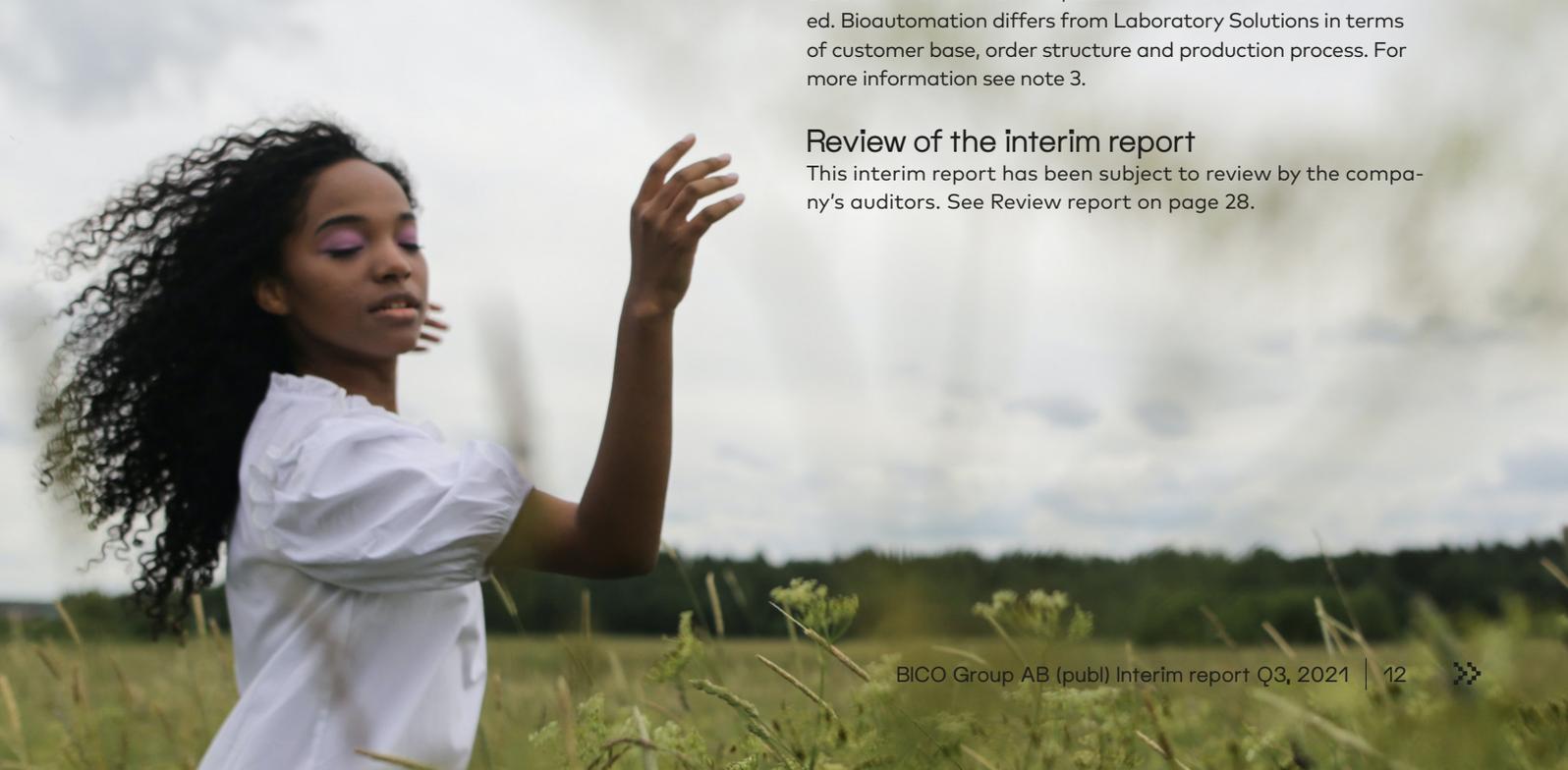
BICO's transition to reporting per calendar year from January 1, 2021, resulted in a fifth quarter (Q5) 2020 which corresponded to four months; September 1 to December 31, 2020. Comparative figures for Q3 2020 and for the first nine months 2020 are in this report recalculated per calendar year.

Reporting segments

In terms of reporting, BICO reports divided into two segments: Bioautomation (formerly Industrial Solutions) and Laboratory Solutions where Bioprinting and Biosciences are included. In Bioautomation SCIENION, CELLENION and Ginolis are included. Bioautomation differs from Laboratory Solutions in terms of customer base, order structure and production process. For more information see note 3.

Review of the interim report

This interim report has been subject to review by the company's auditors. See Review report on page 28.



