

Interim report

# Q1 2024



# Key figures Q1 2024

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

Net sales (kSEK)

**15,143**

(12,192)

↗ +24%

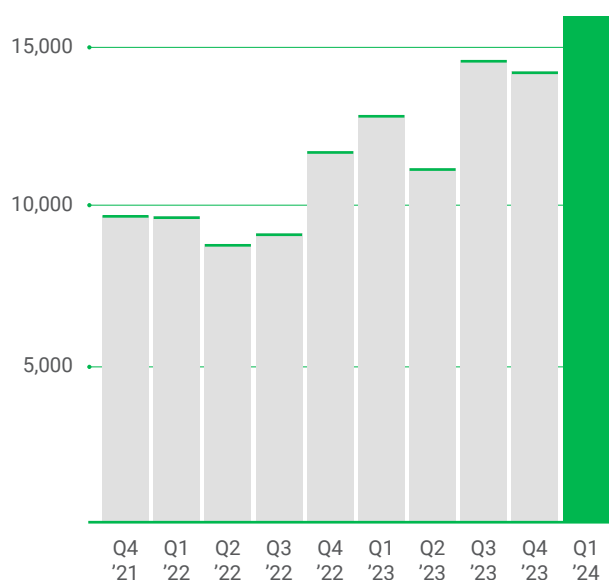
EBIT (kSEK)

**4,288**

(2,385)

↗ +80%

Quarterly net sales (kSEK)



## Q1 | 2024-01-01—2024-03-31

- Net sales for the quarter amounted to 15,143 (12,192) kSEK, increase by +24 %.
- EBIT for the quarter amounted to 4,288 (2,385) kSEK, increase by +80 %.
- Net profit for the quarter amounted to 3,617 (2,014) kSEK, increase by +80 %.
- Earnings per share for the quarter amounted to 0,35 (0,19) SEK
- Total cash and equivalents amounted to 24,825 (16,679) kSEK

“BPC Instruments” “BPC” or “the Company” refers to BPC Instruments AB with organization number 556687-2460. The information in the interim report regarding markets, competition and future growth represents BPC’s judgement, based mainly on material internal to the Company and from external sources. This financial report contains statements that are forward-looking. Actual future results may differ materially from those anticipated. The number of shares in BPC Instruments as of March 31, 2024: 10,454,000 shares (10,454,000).

Definitions

Equity/assetratio, %,

= Equity as a percentage of total assets.

Earnings per share, SEK,

= Net income divided by the average number of shares.

# Highlights Q1 2024 and **after the period**

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

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

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

**On March 7**, BPC secured a purchase order for BPC® Blue from a prominent global petrochemical company headquartered in Saudi Arabia. Operating in over 50 countries with a strong presence in key international markets such as the Middle East, Asia, Europe, and the Americas, this client selected BPC® Blue for conducting in-house biodegradability evaluations for its polymer materials. The order consisted of the delivery of one BPC® Blue Premium Package, with a total order value equivalent to 476,000 SEK.



**On April 9**, BPC announced the global launch of its latest innovation, BPC® Air – an advanced air incubator offering both cooling and heating capabilities. BPC® Air enriches the Company's product line-up with state-of-the-art laboratory instruments tailored to diverse incubation temperature requirements for biogas production, biodegradability assessment, feed/food ingredients, and more. Paired with other respirometer systems provided by BPC, the Company now offers a comprehensive analytical solution across multiple niche business sectors.

**On April 16**, BPC announced the successful completion of the equity transfer of its Chinese Joint Venture, formerly known as BPC Instruments (Haining) Co Ltd. With this transaction, BPC holds sole ownership of the venture, rebranded as BPC Instruments (Zhejiang) Co Ltd. The transition to complete ownership signifies the Chinese Joint Venture's improved revenue growth and market expansion within China over the last four years, positioning BPC for broader opportunities in both Chinese and international markets. Financial consolidation of the joint venture and BPC is anticipated to commence in the second quarter of 2024.

## CEO Dr. Jing Liu comments:

# Advancing forward with strong growth and **strategic initiatives**

Lund in May, 2024,

I am pleased to provide an overview of BPC Instruments' performance for the first quarter of 2024, highlighting our achievements and strategic progress in the evolving landscape of analytical instrumentation.

Financially, our performance has been robust, with net sales for the quarter amounting to 15,143 (12,192) kSEK, representing an increase of +24 %. This growth reflects the strong demand for our products and the effectiveness of our sales and marketing strategies.

