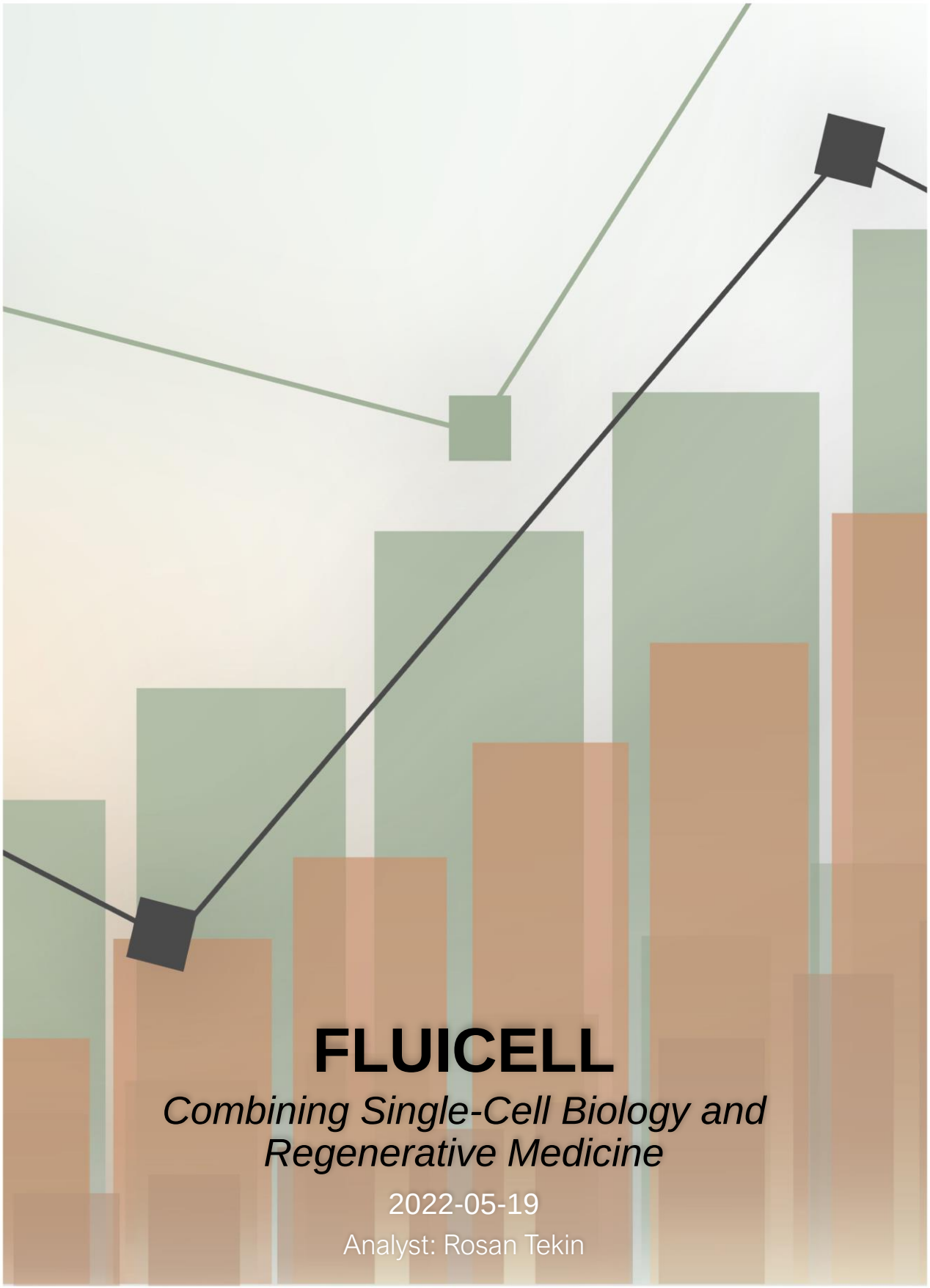
Analyst Group

EQUITY RESEARCH REPORT



FLUICELL

Combining Single-Cell Biology and Regenerative Medicine

2022-05-19

Analyst: Rosan Tekin

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Fluicell AB (publ) (”Fluicell” or “the Company”) provides single-cell discovery platforms for biomedicine, drug development, and 3D bioprinting applications worldwide. The Company also offers microfluidic systems for maintaining localized solution delivery in single-cell experiments, as well as enabling control of the chemical environment around single intact cells in tissue or cell cultures; and a system for secondary ion channel screening, which allows for recording of various ion channel current in patch-clamp recording configuration. Additionally, Fluicell has a strategic focus on regenerative medicine and currently has a program to develop tissue therapeutics called BioRej Advance. The company was founded in 2012 in Gothenburg, Sweden, and is listed on Nasdaq First North Growth Market since 2018.

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VALUE DRIVERS 7 of 10

Fluicell is a highly innovative company developing cutting edge products with high margins and global focus. Fluicell’s target markets display double-digit growth and contain structural drivers that are in the Company’s favor. As the adoption of 3D bioprinting, single-cell technology and regenerative medicine grows, we believe Fluicell is well-positioned to capitalize with the help of underlying market trends and a strong value proposition. Value driving activities to monitor include new orders or signing deals with partners as well as the development of tissue therapeutics.

HISTORICAL PROFITABILITY 2 of 10

Similar to other research and development companies in the early phase, Fluicell has a history of weaker profitability due to the inherent resource-intensiveness and high investment requirements of the medical research equipment as well as long sales cycles. As a result, the Company has relied on equity financing to run the operations and will most likely continue to do so until a critical sales volume has been reached. The rating is based on historical results and is not forward-looking.

MANAGEMENT & BOARD 7 of 10

The management and the board of Fluicell are highly educated, and they have decades of experience working in various fields related to life science. Gavin Jeffries, CTO, and board member is a major shareholder as well as one of the founders and has driven the Company forward since the start. Moreover, almost every member of the management team owns shares in the company which shows confidence and that the incentives are aligned with the shareholders for moving the Company forward.

RISK PROFILE 7 of 10

Fluicell already has marketed products and several partners within academia as well as the pharma industry which lowers the operational risk. However, it is important to monitor the Company’s liquidity since there is a considerable risk that additional external financing would be required if the revenue growth does not keep up with the growing operational cost base going forward. Moreover, other risks include patent litigations or the risk of emerging technologies since Fluicell operate in markets with high degrees of innovation. However, it is important to note that Fluicell has a strong patent portfolio which mitigates this risk to a high extent.

Analyst Group’s rating is based on four main parameters where each main parameter consists of a number of sub-parameters with individual rating, which add up to a weighted final rating for each main parameter.

Value Drivers, **Historical Profitability** and **Management & Board** ranges from 1 to 10, where 10 is the highest rating.

Risk Profile ranges from 1 to 10, where 10 is considered as the highest risk.

2022-05-19

FLUICELL (FLUI)

COMBINING SINGLE-CELL BIOLOGY AND REGENERATIVE MEDICINE

Fluicell offers innovative R&D instruments for single-cell analysis and 3D bioprinting, a business area which we forecast will enter into a fast-growth pace, where a revenue of SEK 68.6m is estimated for the year 2026. Based on an applied P/S-multiple of 7x on estimated revenues and a discount rate of 11.4%, this yields a net present value per share today of SEK 23.4 in a Base scenario. Furthermore, Fluicell is developing tissue engineered products, targeting diseases such as cardiac repair, diabetes, and eye disorders, which could be a strong value driver ahead. For illustration, if Fluicell were to receive only 0.5% of the total venture funding raised in 2020/2021 related to their focus areas as an upfront payment through a licensing deal, that would amount to ~USD 10m, which would equal close to the current Market Cap. In conclusion, we see several tailwinds driving value for Fluicell, and where steps in the right direction should reduce the current valuation discount.

▪ Innovative Offerings Lowering Cost of Research

Fluicell offers innovative technology platforms, products and R&D solutions that enables studies on single- and multi-cell level. Testing with Fluicell's solutions can be performed with fewer cells and less testing substance, which leads to more flexibility, lower cost and need for biological material for the users, and the ability to generate unique data in ways previously not possible. Analyst Group see this as a strong value proposition, contributing to Fluicell's growth along with underlying market trends.

▪ Several Global Customers and Strong Demand

Fluicell has over 30 high-quality names as customers within research, academia and the pharma industry that has expressed great interest in the Company's products. Examples of partners that Fluicell works with include National Institute of Health (NIH), Oregon University, Roche, Orion Pharma and Novartis. A strong demand from customers is expected going forward which is a major tailwind for propelling future sales growth. Furthermore, Fluicell has several R&D collaborations ongoing, one of them being an EU-funded grant called BIRDIE as a part of FETOPEN Horizon 2020.

▪ Operating in Vast Markets with Double-Digit Growth

The global markets for single-cell analysis and 3D bioprinting were estimated to be worth USD 3.1bn and USD 1.7bn respectively in 2021. Combined, these two markets are projected to reach USD 9.7bn in 2026 which represent a CAGR of 15%. Additionally, the tissue engineering market was estimated to USD 13bn in 2021 and is forecasted to reach USD 29bn by 2027, corresponding to a CAGR of 14%.