Condensed consolidated income statements

MSEK	Note	Q3 2021 Jul-Sep	Q3 2020 Jul-Sep**	Q1-Q3 2021 Jan-Sep	Q1-Q3 2020 Jan-Sep**	2019/2020 Full year 16 months	2020 Calendar year 12 months
Net sales	3	315.6	80.6	738.2	158.8	416.0	365.8
Change in inventories		40.2	-3.8	105.5	5.6	3.5	-2.7
Capitalized work for own account		23.5	12.3	65.9	32.3	60.7	48.3
Other operating income		8.2	5.1	22.5	11.7	28.1	17.7
Operating expenses							
Raw materials and supplies		-125.1	-23.5	-310.5	-54.4	-120.8	-99.6
Other external costs		-113.8	-26.8	-268.8	-65.9	-142.4	-111.9
Personnel expenses		-182.3	-49.3	-406.9	-113.9	-230.8	-190.7
Depreciation and amortization of fixed assets		-57.5	-10.7	-125.4	-24.2	-52.7	-45.8
Other operating expenses		-0.1	-0.3	-4.0	-1.5	-13.4	-10.6
Operating profit/loss		-91.3	-16.2	-183.5	-51.4	-51.9	-29.4
Financial items							
Financial income		6.3	5.0	12.1	-	0.6	0.4
Financial expenses		-29.2	-0.3	-46.1	-6.1	-2.9	-2.7
Profit/loss after financial items		-114.2	-11.5	-217.5	-57.6	-54.2	-31.8
Tax for the period		9.2	-0.7	14.2	7.0	5.2	1.7
Net profit/loss for the period		-105.0	-12.2	-203.3	-50.5	-49.0	-30.1
Attributable to:							
Parent company shareholders		-104.2	-12.1	-202.0	-50.0	-48.2	-29.3
Non-controlling interest		-0.8	-0.1	-1.3	-0.5	-0.8	-0.8
Earnings per share before dilution, SEK		-1.81	-0.26	-3.62	-1.15	-1.10	-0.64
Earnings per share after dilution, SEK		-1.81	-0.26	-3.62	-1.15	-1.10	-0.64
Average number of shares before dilution*		57,652,721	45,738,445	55,746,831	43,410,387	43,856,141	45,465,752
Average number of shares after dilution*		59,350,884	47,168,943	57,349,179	44,443,077	44,888,273	46,730,428

*Average number of shares including potential ordinary shares.

**The comparison periods for Q3 2020 and first nine months 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	Q3 2021 Jul-Sep	Q3 2020 Jul-Sep*	Q1-Q3 2021 Jan-Sep	Q1-Q3 2020 Jan-Sep*	2019/2020 Full year 16 months	2020 Calendar year 12 months
Net profit/loss for the period	-105.0	-12.2	-203.3	-50.5	-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	78.1	20.0	95.5	21.5	-58.4	-45.7
Tax attributable to items that have been transferred or can be transferred to the profit	-0.4	0.0	-0.8	0.0	0.6	0.6
Total comprehensive income	-27.3	7.8	-108.6	-29.0	-106.8	-75.2
Attributable to						
Parent company shareholders	-26.5	7.8	-107.4	-28.5	-105.7	-74.2
Non-controlling interest	-0.8	0.0	-1.2	-0.5	-1.1	-1.0

*The comparison periods for Q3 2020 and first nine months 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	2021-09-30	2020-09-30*	2020-12-31
ASSETS				
Fixed assets				
Intangible fixed assets	6	4,393.8	1,309.5	1,260.9
Property, plant and equipment		159.7	42.8	52.5
Right-of-use assets		215.9	79.9	80.8
Financial fixed assets		20.2	4.8	13.0
Deferred tax assets		114.3	26.8	39.5
Total fixed assets		4,903.9	1,463.8	1,446.7
Current assets				
Inventories		278.3	107.4	85.3
Deferred tax assets		10.1	0.1	-
Accounts receivable		332.7	112.4	176.4
Prepaid expenses and accrued income		100.2	16.2	10.3
Other current assets		52.3	17.4	10.8
Short-term investments	4	773.9	336.3	349.5
Cash and cash equivalents		333.2	506.9	434.9
Total current assets		1,880.7	1,096.7	1,067.3
TOTAL ASSETS		6,784.6	2,560.5	2,514.0
EQUITY AND LIABILITIES				
Equity attributable to parent company shareholders		4,396.4	2,247.2	2,201.9
Non-controlling interest		28.3	5.3	6.6
Total equity		4,424.7	2,252.5	2,208.5
Long-term liabilities				
Long-term interest-bearing liabilities	4, 7	1,344.3	7.1	26.7
Long-term lease liabilities		166.0	61.5	60.1
Other provisions		17.6	2.8	4.7
Other long-term liabilities	4	203.3	-	-
Deferred tax liabilities		134.7	61.4	59.6
Total long-term liabilities		1,865.9	132.9	151.1
Current liabilities				
Short-term interest-bearing liabilities		4.4	2.0	2.0
Short-term lease liabilities		50.1	16.8	20.1
Accounts payable		90.5	42.6	33.0
Other current liabilities	4	222.5	42.5	35.5
Accrued expenses and deferred income		126.5	71.3	63.8
Total current liabilities		494.0	175.2	154.4
Total liabilities		2,359.9	308.1	305.5
TOTAL EQUITY AND LIABILITIES		6,784.6	2,560.5	2,514.0

* The comparison periods for Q3 2020 and first nine months 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	Q3 2021 Jul-Sep	Q3 2020 Jul-Sep*	Q1-Q3 2021 Jan-Sep	Q1-Q3 2020 Jan-Sep*	2019/2020 Full year 16 months	2020 Calendar year 12 months
Profit/loss after financial items	-114.2	-11.5	-217.5	-57.6	-54.2	-31.8
Adjustments for non-cash items	72.7	10.0	148.2	37.7	64.9	55.7
Income tax paid	-10.4	-2.3	-24.8	-2.7	0.9	1.2
Increase (-)/Decrease (+) in inventories	-50.7	27.3	-127.0	20.4	13.3	25.7
Increase (-)/Decrease (+) in trade receivables	-70.9	-53.8	-130.2	-70.6	-118.5	-130.1
Increase (+)/Decrease (-) of trade liabilities	13.2	41.0	54.3	37.6	14.4	13.6
Cash flow from operating activities	-160.3	10.7	-296.9	-35.1	-79.4	-65.6
Acquisition of property, plant and equipment	-17.4	-3.7	-55.4	-10.3	-30.1	-25.2
Acquisition of intangible fixed assets	-35.4	-19.1	-121.0	-58.9	-103.8	-85.5
Acquisition of subsidiaries/operations, net proceeds	-159.7	-417.5	-2,116.6	-417.5	-417.5	-417.5
Acquisition/disposal of short-term investments, net	242.4	-88.4	-422.7	-321.5	-276.6	-330.4
Cash flow from investing activities	30.0	-528.7	-2715.7	-808.2	-828.0	-858.5
Option premiums received	-	-	-	10.5	11.7	11.7
New issues	40.0	952.1	1,565.9	1,336.2	1,336.3	1,336.3
Issue costs	-1.2	-35.8	-64.4	-52.7	-53.8	-53.6
Issue of convertible loan	-	-	1,500.0	-	-	-
Repurchase of own options	-	0.1	-	-0.1	-0.1	-0.1
Borrowings, net arrangement fees	-	-	-	10.0	30.1	30.1
Repayment of loans	-6.2	-0.5	-68.7	-1.5	-2.0	-2.0
Amortization of lease liabilities	-11.7	-2.7	-25.1	-6.8	-13.4	-11.9
Cash flow from financing activities	20.8	913.2	2,907.6	1,295.7	1,308.9	1,310.6
Cash flow for the period	-109.4	395.2	-105.1	452.4	401.5	386.5
Opening cash and cash equivalents	441.2	111.3	434.9	53.9	39.8	53.9
Exchange difference in cash and cash equivalents	1.4	0.4	3.3	0.5	-6.5	-5.5
Closing cash and cash equivalents	333.2	506.9	333.2	506.9	434.9	434.9

