



**INVITATION TO SUBSCRIBE FOR SHARES IN
BPC INSTRUMENTS AB
PRIOR TO PLANNED LISTING ON
SPOTLIGHT STOCK MARKET**

ABOUT THIS MEMORANDUM

Definitions

This memorandum has been prepared in connection with BPC Instruments AB ("**BPC Instruments**" or the "**Company**"), with the corporate registration number 556687-2460, offer to subscribe for shares (the "**new share issue**") and the admission to trading on Spotlight Stock Market, together (the "**offer**", or the "**new share issue**"). "**Spotlight**" refers to Spotlight Stock Market, corporate registration number 556736-8195.

Financial adviser and issuing agency

In connection with the new share issue described in this memorandum, Sedermera Fondkommission is the financial advisor to BPC Instruments. Sedermera Fondkommission is a secondary name of ATS Finans AB. Sedermera Fondkommission and Shark Communication AB ("Shark Communication") has assisted the Company in the preparation of this memorandum. The Board of Directors of BPC Instruments is responsible for the content, whereupon Sedermera Fondkommission, ATS Finans AB and Shark Communication disclaim all liability in relation to the shareholders in the Company, as well as with respect to other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this memorandum.

Exemption from prospectus obligation

The offer is not covered by the Financial Supervisory Authority's prospectus requirements and hence, the memorandum has not been reviewed or approved by the Swedish Financial Supervisory Authority (*Sv. Finansinspektionen*).

The memorandum has been reviewed by Spotlight in accordance with Spotlights listing agreement. The approval does not involve any guarantee from Spotlight that the facts in the memorandum are correct or complete.

The area of distribution for the memorandum

No shares in BPC Instruments are subject to trade or application thereon in any country other than Sweden. The invitation according to this memorandum does not apply to individuals whose participation requires additional prospectus, registration measures or other measures than those that comply with Swedish law. The memorandum must not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, or other countries where the distribution or this invitation requires additional measures as stated in the previous sentence or contravene rules in such a country. Disputes arising from the contents of the memorandum or related legal matters shall be settled in accordance with Swedish law and in Swedish courts. BPC Instruments reserves the right, at its discretion, to disregard any subscription application that BPC Instruments or its advisors believe may give rise to a breach or violation of any law, rule or regulation.

Statements regarding the environment and the future

This memorandum contains forward-looking statements that reflect the Company's current views or expectations on future events as well as financial and operational development. These

statements are well thought out, but the reader should be aware that these, like all future assessments, are associated with both known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Factors that could cause the Company's future results or development to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors". Statements about the outside world and future conditions reflect express only the assessments and assumptions made by the Board of Directors as at the date of this memorandum.

References and source referencing

The memorandum contains information from third parties. The Company ensures that the information from third parties has been reproduced correctly and that, to the extent that the Board of Directors is aware and can ascertain by comparisons with other information published by the relevant third parties, no information has been omitted in a manner that could render the information provided inaccurate or misleading.

Auditor review

Apart from what is stated in the audit report and reports incorporated by reference, no information in the memorandum has been reviewed or audited by the Company's auditor.

Accessibility of memorandum

The memorandum is available at BPC Instruments' office, Scheelevägen 22, 223 63 Lund, Sweden, and on the Company's website (www.bpcinstruments.com). The memorandum is also available on Spotlight's website (www.spotlightstockmarket.com) and Sedermera Fondkommission's website (www.sedermera.se).

Spotlight Stock Market

BPC Instruments has applied and is approved for listing on Spotlight, provided that the Company reaches the lowest limit for the new share issue and the required proprietary spread. In addition, the Company is also required to comply with other applicable laws, regulations and recommendations that apply to companies listed on Spotlight. Spotlight is a secondary name of ATS Finans AB, a securities company under the supervision of the Swedish Financial Supervisory Authority. Spotlight operates an MTF platform and companies listed on Spotlight have undertaken to adhere to Spotlight's Regulation. Among other things, the Regulation is intended to ensure that shareholders and other participants in the market receive correct, immediate, and concurrent information in all circumstances that may affect the Company's share price.

The trading on Spotlight takes place in an electronic trading system that is accessible to the banks and stockbrokers that are affiliated with the Nordic Growth Market (NGM). This means that anyone who want to buy and sell shares listed on Spotlight may use the banks or stockbrokers who are members at Spotlight.

Spotlight's Regulation and share prices can be found on Spotlight's website (www.spotlightstockmarket.com).

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Company information

Company name	BPC Instruments AB
Trading ticker	BPCINS
Residence	Lund, Sweden
Organizational number	556687-2460
Date of company formation	2005-09-27
Date of when the company started its operations	2005-09-27
Country	Sweden
Legal form	Public limited company
Legislation	Swedish Law
Address	Scheelevägen 22, 223 63 Lund
Website	www.bpcinstruments.com
LEI code	89450027AK4LSOGXGY18
CFI code	ESVUFR
FISN code	BPCINSTRUM/SH

Dates for release of financial information

<i>Current financial year:</i>	<i>2021-01-01-2021-12-31</i>
Year-end report 2021:	2022-02-22
Annual Report 2021:	2022-05-06

THE OFFER IN BRIEF

Subscription period:	November 17 - December 1, 2021.
Subscription price:	SEK 20.50 per share.
Subscription post:	The minimum subscription is 200 shares, corresponding to SEK 4,100.00.
Issue volume and minimum limit for implementation:	The offer comprises no more than 732,000 shares, equivalent to approx. SEK 15 million before transaction related costs. The minimum limit for the new share issue's implementation is approx. SEK 9 million (before transaction related costs), which represents approx. 60 percent of the total issue volume.
Number of shares before new share issue:	9,722,000 shares.
Valuation (pre-money):	Approx. SEK 199.3 million.
Pre-subscription commitments:	The Company has received subscription commitments of approx. SEK 10 million, corresponding to approx. 66.6 percent of the total issue volume.
Planned first day of trading Spotlight Stock Market:	The share in BPC Instruments is planned to be listed on Spotlight. The trading is planned to commence on December 16, 2021.
The ISIN code for the share:	SE0017130826.

RISK FACTORS

A number of risk factors can have a negative impact on BPC Instruments' operations. There are risks pertaining to the Company, and risks that have no specific connection with BPC Instruments, but that impact the industry and market in which the Company operates. It is, therefore, of great importance to consider relevant risks alongside the Company's growth opportunities. Other risks are associated with the shares offered for sale through this memorandum. Risk factors are described below without claiming to be exhaustive. For natural reasons, it is not possible to assess all risk factors without a combined evaluation of other information in the memorandum, along with a general assessment. The risk factors include an assessment of the probability of the occurrence of the risk and the extent of its negative impact on the Company listed as high, moderate or low.

RISKS RELATED TO THE COMPANY'S OPERATIONS

KEY STAFF AND EMPLOYEES

BPC Instruments has since the foundation been dependent on highly qualified researchers to conduct its business. This means the Company relies on its key personnel who, at the date of this memorandum, consists of the Company's employees, executive management and Board of Directors. There is a risk that a loss of one or multiple staff members would have adverse consequences for the Company's business operations and its financial results. There is a risk that BPC Instruments needs to recruit new staff to replace key personnel, which can be costly and time consuming. There is a risk that the Company will incur increased expenses as a result. There is also a risk that the Company cannot replace highly qualified staff members. The risk of unauthorized disclosure of information is also present, which would generate a risk that competitors may receive information about, and take advantage of, the knowledge developed by BPC Instruments. There is a risk that BPC Instruments' competitors, using such dissemination of information, will further develop their products and that the Company thereby faces increased competition, which may adversely affect the Company's operations, financial position, and results. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

OBJECTIVES AND MILESTONES

BPC Instrument's Board of Directors believes that the Company is well suited to maintain a solid growth rate and achieve its financial operations. However, there is a risk that BPC Instrument's objectives will not be achieved within the time frame set and that it will take longer than planned to reach the milestones set by the Company's Board of Directors, which entails a risk that BPC Instruments' operations will be negatively affected in the form of lower revenues than calculated, or an increased need for capital to drive the business forward. If the Company's future products are not well received by the market or if the Company has difficulties in recruiting key personnel, there is a risk that objectives that require this will not be achieved within the established time frame, which may adversely affect the Company's operations, financial position, and result. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be moderate.

DEVELOPMENT COSTS

BPC Instruments has a product portfolio consisting of more than eight products. BPC Instruments will continue to develop and further develop products within its business area. It is not possible to predict exact time and cost aspects for product development. This entails a risk that a planned product development will be more costly than planned, leading to negative consequences for the Company's operations and results. If the development of a new product takes longer than expected, there is a risk that it will lead to increased development costs and thereby a reduced operating profit for the Company. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be moderate.

LAUNCHING OF NEW PRODUCTS

The Company offers more than eight products and is broadening its product portfolio. There is a risk that the market will not accept future products that the Company launches, resulting in a loss of time and lower revenue for the Company. There is also a risk that the market will not find future products produced by the Company useful in the way the Company has intended, and/or a risk that the Company fails to explain the area of use for

their new products. This could result in negative consequences for the Company with regards to sales profit and subsequent financial results. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be high.

COMPETITION

Parts of BPC Instruments' future sales operations is based on expected revenues from the patent families of the core gas volume measurement technique and flagship products (Gas Endeavour® and AMPTS® II and BPC® Go). There are already existing instruments on the market, although not the same standard as BPC Instruments' according to the Company's assessments. The solutions of BPC Instruments are the first of their kind. There is a risk that competitors, through widespread investments, develop their products, thus resulting in a loss in both competitive advantages and market value for the Company. If competitors develop products, there is a risk of worsening sales and worsening revenue opportunities, resulting in negative results for the Company. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

CURRENCY RISK

BPC Instruments' products are of interest for companies worldwide. There is a risk that part of the sales revenues will flow into international currency. Purchases of BPC Instruments' products are made mainly in Euro. There is a risk that currency exchange rates will change significantly, and that BPC Instruments' revenues are adversely affected by changes in exchange rates. For example, if the Swedish currency (SEK), which is the Company's accounting currency, increases in value in relation to the Euro, there is a risk that the Company's revenues will be reduced. This in turn entails a risk of decline in operating profit for the Company. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be moderate.

PATENTS

BPC Instruments' portfolio is partially based on patented technology. BPC Instruments has 20 patents in total for its product portfolio. The patent families of the core gas volume measurement technique and flagship products (AMPTS®, Gas Endeavour®, and BPC® Go) have recently been validated for 10-20 years in the EU (DE, FR, UK, SE), US, China, and India. Patents have a limited lifespan, and there is a risk that existing and/or future patents held by the Company will not constitute an adequate commercial protection. If BPC Instruments is forced to defend its patent rights against a competitor, there is a risk that this process will entail significant costs, which may adversely affect the Company's operations, revenues, and financial position. BPC Instruments competes with other companies in some areas of production. There is a risk that BPC Instruments infringes, or is alleged to infringe, on patents held by third parties. There is also a risk that other patents held by other parties may limit the possibilities for one or more of BPC Instruments' future partners to freely use the Company's products. It is not possible to predict the outcome of disputes regarding patents in advance and there is a risk that a negative outcome of disputes will lead to lost protection, a ban on continuing to exercise the current right, or obligation to pay indemnity. In addition, the costs of a dispute, even in the event of a favorable outcome for BPC Instruments, can be significant. There is a risk that this will have a negative effect on the Company's revenues and financial position. There is a risk that the above mentioned will cause difficulties or delays in the commercialization of future products and thus also difficulties in generating revenue. Also, there is a risk that competitors will patent adjacent areas to BPC Instruments' existing patents, resulting in competitors' products achieving the same effect as BPC Instruments' products. There is a risk that this means more difficult market conditions for BPC Instruments, because of an increasingly competitive situation, which may have a negative impact on the Company's revenues and earnings. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be moderate.

DISPUTES

There is a risk that BPC Instruments will be involved in disputes within the framework of normal operations and may be subject to claims regarding orders that have been made, product liability and alleged errors in deliveries of the Company's products. BPC Instruments has an ongoing legal proceeding with the Company's former US distributor. The distributor has an unpaid product invoice to BPC Instruments as of December 2018. The debt is approx. USD 21,700.00 plus interest. Over the past two to three years, BPC Instruments has tried to push the

former US distributor to pay the invoice via a collector and legal process. The mediation will be arranged on 7th December 2021. Furthermore, BPC states that their former distributor in China has developed an analysis tool based on the Company's products AMPTS® II and Gas Endeavor®. According to BPC Instruments, the former Chinese distributor also intends to trademark the analysis tool under names similar to AMPTS and Bioprocess Control. BPC Instruments has reported the matter to the China National Intellectual Property Administration via the Company's joint venture in China. The Company has filed complaints against most important infringements including the trademarks and patent. BPC Instruments also entrusted the Chinese joint venture to proceed with a legal process against their former distributor for these IP infringements and conducting unfair competition by distributing incorrect message to the Chinese market. The Chinese joint venture also made a condition of financial compensation on behalf of the Company to this former distributor. There is a risk that these and future disputes and allegations will be time-consuming, disruptive to normal operations, and lead to significant costs. It is not possible to predict the outcome of complex disputes. Disputes can thus have a negative impact on the Company's operations, profits, and financial position. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialize, BPC Instruments considers the potential negative impact to be low.

OWNERS WITH SIGNIFICANT INFLUENCE

CEO Jing Liu, as a co-founder and the core inventor of the Company, holds 70 percent of the shares and votes in BPC Instruments through his own wholly owned company BPCI Holding AB and is also calculated after the offer to hold a majority of the shares and votes in the Company. Furthermore, Jing owns 70 percent privately from the joint venture BPC Instruments (Haining) Co. Ltd. This shareholder is thus able to exercise significant influence over the Company and its operations. This concentration of ownership may be to the detriment of shareholders who have interests other than the majority shareholder. If the risk is realised, it may have a negative impact on the Company and its shareholders, which could negatively affect the Company's operations, earnings and financial position. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

SHARE-RELATED RISKS

NO PREVIOUS PUBLIC TRADING OF SHARES

There is a risk that an active trade in BPC Instruments' shares does not develop and thus, that shareholders will not be able to divest their shares or can only divest their shares at a loss. There is also a risk that the price of the shares will be subject to significant fluctuations. For example, above all, the share price may be affected by changes in supply and demand, fluctuations in profit, the ability to achieve profit changes, changes in the general economic situation, legislative and regulatory amendments, and changes in other factors. In addition, the general volatility of the share market may lead to the price of the shares being devalued. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

SECURITIES MAY FLUCTUATE IN VALUE OR LIQUIDITY

There is a risk that BPC Instruments' share price will undergo major variations in connection with an introduction to Spotlight. Exchange rate fluctuations may arise from major changes in purchase and sales volumes and may not necessarily have a connection with the Company's underlying value. There is a risk that the price fluctuations will affect BPC Instruments' share price negatively. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

PSYCHOLOGICAL FACTORS

There is a risk that the securities market is affected by psychological factors such as trends, rumours and reactions to news and events which are not directly linked to Spotlight. There is a risk that the Company's shares will be affected in the same way as all other securities that are traded on different lists. There is a risk that psychological factors and its subsequent effects on price developments will adversely affect the market price of the Company's shares. It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

FUTURE DIVIDENDS

BPC Instruments has during 2020 and 2021 paid dividends to the shareholders of a total of approx. SEK 2.2 million. However, the ability of the Company to pay dividends is dependent on a number of factors, including, the Company's profits, financial situation, cash flow, need for working capital, costs of investments and other factors. The Company may lack the necessary distributable funds, and the Company's shareholders may decide not to pay dividends. If the Company decides to not pay dividends, a shareholder's return on investment will depend solely on the share price development. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

SPOTLIGHT STOCK MARKET

The intention is to trade the Company shares on Spotlight, a subsidiary company of ATS Finans AB, which is a securities company under the supervision of the Financial Supervisory Authority. Spotlight operates a trading platform (MTF). Shares listed on Spotlight are not subject to the same rules as shares admitted for trading on regulated markets. As a result of the differences in the scope of the different regulations, an investment in shares traded on Spotlight may be riskier than an investment in shares traded on a regulated market. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be low.