Moreover, despite significant investments in staff and operational enhancements, our EBIT for the quarter reached 4,288 (2,385) kSEK, demonstrating an increase of +80 %. This notable improvement highlights our commitment to prudent investments and operational efficiency, positioning us for sustainable growth and profitability.

In terms of product innovation, the launch of BPC Air has been a significant milestone for us. This advanced air incubator, offering both cooling and heating capabilities, seamlessly integrates with our flagship respirometer systems, creating a unified testing platform for all microbial respiration analysis. BPC Air's user-friendly design and versatility make it a valuable addition to our product portfolio, further enhancing our ability to meet the diverse needs of our customers across various industries.

Furthermore, the continued success of BPC Blue since its launch in August 2023 is worth noting. This product has not only garnered increasing recognition among clients worldwide but has also been endorsed by independent certification bodies offering biodegradability and compostability analysis services. This growing momentum highlights

the reliability and effectiveness of BPC Blue as a preferred analytical tool in the market.

Additionally, I am pleased to report the successful completion of the equity transfer of our Chinese joint venture, now renamed BPC Instruments (Zhejiang) Co Ltd. This strategic move aligns with our long-term vision outlined in the memorandum connected to our IPO and positions BPC for broader opportunities in both the Chinese and international markets. The consolidation of our joint venture demonstrates our commitment to navigating challenges, strengthening our supply chain, and fostering growth in key regions.

Our Chinese joint venture has been instrumental in our expansion and market penetration in China. Over the years, it has played a pivotal role as a strategic business partner, facilitating BPC's growth and market leadership in the region. The joint venture has successfully combatted infringement, strengthened our supply chain, and fostered seamless collaboration with BPC. The consolidation of our joint venture further solidifies our presence in China and positions us for continued success in this strategic market.

As we look ahead, we remain dedicated to driving innovation, delivering value to our customers and shareholders. I extend my gratitude to our shareholders, customers, and employees for their continued support and dedication to our shared success.

Thank you for your trust in BPC Instruments.

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



# BPC Instruments in under two minutes



**BPC Instruments is a global Swedish-based technology company that develops and provides analytical instruments that enable more efficient, reliable, and high-quality research and analysis for the renewable energy and environmental biotechnology industries. Founded in 2005, the Company has brought approximately 20 years of industry-leading research in instrumentation, control, and automation of anaerobic digestion processes. The result is not only higher accuracy and precision but also significant reductions in the time and labor required to perform analyses.**

The business is based on a foundation built on the results and experience of researchers who have created a well-established and IP-protected niche product portfolio. With a forward-looking approach, BPC Instruments is continuously engaged in innovating and developing new solutions. This approach has enabled the Company to not only maintain a positive cash flow for over ten years but also to build an extensive customer base in nearly 70 countries.

### **Market potential**

BPC is a leader in its field. The board estimates that the company's current market share of the global market for raw material quality analysis in biogas production corresponds to approximately 90 percent. BPC Instruments has recently expanded into other biotechnology business areas, including plastic biodegradability and in vitro feed analysis for animal nutrition. The company aims to expand from a single niche market to multiple biotech industrial markets to maximize its first-mover advantage in a market driven by an increasing global focus on sustainability and renewable energy. With its competitive position in the biogas market and a portfolio of leading products, BPC Instruments is well-positioned to take advantage of the growing

market. The REPowerEU plan, which emphasizes biogas as a key renewable energy source, opens new opportunities for the Company as investments and policy measures intensify support for biogas production. In addition, stricter regulations on biodegradability and reduction of environmental pollution increase the demand for BPC's advanced instrumentation solutions.

### **A green-tech investment**

BPC Instruments' business development activities, with core competence and focus on green technology, renewable resources, sustainability, and innovation in biotechnological analysis, perfectly match global business trends. BPC Instruments' products make a positive difference - for the Company's customers, the environment, and climate.

### **Business model**

The core business model is to develop and manufacture analytical instruments to analyze different bioprocesses. BPC Instruments' business focus is on developing, producing, and selling high-margin and niche analytical instruments in several biotechnology sectors.