*The comparison periods for Q3 2020 and first nine months 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	Balanced profit including profit 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	-	-	-	-202.0	-1.3	-203.2
Other comprehensive income	-	-	94.6	-	0.1	94.7
New share issue	0.1	1,542.9	-	-	22.8	1,565.9
Non-cash issue	0.0	617.1	-	-	-	617.1
Transaction costs, net of tax	-	-30.5	-	-	-	-30.5
Equity part of convertible loan	-	167.1	-	-	-	167.1
Share-based compensation	-	5.1	-	-	-	5.1
Closing balance as of September 30, 2021	1.4	4,601.2	42.2	-248.4	28.3	4,424.7



Condensed income statements for the parent company

MSEK	Q3 2021 Jul-Sep	Q3 2020 Jul-Sep*	Q1-Q3 2021 Jan-Sep	Q1-Q3 2020 Jan-Sep*	2019/2020 Full year 16 months	2020 Calendar year 12 months
Net sales	63.0	33.0	175.2	82.3	167.1	139.4
Change in inventories	0.9	-1.3	22.5	1.3	9.4	4.0
Capitalized work for own account	0.0	5.2	13.7	9.6	19.4	16.7
Other operating income	3.9	5.9	11.0	19.2	38.5	27.8
Operating expenses						
Raw materials and supplies	-46.7	-12.2	-137.1	-31.2	-67.1	-55.2
Other external costs	-35.2	-17.6	-111.9	-65.6	-135.8	-106.6
Personnel expenses	-15.3	-13.9	-76.4	-43.1	-87.9	-67.9
Depreciation and amortization of fixed assets	-6.7	-2.3	-17.8	-6.1	-10.9	-9.0
Other operating expenses	-0.8	-0.2	-2.0	-1.3	-10.7	-8.1
Operating profit/loss	-36.8	-3.4	-122.8	-34.9	-77.9	-58.7
Financial items						
Profit from shares in Group companies	0.0	-1.0	-0.3	-3.8	-3.8	-3.8
Financial income	16.4	0.2	31.3	0.3	1.0	0.9
Financial expenses	-32.1	5.0	-52.4	-5.4	-4.0	-4.3
Profit/loss after financial items	-52.5	0.7	-144.2	-43.8	-84.8	-65.9
Tax for the period	-2.8	-0.4	13.6	7.2	16.5	14.8
Net profit/loss for the period**	-55.3	0.3	-130.6	-36.6	-68.3	-51.1

*The comparison periods for Q3 2020 and first nine months 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	2021-09-30	2020-09-30*	2020-12-31
ASSETS				
Fixed assets				
Intangible fixed assets		170.6	111.7	132.5
Property, plant and equipment		13.3	8.4	9.1
Shares in Group companies	6	4,466.8	1,325.3	1,321.3
Receivables from Group companies		407.7	37.3	48.2
Other financial fixed assets		4.8	1.5	1.2
Deferred tax assets		50.9	24.7	30.3
Total fixed assets		5,114.1	1,508.9	1,542.6
Current assets				
Inventories		13.8	22.2	23.9
Accounts receivables		63.0	29.1	44.0
Receivables from Group companies		53.7	22.4	14.0
Other current assets		11.7	4.8	5.8
Prepaid expenses and accrued income		27.8	7.2	7.1
Short-term investments	4	773.9	336.3	349.5
Cash and cash equivalents		20.9	376.9	302.4
Total current assets		964.8	799.0	746.8
TOTAL ASSETS		6,078.9	2,307.9	2,289.4
EQUITY AND LIABILITIES				
Equity		4,440.4	2,255.5	2,238.7
Long-term liabilities				
Other provisions		0.7	0.4	0.5
Long-term interest-bearing liabilities	4, 7	1,325.3	7.1	6.6
Other long-term liabilities	4	181.5	-	-
Total long-term liabilities		1,507.5	7.5	7.1
Current liabilities				
Short-term interest-bearing liabilities		2.0	2.0	2.0
Advance payments		1.0	0.0	0.0
Liabilities to Group companies		1.9	-	1.9
Accounts payable		6.1	22.5	15.0
Other current liabilities	4	117.1	1.1	1.3
Accrued expenses and deferred income		38.9	19.4	23.3
Total current liabilities		167.1	44.9	43.6
TOTAL EQUITY AND LIABILITIES		6,078.9	2,307.9	2,289.4

*The comparison periods for Q3 2020 and first nine months 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 third quarter of 2021 are generally the same as described in the Annual Report for 2019/2020, Note 3, pages 84-85. Additional estimates and assessments during the year have been made related to the initial reporting of the convertible loan raised in 2021, see more information in Note 4.