UNSECURED SUBSCRIPTION COMMITMENTS

A number of investors, acquired from the Company's financial advisor Sedermera Fondkommission's investor network, have entered into subscription commitments whereby they have undertaken to subscribe for approx. SEK 10 million, corresponding to approx. 66.6 percent of the new share issue. However, these subscription commitments are not confirmed or secured via prior transactions, bank guarantees or similar. Consequently, there is a risk that one or several of said parties will not fulfil their respective commitments and obligations. If the abovementioned subscription commitments are not met, this could negatively impact BPC Instruments' ability to successfully complete the new share issue, which in turn could adversely affect the Company's business activities with negative impacts related to reduced financial resources propel the business activities forward going into the future. It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, BPC Instruments considers the potential negative impact to be moderate.

DEFINITION LIST

Anaerobic digestion is a process through which bacteria break down organic matter in the absence of oxygen.

Anaerobic microorganisms are any organism that does not require molecular oxygen for growth.

Specific methanogenic activity (SMA) determines the methane-producing capability of the sludge for a specific substrate.

Substrate - the "food" that an organism uses for its growth.

In-vitro digestibility assays In vitro = happens outside a living organism. Digestibility = the percentage of the "food" that is absorbed by the body.

Biodegradability is the capacity for biological degradation of organic materials by living organisms down to base substances such as water, carbon dioxide, methane, basic elements and biomass.

Biomethane is the near-pure source of methane produced either by "upgrading" biogas (a process that removes any CO₂ and other contaminants present in the biogas) or through the gasification of solid biomass followed by methanation.

Bioethanol is mainly produced by the sugar fermentation process. The main sources of sugar required to produce ethanol come from energy crops.

In-vivo pre-clinical trials In-vivo = taking place within the living organisms, in pre-clinical trials, this happens within animal subjects.

Biohydrogen = hydrogen that is produced biologically through dark fermentation

WHY INVEST IN BPC INSTRUMENTS?

A WORLD-LEADING COMPANY

BPC Instruments offers world-leading instruments for measuring ultra-low gas volume and flow rate. Many biotechnological processes such as biogas production are performed by microorganisms. The triggering catalyst is determined when the activity of the microbes performing the reaction changes. BPC Instruments develops and sells automated analytical apparatuses that analyses these reactions. The Company is a pioneer in its field, and the Board of Directors estimates that the Company's current share of the global market of feedstock quality analysis in biogas production equals approx. 90 percent. BPC Instruments has recently expanded towards the business fields of biodegradability of plastics and *in-vitro* feed analysis for animal farming and aims to expand from a single niche market to multiple biotech industrial markets and have a substantial first-mover advantage.

BASED ON CUTTING EDGE RESEARCH

The Company was founded in 2005 and brings about 20 years of industry-leading research in the areas of instrumentation, control, and automation of anaerobic digestion processes. Staffed by experienced scientists and engineers, BPC Instruments exports to more than 60 countries.

FLOURISHING EXISTING REVENUE

BPC Instruments will receive net sales revenues in 2021 amounting to approx. SEK 24 million, with an estimated net profit of SEK 4 million. These stable existing revenues, with a customer base in over 60 countries, provide a solid foundation for business growth as the Company intends to expand into multiple biotech industrial sectors. BPC Instruments is a company interested in long-term solid business growth based on cleantech and sustainability.

RAPID GROWTH


BPC Instruments intends to expand rapidly in the upcoming years, and the Company's financial objective is to increase net sales revenues by double digits annually over the next three years and beyond. This will be achieved through launching new products, broadening the Company's offer, and further strengthening the Company's position in the EU, South Asia, and North America.

STRONG BOARD OF DIRECTORS

The Board of Directors of BPC Instruments has a proven track record of successfully running biotech companies. Board member Kristofer Cook has co-founded several award-winning companies in the biotechnology, cleantech, and food tech areas, including Bioextrax, Cyclitor, and Carbiotix. Board member and CEO Dr. Jing Liu has led the Company since 2013 and has been nominated for several research and enterprise awards. He has a vast background in business and technical development in the biotechnology and biogas industry.

A CLEANTECH INVESTMENT

BPC Instruments' business development activities, with a core competence and focus on clean technologies, renewable resources, sustainability, and innovation in biotechnology analysis, perfectly matches with global business trends. BPC Instruments' products make a positive difference – for the Company's customers as well as for the climate.



BPC Instruments' flagship product Gas Endeavour® offers a cost-efficient solution for evaluating the biodegradability of plastics in various environments.

A WORD FROM THE CEO

Writing this, I am proud and excited to present BPC Instruments to you and the public, as we are now taking steps into the listed environment with all that entails. BPC Instruments was founded over 15 years ago in Lund and has with industry-leading research in the areas of instrumentation, control, and automation of anaerobic digestion processes been able to reach various markets globally. We are currently exporting our products to more than 60 countries – a number that is growing.



BPC Instruments develops and sells automated, analytical instruments that allow for more efficient, reliable, and higher quality of research and analysis in a wide range of industries. The result is significant reductions in time consumption and labor requirements for performing analysis, as well as a more efficient use of manpower resources. We are committed to ensuring the highest product quality throughout our portfolio and focus on being service-minded and always meeting the needs of our customers. We market solutions for a wide range of applications including biogas production, animal nutrition, the biodegradability of plastics and polymers, bioethanol production, wastewater treatment, greenhouse gases emission analysis, and biohydrogen production. Our main goal is for our instruments to solve our customers' working challenges, and we will keep on investing in innovation and providing time-saving and cost-efficient analytical solutions to a wide range of technology fields.

At no other time in human history has an adaptation of working and social lifestyles at the current speed been needed or necessary. Due to the covid-19 pandemic, we have had to leave our old habits at lightning speed and welcome new ways to work, live and communicate. Change is not always easy, but it is even harder when the process is challenging, and the situation is extraordinary. During such times we seek solutions that are familiar, convenient, robust, steady and that will not let us down.

It could be for this reason that smart analytical instruments from BPC Instruments have kept on being the top choice of universities, research institutes, industrial plants, and service providers all around the world even during the most unstable times, like during the current pandemic. Not only have we delivered our products to new countries and new customers, but we also entered new industrial segments successfully and became the choice of many worldwide known companies. In the first nine months of 2021, we were happy to see a record-high turnover for our flagship products Gas Endeavour® and AMPTS® II and welcomed new companies and universities to our ever-growing family of customers. Still, the sales pipeline is strong for the rest of 2021.

Now, putting on a new suit as a soon-to-be listed company, we are looking to raise capital to grab hold of the momentum we are experiencing and going even broader with our products into new markets – both globally and vertical-wise. We want to meet the growing demand we are experiencing and with a strengthened sales force and production capacity – we want to keep our place as the leader in the field!

I warmly welcome you to invest in BPC Instruments and to join us on the exciting journey we are on and expect to accelerate in the coming years.

Dr. Jing Liu

CEO – BPC Instruments AB

INVITATION TO SUBSCRIBE FOR SHARES

INVITATION

In accordance with the terms and conditions of this memorandum, you are hereby invited to subscribe for shares of BPC Instruments at a subscription price of SEK 20.50 per share.

ISSUE RESOLUTION

The Board of Directors of BPC Instruments decided, at a Board meeting on November 10, 2021, supported by an authorization from the Extraordinary General Meeting on October 5, 2021, on a new share issue prior to listing on Spotlight.

ISSUE VOLUME AND ISSUE COSTS

A fully subscribed new share issue will provide the Company with approx. SEK 15 million before the deduction of transaction related costs of approx. SEK 1.4 million. With a fully subscribed new share issue, the share capital will increase by SEK 40,260.00 from SEK 534,710.00 to SEK 574,970.00 and the number of shares will increase by 732,000 shares from 9,722,000 shares to 10,454,000 shares. The new share issue will be implemented without preferential rights for existing shareholders. The future capital need is hard to predict, but provided that the capitalization described in this document is executed, the Board of Directors of the Company does not at the moment foresee any additional capital need for the Company.

LIABILITY

The Board of Directors of BPC Instruments AB is responsible for the content in this memorandum. The people listed below as the Board of Directors of the Company hereby jointly assure that they have taken all reasonable precautions to ensure that the information contained in this memorandum, to the best of their knowledge, is in accordance with the actual circumstances and that nothing has been omitted that may materially affect the assessment of the Company.

Lund, November 2021

The Board of Directors of BPC Instruments AB

Gustaf Olsson

Kristofer Cook

Jing Liu

Anita Sindberg

BACKGROUND AND MOTIVE

BPC Instruments is a Swedish-based instrumentation company in biotechnology field founded in 2005. The Company's foundation is based on close to 20 years of cutting-edge research within the areas of instrumentation, control, and automation of bioanalysis and process monitoring and control of anaerobic digestion.

Many biotechnological processes such as biogas production are performed by microorganisms. The triggering catalyst is determined when the activity of the microbes performing the reaction changes. BPC Instruments develops and sells automated analytical apparatuses that analyze these reactions for specific countermeasures against process disruptions and optimization. The Company's advanced instrumentation tools allow more efficient, reliable and higher quality of research and analysis in both biogas and other biotechnology sectors. The result is significant reductions in time consumption and labor requirement for performing analysis, and the utilization of manpower resources and decision support becomes more efficient.

BPC Instruments' bioanalysis tools are developed to be used in all areas where microorganisms emit different gases in their metabolism, creating substantial possibilities. These include biogas production, animal nutrition, the biodegradability of plastics and polymers in biological treatment facilities and natural environments, wastewater treatment, greenhouse gases emissions, bioethanol fermentation and biohydrogen production.

According to the Board of Directors assessment BPC Instruments' products offer better quality and features in both hardware and software, and the Company has a deep level of knowledge and know-how on biotechnology fields where BPC Instruments' products have potential utilization. The Company is a pioneer in its field, and the Board of Directors estimates that the Company's current share of the global market of feedstock quality analysis in biogas production equals approx. 90 percent. The feedstock quality analysis refers to specific analysis of biomethane potential analysis which is used to evaluate the energy content of biomass for converting to biomethane under anaerobic digestion condition. This analysis is used by both scientists for biogas related research (such as feedstock and process optimization) and process engineers as routine test for biomass quality evaluation for biogas production.

Until 2020, BPC Instruments' primary focus has been on the biogas sector. With a growing demand for emission control and a paradigm shift in the environmental goals of governments and companies, BPC Instruments sees excellent opportunities in a wide variety of areas for their products. BPC Instruments is currently expanding into new sectors such as Biodegradability & Compostability, Animal & Human Nutrition, Fermentations, Wastewater Treatment, and Biohydrogen fields, which all will see substantial growth in the coming year, according to the Board of Directors in the Company. BPC Instruments has a solid growth plan to accelerate growth and will continue to work on organizational and product development to enable the Company to seize the opportunity that will open as global emission controls tighten.

To finance the continued expansion and implement the Company's growth plan in Europe, the USA and China, BPC Instruments now carries out a capitalization prior to listing on the Spotlight Stock Market.

USE OF FUNDS FROM THE NEW SHARE ISSUE

BPC Instruments plans to raise approx. SEK 15 million before issue cost in the new share issue prior to the planned listing on Spotlight. The Company intends to use the issue proceeds to increase market penetration and expand current marketing activities to increase the global awareness of BPC Instruments' products and their applications. According to the Board of Directors, BPC Instruments has a unique market position with best-in-class products in a fast-growing market, hence the Company's primary goal is to achieve a critical first-mover advantage position and grab as much market share as possible before competition arises. The total net proceeds from the IPO will be approx. SEK 13.6 million and the funds are intended to finance the following (arranged by priority):

- Strengthen production capacity; sales & market resources; customer support team, product and software development capacity to support the growth and business expansion from a single niche market to multiple biotechnology industrial sectors (*approx. 50 percent of the fund utilization*).

- Investigation of instrument utilization in both existing and new fields to gain knowhow and competence for sales promotion and customer support (*approx. 10 percent of fund utilization*).
- Acceleration of new product development including next generation of flagship apparatus (*approx. 15 percent of fund utilization*).
- Strengthen cash buffer to support the growth of business operations (*approx. 10 percent of fund utilization*).
- Business expansion in the US and China (*approx. 15 percent of fund utilization*).

PREREQUISITES FOR THE IMPLEMENTATION OF THE NEW SHARE ISSUE

The listing on Spotlight Stock Market is conditional on that the new share issue of approx. SEK 15 million is subscribed for at least 60 percent, corresponding to approx. SEK 9 million, which covers the Company's need for planned activities for the next twelve (12) months after the listing. The new share issue will be executed if the lowest limit for the issue is achieved, and if Spotlight gives final notice that BPC Instruments will be admitted to trading. The new share issue is also subject to Spotlight's ownership spread requirements.

In a situation where the issue is subscribed for only at the minimum limit of 60 percent, the Company will need to revise its business plan by primarily reducing the pace of development and delaying long-term investments. In the event that BPC Instruments is not allocated the full issue amount, the Company may seek alternative financing solutions in order to provide the necessary working capital such as targeted new issues or financing together with one or several partners.

FUTURE CAPITAL NEED

BPC Instruments today has steady revenue streams and is cash flow positive. Proceeds from the issue will finance an expansion of the business and sales organization. The future capital need is hard to predict, but provided that the capitalization described in this document is executed, the Board of Directors of the Company does not at the moment foresee any additional capital need for the Company.

PRICING OF THE SHARE

The Company's Board of Directors has determined the pricing of the shares in this offer based on an assessment of the Company's operations, its potential market and investments made in the Company so far. The valuation in this new share issue has been determined based on the following:

BPC Instruments produces research-intensive, high-end products with applicability across multiple sectors, and there are not any fully established valuation model for a company just like BPC Instruments. The pre-money valuation of approx. SEK 199.3 million has mainly been determined based on discussions between the Board of Directors of BPC Instruments and the financial advisor Sedermera Fondkommission regarding the Company's existing operations, future potential, objectives, and long-term business prospects. In assessing of the Company's valuation, also the market price of other comparable companies that are already listed has been considered. The Company has received subscription commitments corresponding to approx. 67 percent of the total issue volume in the forthcoming new share issue. Taking all the above into consideration, the valuation is assessed to be market-based.