▪ Cash Position and Risks to Monitor

At the end of March, cash amounted to SEK 14.8m, and the burn rate for the last 12 months was SEK -2.0m per month. Furthermore, Fluicell has outstanding warrants that are due to strike in May and could bring in a maximum of SEK 9.9m. Going forward, it will be of high importance to monitor that Fluicell has access to sufficient growth capital to continue their high-pace development.

SHARE PRICE SEK 7.3

VALUATION RANGE, PRESENT VALUE 2026 FORECAST

BEAR	BASE	BULL
SEK 6.7	SEK 23.4	SEK 28.1

The valuation is derived as a present value of sales forecasted in the year 2026. The potential valuation increase is expected to be gradual, given that assumed events occur.

FLUICELL	
Share Price (2022-05-18) (SEK)	7.3
Number of Shares Outstanding	13,324,691
Market Cap (MSEK)	97.7
Net Cash (-)/Debt (+) (MSEK)	-14.8
Enterprise Value (MSEK)	82.9
W.52 Price Interval (SEK)	6.8 – 34.7
Stock Exchange	Nasdaq First North Growth Market

SHARE PRICE DEVELOPMENT	
1 Month	-40.4%
3 Months	-52.4%
1 Year	-68.8%
YTD	-63.5%

TOP SHAREHOLDERS (AS OF 2022-04-30)	
Avanza Pension	5.7%
Nordnet Pensionsförsäkring AB	3.7%
Åkerström, Per	2.3%
Jesorka, Aldo	2.1%
Jeffries and Associates AB & G Jeffries	1.9%

CEO AND CHAIRMAN OF THE BOARD	
CEO	Victoire Viannay
Chairman of the Board	Stefan Tilk

FINANCIAL CALENDAR	
Quarterly Report Q2-22	2022-08-18

FORECAST (BASE), SEKM	2022E	2023E	2024E	2025E	2026E
Total Revenue	**7.1**	**13.0**	**22.8**	**45.1**	**68.6**
COGS	-1.2	-2.4	-4.3	-9.0	-13.7
Gross Profit	**5.9**	**10.6**	**18.4**	**36.1**	**54.9**
Gross Margin	83.4%	81.9%	81.1%	80.0%	80.0%
Total Operating Costs	-28.5	-30.7	-33.1	-35.8	-38.6
EBIT	**-22.6**	**-20.1**	**-14.7**	**0.3**	**16.2**
EBIT margin	neg	neg	neg	0.6%	23.7%
P/S	16.6x	8.3x	4.5x	2.2x	1.4x
EV/S	14.1x	7.0x	3.8x	1.8x	1.2x
EV/EBIT	neg	neg	neg	291.3x	5.1x

INVESTMENT THESIS

Innovative Products Lowering the Cost for Drug Development and Research

LOWER COST AND NEED FOR BIOMATERIAL

Drug development and medical studies that are made on biomaterial, such as cells or tissues, often need an excess of material to enable relevant testing and results. This approach is problematic since biomaterial is expensive and found in limited quantities, making drug development a costly and resource-intensive process. Fluicell offers an innovative technology platform solution as well as products and services that enables studies on single- or multi-cell level. In essence, testing with Fluicell's solutions can be performed with fewer cells and less testing substance, which leads to more flexibility, lower cost and need of biological material for the users, and provides the ability to generate unique data in ways previously not possible.

Several Global Customers and Collaborations

Fluicell has over 30 high-quality names as customers within research, academia and the pharma industry that has expressed great interest in the Company's products and technology. Examples of partners that Fluicell works with include National Institute of Health (NIH), Oregon Health & Science University, Roche, Orion Pharma and Novartis. Additionally, Fluicell has several R&D collaborations ongoing, one of them being an EU-funded grant called BIRDIE as a part of FETOPEN Horizon 2020. Overall, we see a strong demand from Fluicell's customers going forward, as well as a strong demand of R&D collaborations based on Fluicell's unique know-how, which are major tailwinds for propelling future development and sales growth.

Operating in Vast Markets with Double-Digit Growth

15% CAGR SINGLE-CELL TECHNOLOGY AND 3D BIOPRINTING MARKET

14% CAGR ESTIMATED TO REACH USD 29BN BY 2027

The global markets for single-cell analysis and 3D bioprinting were estimated to be worth USD 3.1bn and USD 1.7bn respectively in 2021. Combined, these two markets are projected to reach USD 9.7bn in 2026 which represent a CAGR of 15% during the forecast period. The growth in the single-cell analysis market is primarily driven by technological advancement in single-cell analysis products. Furthermore, the integration of microfluidics in single-cell analysis and the high growth potential of single-cell sequencing are key areas of opportunity. Regarding the 3D bioprinting market, key growth drivers include a growing demand for organ/tissue transplantation, cost-efficiency of 3D bioprinting and increased funding as well as investments for research. Additionally, Fluicell intends to enter the regenerative medicine market with a focus on tissue engineering. The tissue engineering market was estimated to USD 13bn in 2021 and is forecasted to reach USD 29bn by 2027, corresponding to a CAGR of 14%. The segment growth will primarily be driven by technological advancements in tissue engineering, an increased number of clinical trials and a rise in R&D funding.

Summary of Forecast and Valuation in a Base Scenario

SEK 23.4 VALUE PER SHARE IN A BASE SCENARIO

Fluicell has manage to grow their revenue rapidly with a CAGR of 25% over the last five years. However, the revenue declined in 2021, primarily due to Covid-19 forcing universities and conferences to shut down which created sub-optimal circumstances for sales related activities. Despite these setbacks, Fluicell managed to attract interest for their products. With societies opening, Fluicell is in a more favorable position to solidify its significant sales pipeline and expand the order backlog. Based on a target multiple of 7x applied on estimated sales of SEK 68.6m in 2026 and a discount rate of 11.4%, which accounts for the time specific risk of events that are far away and have not yet occurred, this yields, in a Base scenario, a net present value per share of SEK 23.4.

Current Cash Position and Risks to Monitor

SEK -2.0M BURN RATE PER MONTH LTM

At the end of March 2022, cash amounted to SEK 14.8m, and the burn rate for the last 12 months was SEK -2.0m per month. Furthermore, Fluicell has outstanding warrants (TO2, TO3) that are due to strike in May which could bring in a maximum of SEK 9.9m. Given the current cash position, burn rate and outstanding warrants, it could be assumed that Fluicell has enough capital to operate the business until the end of Q1-23, all else equal. However, Fluicell will likely need further external capital to finance operations before breaking even, where we assume financing could be obtained via a combination of additional shareholder capital, "soft money" (e.g., via grants or other R&D funding), and sales. Fluicell is operating in a competitive and resource-intensive industry where it is critical to have access to capital. Therefore, it is important to monitor the Company's burn rate to assess the need for financing through potential share issues in order to avoid shareholder dilution.

COMPANY DESCRIPTION

Fluicell was founded in 2012 as a spin-off from Chalmers University in Sweden. The Company specialises in microfluidics, single-cell biology, and high resolution bioprinting. Furthermore, Fluicell holds a strong patent position with five different patent families (see Appendix). The company currently has five products on the market, where Biopixlar AER is the most recent addition to the portfolio. Biopixlar AER is a more compact and affordable version of Biopixlar.

The Product Portfolio Consists of the Pinnacle Bioprinter Biopixlar as well as a Series of Products for Biological and Pharmacological Research.

Fluicell's Current Product Portfolio

Biopixlar®	Biopen®System	Biozone 6®	Dynaflow®Resolve	Biopixlar®AER
				
3D single-cell bioprinting platform for building detailed biological tissues **List price:** ~ EUR 98k	System for targeting single cells without contaminating surrounding environment **List price:** ~ EUR 22k	Easy to use platform enabling drug testing in native cell environment **List price:** ~ EUR 35k	Ion channel screening platform for single-cell patch clamp recording (in-licensed product) **List price:** ~ EUR 55k	First 3D single-cell bioprinting platform that fits inside a standard laminar flow hood **List price:** ~ EUR 55k

Source: Company

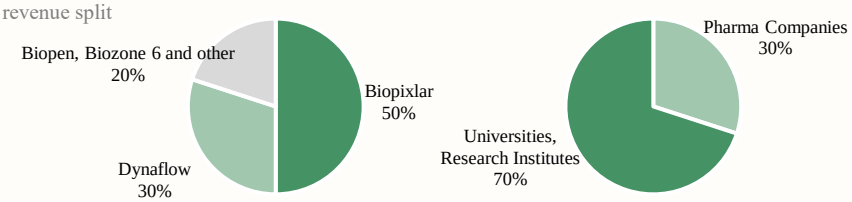
Business Model

Fluicell generates revenue through multiple income streams such as:

- **Product sales:** Fluicell may generate revenue by directly selling one or more of their main products. Moreover, the Company has introduced leasing agreements to increase flexibility for customers. Fluicell also has a broad network of distributors all over the world selling their products, mainly targeting the U.S, Europe and Asia.
- **Recurring revenue from consumables, CRO & support service:** A customer that has invested in one of Fluicell's products will create an opportunity to generate additional sales via consumables and support service which creates a more predictable and recurring revenue. For example, there are leasing agreements for consumables related to Dynaflow Resolve. Genentech, Orion and Gedeon Richter are just a few examples of customers that Fluicell has ongoing leasing agreements with.
- **R&D collaborations:** Fluicell may receive different types of grants by participating in collaboration projects with research institutes, universities as well as governments that are interested in their technology and want to do exploratory studies. Additionally, revenue may be generated from research agreements and development agreements.