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. The purchase price allocation has now been established.

Information and the purchase price allocation for the acquired companies Ginolis and MatTek, acquired during the first quarter, Nanoscribe, Visikol and Discover Echo, acquired during the second quarter, and Advanced Biomatrix, acquired during the third quarter, are presented 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. For certain major projects that run over several periods, the performance commitment is considered fulfilled over time. For these projects, BICO estimates the degree of completion of the projects in relation to the project budget, and reports the project's revenues over time in accordance with this assessment.

BICO also sells services in the form of services linked to products, contract manufacturing and research, and software. 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.

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 research and 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 financial 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 this and the next page.

Segment reporting

The company consists of two reporting segments, Laboratory Solutions and Bioautomation (formerly Industrial Solutions). 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, Nanoscribe and Advanced BioMatrix. Biosciences consists of CYTENA, CYTENA Bioprocess Solutions, Dispensex 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 bioinks, reagents, microscope lenses, printheads, and 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. After the end of the period, QInstruments, which is a German company in advanced sample preparation automation by mixing solutions for liquid handling robots and workflows for biomedical and life science research and clinical diagnostics, was acquired. QInstruments will be consolidated in BICO's financial reporting as of the fourth quarter of 2021.

Segment reporting

MSEK	Laboratory Solutions		Bioautomation			Total		
	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*	2019/2020 Full year 16 months	2020 Calendar year 12 months
Net sales	407.4	134.4	330.7	24.4	738.2	158.8	416.0	365.8
Raw materials and supplies reduced with changes in inventories	-100.9	-41.6	-104.1	-7.2	-204.9	-48.8	-117.4	-102.2
Gross profit	306.6	92.8	226.6	17.2	533.2	110.0	298.6	263.6
Gross margin, %	75.2	69.0	68.5	70.5	72.2	69.3	71.8	72.0
Capitalized work for own account	-	-	-	-	65.9	32.3	60.7	48.3
Other operating income	-	-	-	-	22.5	11.7	28.1	17.7
Other external costs	-	-	-	-	-268.8	-65.9	-142.4	-111.9
Personnel expenses	-	-	-	-	-406.9	-113.9	-230.8	-190.7
Depreciation and amortization of fixed assets	-	-	-	-	-125.4	-24.2	-52.7	-45.8
Other operating expenses	-	-	-	-	-4.0	-1.5	-13.4	-10.6
Financial income	-	-	-	-	12.1	-	0.6	0.4
Financial expenses	-	-	-	-	-46.1	-6.1	-2.9	-2.7
Profit/loss before tax	-	-	-	-	-217.5	-57.6	-54.2	-31.8

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



The BICO Group

Net sales by geographic region

MSEK	Laboratory Solutions		Bioautomation		Total	
	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*
Europe	98.8	38.6	161.0	22.1	259.8	60.6
North America	221.1	62.1	147.2	1.7	368.3	63.8
Asia	67.0	29.5	19.3	0.6	86.3	30.1
Rest of the world	20.6	4.3	3.2	0.1	23.7	4.3
Total	407.4	134.4	330.7	24.4	738.2	158.8

Net sales broken down by products and services

MSEK	Laboratory Solutions		Bioautomation		Total	
	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*
Products	374.9	130.9	265.9	19.8	640.7	150.8
Services	32.6	3.5	64.8	4.6	97.4	8.1
Total	407.4	134.4	330.7	24.4	738.2	158.8

Net sales products broken down by consumables and instruments

MSEK	Laboratory Solutions		Bioautomation		Total	
	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*	2021 Jan-Sep	2020 Jan-Sep*
Consumables	107.0	26.7	33.6	2.7	140.6	29.4
Instruments	267.9	104.2	232.3	17.1	500.2	121.3
Total	374.9	130.9	265.9	19.8	640.7	150.8

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



Note 4. Financial instruments

The Group's financial instruments consist of long-term investments, accounts receivable, short-term investments, cash and cash equivalents, interest-bearing liabilities, lease liabilities, conditional purchase prices, and accounts payable. All instruments except short-term investments, and convertible bonds, are valued at amortized cost, which is approximately equal to the market value. For financial instruments that are not reported at fair value, the fair values do not differ significantly from the reported values.

Short-term investments

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 5.7 (5.1) for the third quarter and MSEK 11.8 (-5.4) for the first nine months 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.

Conditional purchase prices

In connection with acquisitions of Visikol, Nanoscribe, Discover Echo and Advanced BioMatrix in 2021, part of the purchase price is conditional on the companies meeting certain financial targets in future periods and that certain senior executives (not including the previous shareholders) remain in the acquired companies for a period after the acquisitions. In connection with the preparation of the purchase price allocation, the contingent purchase prices have been valued at fair value through a weighted probability assessment of the various possible outcomes, which has subsequently been discounted to present value. Significant non-observable input data in the calculation are future sales and order intake as well as the retention of certain senior executives (not including the previous shareholders) in the acquired companies. An increase in these inputs also increases the outcome of the contingent purchase prices.

The earn outs have been classified as other long-term liabilities and other current liabilities, respectively, and is valued at fair value in accordance with IFRS 13 level 3. Renewed assessments of the potential outcome of the contingent consideration are

performed quarterly, and any difference to the previously reported amount is reported as other operating income or other operating expenses in the period in which the change arises.

Convertible bonds

On March 19, 2021, the company issued a convertible bond totaling of MSEK 1,500. The number of promissory notes amounts to 750 and the nominal value per convertible is MSEK 2.0. As of March 19, 2026, the holders of the promissory notes have the right to convert the promissory notes into shares at a conversion price of SEK 598.5 / share, which corresponded to a premium of 42.5% against the current share price at issue. Debentures that are not converted into shares will be redeemed at the nominal amount on March 19, 2026. The convertible agreement contains many derivatives where convertible holders and the company have the right to redeem the convertible debt prematurely if specific conditions are met. These embedded derivative instruments will be valued on an ongoing basis by the company and reported at fair value in accordance with IFRS 13 level 3. The main drivers of the value of these derivatives are the company's share price and time from issue of the convertible. As of September 30, these derivatives have not been recognized at any value. The coupon rate amounts to 2.875% and is paid semi-annually in September and March with the first payment in September 2021.