BPC INSTRUMENTS AB

GENERAL INFORMATION

The Company's legal and commercial name is BPC Instruments AB (formerly Bioprocess Control AB) with the corporate registration number 556687-2460. The LEI code of the Company is 89450027AK4LSOGXGY18. BPC Instruments was incorporated in Sweden and is a Swedish public limited liability company governed by Swedish law and the Swedish Companies Act (Sv. *Aktiebolagslagen*). The Board of Directors has its registered office in Lund, Sweden.

BPC Instruments was formed in September 2005 and registered in October 2005. Representatives of BPC Instruments may be reached at telephone +46 (0)46 16 39 50, and by e-mail info@bpcinstruments.com. The Company's visiting address is Scheelevägen 22, 223 63 Lund, Sweden, and the website is www.bpcinstruments.com. BPC Instruments communicates to the market in English.

BACKGROUND

BPC Instruments was founded in 2005 by scientists from Lund University, Sweden, and brings to market close to 20 years of industry-leading research in the areas of instrumentation, control, and automation of anaerobic digestion processes. The Company is headquartered in Lund, Sweden, with nine employees and several full-time or part-time consultants, and a joint venture in China (since 2019) employing seven persons.

The Company is a Swedish-based technology company that develops and sells automated, analytical instruments that allow for a more efficient, reliable, and higher quality of research and analysis in a wide range of biotechnology industries. The result is significant reductions in time consumption and labour requirements for performing analysis, as well as a more efficient use of manpower resources. The instruments all have IP protection in major international markets such as the EU, the US, and China.

Founded and run by scientists – for scientists and engineers – BPC Instruments is committed to ensuring the highest product quality throughout the portfolio and focuses on being service-minded and always meeting the needs of its customers. BPC Instruments markets solutions for a range of applications, including biogas production, animal nutrition, bioplastics and biodegradability, bioethanol production, wastewater treatment, and biohydrogen production.

Among the Company's products are AMPTS® - the Automatic Methane Potential Test System, which has quickly become a preferred analytical instrument around the world, and Gas Endeavour® - an analytical platform for bacterial respiration analysis and biological batch fermentation assays in anaerobic and aerobic conditions. Today, BPC Instruments exports to more than 60 countries and the number is growing. The instruments that have been sold to universities and R&D departments have collectively contributed to more than 600 peer-reviewed articles and conference proceedings where BPC Instruments' products have been used to generate data for research studies.¹ The Company's instrument products have been sold to close to a thousand organizations worldwide, with thousands of various instruments sold in the past ten years.

WHAT MAKES BPC INSTRUMENTS UNIQUE?

The business is based on a foundation built on results and experiences by scientists who have created a well-established, and IP-protected, niche product portfolio. BPC Instruments continues to create new solutions based on innovative ideas. This has enabled the Company to become continuously cash flow positive over ten years and establish a client base across more than 60 nations. BPC Instruments' main ambition is to develop and distribute automated, analytical instruments that allow for a more efficient, reliable, and higher quality research and analysis in the area of low gas volume and flow rate analytical instruments for biotechnology-related applications. BPC Instruments' innovative low gas volume, flow devices, and other analytical instruments increase both the quality and efficiency of research and analysis. These instruments reduce the time consumption and labor requirements for performing analysis. Researchers also become less dependent on individual laboratory skills. The measurement technique opens the door to great opportunities for analytical

¹ <https://bioprocesscontrol.com/scientificreferences/>

solutions in a large range of biotechnology applications. Furthermore, the Company prioritizes knowledge transfer to clients within each application. According to the Board of Directors of the Company, this differs compared to followers and competitors, making BPC Instruments' offer unique.

BPC INSTRUMENTS' PRODUCTS

Biogas is a mixture of gases, primarily consisting of methane and carbon dioxide, produced from raw materials such as agricultural waste, manure, municipal waste, plant material, sewage, green waste, or food waste. It is a renewable energy source. The core product line offered by BPC Instruments is centered around gas volume meter systems for measuring gas volume and gas flow rate as this has been a fundamental solution for a large variety of microbiology fermentation and biological respiration analyses. Currently, the AMPTS® II product line, as well as Gas Endeavour® and BPC® µFlow, make up the core products offered to customers. BPC Instruments also delivers other products targeted to research professionals working in laboratory conditions such as Bioreactors and Process Monitoring. BPC Instruments also offers a wide range of support items and accessories for their different product lines.

BPC Instruments continuously strives to develop and enhance its products to be ahead of its competitors. Within the near future, BPC Instruments will launch its new product BPC® Go containing an in-built computer to simplify and secure low gas volume and flow measurements of both wet and dry gasses, which will be the perfect instrument for the real-time monitoring of gas from any location. A new generation of the product portfolio will also be launched soon afterwards to ensure the Company's top market position is maintained in both the biogas and new business sectors.



Gas Endeavour® Core from BPC Instruments

AMPTS® II

The Automatic Methane Potential Test System (AMPTS®) is a research-standard analytical tool for anaerobic batch fermentation testing which is a well-recognized methodology for various types of bioanalyses associated with anaerobic microorganisms. The product can house 15 glass reactors for multiple sample analyses, including biochemical methane potential tests, anaerobic biodegradability studies, specific methanogenic activity assays, and residual gas potential analysis on digested slurry. All of these are performed with easy access to sampling, analysis, recording, and report generation; fully integrated and automated. AMPTS® lets users determine the optimal retention time and mix of substrates for co-digestion, screen proper pre-treatment methods, and evaluate the need for additives, which are critical information for the cost-efficient operation of a biogas plant.



AMPTS® II from BPC Instruments

Gas Endeavour®

Gas Endeavour® is designed to accurately and precisely measure low gas volume and flow for any type of gas production or consumption from biological respiration or fermentation processes. Gas Endeavour® saves time and labor in performing analysis by working fully integrated and automatic, leading to efficient research and profitable production. According to the assessment of the Company it is the perfect analytical instrument for research and industrial applications, including the biodegradability evaluation of various plastics and packaging materials. Furthermore, it's suitable for *in-vitro* digestibility assays for animal nutrition, bacteria activities and pollution analyses for wastewater treatment, process optimization for 2nd generation ethanol and biohydrogen production, greenhouse gas emission assays, evaluating activities of microbial communities in various environmental conditions and so on.



Gas Endeavour® - standard configuration from BPC Instruments

BPC® µFlow

BPC® µFlow is a compact standalone volumetric gas flow meter for reliable, accurate, and precise measurements mainly used by scientists from universities/institutes or engineers from industry. By offering a large detection range with high linearity, it is the perfect flow meter for online, real-time monitoring of any type of gas and gas mixture at a laboratory scale for biological, microbiological, chemical and physical gas emission or consumption processes.



µFlow from BPC Instruments

WHAT ECONOMIC ADVANTAGES DO BPC INSTRUMENTS' PRODUCTS GIVE?

Below, the general problems for bioanalysis with conventional analysis that is operated manually, are described:

- Time-consuming and labour-intensive work for all biotech laboratory analyses.
- Large random error due to manual operation.
- Poor data quality and quantity.
- Individual skill dependence and lack of standardization.
- Due to labor-intensive work in conventional analysis, the cost of skilled labor is very high.

BPC Instruments offers a product that solves the above-mentioned problems. Please see below.

WHAT BPC INSTRUMENTS INTENDS TO SOLVE WITH ITS PRODUCTS

As mentioned above, BPC Instruments solves the issues and problems listed above, by through its products providing the below.

- Fully automated and integrated analytical instruments for labour-intensive and time-consuming bioanalysis tasks.
- User-friendly, and a significant reduction in time, labour, and skill demands.

- Outstanding real-time performance for accuracy and precision analyses.
- Leads to more efficient, high-quality, and high throughput analyses.
- Utilization of human resources and decision support becomes more efficient through automated analytical instruments.
- Supports the idea and meets the future demand to “analyze more and smarter” for business decisions providing solid scientific data support.

WHO ARE THE CUSTOMERS?

To this date, BPC Instruments has sold products to roughly 60+ countries and more than a thousand organizations worldwide (in the past ten years). Until 2019-2020, more than 90 percent of sales were made for biogas research and the industrial sector. Starting at the end of 2020, the Company witnessed a significant increase in sales in the biodegradability sector - one of the new business sectors that BPC is targeting. BPC Instruments products attract both industrial and academic customers, described below.

- Industrial clients (such as biogas and wastewater treatment facilities/plants, feed/activities producers, analytical service laboratories, R&D or product development divisions of enterprises, etc.), use BPC instruments for routine analysis to support decision making and the development of new products and services.
- Academic customers (such as universities and research institutes) use BPC instruments for research projects and generate a large amount of high-quality data for scientific publications.

BUSINESS MODEL

The core business model is to develop and manufacture analytical instruments to analyze different types of bioprocesses. A growing part of the business is the ability to distribute and teach know-how in relation to the developed products and how the data that has been acquired from the Company’s instruments can be used to create valuable insights for the Company’s customers. BPC Instrument’s business focus is on developing, producing, and selling high-margin and niche analytical instruments in multiple biotech sectors.

BPC Instruments generates revenue through worldwide sales of its instrument products. Product sales are distributed through direct channels generated from BPC Instruments’ own sales team to end customers as well as through indirect sales channels via the BPC Instruments distributor network. BPC Instruments centralizes marketing promotion through digital marketing and by participating in international and national conferences and exhibitions. For the direct sales channel, the Company sells instrument products, spare parts and instrument services directly to clients and provides remote technical support and training. For indirect sales, the Company sells instrument products and spare parts via twelve distributors (Japan, India, South Korea, Singapore, France, Finland, Estonia, Italy, Spain, Poland, Australia, and New Zealand) and a joint venture in China. Multiple unit sales opportunities commonly appear within one to three years after the first purchase, due to the demand for capacity expansion, the satisfaction with the product proposition and after-sales support. BPC Instruments targets selected markets through developing both traditional and digital marketing strategies, and across the global market with a primary focus on major markets such as the EU and China with the goal of also expanding to the US.

COMMERCIAL STRATEGY

BPC Instruments intends to keep its strong position on the global market in supplying analytical apparatus for the biogas market, meanwhile penetrating new potential markets such as biodegradability, wastewater, animal feed and nutrition, human nutrition, bioethanol, biohydrogen, in-vivo pre-clinical, and greenhouse gases emission analyzes. By expanding to more markets where the Company has identified a need for its analytical apparatus, the Board and management assess significant growth opportunities. The Company will use its technology to scale the business to; penetrate the biodegradability analysis market as a major instrument supplier, penetrate the wastewater analysis market, penetrate the in-vitro analysis market for feed and animal nutrition. The Company has already customers from both biodegradability analysis, animal feed and nutrition market and a significant increase of sales has generated during 2021 for the biodegradability market. BPC

Instruments has currently clients from both industry and academic sectors for animal feed and nutrition. For biodegradability analysis are mainly from the industry sector.

In addition, as part of the Company's growth plan, the Company plans to explore the possibility of entering the wastewater analysis, greenhouse gas emission analysis, and pre-clinical market for in-vivo toxicity evaluation, strengthening the BPC Instrument team for product development, production, marketing & sales, establish and continue strengthening subsidiaries in the USA and China. It is the Company's assessment that BPC Instruments' launched products can meet the basic requirements of new markets, however, the new generation of the Company's current products have already been developed and the Company are working on the final stage of system configuration and testing, coordinating production, preparation of marketing and sales material before launching during H1 2022.

INTELLECTUAL PROPERTY

BPC Instruments has about 20+ patents in total for its product portfolio. These patents are divided into six patent families, of which 22 are granted patents in the EU, US, China, and India. In addition, the Company has two design families, with eight registered community designs in the EU, UK, the US, and China. The patent families of the core gas volume measurement technique and flagship products (AMPTS®, Gas Endeavour®, and BPC® Go) have recently been validated for 10-20 years in the EU (DE, FR, UK, SE), US, China, and India. The Company has also five trademark family registrations for the Company's logo and its flagship products in the EU, US, and China.

Patent	Patent/ application no.	Status	Region/ Country	Patent/ application expiration date
Patent family - Flow Cell Device				
Methane Flow Measuring Device-P-SE	SE533578C2	Granted	Sweden	2029-04-14
Measuring Device-PC-US	US8871498B2	Granted	US	2030-04-01
Measuring Device-PC-CN	ZL201080016668.5	Granted	China	2030-04-01
Patent family - MPT System				
System for MPT-EP-DE	60 2010 060 427.6	Granted	Germany	2030-04-01
System for MPT-EP-FR	2419385	Granted	France	2030-04-01
System for MPT-EP-GB	2419385	Granted	UK	2030-04-01
System for MPT-EP-IN	289685	Granted	India	2030-04-01
Patent family - Gas Measurement				
Gas Measurement-P-CN-UTILITY	ZL 201720539277.0	Granted	China	2027-05-15
Gas Measurement-PC-EP	3458816	Granted	Europe	2037-05-11
Gas Measurement-PC-DE	3458816	Granted	Germany	2037-05-11
Gas Measurement-EP-FR	3458816	Granted	France	2037-05-11
Gas Measurement-EP-GB	3458816	Granted	UK	2037-05-11
Gas Measurement-EP-SE	3458816	Granted	Sweden	2037-05-11
Gas Measurement-PC-CN	ZL 201780016562.7	Granted	China	2037-05-11
Gas Measurement-PC-US	US-2019-0153380	Pending	US	N/A
Patent family - APSP				
APSP-PC-EPC	2591088	Granted	EU	2031-06-28
APSP-PC-EPC-DE	2591088	Granted	Germany	2031-06-28
APSP-PC-EPC-FR	2591088	Granted	France	2031-06-28
APSP-PC-EPC-UK	2591088	Granted	UK	2031-06-28
Patent family - AGITATOR UNIT				
AGITATOR UNIT-CN-UTIL	ZL 201821498440.4	Granted	China	2028-09-13
AGITATOR UNIT-SE-EP	3623039	Pending	Europe	2039-09-02
Patent family - Holder-Lid				
Holder Lid-SE	1950741-7	Granted	Sweden	2039-06-18
Holder Lid-CN-Utility	ZL 201920919294.6	Granted	China	2029-06-18

OBJECTIVES

BPC Instruments' objectives contain both financial and operational goals and include +10% annual growth of net sales revenues over the next three years, as well as launching new products and further strengthening the Company's position in international markets and new business sectors that are targeted.