Biopixlar is Generating the Majority of the Revenue from Biopixlar where the Academic Sector is the Largest Customer

Fluicell's product and customer revenue split



Source: Company

Historical Review and Strategic Outlook

FLUICELL AIMS TO GROW ORGANICALLY

Fluicell aim to grow organically by releasing new products, in-licensing existing products, and entering new markets. For instance, a new single-cell instrument product release is scheduled for 2023. Prior to the COVID-19 pandemic, Fluicell had a strong sales momentum, managing to grow the net revenue by 103% in 2019 and 86% in 2020. However, the operating cost base has also grown significantly, although not only because of increasing sales, but also due to investments in the tissue therapeutics program. The fiscal year of 2021 showed a decline in revenue for the first time since 2017. However, with societies opening, we believe 2021 was only a temporary setback for Fluicell, and that the Company will be able to continue to grow their revenues rapidly at a rate of 85% per annum, driven by strong customer demand and underlying market trends.

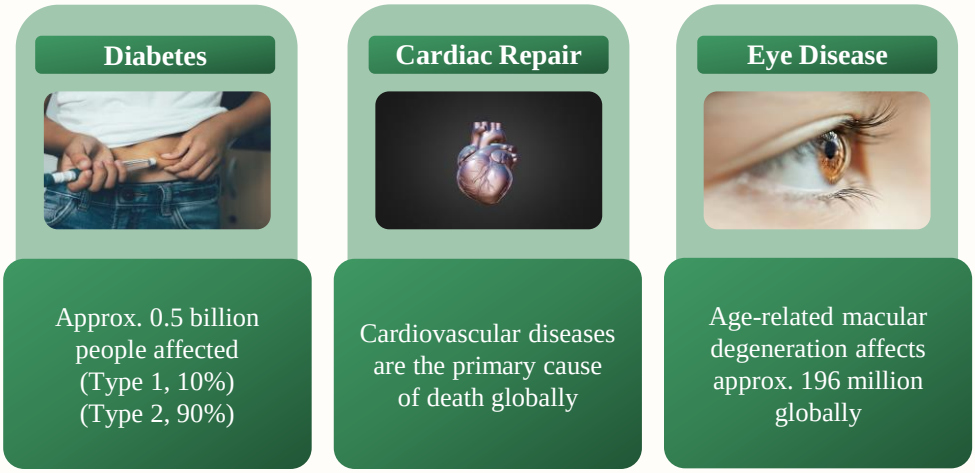
COMPANY DESCRIPTION

SYNERGISTIC OPPORTUNITIES IN REGENERATIVE MEDICINE

Focusing on the Therapies of Tomorrow – Regenerative Medicine

Fluicell, as a company, started in single-cell biology and progressed through 3D bioprinting, but has undergone strategic transformations over the years, and as a result, the Company has identified synergistic opportunities in the field of regenerative medicine (RM) where the Company has now started to focus on the development of tissue engineered products (TEPs). The goal is to offer not only single-cell and bioprinting instruments, but also therapeutic solutions for treating diseases with large unmet medical needs that cause irreversible cell damage and where existing solutions may not be sufficient. The development efforts will be focused on diabetes, cardiac repair, and eye diseases where the Company see great opportunities to address unmet medical needs. Biopixlar will play a significant role as a catalyst to accelerate the transition between the current product portfolio and the future regenerative medicine portfolio since it has the capability to manipulate cells and tissue with high precision, thus enabling an efficient way to develop tissue engineered products internally.

Fluicell's Therapeutic Areas of Focus with Large Unmet Medical Needs.
Strong impact on human health associated with very large societal costs



Source: Company, Analyst Group (illustration)

OPPORTUNITIES TO GENERATE INCOME THROUGH LICENSING DEALS

The BioRej Advance Project and Strategy for Regenerative Medicine Products

BioRej Advance is a project initiated by Fluicell with the aim of offering pharma companies an opportunity to collaborate with Fluicell and take tissue engineered products to the market. It is expected that this project will generate valuable know-how and assets connected to the existing patent portfolio, which in turn could lead to a more successful development of tissue therapeutics reaching the market where it can create patient benefits. The figure below shows the product roadmap and timeline for the BioRej Advance Project. When going through the different phases, there will be opportunities for Fluicell to generate income through licensing deals with partners that may include upfront payments, milestones and/or royalties.

BioRej Advance - Clinical Development Strategy and Key Deliverables over the Next 3 to 5 Years
Fluicells timeline for regenerative medicine products from Proof of Concept (PoC) to clinical phase

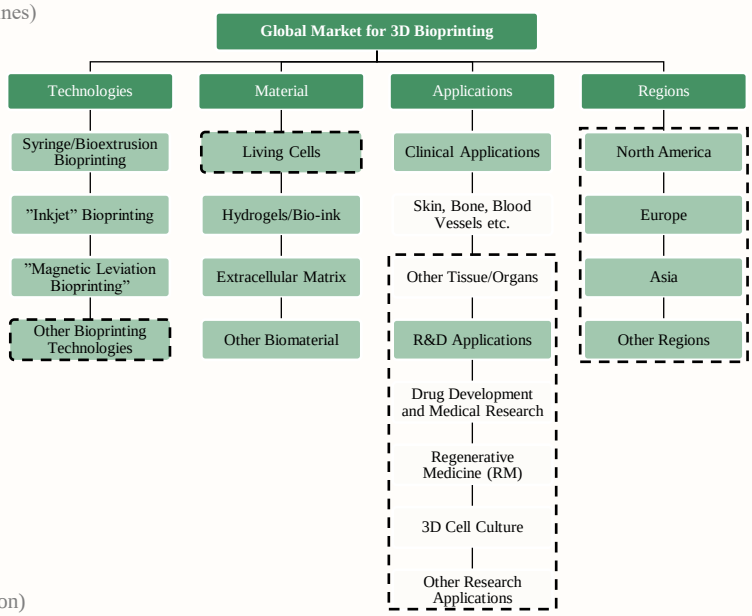
Source: Company, Analyst Group (illustration)

MARKET ANALYSIS

Fluicell is Addressing Rapidly Growing Markets with Multiple Key Drivers

Fluicell is currently operating within the markets for single-cell technology and 3D bioprinting where it is one of the leading companies within the niche segment of high-end microfluidics-based printers. The relevant main and sub-segments that Fluicell addresses in the 3D bioprinting market can be seen in the figure below where the dashed lines are most relevant for Biopixlar.

Segmentation of the Global Market for the 3D Bioprinting Market with Main Segments (light green) and Sub-Segments (white).
Biopixlar's most relevant markets (dashed lines)



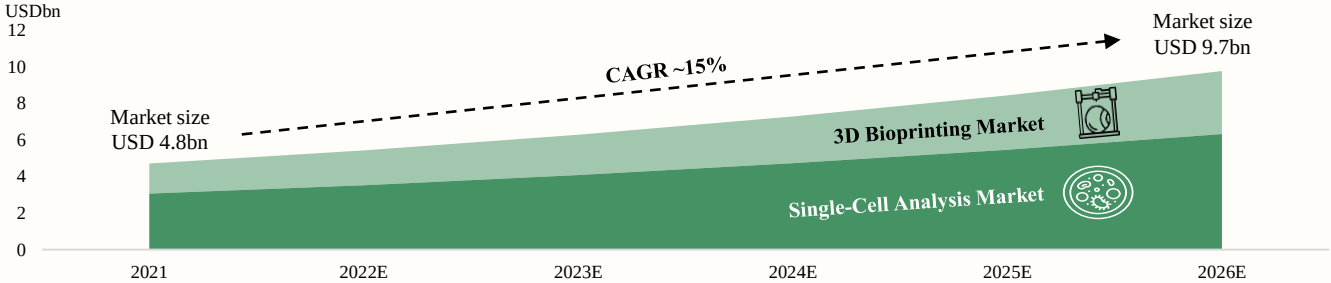
Source: Company, Analyst Group (illustration)

~USD 9.7B MARKET FOR SINGLE-CELL ANALYSIS + 3D BIOPRINTING

The global markets for single-cell analysis and 3D bioprinting were estimated to be worth USD 3.1bn and USD 1.7bn respectively in year 2021. Combined, these two markets are projected to reach USD 9.7bn in 2026 which represent a CAGR of 15% during the forecast period. The growth in the single-cell analysis market is primarily driven by technological advancement in single-cell analysis products. Furthermore, the integration of microfluidics in single-cell analysis and the high growth potential of single-cell sequencing are key areas of opportunity.