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. The company has made the assessment that this interest rate amounts to 5.5%. 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 MSEK 1500. The equity portion of the convertible bonds amounts to MSEK 167.1 before issue costs. The debt component is reported at amortized cost.

This means that the reported financial costs exceed the cash flow-affecting coupon interest that is paid semi-annually. Accumulated, the cost of coupon interest amounted to MSEK 22.9 (affecting cash flow) and the implicit interest expense to MSEK 12.8 (not affecting cash flow) as of 30 September. Accrued issue costs amounted to MSEK 2.1.

MSEK	Level	2021-09-30	2020-09-30	2020-12-31
Financial instruments valued at fair value				
Short-term investments	1	773.9	336.3	349.5
Conditional purchase prices	3	-323.0	-	-



Note 5. Incentive programs

During the year, BICO has had 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.

Options in the first program have in 2021 been redeemed for one share at a price of SEK 44.375. Redemption of options took place during the period February-August 2021. During the financial year, a total of 962,936 options corresponding to 962,936 shares were exercised. As of September 30, there are no more options in the first program outstanding.

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. Allocation of the fourth incentive program has begun during the third quarter of 2021 and will continue during the fourth quarter of 2021. For employees, options may be redeemed against a share at a price of SEK 598.50 during the period May 2025 to May 2026, 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 September 30, 2021, a total of 3,844,685 options are outstanding, of which 2,517,600 options are reported within the framework of IFRS 2. The remaining outstanding options are issued at market price and are therefore not subject to the rules of IFRS 2. Of the total number of outstanding options, 593,000 are held by members of the Group's management team and the Board of Directors.

If all outstanding options were to be redeemed against shares, this would correspond to a total dilution of approximately 6.7 percent of the number of outstanding shares as of September 30, 2021.



Note 6. Acquisitions

Acquired net assets at the time of acquisition (preliminary purchase price allocations):

MSEK	Ginolis	MatTek	Visikol	Nanoscribe	Discover Echo*	Advanced BioMatrix*	QInstruments**
Identified intangible fixed assets	134.3	70.0	20.4	111.2	-	1.5	0.2
Tangible fixed assets	15.9	53.0	12.5	78.1	15.8	5.7	2.2
Deferred tax asset	24.4	11.2	-	5.4	9.5	-	-
Inventories	8.8	13.9	-	26.1	13.2	1.4	18.0
Accounts receivable	16.9	13.8	4.8	20.5	32.4	3.0	12.1
Other receivables	13.8	43.3	0.2	10.5	1.7	-	2.5
Cash and cash equivalents	6.4	36.2	3.4	37.7	33.6	2.0	14.4
Provisions	-	-	-	-9.3	-	-	-
Interest-bearing liabilities	-66.2	-21.3	-16.0	-58.0	-13.1	-5.3	-
Accounts payable	-37.6	-1.5	-0.5	-5.5	-10.1	-0.1	-0.9
Other operating liabilities	-27.7	-59.1	-0.2	-15.7	-14.4	-1.6	-8.2
Deferred tax liability	-22.5	-20.6	-6.7	-34.6	-	-	-
Net identifiable assets and liabilities	66.7	138.9	17.9	166.3	68.7	6.7	40.3
Group goodwill	582.1	476.0	126.3	378.6	934.3	150.2	593.0
Total purchase price	648.8	614.9	144.2	544.9	1003.1	156.9	633.3
<i>Less:</i>							
Cash and cash equivalents	406.5	499.6	38.9	250.5	853.9	130.8	523.2
Issued shares	-242.3	-115.3	-20.7	-132.3	-106.6	-	80.1
Conditional purchase price	-	-	-84.6	-162.1	-42.6	-26.1	30.0
<i>Net cash outflow of acquisition:</i>							
Purchase price paid in cash	-406.5	-499.6	-38.9	-250.5	-853.9	-130.8	-523.2
Less: Cash in acquired company	6.4	36.2	3.4	37.7	33.6	2.0	14.4
Effect on group cash and cash equivalents	-400.1	-463.4	-35.5	-212.8	-820.3	-128.8	-508.8

* For Discover Echo and Advanced Biomatrix, identification of acquired surplus values will take place during the fourth quarter, whereby Group goodwill is expected to decrease.

** QInstruments will be consolidated as of the fourth quarter 2021. The above figures have thus not affected closing balances during the reporting period.

During the first three quarters, the Group acquired the shares in the following companies: Ginolis and MatTek during the first quarter, Nanoscribe, Visikol and Discover Echo during the second quarter and Advanced BioMatrix during the third quarter. After the end of the financial period, QInstruments was also acquired.

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 242.3 consisted of 666,028 newly issued CELLINK shares and MSEK 406.5 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 138 instead of the reported MSEK 113.

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 614.9, of which MSEK 115.3 consisted of 284,176 newly issued CELLINK shares and MSEK 499.6 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 MUSD 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 addition to net assets in MatTek, surplus values in the form of technology and customer relationships have been identified in the purchase price allocation. Most 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 MatTek had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 111 instead of the reported MSEK 79.