2022

- +10 percent annual growth of net sales revenues from existing product flora and new markets.
- Initiate the process of moving part of the production and full logistics in-house, today run through an external supplier Altran Sverige AB.
- Market a breakthrough in offering instruments for various biodegradability analyses, developing four specific Gas Endeavor® packages for biodegradability analyses in aqueous and marine environments, soil, controlled composting conditions, and anaerobic slurry conditions.
- Launch a new generation series of flagship products including BPC® Go, AMPTS® III, Gas Endeavour® II, BioReactor Simulator II to meet the demand of market expansion in biodegradability, *in-vitro* digestibility, and the wastewater analysis market.

2023

- +10 percent annual growth of net sales revenues.
- Launch the first model of "MetaFlow" - the first scaled-up gas volume and flow device for the full-scale biotechnology production industry and a new smart agitator BPC® Move - to replace the classic magnetic stirrer.
- Launch a new air cooling/heating product within the general lab incubator market.
- Establish a regional office in the US to strengthen market penetration and customer support requirements.

2024

- +10 percent annual growth of net sales revenues.
- Increase revenues outside the biogas sector and aim for approx. 30+ percent of total sales revenues.
- Further strengthen company subsidiaries in China and the US to increase market presence and strengthen the supply chain for production in Sweden.
- Market penetration in the preclinical sector by offering a new *in-vivo* pre-clinical trial platform that is cost-efficient and harmless to laboratory animals. This novel instrument could be a good choice and provide precious data for drug and functional/health care food development.
- An intention to establish a subsidiary or joint venture with partner(s) to target the analysis service business in biodegradability, pre-clinical and environmental analyses.
- An intention to establish BPC Groups that include subsidiaries in China and the US, subsidiaries/joint ventures for service analysis, and specific business fields such as pre-clinical and health care analysis.

MARKET OVERVIEW

BPC Instruments currently operates as a niche player within the biotech analytical instrument sector, taking a small market share from each sector of the larger markets it operates within. The Company is currently active in biogas and biodegradability market. BPC Instruments market solutions for a range of applications, including biogas production, animal nutrition, bioplastics and biodegradability, bioethanol production, wastewater treatment, and biohydrogen production. The potential and size of the markets are estimated based on the Company's current market sector (such as biogas and environmental biotechnology) and the general market size of the sectors. It is the Company's assessment that the demand for biomethane and liquified biomethane for the biogas market is going to be high due to recently high energy price and increasing demand on emission control in transportation sector. This could drive the demand for biogas production which will lead to higher demand on BPC Instruments' automated analytical instrument for ensuring and optimizing the biogas production. Furthermore, the market demand for instrument of biodegradability analysis is high due to new regulation and policy on elimination on-time used plastic and reduce plastic pollution in environment.

BPC Instruments considers EU, East Asia and North America as the three main geographic markets to focus on. For this reason, the Company plans to have a physical presence in all three regions, i.e., headquarter in Sweden for EU market, the joint venture in China and future region office in US for northern America market. The historical sales revenue distribution for the Company has consisted of approx. 50-55 percent for the EU, 20-25 percent from Asia (mainly China and Japan), about ten percent from the North America and remaining for the rest of world. The Company's largest single country market is China, and it has been for the past several years. However, BPC Instruments also treats the whole EU as a single market (and not each separate country within the EU) and this is the Company's home market. The future of biogas production and utilization cannot be considered separately from the broader context of the global energy system. There is a huge range of possible futures for global energy, depending on the pace of technological innovation, the ambition of energy policies, market dynamics, societal trends, and many other factors. The global biogas market size was valued at USD 57.5 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 4.4 percent from 2021 to 2028.² The biogas market is driven by a trend of increasing greenhouse gas emissions and their negative impact on the environment. Various governing bodies across the world are investing heavily in the production of renewable energy sources to curb carbon emissions and to ensure a stable and secure energy supply.

Biotechnology is a technology that utilizes biological systems, living organisms, or parts of this to develop or create different products. The global biotechnology market size was valued at USD 753 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of almost 16 percent from 2021 to 2028.³ The market is driven by favorable government initiatives owing to the growth of the biotechnology sector in both industrialized and developing countries. Government initiatives are oriented towards eliminating plastics for one-time usage and developing truly biodegradable materials in wastes/wastewater treatment facilities and natural environments, greenhouse gas (GHGs) mitigation from agriculture, waste/wastewater treatment, modernizing and standardizing new techniques for biotechnological, pre-clinical, and clinical studies, improving reimbursement and innovation supporting policies, and speeding up the product approval process, thereby offering lucrative growth opportunities to the market.

MARKET STRATEGY

BPS Instruments' business expansion is expected to be made by penetrate BPC Instruments' instrument products sales in new biotechnology sector such as biodegradability, animal feed and wastewater, etc. Part of BPC Instruments' expansion plan is to launch its next generation of the Company's current products in H1 2022. The Company has had a significant revenue increase in offering instrument sales in biodegradability analysis in 2021. Furthermore, the Company has also seen an increase in the number of customers from the animal feed sector. For the Company's traditional biogas market, BPC Instruments expect continuous organic growth and

² Grand View Research (2021). Biogas Market Size, Share & Trends Analysis Report By Source (Municipal, Agricultural, Industrial), By Application (Vehicle Fuel, Electricity, Heat), By Region, And Segment Forecasts, 2021 – 2028.

³ Biotechnology Market Size, Share & Trends Analysis Report By Technology (DNA Sequencing, Nanobiotechnology), By Application (Health, Bioinformatics), By Region, And Segment Forecasts, 2021 - 2028

stable revenue income in the coming years. Meanwhile, the Company are investigating and validating the utilization of the Company's analytical instruments in pre-clinical trial, greenhouse gases emission analysis, etc.

BPC Instruments current market strategy consists of combining digital marketing and tradition tradeshow/conference works. It is the Company's assessment that it will be the same market strategy to penetrate new market sectors in global level. For the Chinese market the Company's priority is to continue developing and strengthen market control in China through the Chinese joint venture. For the US market BPC Instruments' priority is to strengthen the market penetration with additional effort on digital marketing first and seek opportunity and prepare for physical presence. The Company's digital market effects include Google AdWord, SEO, display ad, social media, emails and development of website and product webshop. It is the Board of Directors assessment that the effort works and fit well with promoting the Company's instrument products on niche markets. The Company expect it to take 2-3 year to penetrate and establish their brand in biodegradability market and 3-4 year to penetrate and establish their brand in wastewater analysis market.

COMPETITIVE LANDSCAPE

To the knowledge of the Company, the solutions of BPC Instruments are the first of their kind - making the Company a pioneer in its field. BPC Instruments estimates that the Company's current share of the global market of biogas equals approx. 90 percent. In more recent times the Company has expanded towards the business of offering unique instrumentation for the biodegradability evaluation of plastics and packaging materials, *in-vitro* digestibility for animal farming, and will go from a single niche market to multiple biotech industrial sectors step by step. The Competitive landscape is slim, and according to the Board of Directors assessment, the Company is the absolute leading party amongst competitors. As the market continues to grow, there is an apparent risk that the competition in the industry will increase, but BPC Instruments will still have a substantial first-mover advantage. Approx. ten competitors have appeared over the past six years since the Company launched (such as Anaero Technology [UK], BlueSens [Germany], Dr.-Ing. Ritter Apparatebau [Germany], RTKINS Instrument [China], Nova Skantek [China]), the Board of Director estimates that these companies have a market share of approx. 10 percent of the global market share in biogas. According to the Board of Directors, most of the competitors intend to continue to re-engineer instrument hardware or offer lower quality, less mature, and cheaper alternative products.

According to the Board of Directors, the competitive advantages BPC Instruments offers its clients are products of a better quality, features in both hardware and software, and much deeper knowledge and knowhow on the applications. A combination of IP protection, technical know-how, business activities, and company branding ensures the current market leader position will be maintained.

KEY HISTORICAL EVENTS

Year	Event
2005	The Company is formed.
2006	On April 2006, Bioprocess Control moved into the business incubator IDEON Innovation, located at IDEON research park in Lund, Sweden. The incubator provides an exciting environment for newly started companies to test their ideas and establish key business contacts. Two angel investors participated in the first rights issue providing Bioprocess Control with finances to support product and business development activities. Both angel investors also became members of the company Board.
2007	Bioprocess Control completed a rights issue at the beginning of September, providing the necessary funds to meet a growing demand from the market and allowing the company to follow through with its expansion plans and double in size by the summer 2008.
2008	A demonstration project intended to verify the technology behind Biogas Optimizer™ during full-scale operating conditions was successfully completed at the end of December 2007, leading to a 25 percent increase in biogas production after 40 days of operation at the Händelö biogas plant in Sweden, owned and operated by Svensk Biogas AB. The Company also signed its first sales agreement with E.ON Gas Sverige to start a pre-study at the Wram Gunnarstorp biogas site located outside of Bjuv in Skåne.
2009	Global launch of automatic methane potential test system (AMPTS®) - a new lab technology that will revolutionize methane potential analysis for both feedstock quality control and process optimization in biogas production.
2010	DSM Venturing, the corporate venturing unit of Royal DSM N.V., became a minority shareholder in Bioprocess Control. In addition, a strategic cooperation agreement was signed between DSM and Bioprocess Control to further explore and leverage the complementary technologies held by each company.
2011	Global launch of its second-generation Automatic Methane Potential Test System II or AMPTS® II. Developed over 12 months, the AMPTS® II marked a significant evolution in a technology that already gained global appeal.
2012	Bioprocess Control broadened its product portfolio with the introduction of the BioReactor Simulator and Early Warning System. These new patented State-of-the art technologies strengthened Bioprocess Control's competitiveness and provided to the market solutions for process stability and an elimination of risk for microbiological breakdown, both increasing demands from the commercial biogas industry.
2013	Bioprocess Control signed orders with large Danish energy companies for the development of automated lab-scale platforms. The Company also launched a new website to showcase its expanded product portfolio.
2014	Dr Jing Liu, a co-founder of the company and previous Chief Technical and Operations Director, becomes CEO. The Company was awarded an industry grant from the Swedish state innovations authority, Vinnova, as a part of a co-financing contribution towards the development of a database and the utilization of analytical instruments for optimizing full-scale biogas plants.
2015	Bioprocess Control further expanded its sales network in the global market and has products sold to 40+ countries. Four years after the global launch of AMPTS® II, there are clear indications that the growth rate of publications related to AMPTS® II in peer-reviewed journals has increased exponentially.
2016	Global distributor network conference is held in Lund, Sweden. Spread over more than 15 countries, the distributors help Bioprocess Control give the company a truly global presence and to cater to specific needs in local markets.
2017	Led by the company co-founder and CEO, Dr. Jing Liu and co-founders Prof. Gustaf Olsson, Mr. Kristofer Cook and LU Innovation successfully purchase back shares from other shareholders and re-organised the Board. This re-structure of ownership structure and Board leads to a significant improvement of management and allows for a long-term vision for product and business development in the years to come.
2018	Global launch of Gas Endeavour® - a novel platform for analysing low gas volume and flow whenever there is a demand for highly accurate and precise measurements.
2019	Bioprocess Control strengthened the company presence in China by extending its presence and establishing a joint venture with the company co-founder and CEO, Dr. Jing Liu in Haining, Zhejiang province, China. The company also joined several European research institutes in a major greenhouse gas research project.

2020

Bioprocess Control made a business decision to broaden the functionality, applications and scope of its products, making them more versatile and opening them up to the wider biotechnology analysis field and beyond. To reflect this new change, the company was re-named BPC Instruments with the abbreviated form BPC. During this year, the COVID-19 pandemic had a significant negative impact on businesses and the economy on global level. However, BPC adapted during this period introducing new ways to work and communicating very well, and thus maintained growth.

2021

A new company logo for a new beginning is introduced! BPC is now more than ever before ready to take on new challenges and opportunities and start penetrating into new biotech sectors outside the biogas field. As a soon-to-be listed company, BPC gains momentum and targets new applications and markets with its industry leading product portfolio.

SUBSCRIPTION COMMITMENTS

BPC Instruments is hereby implementing a new share issue of shares in which the public will also be given the opportunity to subscribe for shares. A fully subscribed new share issue will provide the Company with approx. SEK 15 million before issue costs, which are expected to amount to a total of approx. SEK 1.4 million. BPC Instruments has obtained pre-subscription commitments corresponding to approx. SEK 10 million, equivalent to approx. 67 percent of the total maximum issue volume. All parties that have concluded pre-subscription commitments can be reached via the Company's address.

SUBSCRIPTION COMMITMENTS

The table below presents all the subscription commitments which have been agreed in writing and signed in October 2021. The pre-subscription commitments have not been secured through advance transaction, bank guarantee or similar. No premium compensation has been given for these commitments. Note that pre-subscribers will receive full allocation in relation to the concluded subscription commitment.

Pre-subscriber	Amount (SEK)
Polynom Investment AB	2,999,990.50
Ahmed Mirée	1,499,985.00
Kent Eklund	1,049,989.50
Capitral AB	999,990.00
Alexander Schoeneck	749,992.50
Jinderman & Partners AB	749,992.50
Sustainable Holding Sweden AB*	174,988.00
BPCI Holding AB**	149,998.50
Harry Matilainen	149,998.50
Martin Erlandsson	149,998.50
Gustaf Olsson***	124,988.50
Erik Deaner	99,999.00
Ljung & Winbladh AB	99,999.00
Anita Sindberg***	99,999.00
Gustav Wendel	99,999.00
Andreas Johansson	99,999.00
Håkan Månsson	99,999.00
Peter Rundlöf	99,999.00
Johan Larshom	99,999.00
Johan Landén	99,999.00
Taulant Bara	99,999.00
Christer Casselsjö	99,999.00
Wehlins Byggmontage AB	99,999.00
Total	9,999,900.00

* 100% owned by board member Kristofer Cook

** 100% owned by CEO and board member Jing Liu

*** Board Member

FINANCIAL OVERVIEW

INFORMATION REGARDING COMPANY STRUCTURE

BPC Instruments owns 30 percent of a joint venture in China, BPC Instruments (Haining) Co. Ltd., and the remaining 70 percent is privately owned by the Company's CEO Jing Liu. The joint venture was established in July 2019 and the current ownership structure is based on Jing Liu being part of a business talent program established by the local Chinese authorities. The joint venture is expected to receive approximately RMB 6 million (approx. SEK 8 million) co-finance support over a period of four years, as long as the joint venture reaches certain pre-defined business milestones. In order for the joint venture to qualify the business talent program and co-finance support for establishment of its local presence, it is necessary that Jing Liu privately owns a majority of the shares in the joint venture. None of the Company's intellectual property rights lie in the joint venture.

The objectives for the joint venture are to strengthen market penetration of BPC Instruments' products in China, improve the Company's branding and establish the supply chain. A local sales and technical support team has been established over the past two years with outstanding performance to meet business and sales milestones during the COVID-19 pandemic.