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

## 1 Proven track record

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

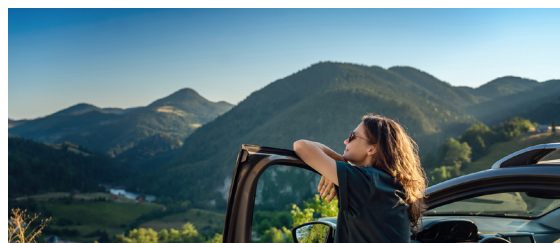


## 2 Diversified market presence

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

## 3 Focus on green technologies

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



## 4 Digital transformation

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

## 5 Team of experts

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



# Financial information

## Income

Net sales mainly consist of the Company's products such as instruments. Net sales for the first quarter of 2024 amounted to 15,143 kSEK (12,192 kSEK).

## Costs

The operating expenses consist of mainly other external costs, personnel cost, raw material and consumables. The operating expenses during the first quarter of 2024 amounted to -10,918 kSEK (-10,504 kSEK).

## Results

The profit after financial items for the first quarter of 2024 amounted to 4,571 kSEK (2,490 kSEK).

## Financing and financial position

Cash as of March 31, 2024, amounted to 15,210 kSEK (5,377 kSEK). Including short and long term investments the total cash and equivalents amounted to 24,825 kSEK (16,679 kSEK).

## Equity

At the end of the period, BPC Instruments' equity/asset ratio was 88 % (80 %).

## Number of employees

As of March 31, 2024, the number of employees was 16 (13).

## Audit of the report

This interim report has not been reviewed by the Company's auditor.

## Accounting and accounting principles

BPC Instruments AB is preparing annual reports according to the Annual Accounts Act and K3 accounting principles. Quarterly reports are prepared under the same principle.

## Business-related risks and uncertainties

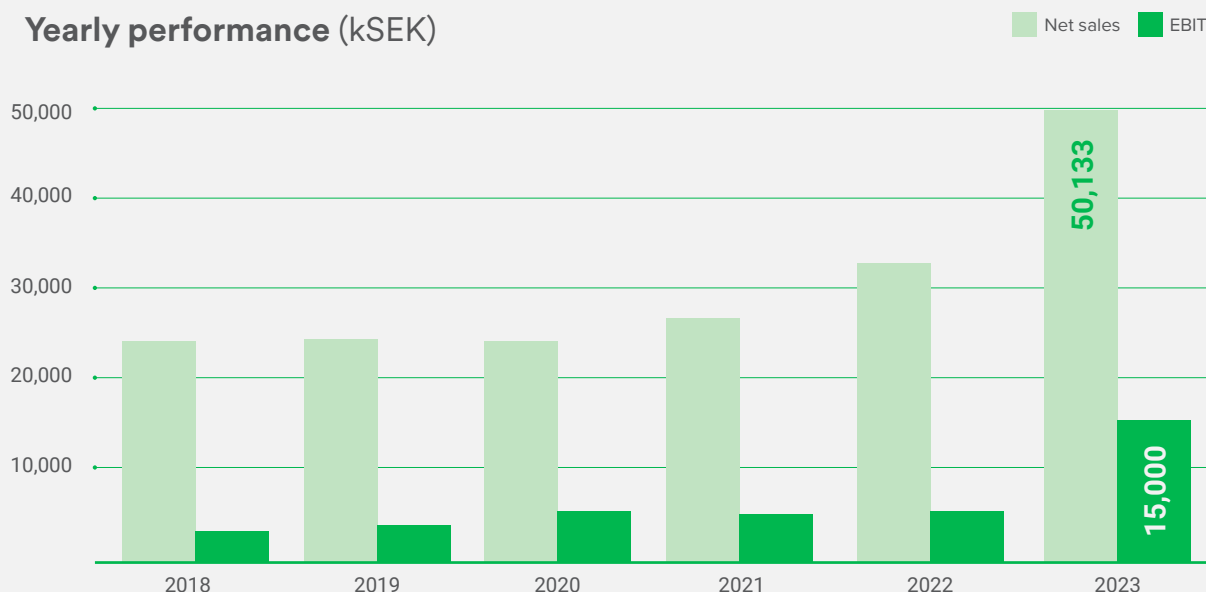
The risks and uncertainties to which BPC Instruments operations are exposed are, in summary, key staff and employees, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred.

For a more detailed description of significant risk factors in BPC Instruments operations, please see the Company's annual report 2023. Since then, no significant changes have occurred regarding risks or uncertainty factors.