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 144.2, of which MSEK 20.7 consisted of 57,911 newly issued shares and MSEK 38.9 was paid in cash at the time of the acquisition. The purchase price also includes an additional consideration of MSEK 84.6, which is based on target fulfilment of financial targets for the financial years 2022 and 2023. The maximum additional consideration that can be paid is MUSD 12, and requires, among other things, that the company has sales of at least MUSD 13.9 in 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 addition to net assets in Visikol, surplus values in the form of technology and customer relationships have been identified in the purchase price allocation. Most 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 cross-selling and utilization of customer relationships in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If Visikol had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 16 instead of the reported MSEK 9.

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 544.9, of which MSEK 132.3 consisted of 301,332 newly issued

BICO shares and MSEK 250.5 was paid in cash at the time of acquisition. The purchase price also includes an additional purchase price of MSEK 162.1, which is based on target fulfilment of financial targets for the financial years 2021-2023. The contingent purchase price is theoretically unlimited in size based on target fulfilment of order intake in 2021, sales in 2022 and order book in December 2022.

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, the Group 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 addition to net assets in Nanoscribe, surplus values in the form of technology and patents 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 cross-selling in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

If Nanoscribe had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 64 instead of the reported MSEK 34.

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 1,003.1, of which MSEK 106.6 consisted of 262,320 newly issued shares and MSEK 853.9 was paid in cash at the time of acquisition. The purchase price also includes an additional consideration of MSEK 42.6, which is based on target fulfilment of financial targets for the financial years 2021-2025. The maximum additional consideration that can be paid is MUSD 5, and requires, among other things, that the company has sales of at least MUSD 79.3 in 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 bundling, which can help grow most product lines in parallel and increase the use of consumables offered by BICO. Such product bundling 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.

In view of the recent acquisition, no surplus values have yet been identified. In the preliminary purchase price allocation, the difference between book values and purchase price is allocated to goodwill. The company intends to identify surplus 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 104 instead of the reported MSEK 36.

Advanced BioMatrix

On August 27, 2021, BICO acquired 100 percent of the shares in the U.S. company Advanced BioMatrix Corp. headquartered in San Diego, California, USA, a company focused on 3D research applications. The company's portfolio consists of bioinks within collagen, extracellular matrix proteins with high purity, chemically modified proteins and polysaccharides and reagents and cell analysis sold to research institutions as well as pharmaceutical and biotechnology companies. The company had sales of approximately MUSD 3 and an adjusted EBITDA margin of approximately 50% during the most recent financial year before the acquisition.

The purchase price amounted to MSEK 156.9, of which MSEK 130.8 was paid in cash at the time of acquisition and MSEK 26.1 was reported as a conditional purchase price. The conditional purchase price is based on certain senior executives in Advanced BioMatrix (not including the previous shareholders) remaining in the company for a three-year period after the completion of the acquisition. The maximum conditional purchase price that can be paid is MUSD 3.

By combining the BICO Group's and Advanced BioMatrix's innovative offering, a market-leading product portfolio in bioinks and reagents is ensured. Together, the companies can also develop innovative application offerings to meet customers' future needs and demand, which also shows the strength of BICO's business model.

Considering the recent acquisition, no surplus values have yet been identified, but the entire difference between book values and purchase price is allocated to goodwill in the preliminary purchase price allocation above. The company intends to identify surplus values in the coming quarters.

If Advanced BioMatrix had been included in the company's accounts during the entire financial year, the acquisition would have contributed net sales of approximately MSEK 24 instead of the reported MSEK 3.

QInstruments

On October 15, 2021 (after the end of the period), BICO acquired 100 percent of the shares in the German company QInstruments GmbH. based in Jena, Germany, a leading developer, manufacturer and supplier of advanced sample preparation automation and fluid handling robots for workflows in biomedicine and life science research as well as clinical diagnostics. QInstruments is expected to grow by approximately 40 percent in 2021 and generate approximately MEUR 10.8 in net sales with a 45% EBIT margin.

The purchase price tentatively amounted to approximately MSEK 633, of which MSEK 30 in maximum contingent purchase price based on future EBITDA and sales. Approximately MSEK 80 of the purchase price has been paid through an issue of 172,852 shares in BICO.

QInstrument's innovative product portfolio in advanced liquid management can be seamlessly integrated into BICO's existing workflows. The Group also sees great potential in integrating this technology into new instruments.

Considering the recent acquisition, no surplus values have yet been identified, but the entire difference between book values and purchase price is allocated to goodwill in the preliminary purchase price allocation above. The company intends to identify surplus values in the coming quarters.

If QInstruments had been included in the company's accounts throughout the financial year, the acquisition would have contributed net sales of approximately MSEK 83 up to September 30.

Acquisition costs

Acquisition costs amounted to MSEK 4.7 (9.8) in the third quarter. Total acquisition costs during the first nine months of the year amounted to MSEK 34.3 (9.8) and were distributed as follows: Ginolis MSEK 15.2 (of which MSEK 10.0 related to transaction taxes), MatTek MSEK 5.6, Visikol MSEK 2.7, Nanoscribe MSEK 4.6, Discover Echo MSEK 1.9, Advanced BioMatrix MSEK 3.2, and Hurel MSEK 1.2. 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 statement.

Share issue expenses related to the acquisitions amounted to MSEK 0.9 for the period January-September and have been recognized as a decrease in equity less deferred tax.



Note 7. New issue of shares and convertibles

Non-cash issues

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. In the purchase price allocations, these shares have been valued at fair value via the current closing price the day before the respective acquisitions were made.

New issues

The Company carried out a new share issue on March 12, 2021, that provided the company with MSEK 1,500 before issue costs and comprised 3,571,429 new Class B shares, corresponding to approximately 6.8 percent of the outstanding total share capital in BICO at the time of the issue. The subscription price in the new share issue amounted to SEK 420 per new B-share and was set through a so called accelerated book building procedure. Many Swedish and international institutional investors as well as existing shareholders participated in the rights issue.