As the talent program which requires Liu as a majority owner of the joint venture is active for a limited period of time, the Board of Directors of BPC Instruments has decided that by the end of July 2023 at the earliest, the Company can call upon the transfer of the complete ownership of the joint venture from Jing Liu to BPC Instruments. The actual ownership transfer is then to be made no earlier than January 2024. Jing Liu's ownership is then planned to be transferred to BPC Instruments no later than on July 1st, 2024, so that the joint venture can be transferred into a wholly owned subsidiary of the Company. Apart from the full compensation of nominal value of the corresponding capital injection made by Jing Liu privately before the transferring date, which is RMB 1 million (approx. SEK 1.35 million), this ownership transfer should be free from additional cost.

Ownership Agreement

In order for there not to be any uncertainty or lack of security for the shareholders of BPC Instruments as to the ownership structure of the joint venture, an ownership agreement has been established and signed by BPC Instruments and Jing Liu, stating that the Board of BPC Instruments has full decision-making power over the joint venture prior to the above-described ownership transfer regarding the following decisions:

- Jing Liu's ability to give away, mortgage or in any other way transfer ownership of the joint venture to any other party.
- Paying dividends, taking bank loans and Jing Liu's ability to receive funds for non-business use and personal benefits.
- Any investments outside of normal business operations.

In addition, the agreement states that Jing Liu is not entitled to any dividend or any assets in the event that the joint venture is liquidated (everything will be allocated to BPC Instruments in such case).

FINANCIAL OVERVIEW

As BPC Instruments is currently owned to approx. 70.06 percent by the Company's CEO Jing Liu, through his wholly owned company BPCI Holding AB, Jing Liu is the beneficial owner of the Company. Liu is also the beneficial owner of BPC Instruments (Haining) Co. Ltd., as he owns approx. 70 percent of this company also. The two companies are however not considered to be a group, and thus the financial information is not presented as a group with consolidated financials.

The financial overview in this memorandum applies exclusively to BPC Instruments AB with organizational number 556687-2460. The financial overview set forth below includes the annual reports for the financial years 2020 and 2019 and interim accounts pertaining to the financial period 1 January 2021 to 30 September 2021, with comparative accounts for the period 1 January 2020 to 30 September 2020, which have been prepared in accordance with the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR) 2012:1 (K3). The annual reports have been audited by the Company's independent auditor as set forth in their audit report included therewith. The interim accounts pertaining to the financial period 1 January 2021 to 30 September 2021, including comparative figures for the corresponding period from the previous financial year as well as cash flow figures for the periods pertaining to the historical financial information

included in this memorandum, have been prepared for the purpose of being included in this memorandum and have been reviewed by the Company's auditor.

HISTORICAL FINANCIAL INFORMATION INCORPORATED BY REFERENCES

The information in this section should be read together with the Company's audited annual reports for the financial years 2020 and 2019, including notes, as well as the Company's interim report for the period 1 January 2021 to 30 September 2021, including statements of cash flows for the periods pertaining to the historical financial information, which have been incorporated into this memorandum by reference. The following documents incorporated by reference herein are available at BPC Instruments' office (Scheelevägen 22, 223 63 Lund, Sweden) and website (www.bpcinstruments.com). The pages that are not incorporated below are not relevant or are presented elsewhere in this memorandum.

INCORPORATED VIA REFERENCES

- Annual financial report, 2019-01-01 - 2019-12-31
- Annual financial report, 2020-01-01 - 2020-12-31
- Interim account pertaining, 2021-01-01 - 2021-09-30

DATES FOR RELEASE OF FINANCIAL INFORMATION

<i>Current financial year:</i>	20210101-20211231
Year End report 2021:	2022-02-22
Annual Report 2021:	2022-05-06

INCOME STATEMENT

(SEK)	2021-01-01 2021-09-30 <i>Unaudited</i>	2020-01-01 2020-09-30 <i>Unaudited</i>	2020-01-01 2020-12-31 <i>Audited</i>	2019-01-01 2019-12-31 <i>Audited</i>
Operating income				
Net sales	17,290,732	11,677,445	22,110,211	23,139,663
Activated work for own account	1,954,987	1,405,258	1,967,654	1,029,240
Other operating income	78,066	154,836	287,383	452,267
Total operating income	19,323,785	13,237,539	24,365,248	24,621,170
Operating costs				
Raw materials and consumables	-7,008,525	-4,267,898	-7,297,995	-8,200,798
Other external costs	-3,379,774	-2,995,361	-4,053,413	-4,842,288
Personnel costs	-5,665,315	-4,291,857	-6,292,582	-5,877,071
Depreciation of tangible and intangible fixed assets	-1,036,397	-910,706	-1,229,921	-1,222,515
Other operating expenses	-83,952	-159,952	-283,559	-180,787
Total operating costs	-17,173,963	-12,625,773	-19,157,470	-20,323,459
Operating profit	2,149,822	611,766	5,207,778	4,297,711
Financial items				
Other interest income and similar items	417,204	88,699	88,699	82,608
Interest expenses and similar items	-158,229	-178,369	-305,208	-102,175
Total financial items	258,975	-89,670	-216,509	-19,567
Total after financial items	2,408,797	522,096	4,991,269	4,278,144
Profit/loss before taxes	2,408,797	522,096	4,991,269	4,278,144
Taxes				
Tax on profit/loss for the year	-498,934	-113,107	-1,071,296	-923,581
Profit for the period	1,909,863	408,989	3,919,973	3,354,563

BALANCE SHEET

(SEK)	2021-09-30 <i>Unaudited</i>	2020-09-30 <i>Unaudited</i>	2020-12-31 <i>Audited</i>	2019-12-31 <i>Audited</i>
Assets				
Fixed assets				
<i>Intangible fixed assets</i>				
Capitalized expenditure on development work and similar work	4,962,379	3,404,170	3,742,865	2,750,338
Patents	714,214	848,231	819,115	812,216
Total intangible fixed assets	5,676,593	4,252,401	4,561,980	3,562,554
<i>Tangible fixed assets</i>				
Inventory, tools and installations	812,824	856,123	789,725	808,418
<i>Financial fixed assets</i>				
Interest in earnings of associate companies	5,080,882	3,362,628	3,362,628	1,525,924
Endowment insurance	2,120,760	0	0	0
Total fixed assets	13,691,059	8,471,152	8,714,333	5,896,896
Current assets				
<i>Inventories</i>				
Raw materials and consumables	2,039,769	1,378,261	1,204,048	954,327
<i>Short-term receivables</i>				
Account receivables	4,077,152	1,217,999	4,194,579	5,960,188
Other receivables	1,035,401	825,469	1,141,814	1,201,816
Prepaid expenses and accrued income	708,417	389,608	742,487	530,881
Total short-term receivables	5,820,970	2,433,076	6,078,880	7,692,885
<i>Short-term investments</i>				
Other short-term investments	0	1,000,000	1,300,000	0
<i>Cash and bank</i>	2,046,547	5,192,150	7,160,786	7,997,603
Total current assets	9,907,286	10,003,487	15,743,714	16,664,815
Total assets	23,598,345	18,474,639	24,458,047	22,541,711

EQUITY AND LIABILITIES

(SEK)	2021-09-30	2020-09-30	2020-12-31	2019-12-31
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
Equity				
<i>Restricted equity</i>				
Share capital	243,050	243,050	243,050	243,050
Fund for development work	5,178,060	4,867,913	4,213,643	2,947,377
Total restricted equity	5,421,110	5,110,963	4,456,693	3,190,427
<i>Unrestricted equity</i>				
Share premium fund	3,936,617	4,936,617	4,936,617	6,136,617
Profit/loss brought forward	5,180,420	1,570,594	2,224,864	136,566
Profit of the year	1,909,864	408,989	3,919,973	3,354,563
Total unrestricted equity	11,026,901	6,916,200	11,081,454	9,627,746
Total equity	16,448,011	12,027,163	15,538,147	12,818,173
Long-term liabilities				
Liabilities to credit institutes	2,000,000	3,000,000	2,750,000	3,750,000
Total long-term liabilities	2,000,000	3,000,000	2,750,000	3,750,000
Short-term liabilities				
Credit institutes	1,000,000	1,000,000	1,000,000	1,000,000
Accounts payable	2,388,541	1,475,060	2,938,809	2,498,253
Tax payable	193,723	12,957	841,870	956,578
Other liabilities	259,361	203,495	216,167	216,966
Accrued expenses and prepaid income	1,308,709	755,964	1,173,054	1,301,741
Total short-term liabilities	5,150,334	3,447,476	6,169,900	5,973,538
Total equity and liabilities	23,598,345	18,474,639	24,458,047	22,541,711

CASH FLOW STATEMENT

(SEK)	2021-01-01	2020-01-01	2020-01-01	2019-01-01
	2021-09-30	2020-09-30	2020-12-31	2019-12-31
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
Profit for the period				
Depreciations	1,036,397	910,706	1,229,921	1,167,273
Impairments	-	-	-	-
Adjustment for items not included in cash flow	222,306	-89,670	-191,824	394,819
Additions (-) / Deduction (+) inventory	-835,721	-423,934	-249,721	86,908
Additions (-) / Deduction (+) Receivables from goods and services	154,097	4,742,188	1,740,923	-3,488,507
Additions (-) / Deduction (+) other receivables	140,483	517,620	-151,604	-688,438
Additions (-) / Deduction (+) accrued income	2,149,822	611,766	5,207,778	4,297,712
Additions (-) / Deduction (+) trade payables	-550,269	-1,023,194	440,556	315,338
Additions (-) / Deduction (+) other payables	178,850	-559,245	-129,485	116,543
Additions (-) / Deduction (+) loans affiliates	-	-	-	-
Additions (-) / Deduction (+) accrued expense	-	-	-	-
Paid income tax	-1,147,081	-1,056,728	-1,186,004	-752,680
Total changes in net current assets	1,348,884	3,629,509	6,710,541	1,448,968
Changes in accrued liabilities	-	-	-	-
Changes in long-term liabilities	-	-	-	-
Write-offs from shareholders	-	-	-	-
Cash flow from operations				
Increase / decrease short-term financial investments and receivables	1,300,000	-1,000,000	-1,300,000	4,247,718
Investments in fixed assets	-2,174,109	-1,648,258	-2,210,654	-1,914,977
Investments in associated companies and other long-term securities	3,839,014	-1,836,704	-1,836,704	-1,525,924
Cash flow from investment activity	-4,713,123	-4,484,962	-5,347,358	806,818
Proceeds from/Repayment of current liabilities to banks	-750,000	-750,000	-1,000,000	-250,000
Proceeds from/Repayment of loans from third parties	-	-	-	-
Proceeds from/Repayment of loans from shareholders	-	-	-	-
Loans from banks	-	-	-	5,000,000
Increase in capital reserves	-	-	-	-
Payment of share capital	-	-	-	-
Dividend payments	-1,000,000	-1,200,000	-1,200,000	-1,500,000
Total cash flow in the financial period	-5,114,239	-2,805,453	-836,817	5,505,785
Cash and cash equivalents (opening balance)	7,160,786	7,997,603	7,997,603	2,491,818
Cash and cash equivalents	2,046,547	5,192,150	7,160,786	7,997,603

Change in Cash and cash equivalents

CHANGES IN EQUITY

2019-01-01 - 2019-12-31 (Audited)

(SEK)	Share capital	Fund for development work	Share premium reserve	Retained earnings	Result of the period	Total
Amount at the beginning of the year	243,050	2,546,078	7,636,617	-2,580,842	3,118,707	10,963,610
Disposition according to decision of the year's AGM:				3,118,707	-3,118,707	0
-Dividend paid			-1,500,000			-1,500,000
Capitalized development costs		1,362,528		-1,362,528		0
Dissolution as a result of:						
-Depreciations		-627,941		627,941		0
-Asset disposal		-333,288		333,288		0
Result for the year					3,354,563	3,354,563
Amount at the end of the year	243,050	2,947,377	6,136,617	136,566	3,354,563	12,818,173

2020-01-01 - 2020-12-31 (Audited)

(SEK)	Share capital	Fund for development work	Share premium reserve	Retained earnings	Result of the period	Total
Amount at the beginning of the year	243,050	2,947,377	6,136,617	136,566	3,354,563	12,818,173
Disposition according to decision of the year's AGM:				3,354,563	-3,354,563	0
-Dividend paid			-1,200,000			-1,200,000
-Capitalized development costs		1,967,654		-1,967,654		0
-Dissolution as a result of the year's depreciation		-701,388		701,388		0
Result for the year					3,919,973	3,919,973
Amount at the end of the year	243,050	4,213,643	4,936,617	2,224,863	3,919,973	15,538,146

2021-01-01 - 2021-09-30 (Unaudited)

(SEK)	Share capital	Fund for development work	Share premium reserve	Retained earnings	Result of the period	Total
Amount at the beginning of the year	243,050	4,213,643	4,936,617	2,224,864	3,919,973	15,538,147
Disposition according to decision of the year's AGM:				3,919,973	-3,919,973	0
-Dividend paid			-1,000,000			-1,000,000
-Capitalized development costs		1,954,987		-1,954,987		0
-Dissolution as a result of the year's depreciation		-990,570		990,570		0
Result for the year					1,909,863	1,909,863
Amount at the end of the year	243,050	5,178,060	3,936,617	5,180,420	1,909,863	16,448,010

COMMENTS ON THE FINANCIAL DEVELOPMENT

REVENUE AND OPERATING RESULTS

For the financial year 2019, BPC Instruments' operating income amounted to SEK 24,621,170. Operating income consisted of net sales of SEK 23,139,663, activated work for own account of SEK 1,029,240 and other operating income of SEK 452,267. Other operating income consisted primarily of exchange rate differences and public support and grants. Operating profit amounted to SEK 4,297,711 and was negatively affected mainly by raw materials and consumables of SEK -8,200,798, personnel costs of SEK -5,877,071 and other external costs of SEK -4,842,288. Other external costs consisted primarily of costs related to rent, marketing, consulting fees and patents. Profit for the year amounted to SEK 3,354,563.

Operating income for the financial year 2020 amounted to SEK 24,365,248, which marks a slight decrease compared with the previous year. Operating income consisted of net sales of SEK 22,110,211, activated work for own account of SEK 1,967,654 and other operating income of SEK 287,383. Other operating income consisted primarily of recovered previously depreciated accounts receivable, exchange rate gain and received public support and grants. The decrease in operating income compared with the previous year is primarily related to a decrease in net sales of SEK 1,029,452, which is due to a result of sales delay and negative business impact caused by the COVID-19 pandemic. Operating profit amounted to SEK 5,207,778, which marks an increase compared to previous year. Operating profit was negatively affected mainly by raw materials and consumables of SEK -7,297,995, personnel costs of SEK -6,292,582 and other external costs of SEK -4,053,413. Other external costs consisted primarily of costs related to rent, marketing, consulting fees and patents. The profit for the year was positive and increased slightly compared with the previous year to SEK 3,919,973.

For the period from 1 January to 30 September 2020 BPC Instrument's operating income amounted to SEK 13,237,539. Operating income consisted of net sales of SEK 11,677,445, activated work for own account of SEK 1,405,258 and other operating income of SEK 154,836. Other operating income consisted primarily of exchange rate gain, received public support and grants and accrual sales. Operating profit amounted to SEK 611,766 and was negatively affected mainly by raw materials and consumables of SEK -4,267,898, personnel costs of SEK -4,291,857 and other external costs of SEK -2,995,361. Other external costs consisted primarily of costs related to rent, marketing, consulting fees and patents. Profit for the period amounted to SEK 408,989.