Regarding the 3D bioprinting market, key growth drivers include a growing demand for organ/tissue transplantation, cost-efficiency of 3D bioprinting and increased funding as well as investments for research. These underlying structural trends are beneficial to Fluicell as they have a unique type of microfluidic printer with high resolution and high precision capabilities without using bio-ink. Additionally, microfluidic bioprinting has been quoted by researchers to *"revolutionize the low-cost bioprinters of the future"* in a recent scientific review article from the Society for Laboratory Automation and Screening (SLAS)[1].

The Global Market for Single-Cell Analysis and 3D Bioprinting is Estimated to Grow 15% Annually to USD 9.7b in 2026.
Global market for single-cell analysis and 3D bioprinting 2021 - 2026



Source: Markets and Markets (single-cell analysis market estimates), Grand View Research (3D bioprinting market estimates), Analyst Group (illustration)

1) Tong A, Pham QL, Abatemarco P, et al. Review of Low-Cost 3D Bioprinters: State of the Market and Observed Future Trends. SLAS TECHNOLOGY: Translating Life Sciences Innovation. 2021;26(4):333-366.

MARKET ANALYSIS

Market Challenges and Restraint Factors

LACK OF HIGH PRECISION AND HIGH RESOLUTION BIOPRINTERS

Lack of automation, throughput and integration of industrial workflows in the 3D bioprinting process are some of the challenges that need to be addressed in order to gain a greater acceptance of innovative bioprinting products. Moreover, there is a lack of sophisticated high-end bioprinters that are able to position cells with high precision in order to create complex cell structures with meaningful histological detail and composition. Not to mention, sophisticated instruments need highly skilled people with know-how in order to sustain development and provide proper education to the end users. Lastly, there are ethical elements related to the application of bioprinted products and the original biomaterial (e.g., stem cells from fetuses) which could mitigate market acceptance for new innovations. Nonetheless, these market challenges are what Fluicell addresses since the main features of their products are high precision and high resolution. Therefore, the challenges present remarkable opportunity for Fluicell to add value where the market is currently struggling.

SINGLE-CELL ANALYSIS TOOLS COMES WITH HIGH COSTS

The main restraint factor for the single-cell analysis market growth is the high cost of research instruments due to the need to maintain high-quality standards as well as complying with rigorous regulatory requirements. This makes it difficult for research institutions to afford the instruments. However, as adoption and awareness increases, so will economies of scale which will drive down prices over the long term. Since Fluicell's single-cell technology products enables targeting of single or multiple cells with high precision and low compound consumption with no tip breakage or contamination, they are well positioned to address the main restraint factor of single-cell analysis.

Competitive Positioning in the 3D Bioprinting Landscape

Due to tremendous growth, the 3D Bioprinting market has attracted numerous manufacturers offering different types of low-cost bioprinter models. The machines may vary in sophistication, depending on the technology, building volume, enclosure, sterile environment etc. which creates a lot of options when choosing the right type. According to Tong et al. there are three dominant technologies in the low-cost bioprinter niche – microextrusion, droplet-based/inkjet and light-based/crosslinking. Additionally, on the high-end spectrum are the microfluidics-based bioprinters offered by Fluicell and Aspect Biosystems. In the matrix below, we have compiled some of Fluicell's closest competitors in regard to 3D Bioprinting technology, but we have also considered whether the comparable company has an active tissue therapeutic program ongoing to make the comparison as fair as possible.

3D Bioprinting Competitive Landscape and Disease Areas where the Companies have ongoing Tissue Therapeutic Programs.
Selected peers of Fluicell with similar portfolio and business model

Company	Bioprinter Name	Technology	Tissue Therapeutic Programs					
			Diabetes	Cardiac Repair	Eye Disease	Liver Disease	Skin Disease	Cartilage Repair
fluicell	Biopixlar	Microfluidic hydrodynamic confined flow - with robot arm	✓	✓	✓	✗	✗	✗
Aspect biosystems	RX1	Microfluidic Extrusion	✓	✗	✗	✓	✗	✗
poietis make tissues real	NGB-R	Pneumatic extrusion, inkjet with robot arm and modular heads	✗	✓	✗	✗	✓	✓
INVENTIA LIFE SCIENCE	RASTRUM	Inkjet - Solenoid Valve	✗	✗	✗	✗	✓	✗

Source: Tong et al. Review of Low-Cost 3D Bioprinters: State of the Market and Observed Future Trends. Company Websites.

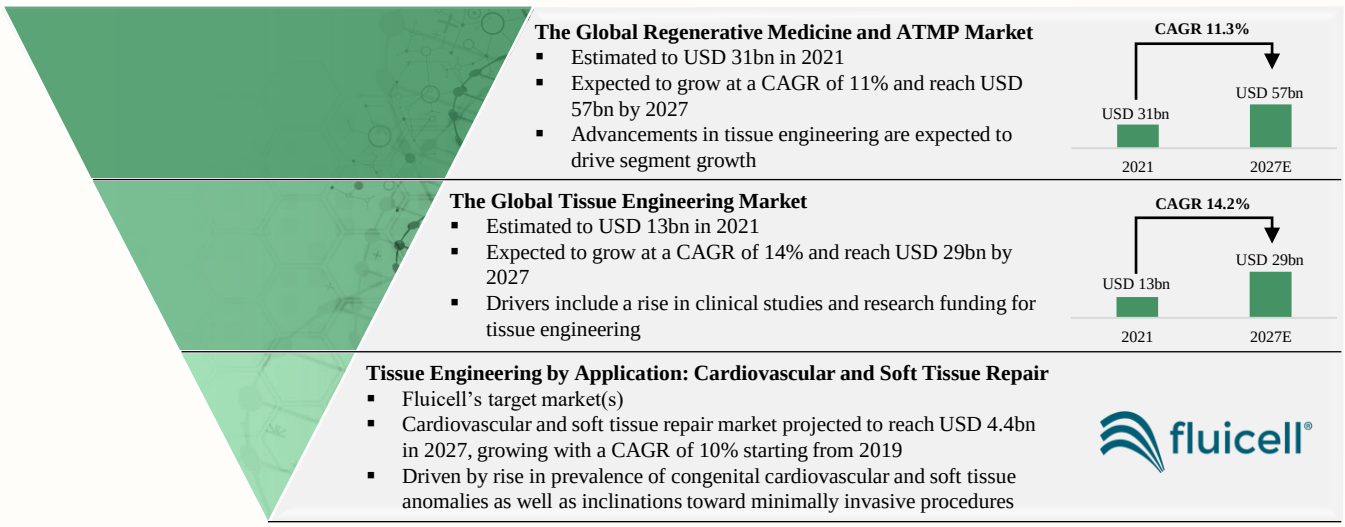
MARKET ANALYSIS

The Global Regenerative Medicine and ATMP Market

11.3% CAGR ESTIMATED TO REACH USD 57BN BY 2027

Regenerative medicine (RM) is an emerging field that involves using cells, tissues, or genetic material to treat diseases or restore lost functions of the body where the aim is to repair, replace or regenerate the damaged tissue or organ(s). Based on the classification of the U.S National Institute of Health (NIH), cell therapy, gene therapy, biomaterials and tissue engineering are all included in the definition of regenerative medicine, sometimes referred to as advanced therapy medicinal products (ATMPs). Previously incurable chronic diseases such as diabetes or Parkinson's disease are now potentially possible to cure with the development and advancements in regenerative medicine. It was estimated that approximately 1,028 clinical trials related to regenerative medicine were ongoing globally according to the Alliance of Regenerative Medicine, and approximately USD 13.3bn was invested into regenerative medicine research & development in 2018[2]. The global regenerative medicine market size was estimated to USD 30.6bn in 2021 and is expected to grow at a compound annual growth rate (CAGR) of 11.3%, reaching USD 57.1bn by 2027. Key growth drivers include the ageing population, emergence of gene therapy, advancements in tissue engineering technology as well as high economic impact and overall technological advances in regenerative medicine.

The Advancements in Tissue Engineering Technology are expected to Boost Regenerative Medicine Market Growth.
Global market for regenerative medicine and sub-segments 2021 – 2027E



Source: Company, Grand View Research (regenerative medicine & tissue engineering), Transparency Market Research (other), Analyst Group (illustration)

The Global Tissue Engineering Market

14.2% CAGR ESTIMATED TO REACH USD 29BN BY 2027

Tissue engineering combines various disciplines such as biology, chemistry, material science etc. and aims to regenerate whole organs or tissue by utilizing, for example, artificial organs, biomaterials and/or cell therapies that leverage donor cells. The tissue engineering market was estimated to USD 13bn in year 2021 and is forecasted to reach USD 29bn by 2027, corresponding to a CAGR of 14.2%. The growth will primarily be driven by technological advancements in tissue engineering, an increased number of clinical trials and a rise in R&D funding. The regenerative medicine market has been dominated by cell-/gene therapies, but with few approved tissue engineered products until now, which indicates that it is still an untapped area with substantial growth potential ahead.