On October 8, 2021, after the end of the period, a directed new share issue was carried out, which provided the Group with MSEK 2,040 before issue costs. The issue comprised 4,250,000 new B shares, corresponding to a dilution of approximately 7.4 percent of the number of outstanding shares at the time of the new issue. The subscription price in the new share issue amounted to SEK 480 per new B share and was set through a so-called accelerated bookbuilding procedure. In addition to strong support from existing shareholders, several new Swedish and international institutional investors participated in the rights issue.

Convertible bonds

In March 2021, a convertible issue of MSEK 1,500 was carried out, which, provided that full conversion takes place, entails a dilution of approximately 4.3 percent of the total number of outstanding shares in BICO on September 30, 2021, through an increase in the number of outstanding B shares by approximately 2,505,750.

The issued convertibles have an interest coupon of 2.875 percent annually, which is paid semi-annually with the first payment on September 19, 2021. The conversion price was set at SEK 598.50 corresponding to a premium amounting to 42.5 percent compared to the subscription price of a B share in the new share issue on March 12. The initial conversion price has been determined but can be adjusted to keep the holders' position unchanged relative to the holders of shares. Accounting consequences and handling of the issued convertibles are shown in Note 4.

Exercise of options

During the first nine months, 962,936 options were exercised for the same number of shares for a price of SEK 44.375 per share, which added MSEK 42.7 to the company. This reduced the outstanding number of options in the first incentive program to 0. More information can be found in Note 5.

The total proceeds from the issues have been used to finance this year's completed acquisitions and other growth initiatives.

Gothenburg November 10, 2021

Erik Gatenholm

CEO and President, BICO Group AB (publ)

Review Report

BICO Group AB (publ) org. nr 559050-5052

Introduction

We have reviewed the condensed interim financial information (interim report) of BICO Group AB (publ) as of September 30, 2021 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do

not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, November 10, 2021

Deloitte AB

Signature on Swedish original

Fredrik Jonsson

Authorized Public Accountant



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

	Q3 2021 Jul-Sep	Q3 2020 Jul-Sep*	Q1-Q3 2021 Jan-Sep	Q1-Q3 2020 Jan-Sep*	2019/2020 Full year 16 months	2020 Calendar year 12 months
Gross profit, MSEK						
Net sales	315.6	80.6	738.2	158.8	416.0	365.8
Change in inventories	40.2	-3.8	105.5	5.6	3.4	-2.7
Raw materials and supplies reduced by inventory change	-125.1	-23.5	-310.5	-54.4	-120.8	-99.5
Gross profit	230.7	53.3	533.2	110.0	298.6	263.6
Gross margin, %						
Gross profit	230.7	53.3	533.2	110.0	298.6	263.6
Net sales	315.6	80.6	738.2	158.8	416.0	365.8
Gross margin, %	73.1%	66.2%	72.2%	69.3%	71.8%	72.0%
Operating profit before depreciation and amortization (EBITDA), MSEK						
Operating income	-91.3	-16.2	-183.5	-51.4	-51.9	-29.4
Depreciation and amortization	-57.5	-10.7	-125.4	-24.2	52.7	45.8
Operating profit before depreciation and amortization (EBITDA)	-33.8	-5.6	-58.1	-27.3	0.8	16.4
Operating margin before depreciation and amortization, (EBITDA), %						
EBITDA	-33.8	-5.6	-58.1	-27.3	0.8	16.4
Net sales	315.6	80.6	738.2	158.8	416.0	365.8
EBITDA margin, %	-10.7%	-6.9%	-7.9%	-17.2%	0.2%	4.5%
Operating margin (EBIT), %						
Operating income	-91.3	-16.2	-183.5	-51.4	-51.9	-29.4
Net sales	315.6	80.6	738.2	158.8	416.0	365.8
EBIT margin, %	-28.9%	-20.2%	-24.9%	-32.4%	-12.5%	-8.0%
Organic revenue growth, %						
Net sales	315.6	80.6	738.2	158.8	416.0	365.8
Net sales generated from companies acquired in the last 12 months	-187.3		-470.1		-186.3	-169.9
Organic net sales	128.2		268.1		229.7	196.0
Net sales comparison period	80.6		158.8		155.6	132.7
Organic revenue growth, %	59%	49%	69%	29%	48%	48%
	2021-09-30	2020-09-30*	2020-12-31			
Equity ratio, %						
Equity	4,424.7	2,252.5	2,208.5			
Total assets	6,784.6	2,560.5	2,514.0			
Equity ratio, %	65%	88%	88%			
Net debt (-)/Net cash (+) excl. leasing, MSEK						
Short-term investments	773.9	336.3	349.5			
Cash and cash equivalents	333.2	506.9	434.9			
Long-term interest-bearing liabilities excl. leasing liabilities	-1,344.3	-7.1	-26.7			
Short-term interest-bearing liabilities excl. leasing liabilities	-4.4	-2.0	-2.0			
Net debt (-)/Net cash (+)	-241.6	834.1	755.7			

*The comparison periods for Q3 2020 and first nine months 2020 have been recalculated as a result of the financial year's transition to a calendar year from January 2021.