Operating income for the period from 1 January to 30 September 2021 amounted to SEK 19,323,785, which marks an increase compared with previous period. Operating income consisted of net sales of SEK 17,290,732, activated work for own account of SEK 1,954,987 and other operating income of SEK 78,066. Other operating income consisted primarily of exchange rate gain, received public support and grants and accrual sales. Operating profit amounted to SEK 2,149,822, which marks an increase compared to previous period. Operating profit was positively affected mainly by increased sales in all geographical markets. Other external costs consisted primarily of costs related to rent, marketing, consulting fees and patents. The increase in costs related to raw material and consumables compared with the previous period are a result of margins differ from products and increased shipping costs due to Covid-19. The profit for the period was positive and increased with the previous period to SEK 1,909,863.

ASSETS AND LIABILITIES

As of 31 December 2019, the Company's assets totaled SEK 22,541,711. The assets consisted mainly of capitalized expenditure on development work and similar work of SEK 2,750,338, interest in earnings of associate companies of SEK 1,525,924, account receivables of SEK 5,960,188, other receivables of SEK 1,201,816 and cash and bank of SEK 7,997,603. Capitalized expenditure on development work and similar work consisted of development costs, material costs, consular costs and tools for production. Other receivables consisted of vat claim and money in the tax account to pay final tax. The Company's long-term liabilities totaled to SEK 3,750,000 and consisted of liabilities to credit institutes. The Company's short-term liabilities totaled SEK 5,973,538 and consisted mainly of liabilities to credit institutions of SEK 1,000,000, accounts payable of SEK 2,498,253 and accrued expenses and prepaid income of SEK 1,301,741. Liabilities to credit institutions consisted of a loan to Nordea Bank. BPC Instrument's equity ratio at the end of the period was 56.9 percent. The Company's equity at the end of the period amounted to SEK 12,818,173.

As of 31 December 2020, the Company's assets totaled SEK 24,458,047, which was an increase compared with the previous year. The assets consisted mainly of capitalized expenditure on development work and similar work of SEK 3,742,865, interest in earnings of associate companies of SEK 3,362,628, account receivables of SEK 4,194,579, other receivables of SEK 1,141,814, other short-term investments of SEK 1,300,000 and cash and bank of SEK 7,160,786. Capitalized expenditure on development work and similar work consisted of development costs, material costs, consulting costs and tools for production. Other receivables consisted of vat claim and money in the tax account to pay final tax. Other short-term investments consisted of surplus capital invested in funds. The increase in capitalized expenditure on development work and similar work compared with the previous year is primarily related to two start-up development projects. The increase in interest in earnings of associate companies compared with the previous year is attributable to investment in the associated company in China. The decrease in account receivables compared with the previous year is related to a stricter payment policy for customers that BPC Instruments applied during 2020. The Company's long-term liabilities decreased compared with the previous year and totaled SEK 2,750,000. Long-term liabilities consisted of liabilities to credit institutions. Short-term liabilities increased compared with the previous year and amounted to SEK 6,169,900. Short-term liabilities consisted mainly of liabilities to credit institutions of SEK 1,000,000, accounts payable of SEK 2,938,809 and accrued expenses and prepaid income of SEK 1,173,054. Liabilities to credit institutions consisted of a loan to Nordea Bank. The Company's equity ratio at the time was 63.5 percent. The Company's equity at the end of the period increased compared with the previous year and amounted to SEK 15,538,147.

As of 30 September 2020, the Company's assets totaled SEK 18,474,639. The assets consisted mainly of capitalized expenditure on development work and similar work of SEK 3,404,170, interest in earnings of associated companies of SEK 3,362,628, account receivables of SEK 1,217,999, other receivables of SEK 825,469 and cash and bank of SEK 5,192,150. Capitalized expenditure on development work and similar work consisted of development costs, material costs, consulting costs and tools for production. Other receivables consisted of vat claim and money in the tax account to pay final tax. The Company's long-term liabilities totaled to SEK 3,000,000 and consisted of a loan to Nordea Bank. The Company's short-term liabilities totaled to SEK 3,334,370 and consisted mainly of accounts payable, short-term loans and other accrued costs. Liabilities to credit institutions consisted of a loan to Nordea Bank. BPC Instruments' equity ratio at the end of the period was 62,9 percent. The Company's equity at the end of the period totaled SEK 11,618,173.

As of 30 September 2021, the Company's assets totaled SEK 23,598,345, which was an increase compared with the previous period. The assets consisted mainly of capitalized expenditure on development work and similar work of SEK 4,962,379, interest in earnings of associate companies of SEK 5,080,882, account receivables of SEK 4,077,152, other receivables of SEK 1,035,401 and cash and bank of 2,046,547. Capitalized expenditure on development work and similar work consisted of development costs, material costs, consulting costs and tools for production. Other receivables consisted of vat claim and money in the tax account to pay final tax. The increase in account receivables compared with the previous period is related to higher sales. The Company's long-term liabilities decreased compared with the previous period and totaled SEK 2,000,000. Long-term liabilities consisted of liabilities to credit institutions. Short-term liabilities increased compared with the previous year and amounted to SEK 5,150,334. Short-term liabilities consisted mainly of liabilities to credit institutions of SEK 1,000,000, accounts payable of SEK 2,388,541 and accrued expenses and prepaid income of SEK 1,308,709. Furthermore, surplus capital invested in funds has been sold and transferred to an endowment insurance in July 2021 of SEK 2,120,760. Liabilities to credit institutions consisted of a loan to Nordea Bank. The Company's equity ratio at the time was 69,7 percent. The Company's equity at the end of the period increased compared with the previous year and amounted to SEK 16,448,011.

FIXED ASSETS

The table below shows the fixed assets of the Company. Intangible fixed assets mainly refer to capitalized expenditure on development work and similar work and patents. Tangible fixed assets refer to inventory, tools and installations. Financial fixed assets refer to interest in earnings of associate companies and an endowment policy. Historical investments have mainly been financed with own funds and grants. There have been no significant changes regarding the Company's financial position since 30 September 2021.

	2021-09-30	2020-09-30	2020-12-31	2019-12-31
Intangible fixed assets	5,676,593	4,252,401	4,561,980	3,562,554
Tangible fixed assets	812,824	856,123	789,725	808,418
Financial fixed assets	7,201,642	3,362,628	3,362,628	1,525,924
Total fixed assets	13,691,059	8,471,152	8,714,333	5,896,896

INVESTMENTS

In July 2019, BPC Instruments and CEO Jing Liu established BPC Instruments (Haining) Co. Ltd as a joint venture in China. Both BPC Instruments and Jing Liu has made three capital injections to the joint venture. For BPC Instruments, the following share capital injection to the joint venture has been made:

2019: 1,100,000 RMB

2020: 1,400,000 RMB

2021: 1,300,000 RMB

A coming share capital injection of approx. 1,200,000 RMB is planned in June-July 2022. This capital injection is made to support the joint venture for its establishment in the Chinese market.

In total approx. 5,000,000 RMB of share capital injection is requested from BPC Instruments side.

WORKING CAPITAL

Working capital refers to BPC Instruments' possibilities to get access to cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment. The Board of Directors of BPC Instruments assesses that the Company's existing working capital is sufficient for BPC Instruments' current operations during the forthcoming twelve-month period following the date of publication of this memorandum.

RESTRICTIONS ON THE USE OF CAPITAL

There are no restrictions on use of capital.

AUDITING OF FINANCIAL INFORMATION

The annual reports for the financial years 2020 and 2019 have been audited by the Company's auditor, without negative observations or comments. Notes to the financial statements can be found in the audited annual reports for the financial years 2020 and 2019, which have been incorporated into this memorandum by reference. Unless otherwise stated, no other information in the memorandum has been audited or reviewed by the Company's auditor.

As at the date of this memorandum, Öhrlings PricewaterhouseCoopers AB (PwC), with corporate registration number 556029-6740 and visiting address Ideon Gateway, Scheelevägen 27, 223 63 Lund, Sweden, is the Company's independent auditor. Pär Hammensjö, State Authorised Public Accountant is the auditor in charge.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

As at the date of this memorandum, no significant changes with respect to the Company's financial position has occurred since 30 September 2021.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

All members of the Board of Directors and executive management may be contacted at the Company's address, Scheelevägen 22, 223 63 Lund, Sweden.

The table below contains information about the members of the Board of Directors, their year of birth, each member's position, the year they were elected as board members for the first time, and whether they are considered to be independent in relation to the Company and its executive management, and major shareholders. The table is followed by individual information regarding each board member as well as their shareholdings.

Name	Year of birth	Position	Member of the Board since	Independent in relation to:	
				The Company and its executive management	Major shareholders
Gustaf Olsson	1940	Chairman	2017	Yes	No
Jing Liu	1971	CEO, Member	2006	No	No
Kristofer Cook	1973	Member	2017	Yes	No
Anita Sindberg	1968	Member	2021	Yes	Yes

GUSTAF OLSSON

Chairman of the Board since 2017 (Board Member since 2017)

Gustaf Olsson (born 1940) is a professor in industrial automation and since 2006 professor emeritus at Lund University. In recent years Gustaf Olsson has served as a guest professor at the Chalmers University of Technology, Sweden, the Technical University of Malaysia, Malaysia, and at the Tsinghua University in Beijing, China. In his research, Olsson has been devoted to controlling and automation in water systems, electrical power systems, and industrial processes. His research has lately been focused on the water-energy nexus. Olsson is one of the co-founders of BPC Instruments, Distinguished Fellow and Honorary Member of the International Water Association, and an Honorary Faculty member of Exeter University, UK.

Gustaf Olsson owns approx. 13.05 percent of the shares and votes in BPC Instruments.

ASSIGNMENTS THE LAST FIVE YEARS

Company	Position	Period
SK Vokalproduktion AB	Deputy Board Member	Ongoing
BPC Instruments AB	Chairman of the Board	Ongoing

CO-OWNERSHIP ABOVE TEN PERCENT IN THE LAST FIVE YEARS

Company	Capital (%)	Votes (%)	Period
BPC Instruments AB	13.07	13.07	Ongoing

JING LIU

CEO and Board Member since 2006

Dr. Jing Liu (born 1971) is an associate professor in Environmental Biotechnology and Bioenergy at Lund University, Sweden. Liu has been nominated for several research and enterprise awards in Sweden and worked as a senior scientist and anaerobic digestion specialist, leading both academic research projects and industrial product development projects since 2004. Liu is one of the founders of BPC Instruments and begun as Chief Technical Officer (CTO) and Board member when the Company was established in 2005. In 2014, he was appointed as CEO. Liu holds almost 20 years of experience with sales and business development in the pharmaceutical, environmental biotechnology, and biogas industries, including management experience in technical- and innovations oriented entrepreneurial environments.

Jing Liu owns, via his fully owned company BPCI Holding AB, approx. 70.06 percent of the shares and votes in BPC Instruments.

BOARD ASSIGNMENTS THE LAST FIVE YEARS

Company	Position	Period
BPC Instruments AB	Board Member & CEO	Ongoing
BPCI Holding AB	Board Member & CEO	Ongoing
BPC Instruments (Haining) Ltd	Executive Director	Ongoing

CO-OWNERSHIP ABOVE TEN PERCENT IN THE LAST FIVE YEARS

Company	Capital (%)	Votes (%)	Period
BPC Instruments AB	70.06*	70.06	Ongoing
BPCI Holding AB	100.00	100.00	Ongoing
BPC Instruments (Haining) Ltd*	70.00	70.00	Ongoing

* BPC Instruments (Haining) Ltd is the Chinese joint venture of BPC Instruments

KRISTOFER COOK

Board Member since 2017

Kristofer Cook (born 1973) is a co-founder of BPC Instruments and was CEO of the company between 2006-2009. Kristofer Cook holds an M.Sc. degree from LTH Faculty of Engineering at Lund University, Sweden, and an M.B.A. from Solvay Business School, Belgium. Over the past ten years, he has co-founded several award-winning companies in the biotechnology, cleantech, and food tech areas, including Bioextrax AB, Cyclicor AB, and Carbiotix AB. Kristofer Cook is currently CEO of Carbiotix AB, a company focused on microbiome healthcare.

Kristofer Cook owns, via his fully owned company Sustainable Holding Sweden AB, approx. 12.38 percent of the shares and votes in BPC Instruments.

BOARD ASSIGNMENTS THE LAST FIVE YEARS

Company	Position	Period
BPC Instruments AB	Board Member	Ongoing
Sustainable Holding Sweden AB	Board Member	Ongoing
Carbiotix AB	Board Member & CEO	Ongoing
Fermentara AB	Board Member	Ongoing
HC Tomorrow AB	Deputy Board Member	Ongoing

CO-OWNERSHIP ABOVE TEN PERCENT IN THE LAST FIVE YEARS

Company	Capital (%)	Votes (%)	Period
BPC Instruments AB	12.38*	12.38	Ongoing
Sustainable Holding Sweden AB	100.00	100.00	Ongoing
Carbiotix AB	19.05	19.05	Ongoing
Fermentara AB	30.00	30.00	Ongoing

* Owned through Sustainable Holding Sweden AB

ANITA SINDBERG

Board Member since 2021

Anita Sindberg (born 1968) holds a M.Sc. degree from the LTH Faculty of Engineering at Lund University, Sweden. She has more than 20 years of senior leadership experience in the industry as a CEO/MD, Site Director, Operations Manager, Product Manager, EHS Manager, etc. Sindberg's core competencies are within business development and business management, leadership and change management as well as sustainability, operational excellence, and organizational development. Sindberg has international working experience and experience in a broad range of industries such as food tech, agro tech, chemical process industry, plastic industry, etc. Sindberg has for more than 10 years worked as a Board member and been a Coach to Leaders and Managers. Sindberg is intended to join the Board of Directors of BPC Instruments before the planned new share issue prior to listing on the Spotlight Stock Market.

Anita Sindberg owns no shares in the Company but has via a presubscription agreement committed to invest SEK 99,999.00 in the forthcoming new share issue.

BOARD ASSIGNMENTS OVER THE LAST FIVE YEARS

Company	Position	Period
BPC Instruments AB	Board Member	Ongoing
Lyckegård Group AB	Board Member	Ongoing
Calderys Nordic AB	CEO & Board Member	2018-08-27 - 2021-07-14
Fagersta Eldfasta AB	Chairman of the Board	2020-01-21 - 2021-06-01

CO-OWNERSHIP ABOVE TEN PERCENT IN THE LAST FIVE YEARS

Anita Sindberg has not had any ownership above ten percent in the last five years.

EXECUTIVE MANAGEMENT

All members of the executive management may be contacted at the Company's address, Scheelevägen 22, 223 63 Lund, Sweden.