The Cardiovascular and Soft Tissue Repair Market

10% CAGR ESTIMATED TO REACH USD 4.4BN BY 2027

By creating bioprinted tissues that, with detailed cell composition, enable the restoration of the function of damaged organs, Fluicell is targeting the cardiovascular and soft tissue repair market which had an estimated value of USD 1.9bn in 2018 and is expected to grow at a CAGR of 10% from 2019-2027, reaching a market size of USD 4.4bn. The cardiovascular and soft tissue repair market will be driven by a rise in prevalence of congenital cardiovascular and soft tissue anomalies as well as an inclination toward minimally invasive procedures.

2) Kim et al., An Overview of the Tissue Engineering Market in the United States from 2011 to 2018.

FINANCIAL SNAPSHOT

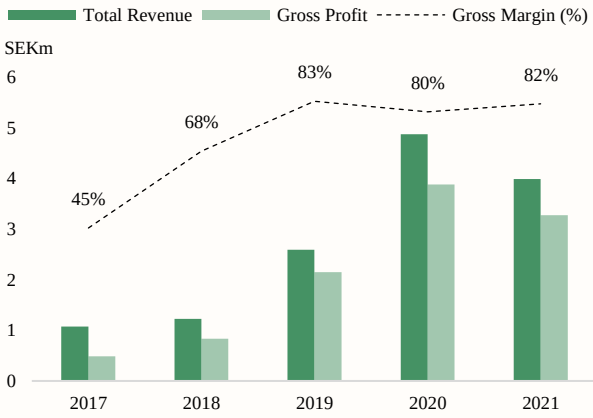
Fluicells business strategy is to provide their products and services directly through an in-house sales force, primarily to research institutes, universities, and the pharma/biotech industry within Europe. In other geographic regions, the products and services may be sold primarily through distributors. Below is a summary of the operating history.

Fluicell has been Able to Grow its Revenues Rapidly Over the Years while Losing Some Momentum in 2021.

Historical financials for the last five years

Income Statement (SEK'000)	2017	2018	2019	2020	2021
Net Revenue	1,052	1,226	2,488	4,635	2,602
Other Operating Income	24	0	103	235	1,388
Total Revenue	**1,076**	**1,226**	**2,591**	**4,870**	**3,990**
COGS	-588	-391	-443	-988	-715
Gross Profit	**488**	**835**	**2,148**	**3,882**	**3,275**
Gross Margin	45.4%	68.1%	82.9%	79.7%	82.1%
Other External Costs	-3,350	-7,431	-8,320	-7,134	-9,942
Staff Costs	-4,485	-7,854	-11,989	-13,169	-14,440
Depreciation and Amortization	-71	-326	-522	-605	-588
Other Operating Costs	-18	-2	0	0	0
EBIT	**-7,436**	**-14,778**	**-18,683**	**-17,026**	**-21,695**
EBIT margin	neg	neg	neg	neg	neg
Interest Income	0	80	48	0	29
Interest Expenses	-34	-2	0	-564	-26
EBT	**-7,470**	**-14,700**	**-18,635**	**-17,590**	**-21,692**
Taxes	0	0	0	0	0
Net Income	**-7,470**	**-14,700**	**-18,635**	**-17,590**	**-21,692**
Net Income Margin	neg	neg	neg	neg	neg

Source: Company



SEK 14.8m
CASH POSITION
End of March 2022

#19
EMPLOYEES
As of 2021

82%
GROSS MARGIN
Fiscal Year 2021

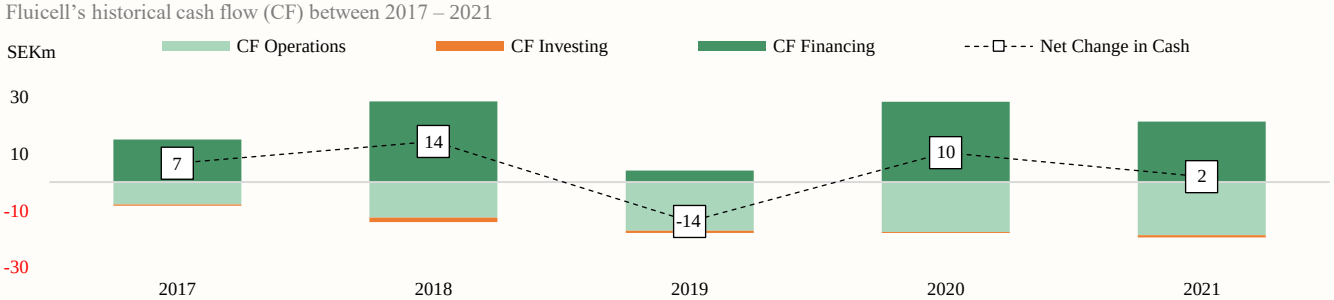
Cash position and investment needs

SEK -2.0M
BURN RATE PER MONTH LTM

At the end of March 2022, cash amounted to SEK 14.8m, and the burn rate for the last 12 months was SEK -2.0m per month. Furthermore, Fluicell has outstanding warrants (TO2 and TO3) that are due to strike in May and could bring in a maximum of SEK 9.9m. Given the current cash position, burn rate and outstanding warrants, it could be assumed that Fluicell has enough capital to operate the business until the end of Q1-23, all else equal. However, it is probable that Fluicell will need further external capital to finance the operations before breaking even, where we assume that financing could be obtained via a combination of additional shareholder capital, "soft money" (e.g., R&D funding), and sales. Furthermore, Analyst Group estimates that capital expenditures (CAPEX) will remain stable since the Company already have a broad and strong IP portfolio in place that does not require much of additional investments over the forecast period.

Fluicell has Historically Relied on Equity Financing by Issuing New Shares.

Fluicell's historical cash flow (CF) between 2017 – 2021



Source: Company, Analyst Group (illustration)

FINANCIAL FORECAST

Revenue Forecast 2022-2026

RAPID SALES GROWTH EXPECTED

Due to the pandemic, Fluicell has experienced some loss of momentum, which can be reflected in year 2021's decline in revenue. Analyst Group expects that Fluicell will recover the revenue back to year 2020's previous high of SEK 4.6m in the first half of the forecast period, and that a rapid sales growth will be seen in the second half. The following forecast is based on existing products (Biopixlar, Biopen, Biozone 6 and Dynaflow Resolve), where the recently released product Biopixlar AER makes up for additional upside on our revenue forecasts. Moreover, the forecast includes SEK 1.2m annually as other operating income until 2024 which is R&D-related income from the EU funded grant called BIRDIE as a part of the FETOPEN Horizon 2020 project.

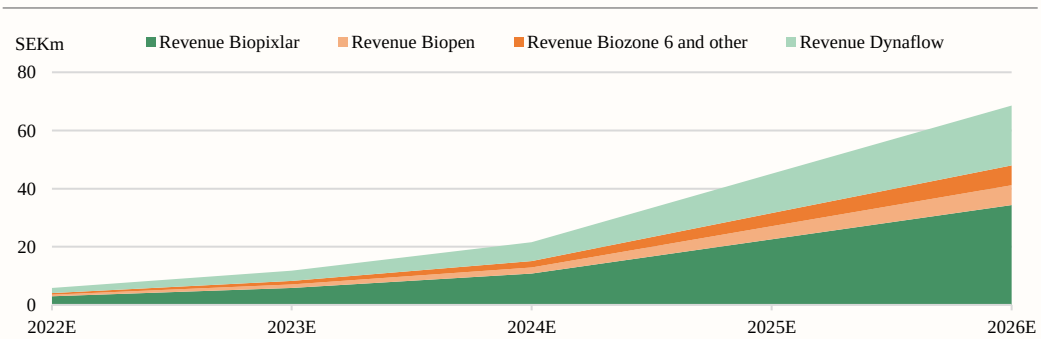
The potential customer segments of Fluicell consist of over 10 000 universities involved in medical research and over 10 000 companies involved in drug development. Fluicell's revenues are mainly derived from product sales which will provide the basis for the revenue forecast. To derive a revenue forecast in a Base scenario, assumptions have been made about the volumes of product sales that Fluicell can reach with its current sales force and distributor network, as well as possible price levels for the Company's different products. It is important to note that the prices are assumed average list prices and not the actual sales prices which might vary vastly between different customers and geographies. In Analyst Group's estimates, it will be the assumed that the products and services will have a constant price level during the forecast period. Given that Fluicell can accelerate their sales related activities, there should be room to grow the revenues substantially.