Consolidated income statements by quarter

MSEK	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec*	2020 Jul-Sep*	2020 Apr-Jun*	2020 Jan-Mar*
Net sales	315.6	293.1	129.5	207.0	80.6	40.2	38.0
Change in inventories	40.2	28.0	37.3	-8.3	-3.8	8.4	1.0
Capitalized work for own account	23.5	26.3	16.1	16.0	12.3	3.9	16.1
Other operating income	8.2	9.0	7.9	6.0	5.1	0.0	8.6
Operating expenses							
Raw materials and supplies	-125.1	-118.7	-66.7	-45.1	-23.5	-20.4	-10.5
Other external expenses	-113.8	-84.1	-70.9	-46.0	-26.8	-16.9	-22.3
Personnel expenses	-182.3	-138.0	-86.6	-76.8	-49.3	-28.1	-36.5
Depreciation and amortization of fixed assets	-57.5	-42.0	-25.9	-21.6	-10.7	-7.1	-6.4
Other operating expenses	-0.1	-5.0	-1.5	-9.1	-0.3	-3.2	-
Operating income	-91.3	-31.4	-60.8	22.0	-16.2	-23.1	-12.1
Financial items							
Financial income	6.3	5.5	9.7	4.3	5.0	12.2	0.1
Financial expenses	-29.2	-23.1	-3.2	-0.5	-0.3	-0.3	-22.8
Profit/loss after financial items	-114.2	-49.0	-54.3	25.8	-11.5	-11.2	-34.9
Tax for the period	9.2	-1.5	6.5	-5.4	-0.7	6.4	1.3
Net profit/loss for the period	-105.0	-50.5	-47.8	20.4	-12.2	-4.8	-33.5
Attributable to							
Parent company shareholders	-104.2	-50.3	-47.5	20.8	-12.1	-4.5	-33.4
Non-controlling interest	-0.8	-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. The information was submitted for publication, through the agency by the contact persons set out below on November 10, 2021 at 08.00 (CET).

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Financial calendar

Extraordinary General Meeting 2021 | November 17, 2021

Year-end report 2021 | February 23, 2022

Annual report 2021 | March 16, 2022

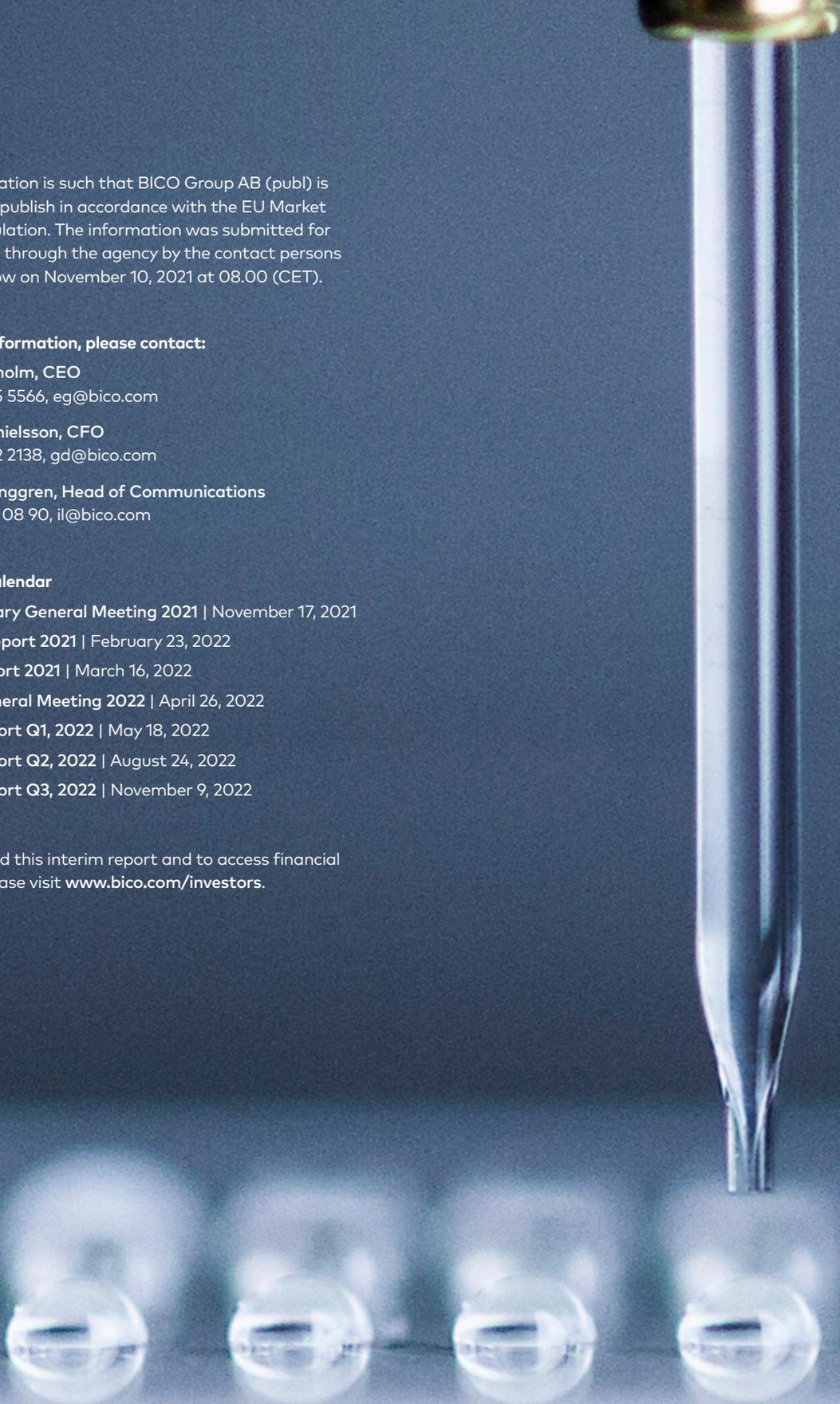
Annual General Meeting 2022 | April 26, 2022

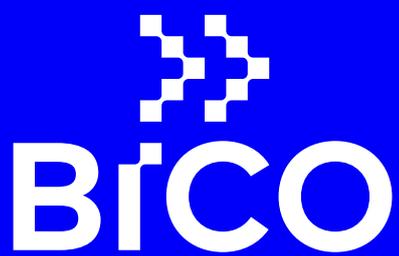
Interim report Q1, 2022 | May 18, 2022

Interim report Q2, 2022 | August 24, 2022

Interim report Q3, 2022 | November 9, 2022

To download this interim report and to access financial reports, please visit www.bico.com/investors.





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