JING LIU

CEO since 2014

See "Board of Directors" above.

HENRIK LJUNG

CFO since 2021

Henrik Ljung (born 1958) holds a M.Sc. degree from the Faculty of Economics at Lund University, Sweden. He has more than 30 years of experience as an accountant, CFO, controller, and consultant. Ljung has international working experience and experience in a broad range of industries such as food, biotechnology and medical science. Ljung is currently CFO of four companies and two which are listed on Nasdaq First North, one who are listed on NGM, and one who are listed on Spotlight. Ljung's core competencies are within listed small companies.

Henrik Ljung owns no shares in the Company.

BOARD ASSIGNMENTS OVER THE LAST FIVE YEARS

Company	Position	Period
Ljung & Winbladh Ab	Board Member and owner	Ongoing

CO-OWNERSHIP ABOVE TEN PERCENT IN THE LAST FIVE YEARS

Henrik Ljung has not had any ownership above ten percent in the last five years.

ADDITIONAL INFORMATION ABOUT THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

All members of the Board of Directors are elected until the following Annual General Meeting. Members of the Board of Directors may resign from their position at any time. The division of responsibilities between the CEO and the Board of Directors is defined in the Board of Directors' rules of procedure as well as the CEO instructions and delegation of authority established by the Board of Directors. Both the rules of procedure as well as the CEO instructions are determined annually by the Company's Board of Directors. Issues related to audit and compensation matters are decided directly by the Board of Directors. The Company is not under an obligation to comply with the Swedish Code of Corporate Governance, nor has it voluntarily undertaken to comply with this.

No member of the Board of Directors or the executive management has, during the past five years, been convicted in any fraud-related case, nor been subject to any prohibition of engaging in commercial activities. There exist no sanctions or allegations from the competent authorities (including approved professional bodies) against these persons and no member of the Board of Directors or the executive management has, in the past five years, been disqualified by a court from holding a position on an administrative, management or supervisory body or from holding an executive or senior position at a company. No member of the Board of Directors or the executive management has, during the past five years, been declared bankrupt or in liquidation, nor been involved in any bankruptcy or mandatory liquidation proceedings in relation to companies they have represented in the past five years.

There are no family ties between any of the members of the Board of Directors or executive management. No member of the Board of Directors or executive management has any conflicts of interest in which private interests would conflict with the Company's interests. Further, no member of the Board of Directors or the executive management has entered into any agreement with the Company that would entitle to post-employment benefits, other than what is set forth in this memorandum. However, certain members of the Board of Directors and the executive management have financial interests in the Company as a consequence of their shareholdings.

EXTRAORDINARY GENERAL MEETING OCTOBER 5, 2021

The Board of director resolved at an Extraordinary General Meeting, dated October 5, 2021, to implement a long-term incentive program for employees and consultants in the Company. For more information, see "CONVERTIBLE SECURITIES, EXCHANGABLE SECURITIES AND SECURITIES WITH WARRANTS".

REMUNERATION TO THE BOARD OF DIRECTORS AND CEO

Remuneration for the Board of Directors are determined by the General Meeting. The Annual General Meeting held in April 2021 resolved that an annual fee of SEK 60,000 shall be paid to the Board Member Anita Sindberg. Remuneration to the CEO comprises a fixed monthly salary, warrant program, bonus, pension, and other benefits.

The tables below present remuneration paid to members of the Board of Directors and executive management during the financial year 2020. BPC Instruments has no reserved amounts for pension or similar benefits following the resignation of a Board member or a member of the executive management.

REMUNERATIONS TO THE BOARD OF DIRECTORS DURING 2020

(SEK)				
Name	Remuneration	Other remuneration	Pension	Total
Gustaf Olsson	0	0	0	0
Jing Liu	720,000	0	72,000	792,000
Kristofer Cook	0	0	0	0

REMUNERATIONS TO THE CEO DURING 2020

Name	Salary	Other remuneration	Pension	Total
Jing Liu	720,000	0	72,000	792,000

SHARES AND SHARE CAPITAL

- Registered share capital is SEK 534,710.00.
- Nominal value is SEK 0.055 per share.
- At a minimum, the share capital shall be a total of SEK 500,000.00 and a maximum of SEK 2,000,000.00.
- At a minimum the number of shares shall be a total 9,000,000 and a maximum of 36,000,000.
- With a fully subscribed new share issue, the number of shares will increase by 732,000, which is equivalent to a dilution of approx. 7 percent for existing shareholders.
- The shares have been issued in accordance with the Swedish Company Act (Aktiebolagslagen) and are issued in Swedish kronor (SEK). All shares are issued and fully paid.
- There is one type of share. Each share has equal rights to part of the Company's assets and earnings and entitles the holder to one vote at the Annual General Meeting. One share is equal to one vote.
- The Company's share register is kept by Euroclear Sweden AB, Box 191, 101 23 Stockholm. Shareholders in BPC Instruments AB will not receive a physical share certificate. All transactions with the Company's shares take place electronically through authorized banks and securities administrators. Shares that are newly issued will be registered to the person in electronic format.
- The issuing agency and account administration institution is Nordic Issuing with postal address Norra Vallgatan 64, 211 22, Malmö, Sweden.
- The ISIN code for the shares is SE0017130826.
- The "ticker symbol" for the share is BPCINS.

DEVELOPMENT REGARDING SHARE CAPITAL

Year	Activity	Subscription price (SEK)	Quota value (SEK)	Changes in number of shares	Changes in share capital (SEK)	Total number of shares	Total share capital (SEK)
2005	Formation	-	10.00	10,000	100,000.00	10,000	100,000.00
2006	Share issue	533.33	10.00	2,500	25,000.00	12,500	125,000.00
2007	Share issue	853.33	10.00	3,125	31,250.00	15,625	156,250.00
2008	Share issue	1,036.87	10.00	1,736	17,360.00	17,361	173,610.00
2009	Share issue	1,821.66	10.00	2,897	28,970.00	20,258	202,580.00
2010	Share issue	1,181.22	10.00	4,047	239,003.00	24,305	243,050.00
2021	Split (1:400)	-	-	9,697,695	-	9,722,000	534,710.00
2021*	Share issue	20.50	0.055	732,000	40,260.00	10,454,000	574,970.00

* Provided that the forthcoming IPO is fully subscribed.

CONVERTIBLE SECURITIES, EXCHANGABLE SECURITIES AND SECURITIES WITH WARRANTS

There is an ongoing warrant program for employees. The warrant program has a two-year vesting period with a strike price 200 percent of subscription price in the new share issue, i.e., 41 SEK per share at exercise period. The warrant price is 3.3833 SEK per warrant. The maximum number of warrants offered to eight core staffs is 170,135 warrants and the actual subscription is 93,304 warrants. The exercise period is from 28th October 2023 to 11th November 2023. The dilution after the exercise period is approx. 0.9597 percent.

In addition to what is stated above, there are no outstanding share options, convertible loans or subscription rights at the date of issue of the memorandum.

AUTHORIZATION

In addition to the authorization from the Extraordinary General Meeting/Annual General Meeting on October 5, 2021, on which the Board of Directors was authorized to decide on the new share issue, there are no authorizations.

DISTRIBUTION OF PROFIT AND VOTING RIGHTS, ETC.

The new shares will have the identical rights as the existing shares. These include voting rights, right to receive dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-emptive rights in connection with capital increases by cash contribution.

All shares in the Company are entitled to dividends. Profit distribution for shares that are newly issued in the new share issue as described in this memorandum will be paid on the record day for the dividend that may occur after the registration of the shares in the share register kept by Euroclear Sweden AB. The dividend is not accumulated dividend. The right to a dividend applies to investors who are registered as shareholders in BPC Instruments on the record day for the distribution of profit. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Sweden, and payment of any distribution of profit is intended to take place via Euroclear Sweden AB in the same manner as for shareholders resident in Sweden. Dividends accrue to BPC Instrument if it has not been claimed by the shareholder within ten (10) years from the time of the declaration of the dividends.

The rights of the shareholders can only be changed in accordance with the procedures specified in the Swedish Companies Act (Aktiebolagslagen) and the Company's Articles of Association. All shares possess equal rights to profit distribution, as well as to any surplus in the event of liquidation or bankruptcy. At General Meetings, each share has one vote, and each voter can vote for their full number of shares without limitation. All shares provide shareholders with equal preferential rights with the issue of shares they own.

Under the Companies Act, a shareholder who directly or indirectly holds more than 90 percent of the share capital in a company has the right to redeem the remaining shares from other shareholders in BPC Instruments. In a corresponding manner, a shareholder whose shares can be redeemed is entitled to such redemption by the majority shareholder. The shares that are newly issued in the new share issue are not subject to an offer that is made because of bid obligation, redemption or resolution obligation.

TAKEROVER RULES

The Swedish Corporate Governance Board has issued the "takeover rules" for certain trading platforms, which are essentially equivalent to the rules that apply to companies for which shares are admitted to trading on a regulated market. The takeover rules will be applied to public takeover offers for companies in which shares are traded on Spotlight. This means that the rules will apply not only in cases in which the shares are traded exclusively on Spotlight but also in cases in which the shares are traded on both Spotlight and in a foreign marketplace. It follows from point II.21 (defensive measures) and section III (bid obligation) in the takeover rules issued by The Swedish Corporate Governance Board that these takeover rules are not applicable to BPC Instruments, as they only apply to target companies that are Swedish limited liability companies.

OTHER

- There are no new share issues under registration as at the date of this memorandum.
- Apart from the authorization described above, there are no rights or obligations regarding a resolved but uncomplete increase in share capital or a commitment to increase the share capital as at the date of this memorandum.
- As far as the Board is aware, there are no shareholder agreements between the Company's owners.
- During the previous and current fiscal year, there have been no official purchase bids made by any third party.
- All shares that are offered in this new share issue will be newly issued. Therefore, no natural persons or legal entity will offer to sell their securities in this new share issue.
- The Company has not designated any Market Maker.

OWNERSHIP

OWNERSHIP STRUCTURE AS OF NOVEMBER 2021

Shareholder	Number of shares	Proportion of votes and capital (%)
BPCI Holding AB ¹	6,811,200	70.06
Gustaf Olsson ²	1,268,400	13.05
Sustainable Holding Sweden AB ³	1,204,000	12.38
LU Innovation	438,400	4.51
Total	9,722,000	100.00

¹ Fully owned by CEO and Board Member Jing Liu.

² Chairman of the Board.

³ Fully owned by Board Member Kristofer Cook.

OWNERSHIP LIST BY FULLY SUBSCRIBED NEW SHARE ISSUE

Shareholder	Number of shares	Proportion of votes and capital (%)
BPCI Holding AB ¹	6,818,513	65.22
Gustaf Olsson ²	1,274,497	12.19
Sustainable Holding Sweden AB ³	1,212,536	11.60
LU Innovation	438,400	4.19
Shares issued through forthcoming IPO ⁴	710,054	6.80
Total	10,454,000	100.00

¹ Fully owned by CEO and Board Member Jing Liu. Please note that BPCI Holding AB is a pre-subscriber in the new share issue and that the shares committed to have been included in the above chart.

² Chairman of the Board. Please note that Gustaf Olsson is a pre-subscriber in the new share issue and that the shares committed to have been included in the above chart.

³ Fully owned by Board Member Kristofer Cook. Please note that Sustainable Holding Sweden AB is a pre-subscriber in the new share issue and that the shares committed to have been included in the above chart.

⁴ Please note that above mentioned shareholders' pre-subscription commitments have been included in the chart and therefore subtracted from the total number of shares issued in the new share issue.

LOCK-UP AGREEMENTS

The Company's main shareholders, which are also members of the Board of Directors of the Company, see their shareholdings as a long-term investment. Shares corresponding to approx. 86 percent of the total number of outstanding shares in the Company, at the date of this document, are under lock up. The lock up corresponds to 90 percent of the shareholdings for each of the parties that have entered into an agreement and runs for a period of 12 months following the first day of trading at Spotlight Stock Market. The parties that have entered into lock up corresponding are presented below.

Notwithstanding the foregoing, shares may be sold under the terms of a public offer for the purchase of shares and divestment of located issue rights and redemption rights. Apart from lock up agreements, there are no limitations to freely transfer shares in the Company.

Shareholder	No. of shares after the IPO	No. of shares under lock up
BPCI Holding AB ¹	6,818,513	6,136,662
Gustaf Olsson ²	1,274,497	1,147,048
Sustainable Holding Sweden AB ³	1,212,536	1,091,283
In total	9,305,546	8,374,993

¹ Fully owned by CEO and Board Member Jing Liu

² Chairman of the Board

³ Fully owned by Board Member Kristofer Cook

ADDITIONAL INFORMATION AND LEGAL AFFAIRS

FRAMEWORK

The Company intends to comply with all laws, regulations and recommendations that apply to companies that are listed on Spotlight. In addition to Spotlight's listing agreement inter alia, the following regulatory rules applies in relevant parts:

- Aktiebolagslagen
- Lagen om finansiella instrument
- Årsredovisningslagen

EMPLOYEES

The table below presents the number of employees during the financial years 2020 and 2019. As of 30 September 2021, the Company has nine (9) employees, six men and three women, and 2 consultants.

	2021	2020	2019
Men	6	7	7
Women	3	3	2
Total	9	10	9

INTERESTS IN BPC INSTRUMENTS AB

In connection with the new share issue described in this memorandum, Sedermera Fondkommission is acting as financial advisor to the Company. Sedermera does not own any shares in the Company but has the right to subscribe for shares in the new share issue as described in this memorandum under the same terms and conditions as others. Sedermera Fondkommission and Spotlight are, since the 15th of December 2013 separate and independent secondary names to ATS Finans AB (previously, from March 2010, Sedermera Fondkommission and Spotlight were affiliated companies in the same Group). ATS Finans AB is a financial securities company and is supervised by the Swedish Financial Supervisory Authority. The close relationship between Spotlight and Sedermera Fondkommission poses a risk of a potential conflict of interest. Spotlight in particular has taken this into account in its market listing process and monitoring activity.

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in BPC Instruments as a consequence of their direct or indirect shareholdings in the Company, see section "*Board of Directors and executive management*" in this memorandum. In addition, members of the Board of Directors, executive management and major shareholders have entered into subscription commitments in the new share issue. The subscription commitments are further described under the section "*Subscription commitments*" in this memorandum. No, members of the Board of Directors and executive management has been elected as a result of agreements or arrangements with shareholders, customers suppliers or other parties.

Any conflicts of interest arising from the above are to be dealt with according to the "arm's length" principle. If necessary, the Company's CEO will be involved, and in the event the CEO is regarded to be an inappropriate decision-maker in the conflict of interest at issue, the matter shall be escalated to be dealt with directly by the Board of Directors.

Except for what is stated above, there are no conflicts of interest or family ties within administrative management and supervisory bodies, nor with other individuals in senior positions in the Company. In addition, there are no other natural persons of legal entities involved in the new share issue that have financial or other relevant interests in BPC Instruments.