Average selling pricing per product to end customer:	
Biopixlar	SEK ~980k
Biopen	SEK ~22k
Biozone 6	SEK ~35k
Dynaflow Resolve	SEK ~550k

Next, it will be assumed that Biopixlar is going to generate the lion share of the revenue (50%), followed by Dynaflow (30%), and the that the rest of the revenue will be generated by Biopen, Biozone 6 as well as other income streams such as support service and consumables (20%). Based on the price assumptions, product revenue mix and estimated sales volume implemented in the model, it generates the following revenue forecast.

BIOPIXLAR IS ASSUMED TO GENERATE THE LION SHARE OF THE REVENUE

Forecasted revenue per product (SEK'000)	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Biopixlar	1,244	2,318	1,301	2,940	5,880	10,780	22,540	34,300
Biopen	249	464	260	588	1,176	2,156	4,508	6,860
Biozone 6 and other	249	464	260	588	1,176	2,156	4,508	6,860
Dynaflow Resolve	746	1,391	781	1,764	3,528	6,468	13,524	20,580
Total Net Revenue	**2,488**	**4,635**	**2,602**	**5,880**	**11,760**	**21,560**	**45,080**	**68,600**
Growth YOY	103%	86%	-44%	126%	100%	83%	109%	52%



Source: Analyst Group (estimates)

FINANCIAL FORECAST

80% GROSS MARGIN ASSUMED IN THE MODEL

Cost of Goods Sold (COGS)

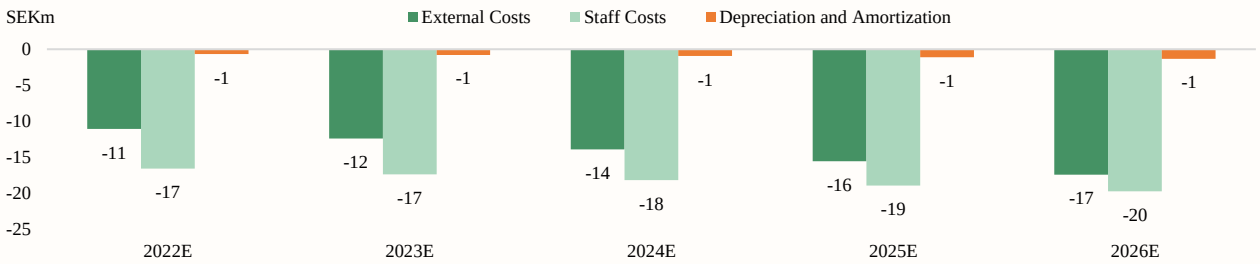
Fluicell's business model is based on selling high precision/resolution instruments for single-cell analysis and 3D bioprinting. As a result, COGS are derived mostly from electronic and hardware components required to assemble the products, although some of the products utilize software as well. Being a hardware company, it is remarkable that Fluicell has a gross margin around 80% as of year 2021. The high gross margin could indicate that their customers have a high willingness-to-pay for their products, and/or that the production costs are miniscule in relation to what Fluicell can charge a customer. Not to forget, the strong IP portfolio prevents competitors to produce or sell equivalent products which allows Fluicell to maintain high margins. Furthermore, the Company has not yet reached a sales and production volume where they have been able to draw benefits from economies of scale, which suggests there might be room for further margin expansion. Nonetheless, Analyst Group estimates that as Fluicell manages to grow its customer base, with the awareness for bioprinting increasing and the projects in regenerative medicine progressing, they will be able to draw the benefits of higher scale in the production which will push down the production cost and maintain the high gross margin. An average gross margin of approximately 80% will be assumed in a Base scenario over the forecast period, which is in line with the three-year average.

Operating Expenses and Capital Expenditures

In order for Fluicell to execute the Company's commercial strategy and grow its revenue, it is expected that they will continue to establish relevant scientific and commercial partnerships. The end customers are universities, research institutes, pharma companies and contract research organizations (CROs) in the life science industry. Due to the strict regulations in the life science industry, barriers to entry are often high, and there is an inherent inertia that affects everything from the sales cycles to negotiations and closing deals. Nonetheless, Analyst Group estimates that going forward, the operating expenses will increase, driven by an increase in personnel related to sales & marketing as well as external costs related to the BioRej Advance project for tissue therapeutics. As the operating expenses grow, albeit at a slower pace than previously, we estimate that the increased selling volumes, licensing agreements and rapidly growing revenues will result in a positive operating margin at the end of the forecast period.

Most of the Operating Expenses are Expected to Consist of the Staffing Costs.

Total operating expenses 2022-2026E, Base scenario.

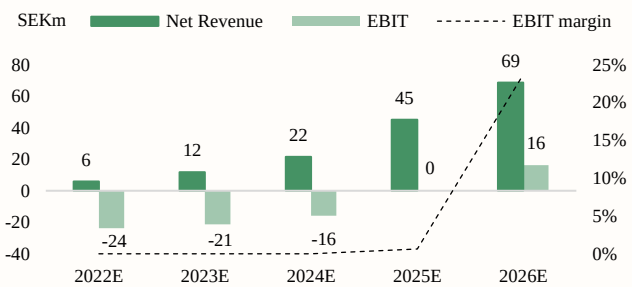


Source: Analyst Group (estimates)

A Summary of Analyst Group's Financial Forecast of Fluicell.

Financial forecast 2022-2026E, Base scenario

Base scenario (SEKm)	2022E	2023E	2024E	2025E	2026E
Net Revenue	5.9	11.8	21.6	45.1	68.6
Total Revenue	**7.1**	**13.0**	**22.8**	**45.1**	**68.6**
COGS	-1.2	-2.4	-4.3	-9.0	-13.7
Gross Profit	**5.9**	**10.6**	**18.4**	**36.1**	**54.9**
Gross Margin	83.4%	81.9%	81.1%	80.0%	80.0%
Total Operating Expenses	-28.5	-30.7	-33.1	-35.8	-38.6
EBIT	**-22.6**	**-20.1**	**-14.7**	**0.3**	**16.2**
EBIT Margin	neg	neg	neg	0.6%	23.7%



Source: Analyst Group (estimates)

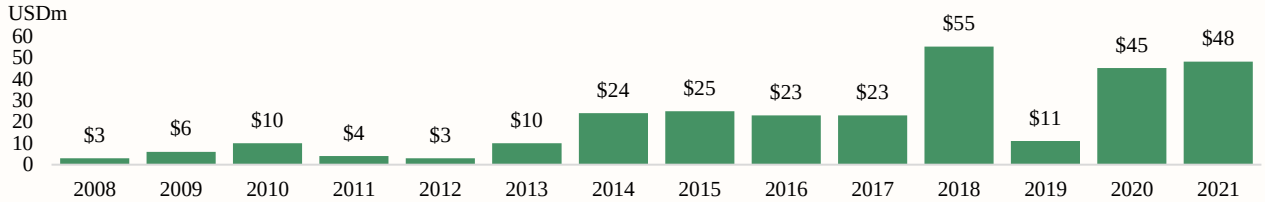
DEALS & FUNDING IN THE LIFE SCIENCE INDUSTRY

BIOPHARMA INVESTMENTS REACHED USD 39BN IN 2021

This section aims to illustrate the potential of Fluicell's regenerative medicine segment by highlighting deals and transactions made in the past, which may give hints of what a future deal for Fluicell could look like. According to an extensive industry report from J.P Morgan Healthcare[3], the life science industry experienced a surge in dealmaking where substantial capital inflows occurred in 2021, driven by the increased interest in biopharma therapeutics and discovery platforms. For instance, biopharma venture investments reached USD 39bn in 2021, compared to USD 26bn in 2020. Another interesting note is that ATMPs attracted the largest amount of median upfront dollars, specifically for licensing agreements with big pharma. Over the last five years, there has been an upward trend for the number of deals being announced for ATMPs where they, in many cases, have been generating higher licensing upfront payments than other therapeutic categories.

Cell and Gene Therapy Bring the Highest Median Upfront Payments in Licensing.

ATMP (Cell Therapy shown in figure) in-licensing: median upfront cash & equity payments



Source: DealForma.com database, Analyst Group (illustration)

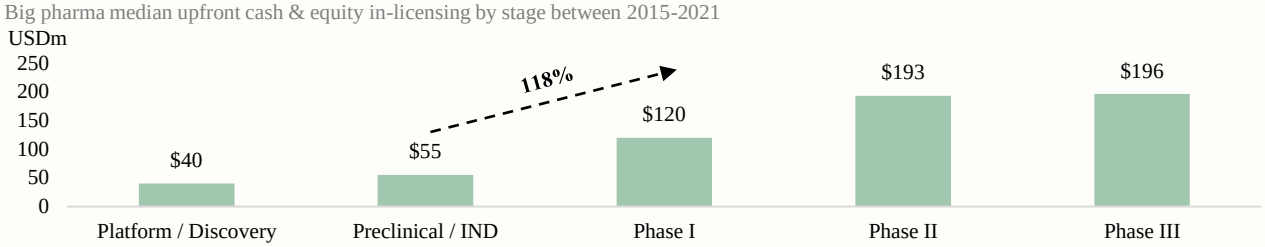
72% OF IN-LICENSING PARTNERSHIPS ARE FOR DISCOVERY PLATFORMS

Big Pharma is In-Licensing Earlier and Paying More Upfront

Another trend that is benefitting Fluicell is that big pharma has been going for in-licensing deals in earlier stages, for example, 72% of in-licensing partnerships signed into large-cap (USD 50bn+) are for discovery platforms. Big pharma has also displayed a willingness to pay more for in-licensing Phase I assets, where a 118% increase from preclinical stage deals to Phase I was observed between 2015-2021 according to data from the DealForma-database.