## Financial calendar:

Events	Date
AGM 2024	2024-05-28
Interim report Q2 2024	2024-08-29
Interim report Q3 2024	2024-11-14
Interim report Q4 2024	2025-02-26

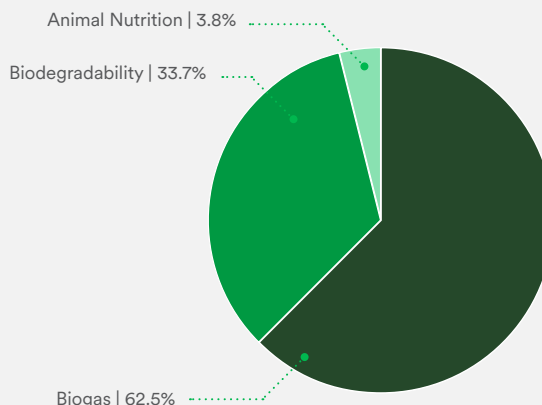
## Yearly performance (kSEK)



# Market distribution in Q1 2024

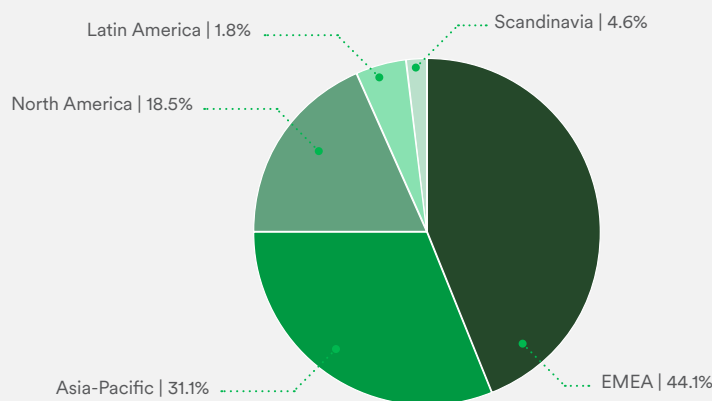
## Sector distribution of net sales

In Q1 2024, Biogas remains as the leading contributor, accounting for 62.5% of total sales. Biodegradability followed closely behind, representing 33.7% of sales, showcasing our commitment to sustainable solutions. Animal Nutrition accounted for 3.8% of sales, underscoring our diversification efforts.



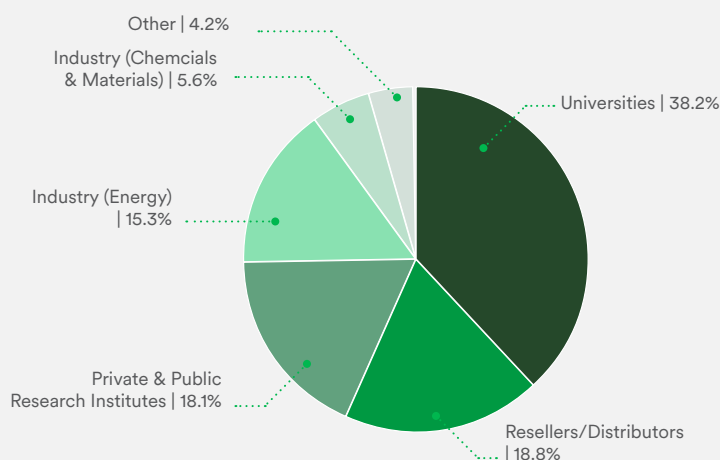
## Region distribution of net sales

Net sales distribution across regions reflects our global market presence, with Scandinavia contributing 4.6%, EMEA dominating with 44.1%, North America accounting for 18.5%, Latin America representing 1.8%, and Asia-Pacific landed at 31.1%, demonstrating our strategic focus on expanding within dynamic Asian markets.



## Customer type distribution of sales transaction

In Q1, sales were diversified across various sectors. Universities led with 38.2%, indicating strong academic ties. Industry (Energy) contributed 15.3%, while Chemicals & Materials accounted for 5.6%, showing targeted market penetration. Private & Public Research Institutes represented 18.1%, showcasing collaborative partnerships. Resellers/Distributors played a vital role with 18.8%, and Other segments constituted 4.2%.





# BPC Instruments' share

BPC Instruments' share is listed on Spotlight Stock Market as of 16 December 2021. The share has the ticker name BPCINS and ISIN code SE0017130826. The number of outstanding shares as of March 31, 2024, was 10 454 000.