TRANSACTIONS WITH RELATED PARTIES

Until the date of this memorandum no transactions with related parties have taken place except for what is stated below.

Gustaf Olsson, Jing Liu's holding company, Kristofer Cook's holding company and LU Innovation AB, as shareholders of the Company, have during 2020 received dividends of 49,37256 SEK per share held in the Company and during 2021 received dividends of 41,1438 SEK per share held.

MATERIAL CONTRACTS

PRODUCTION AND SUPPLY AGREEMENTS*

- Production and supply agreement with Altran Sverige AB.
- Software consulting agreement with Codepoint AB.
- Supply agreement for office and laboratory facility with Estea Forskaren PropCo AB.
- Production and supply agreement with Stegia Aktiebolag.
- Logistic supply agreement with TNT Sverige AB.
- Intellectual property supply agreement with AWA Sweden AB.

DISTRIBUTION AGREEMENTS**

- Exclusive Distribution Agreement with Sustainable Technologies for products distribution in Italy and Spain.
- Exclusive Distribution Agreement with Sankyo International for products distribution in Japan.
- Exclusive Distribution Agreement with Vector Biomed Pte Ltd for products distribution in Singapore.
- Exclusive Distribution Agreement with Kim Söderman Oy for products distribution in Finland and Estonia.
- Exclusive Distribution Agreement with Royce Water Technologies Pty Ltd for products distribution in Australia and New Zealand.
- Exclusive Distribution Agreement with BPC Instruments (Haining) Ltd for products distribution in China including Hongkong and Macao.
- Non-exclusive Distribution Agreement with Youngchang Turotech Co. Ltd for products distribution in South Korea.
- Non-exclusive Distribution Agreement with Elixir Technologies for products distribution in India.
- Non-exclusive Distribution Agreement with Arka Brenstech Private Limited for products distribution in India.
- Non-exclusive Distribution Agreement with SBS-Labs for products distribution in Brazil.
- Non-exclusive Distribution Agreement with Labo-M Solutions for products distribution in France.
- Non-exclusive Distribution Agreement with Noxon AB for products distribution in Poland.
- Non-exclusive Distribution Agreement with Jezreel Eduscience for products distribution in South Africa.

**These production and supply agreements are based on frame orders. The agreement is terminated under the condition that either the number of ordered objectives is met or the time frame for the agreement is expired.*

***These distribution agreements are automatically renewed on an annual basis unless either party ends it by giving the other party a six-month written notice. The agreement may be also terminated by BPC Instruments upon 30 days' written notice if the distribution party fails to fulfill any of its obligations under the agreement and such failure is not remedied within 30 days from having received a request from such remedial action from BPC Instruments.*

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

BPC Instruments has not been party to any legal, arbitration or governmental proceedings (including pending cases or such that the Company is aware may arise), during a period covering at least the previous twelve months, that have had or could have significant effects on the Company's financial position or profitability. Nor has the Company been informed of claims that could lead to BPC Instruments becoming a party to such a process or arbitration. There are no arrangements, known to the issuer, which may at a subsequent date result in or prevent a change in control of the issuer.

MISCELLANEOUS

- There are no agreements between BPC Instruments and any member of the Board of Directors or individual in senior management providing them with rights to any benefits after the completion of the

assignment other than what is stated under the heading "Remuneration of Members of the Board of Directors and Senior Management.

- There are no special agreements with major shareholders, customers, suppliers, administration, management and governing bodies or other parties that include Board Members or other members of executive management.
- There are no special systems for the acquisition of shares by staff or similar.
- It is the opinion of the Board that the current insurance protection held by BPC Instruments is satisfactory with respect to the nature and extent of the operations. The Company has purchased a significant company insurance.
- Note that holding of the Company securities may lead to tax consequences for the holder. Holders of securities in the Company are recommended to obtain advice from tax advisers with respect to taxation consequences that may arise in each individual case.

TERMS AND CONDITIONS FOR THE OFFER

The offer

The offer comprises a maximum of 732,000 shares. The offer is aimed at existing shareholders, the general public and professional investors.

Through the offer, the Company's share capital may increase by a maximum of SEK 40,260.00 and the number of shares by a maximum of 732,000 shares, each with a quota value of SEK 0.0550 per share.

The total offer amount amounts to a maximum of SEK 15,006,000.00.

Subscription price

The offer price is SEK 20.50 per shares. No brokerage fee will be charged.

Application period

Application for offer shares commences on 17 November 2021 until 1 December 2021.

Valuation

The Company's pre-money valuation amounts to approx. SEK 199.3 million.

Application for subscription of shares

Notification of acquisition of shares must be made via your bank/nominee by following their routines and guidelines. It is not possible to send an application form to Nordic Issuing. Please note that not all banks/nominees offer their customers to register acquisitions in the issue.

The minimum acquisition is 200 shares, which corresponds to SEK 4,100.00. Thereafter, acquisitions take place in any number of shares.

It is only permitted to submit one (1) application form per notifier. In the event that several application forms are submitted, only the most recent received will be considered. Incomplete or incorrectly application forms may be disregarded. No addition or changes may be made to the pre-printed text.

Application for subscription of shares via Nordnet

If you are a customer of Nordnet, you can register via Nordnet's website, and this can be done from 17 November 2021. In order not to lose the right to any allocation, there must be sufficient cash available on the account from 1 December 2021 until the payment date which is estimated to be 15 December 2021. Only one application form per investor is permitted and in the event of additional applications, Nordnet reserves the right to consider only the most recently received. More information on how to become a customer of Nordnet and information on the application procedure can be found at www.nordnet.se.

Application for subscription of shares via Avanza

If you are a customer of Avanza, you can register via Avanza's website, and this can be done from 17 November 2021. In order not to lose the right to any allocation, there must be sufficient cash available on the account from 1 December 2021 until the payment date which is estimated to be 15 December 2021. Only one application form per investor is permitted and in the case of additional applications, Avanza reserves the right to consider only the most recently received. More information on how to become a customer of Avanza and information on the registration procedure can be found at www.avanza.se.

Acquisitions over 15 000 EURO

If the application amounts to, or exceeds, EUR 15 000 a money laundering form shall be completed and sent to Nordic Issuing in accordance with the Swedish Companies Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Nordic Issuing cannot distribute any securities, even if payment have been received, before the money laundering form has been received by Nordic Issuing.

Allocation

Allocation of shares will be decided by the Company's board of directors, with the following principles:

- a) that full allocation shall be made to the parties who have signed subscription commitments;
- b) that it is necessary to broaden the the Company's shares prior to the planned listing and, as far as possible the Board of Directors will ensure that each applicant receives at least 200 shares;
- c) that creating investment space for certain parties, which, according to the Board's assessment, can specifically contribute strategic values to the Company or is part of the Company's financial adviser's investment network. In the event of an oversubscription, no more than 10 percent of the new share issue amount can be allocated to these investors.

If the number of applicants in the new share issue is exceeding the possible number of shareholders, and thus making it impossible to allocate each applicant the minimum number of shares, allotment of shares will be decided by drawing of lots, which means that allocation can partly or entirely be made through random selection. This is a computerized process which relies on algorithms that randomly execute the drawing of lots and will be executed by the issuing agent in the new share issue. This further means that allocation may happen with fewer shares than applied for on the application form or no shares at all. Allocation is not dependent on when the application form is submitted during the application period.

Restrictions regarding participation in the offer

Due to restrictions in applicable law in the United States, Canada, Australia, Hong Kong, Singapore, South Africa, Switzerland, New Zealand, Japan or other countries where participation requires further prospectuses, registrations or actions other than those under Swedish law, the offer to apply for shares is not directed at persons or others with registered address in any of these countries.

Notice of allocation and payment

Allocation is expected to take place as soon as possible after the end of the registration period and notification of allocation is received from your bank / trustee. Allocation is expected to be announced around 10 December 2021.

Notice of allocation and payment via Nordnet and Avanza

Those who have registered via Nordnet or Avanza will be notified of the allotment by booking the allotted number of securities against debit of payment in the specified account. This is expected to take place on 15 December 2021. Please note that liquid funds for payment of allotted shares must be available from 1 December 2021 to 15 December 2021.

Registration of the new share issue with the Swedish Companies Registration Office

The new share issue is expected to be registered with the Swedish Companies Registration Office around 9 December 2021. The shares in the offer will, for technical reasons, be issued at a price of SEK 0.0550 per share (share quota value) and subscribed by Nordic Issuing as issuers on behalf of investors, after which Nordic Issuing will provide an unconditional shareholder contribution to the Company corresponding to the remainder of the payment in the offer (less certain transaction costs). This is done to ensure that new shares in the offer can be delivered for acquisition in accordance with the offer's schedule.

Delivery of shares

Shares will be delivered to your bank/nominee, after the issue has been registered with the Swedish Companies Registration Office, which is expected to take place on 9 December 2021, and payment has been received by Nordic Issuing. In connection to the delivery of shares and warrants, information is received from the respective nominee.

Admission to trading

The Board of Directors of the Company has decided to apply for admission to trading of the Company's shares on Spotlight Stock Market, a multilateral trading platform that does not have the same legal status as a regulated market, in connection with the offer. On 15 November 2021, Spotlight Stock Market has assessed that the Company meets the listing requirements for Spotlight Stock Market, provided that the Company applies for listing and that customary conditions, including the spread requirement and that sufficient issue proceeds are

obtained through the offer, are met no later than the first day of trading the Company's shares. The Company's Board of Directors intends to apply for admission to trading of the Company's shares on Spotlight Stock Market and trading is expected to begin on 16 December 2021. The Company's shares will be traded on Spotlight Stock Market under the short name (ticker) BPCINS and with ISIN-code SE0017130826. Trading takes place in SEK.

Publication of the outcome in the offer

As soon as possible after the application period has ended, the Company will publish the outcome of the offer. Publication is scheduled for 10 December 2021 and will take place through a press release and will be available on the Company's website.

Applicable law

The shares are issued under the Swedish Companies Act (2005:551) and is governed by Swedish law.

Right to dividend

The new shares entitle the right to a dividend for the first time on the first record date for dividends that occur immediately after the new shares have been registered with Swedish Companies Registration Office and the shares have been entered in the share register at Euroclear Sweden AB ("Euroclear"). Any dividend is paid after a decision by the Annual General Meeting. The payment is handled by Euroclear or for nominee-registered holdings in accordance with the respective nominee's routines. The right to a dividend accrues to the person who on the record date determined by the Annual General Meeting was registered as a shareholder in the share register kept by Euroclear.

Shareholder's register

The Company is a Euroclear affiliated company. The Company's share register with information about shareholders is handled and accounted for by Euroclear with address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

Shareholder's rights

Shareholders' rights regarding dividends, voting rights, preferential rights when subscribing for a new share, etc. are governed partly by the Company's Articles of Association, which are available via the Company's website, and partly by the Swedish Companies Act (2005:551).

Dilution

Through the issue of shares, the Company's share capital will increase by a maximum of SEK 40,260.00 through a new issue of a maximum of 732,000 shares. The dilution after the new share issue (provided that it is fully subscribed) is approx. 7 percent.

Other information

The board of directors of the Company reserves the right to extend the application period and payment. The offer is conditional on the occurrence of no circumstances that could mean that the time for the execution of the offer is deemed inappropriate and that the established minimum level and ownership dispersion requirements are achieved. Such circumstances may, for example, be of an economic, financial or political nature and may refer to circumstances in Sweden as well as abroad, as well as that the interest in participating in the offer by the Board of Directors of the Company is deemed insufficient. In such cases, the Board will not complete the offer. If the offer is withdrawn, this will be published via a press release no later than before settlement notes are sent out, which is expected to take place around 10 December 2021. In the event that an excessive amount is paid in by an applicant for shares, excess amounts will be refunded. Amounts under 100 SEK will not be refunded.

Financial adviser and issuing agent

Nordic Issuing acts as issuing agent in the current offer. Sedermera Fondkommission acts as financial advisor.

ARTICLES OF ASSOCIATION
of
BPC Instruments AB
(Reg. No. 556687-2460)

Adopted at the extraordinary general meeting on October 5th, 2021.

§ 1 Name

The company's name is BPC Instruments AB. The company is public (publ).

§ 2 Registered office

The company's registered office shall be situated in the municipality of Lund, the county of Skåne/Scania.

§ 3 Object of the company's business

The limited liability company shall develop and sell analytical instruments for measuring low gas volume and flow for biotechnology-related applications.

§ 4 Share capital

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000.

§ 5 Number of shares

The number of shares shall be not less than 9,000,000 and not more than 36,000,000.

§ 6 Financial year

The company's financial year shall be 1st of January - 31st of December.

§ 7 Board of directors

The Board shall consist of no less than four (4) members and no more than eight (8) members with no more than one (1) deputy member. The members are to be elected annually at the Annual General Meeting until the end of the next Annual General Meeting.

§ 8 Auditor

The company shall have no less than one (1) and no more than two (2) auditors and no more than two (2) deputy auditors. As auditor and, where applicable, deputy auditor, shall an authorized public accountant, an approved public accountant or a registered public accounting firm be elected.

§ 9 Notice of shareholders' meeting

Notice of the Annual General Meeting and notice of an extraordinary General Meeting where a question regarding amendments to the Articles of Association will be discussed shall always take place no earlier than six (6) and no later than four (4) weeks before the meeting. Notice of another extraordinary General Meeting shall take place no earlier than six (6) and no later than two (2) weeks before the meeting.

Notice of general meetings shall be made by announcement in The Official Swedish Gazette and by publishing the notice on the company's website. Announcement that the notice has been issued shall be made in Svenska Dagbladet. If Svenska Dagbladet ceases to be printed, announcement shall instead be made in Dagens Industri.

§ 10 Notification to participate in the shareholders' meeting

Shareholders who wish to participate in a general meeting shall notify the company of his/her intention to attend the meeting no later than the date stated in the notice of the meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the shareholders' meeting. If a shareholder wishes to bring assistants, the number of assistants shall be announced in the notification to the company.

§ 11 Business at Annual General Meeting

The following business shall be addressed at Annual General Meetings:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons who shall approve the minutes of the meeting.
4. Determination of whether the meeting was duly convened.
5. Approval of the agenda.
6. Submission of the annual report and auditor's report and, where applicable, the consolidated financial statements and the auditor's report for the group.
7. Resolutions regarding:
 - a. the adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
 - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
 - c. discharge of the members of the board of directors and the managing director from liability.
8. Determination of the number of members and deputy members of the board of directors and the number of auditors and deputy auditors.
9. Determination of remuneration for members and where applicable deputy member of the board of directors and auditor and where applicable deputy auditor.
10. Election of the members and where applicable deputy member of the board of directors and auditor and where applicable deputy auditors.
11. Other matters which are set out in the Swedish Companies Act (2005:551) or the company's articles of association.

§ 12 Record day provision

The shares of the company shall be registered in a Central Securities Depository Register according to the Swedish Financial Instruments Accounting Act (1998:1479) (record day provision).

 BPC[®] INSTRUMENTS