Phase I Assets have Brought in the Largest Jump in Upfront Cash and Equity Funding over the last Seven Years.

Big pharma median upfront cash & equity in-licensing by stage between 2015-2021



Source: DealForma.com database, Analyst Group (illustration)

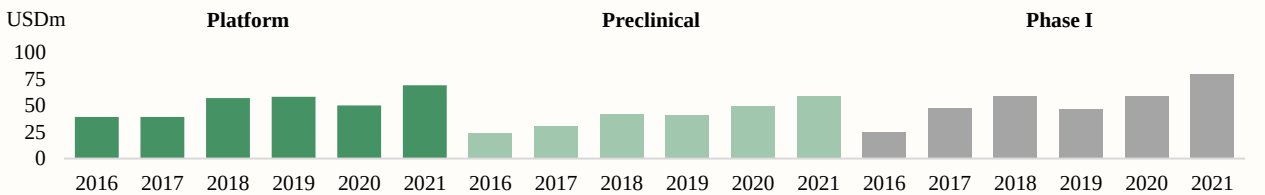
USD 68M AVERAGE VENTURE ROUND FOR PLATFORM & DISCOVERY

Average Transaction Spending in the Early Development Stages Seeing an Upward Trend

Since 2016, Phase I and earlier stage assets have attracted more and more capital where platform and discovery-stage companies are seeing an average round of USD 68m. Additionally, the year-over-year growth in pre-clinical stages amounted to an average of USD 59m while Phase I venture rounds averaged USD 80m.

Early-Stage Assets Showing an Upward Trend in terms of Venture Round Averages over the Last Six Years.

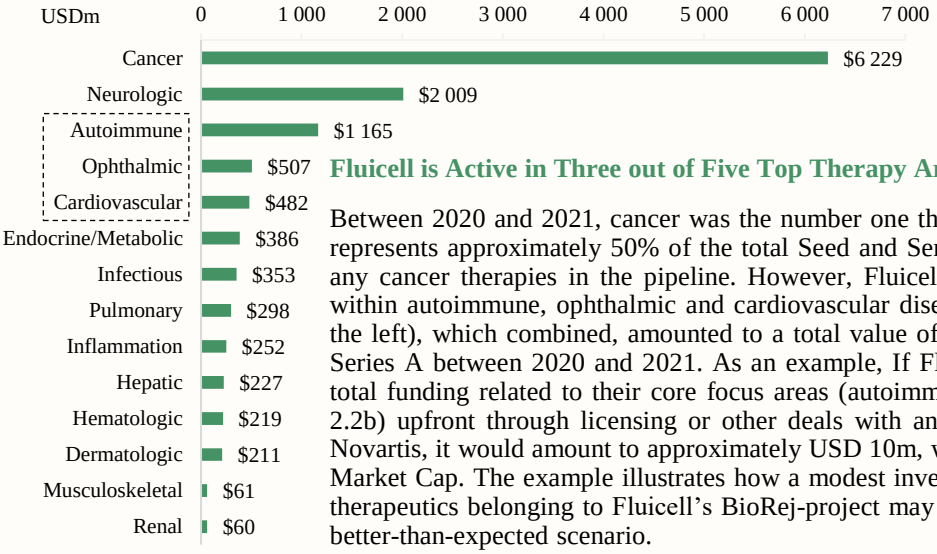
Biopharma venture round averages between 2016-2021



Source: DealForma.com database, Analyst Group (illustration)

3) Biopharma and Medtech Deals and Funding, 2022 Annual Outlook, J.P Morgan Chase & Co.

DEALS & FUNDING IN THE LIFE SCIENCE INDUSTRY



Fluicell is Active in Three out of Five Top Therapy Areas Attracting Venture Funding

Between 2020 and 2021, cancer was the number one therapy area, attracting USD 6.2b which represents approximately 50% of the total Seed and Series A funding[3]. Fluicell does not have any cancer therapies in the pipeline. However, Fluicell is currently working on therapeutics within autoimmune, ophthalmic and cardiovascular diseases (see dashed lines in the figure to the left), which combined, amounted to a total value of approximately USD 2.2b in Seed and Series A between 2020 and 2021. As an example, If Fluicell would receive only 0.5% of the total funding related to their core focus areas (autoimmune, ophthalmic, cardiovascular, USD 2.2b) upfront through licensing or other deals with any of their big partners like, Roche or Novartis, it would amount to approximately USD 10m, which essentially equals to their current Market Cap. The example illustrates how a modest investment from a big partner interested in therapeutics belonging to Fluicell's BioRej-project may create a substantial upside potential in better-than-expected scenario.

Swedish Preclinical Stage Company Enters Licensing Deal with a Roche Company

On the 12th of October 2021, it was announced that CombiGene, a Swedish Company focusing on gene therapy to treat drug resistant focal epilepsy, entered an exclusive global licensing agreement with Spark Therapeutic[4], which is fully owned by Roche, one of Fluicell's major partners. The deal provided Spark with the exclusive world-wide license to develop, manufacture and commercialize CombiGene's preclinical gene therapy candidate CG01. CombiGene will continue to execute certain aspects of the preclinical program in collaboration with Spark. Under the terms of that agreement, CombiGene is eligible to receive up to USD 328.5m (excluding royalties), with USD 8.5m million upon signing, and up to USD 50m million at preclinical as well as clinical milestones. Additionally, CombiGene will also be reimbursed for certain authorized R&D expenses. Upon commercialization, CombiGene is eligible for tiered royalties ranging from the mid single-digits up to low double-digits based on net sales.

CombiGene Received USD 8.5m, is Entitled to Up to USD 328.5m as well as Royalties in the Mid Single-Digits to Low Double-Digits.
Deal Structure between CombiGene and Spark Therapeutics

Source: CombiGene Press Release

Bottom Line for Fluicell and Licensing Possibilities

Analyst Group believes that it is not unlikely that Fluicell could strike a similar deal in the future, given that they have a history with Roche ever since the development of Biozone 6. Moreover, Fluicell announced on the 9th of September 2021 that an agreement with Roche was made regarding a research project involving Biopixlar and to investigate how the bioprinter can be used to create in-vitro cardiac tissues for pharmacological safety studies[5]. The project was initiated in September 2021 under the name *"Bioprinting Cardiac Tissues for Drug Safety Assays"* and the duration was estimated to be six months, but no results or follow-up has been announced yet. The results from this project could give further clues whether a bigger deal is on the way, or if there is still more research to be done.

3) Biopharma and Medtech Deals and Funding, 2022 Annual Outlook, J.P Morgan Chase & Co.
4) https://combigene.com/combigene-and-spark-therapeutics-enter-exclusive-global-licensing-agreement-for-gene-therapy-candidate-cg01/
5) https://fluicell.com/investor-relations/press-releases/press/?releaseID=053DCD35EA4C3227

VALUATION

A PARTNER WILL REDUCE THE RISK FOR FLUICELL

One of the main value drivers for Fluicell is the transition into the pre-clinical and clinical stages in the tissue therapeutic program BioRej Advance. The milestones are as following: three prototypes up to the in-vitro proof of concept phase in 2022; three prototypes up to in vivo pre-clinical proof of concept phase in 2023; and at least one product to Phase I clinical trials with a partner. The in-vitro proof of concept is planned to be conducted with an academic partner and the following phases are planned to be conducted with a pharma company. Going through the clinical development with a strategic partner is beneficial and will reduce the risk for Fluicell since they will not have to bear the full cost of the trials in return of providing their know-how.