**Ticker:** BPCINS

**Marketplace:** Spotlight Stock Market

**ISIN Code:** SE0017130826

Names	Votes & Capital, %
BPCI Holding AB (Jing Liu)	65.26
Gustaf Olsson	12.19
Sustainable Holding Sweden AB (Kristofer Cook)	5.21
ES Aktiehandel AB (Erik Selin)	3.93
Nordnet Pensionsförsäkring	3.27
Avanza Pension	1.24
Exelity AB	1.20
Kent Eklund	0.52
Gerardus Straatman	0.34
Anders Joel Sjöstrand	0.30
<b>Total ten largest shareholders</b>	<b>93.76</b>
Other shareholders	6.24
<b>Total</b>	<b>100</b>

## Income statement

(kSEK)	2024 Jan–Mar 3 months	2023 Jan–Mar 3 months	2023 Jan–Dec full year
Net sales	15,143	12,192	50,123
Activated work for own account	0	287	1,036
Other income	63	410	1,021
<b>Operating income</b>	<b>15,206</b>	<b>12,889</b>	<b>52,179</b>
<i>Operating expenses</i>			
Raw materials and consumables	-3,702	-4,718	-13,255
Other external costs	-3,102	-2,201	-8,589
Personnel costs	-3,602	-3,031	-12,867
Depreciation of tangible and intangible assets	-383	-415	-1,654
Other operating expenses	-129	-139	-731
	-10,918	-10,504	-37,097
<b>EBIT</b>	<b>4,288</b>	<b>2,385</b>	<b>15,083</b>
<i>Result from financial investments</i>			
Other interest income and similar items	298	179	483
Other interest expenses and similar items	-15	-73	-661
<b>Total result from financial investments</b>	<b>283</b>	<b>105</b>	<b>-177</b>
<b>Profit after financial items</b>	<b>4,571</b>	<b>2,490</b>	<b>14,905</b>
Tax	-954	-476	-3,024
<b>Net Profit</b>	<b>3,617</b>	<b>2,014</b>	<b>11,881</b>
Earnings per share before and after dilution (SEK)	0,35	0,19	1,14
Total number of shares	10,454,000	10,454,000	10,454,000

## Balance sheet – Assets

(kSEK)	2024-03-31	2023-03-31	2023-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized expenditure on development and similar work	6,065	5,190	6,294
Patent	226	812	268
<b>Total intangible assets</b>	<b>6,291</b>	<b>6,001</b>	<b>6,562</b>
<i>Tangible assets</i>			
Equipment, tools, fixtures, and fittings	1,270	1,394	1,382
<b>Total tangible assets</b>	<b>1,270</b>	<b>1,394</b>	<b>1,382</b>
<i>Financial assets</i>			
Investment in associated companies	6,824	5,081	6,824
Endowment insurance	6,621	2,721	6,221
Other financial assets	109	0	109
<b>Total financial assets</b>	<b>13,554</b>	<b>7,802</b>	<b>13,154</b>
<b>Total fixed assets</b>	<b>21,115</b>	<b>15,197</b>	<b>21,098</b>
<b>Current assets</b>			
Inventories			
Raw materials and consumables	<b>13,060</b>	<b>3,389</b>	<b>12,533</b>
<i>Short-term receivables</i>			
Accounts receivables	3,802	5,175	5,505
Tax receivables	0	505	0
Other receivables	1,704	1,134	816
Prepaid expenses and acquired income	887	1,316	936
<b>Total current receivables</b>	<b>6,393</b>	<b>8,130</b>	<b>7,258</b>
<i>Other short-term investments</i>			
Other short-term investments	2,994	0	2,994
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	15,211	14,055	11,129
<b>Total current assets</b>	<b>37,658</b>	<b>25,574</b>	<b>33,914</b>
<b>Total assets</b>	<b>58,773</b>	<b>40,771</b>	<b>55,012</b>

## Balance sheet – Equity

(kSEK)	2024-03-31	2023-03-31	2023-12-31
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	575	575	575
Reserve development costs	6,562	5,943	6,562
<b>Total restricted equity</b>	<b>7,137</b>	<b>6,518</b>	<b>7,137</b>
<b>Non restricted equity</b>			
Share premium reserve	16,925	16,925	16,925
Profit or loss brought forward	24,090	8,998	12,210
Profit/loss for the year	3,617	130	11,881
<b>Total non-restricted equity</b>	<b>44,632</b>	<b>26,053</b>	<b>40,918</b>
<b>Total equity</b>	<b>51,769</b>	<b>32,571</b>	<b>48,153</b>
<b>Long term liabilities</b>			
Loan to credit institutions	0	1,500	0
<b>Total long-term liabilities</b>	<b>0</b>	<b>1,500</b>	<b>0</b>
<b>Current liabilities</b>			
Credit institutions	0	0	0
Prepayment from customers	100	1,000	41
Account payables	3,224	3,223	1,601
Tax liabilities	252	0	892
Other liabilities	1,277	377	615
Accrued expenses and deferred income	2,151	2,100	3,710
<b>Total current liabilities</b>	<b>7,004</b>	<b>6,700</b>	<b>6,859</b>
<b>Total equity and liabilities</b>	<b>58,773</b>	<b>40,771</b>	<b>55,012</b>



## Changes in shareholder equity Q1 2024

kSEK	Restricted equity		Non-restricted equity			Total Shareholder's equity
	Share capital	Reserve development costs	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	
<b>Share equity 2024-01-01</b>	<b>575</b>	<b>6,562</b>	<b>16,925</b>	<b>12,209</b>	<b>11,882</b>	<b>48,153</b>
Brought forward	-	-	-	11,882	-11,882	0
Reserve development costs	-	-	-	-	-	0
Profit for the year	-	-	-	-	3,617	3,617
<b>Share equity 2024-03-31</b>	<b>575</b>	<b>6,562</b>	<b>16,925</b>	<b>24,090</b>	<b>3,617</b>	<b>51,769</b>

## Changes in shareholder equity full year 2023

kSEK	Restricted equity		Non-restricted equity			Total Shareholder's equity
	Share capital	Reserve development costs	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	
<b>Share equity 2023-01-01</b>	<b>575</b>	<b>6,700</b>	<b>16,925</b>	<b>8,240</b>	<b>3,831</b>	<b>36,271</b>
Brought forward	-	-	-	3,831	-3,831	0
Reserve development costs	-	-138	-	138	-	0
Profit for the year	-	-	-	-	11,881	11,881
<b>Share equity 2023-12-31</b>	<b>575</b>	<b>6,562</b>	<b>16,925</b>	<b>12,209</b>	<b>11,882</b>	<b>48,153</b>

## Statement of cash flow

(kSEK)	2024 Jan–Mar 3 months	2023 Jan–Mar 3 months	2023 Jan–Dec full year
<b>Operating activities</b>			
Profit after financial items	4,571	2,491	14,906
Adjustment depreciations, other	168	330	1,831
Paid income tax	-1,594	-321	-2,024
<b>Cash flow from changes in working capital</b>			
Changes in inventory	-527	-1,500	-4,856
Changes in account receivables	1,918	515	838
Changes in other receivables	-839	-358	66
Changes in account payables	1,623	2,546	-2,213
Changes in other liabilities	-839	444	1,800
<b>Cash flow from operating activities</b>	<b>4,481</b>	<b>4,147</b>	<b>10,348</b>
<b>Investment activities</b>			
Investment in intangible assets	0	-287	-1,036
Investment in tangible assets	0	-166	-322
Investment in associated companies	0	0	-1,743
Increase/decrease short term financial investments and receivables	-400	-509	1,691
<b>Cash flow from investment activities</b>	<b>-400</b>	<b>-961</b>	<b>-1,410</b>
<b>Financing activities</b>			
Changes in long-term loan	0	-1,750	-1,750
<b>Cash flow from financing activities</b>	<b>0</b>	<b>-1,750</b>	<b>-1,750</b>
<b>Cash flow for the period</b>	<b>4,081</b>	<b>1,436</b>	<b>7,188</b>
Cash at the beginning of the period	11,129	3,941	3,941
<b>Cash at the end of the period</b>	<b>15,210</b>	<b>5,377</b>	<b>11,129</b>
Short & long-term investments	9,615	11,303	9,215
<b>Total cash and equivalents at the end of the period</b>	<b>24,825</b>	<b>16,679</b>	<b>20,344</b>

# Statement by the Board of Directors

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

**Lund, May 6, 2024**  
BPC Instruments AB (publ)

**Gustaf Olsson**  
*Chairman of the Board*

**Jing Liu**  
*CEO and Board member*

**Kristofer Cook**  
*Board member*

**Anita Sindberg**  
*Board member*

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**Excellence is built  
on precision and  
accuracy**

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