Precedent Transactions in the Market

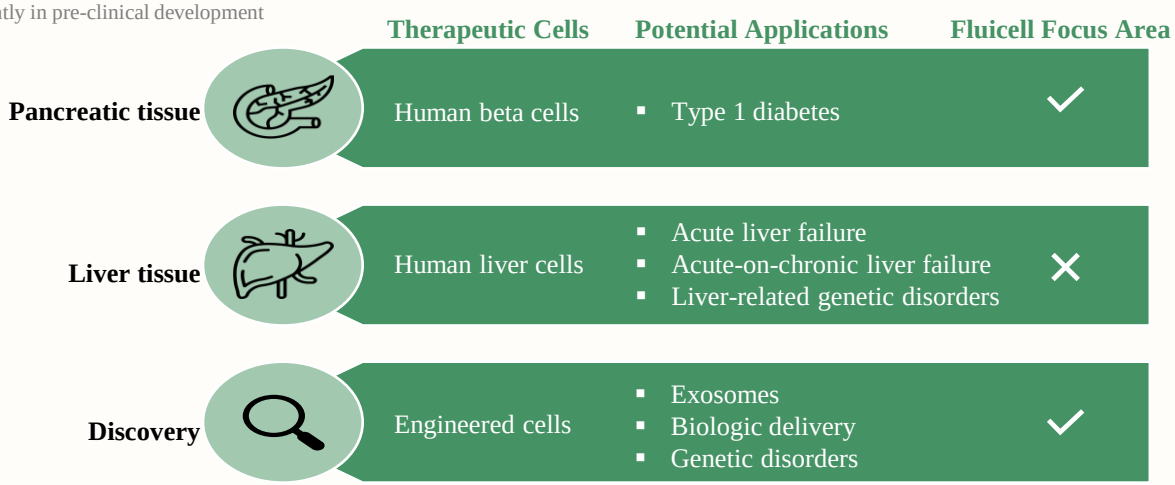
Fluicell's technology is unique and there are currently no direct competitors in regard to the technology platform and product portfolio offerings. Analyst Group has observed one precedent private transaction taking place recently within Fluicell's main markets involving the company Aspect Biosystems.

ASPECT RAISED USD20M IN SERIES A ROUND

Aspect Biosystems ("Aspect") is a private Canadian biotechnology company that was spun-off in 2013 from the University of British Columbia in Vancouver. Aspect is applying microfluidic 3D bioprinting technology internally to develop advanced cell therapies and partnering with leading researchers and industry professionals globally to solve complex challenges in regenerative medicine. Aspect is not aiming to recreate complete organs from scratch, but rather they are aiming to replace specific cells of organs or regenerate tissue that has experienced a loss of function. Additionally, the company develops bioprinted cells for therapeutic delivery. Aspect currently conducts pre-clinical development programs in pancreatic and liver tissue as displayed in the figure below. In January 2020, Aspect announced that USD 20m was raised in a Series A round to expand their platform for 3D bioprinting of human tissue and advance multiple tissue therapeutic programs.

Since Aspect is a private company, the information about its valuation is scarce. Therefore, it can only be speculated how much the company is worth today. According to different sources, Aspects latest reported revenue was between USD 10-12m. Assuming the latest transaction of USD 20m corresponds to approx. 10% dilution of existing shareholders, which could be argued as a reasonable share of the company shareholders are willing to give away, this yields a post-money valuation of USD 190m and a P/S multiple of 15-18x.

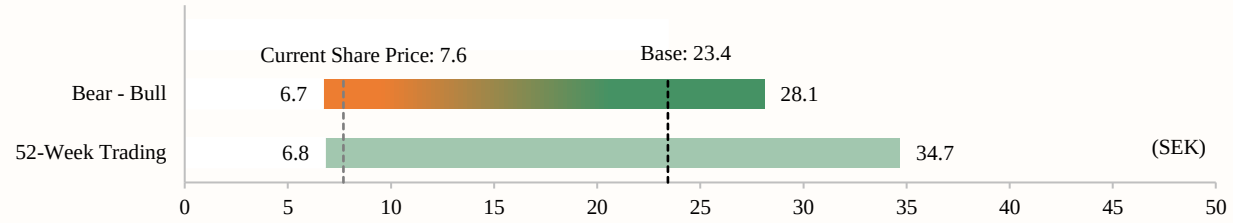
Aspect Biosystems Bioprinted Therapeutic Programs.
Currently in pre-clinical development



Source: Aspect Biosystems, Analyst Group (illustration)

VALUATION

Fluicell – Valuation Range and Summary



Source: Analyst Group

Valuation: Base Scenario

Since the forecast for Fluicell assumes high double-digit revenue growth going forward, the valuation is based on forecasting the sales and applying an appropriate P/S multiple on year 2026 revenues. P/S multiples for companies in early development or high-growth phase are generally high, due to initially low, or zero sales. Over time, as sales increases, multiples tend to normalize in line with the company reaching a larger market share and a higher degree of maturity. Given Fluicells outstanding gross margin, strong patent portfolio to fend of competition, and a unique 3D bioprinting technology combined with venturing into the high potential market of regenerative medicine/ATMPs, we believe a P/S multiple of 7x is justified, based on Aspects estimated valuation on the lower end (15x). Given a target multiple of P/S 7x on 2026's revenue of SEK 68.6m, this corresponds to a Market Cap of SEK 480m. If Fluicell can grow in line with the expectations, this will, rather early, result in rapidly increasing sales, which would thus be considered as proof that the Company has both an attractive product portfolio and the ability to capture market share. Moreover, if any of the regenerative medicine prototypes in the BioRej Advance-project would show promising results and materialize in the form of a licensing deal with a big pharma company, a substantial upside is to be expected. Although it is difficult to quantify the upside precisely, the total value from such a deal could potentially exceed the total amount of our forecasted revenue, based on the information from previous deals. Analyst Group assumes a discount rate of 11.4% for Fluicell, which based on a company value of SEK 312m in 2026, result in a present value per share of SEK 23.4 and a Market Cap of SEK 312m as of today in a Base scenario.

SEK 23.4 PER SHARE IN A BASE SCENARIO

Bull Scenario

The following are potential value drivers in a Bull scenario:

- Fluicell delivers on their set agenda to ramp up the sales development and raise awareness for their products faster than expected.
- Fluicell succeeds in establishing a broader network of partnerships, which contributes to a faster market sales growth larger market share.
- Through the recent rights issue in September 2021, the cash position is strengthened, but additional capital could be required before positive cash flows can be achieved. Given a good business development, it should be possible to raise funds at a higher valuation, which reduces the dilution effect and enables a better return for investors.

Given a discount rate of 11.4% and a target multiple of P/S 7x on year 2026 estimated sales of SEK 82.3m in a Bull scenario, this yields a present value per share of SEK 28.1[3].

SEK 28.1 PER SHARE IN A BULL SCENARIO

Bear Scenario

The following are potential factors in a Bear scenario:

- Given the rapid technology development in Fluicell's target markets and high degree of innovation, it might take longer than expected to raise awareness and reach a critical level of adoption among key opinion leaders, which will result in slower growth.
- Delayed revenues resulting in an extended period of negative cash flows, which means that the Company's need for external capital increases.
- In the event of a "worse-than-expected" development, it is conceivable that capital raises will need to be conducted with a higher valuation discount, and thus may put a downward pressure on the share price.

Based on the financial estimates of such a scenario, a target multiple of P/S 2.5x on year 2026 estimated sales of SEK 54.9m and a discount rate of 11.4%, this yields a present value per share of SEK 6.7 in a Bear scenario[3].

SEK 6.7 PER SHARE IN A BEAR SCENARIO

[3]See Appendix page 18 for forecasts made in the Bull and Bear scenarios, respectively.

MANAGEMENT & BOARD

Victoire Viannay, CEO

Victoire was previously COO but is the CEO of Fluicell since 2017 and holds a PhD in Law from Université Paris II Panthéon/Assas. She is a former Legal & HR Assistant Manager at Institut Curie, former Project Leader at Chalmers University of Technology in Gothenburg, former Chief HR and Legal Officer at PSL Research University. Victoire has more than 10 years of experience in labor laws, human resources, and legal management in the scientific research field.

Ownership: *Victoire personally owns 14,000 shares in Fluicell AB*

Mats Jonasson, Chief Financial Officer

Mats is the Chief Financial Officer of Fluicell since 2016 via Business Control Partner Norden AB which provides financial advisory and services to small- and midsized enterprises. He studied Economy at University of Gothenburg and has over 20 years of experience as a CFO in companies such as TiFiC AB and NTEX AB.

Ownership: *Mats personally owns 2,100 shares in Fluicell AB*

Gavin D. M. Jeffries, Chief Technology Officer

Gavin is the Chief Technology Officer of Fluicell since 2017. He holds a PhD in Chemistry from the University of Washington, Seattle. Gavin was Assistant Professor at Chalmers University for 4 years and has published over 40 peer reviewed scientific publications with over 1,000 citations. Furthermore, he has co-founded two companies in biotech and optics and is an inventor of multiple patents. Gavin's specialty is within microfluidics, single-cell analysis, and optical platform integration.

Ownership: *Gavin personally owns 55,350 shares in Fluicell AB and 204,000 shares through Jeffries and Associates AB*

Tatsiana Lobovkina, Chief Scientific Officer

Tatsiana Lobovkina is the Chief Scientific Officer of Fluicell since 2018 and Assistant professor at Chalmers University of Technology. After completing a PhD in Chemistry from Chalmers, she completed three years of postdoctoral studies at Stanford University in the U.S. Tatsiana has more than 10 years of experience and her specialty lies within biophysics and bio-mimics where she has published several scientific publications in international journals.

Ownership: *Tatsiana personally own 1,900 shares in Fluicell AB*

Jonas Hannestad, Chief Marketing and Communications Officer

Jonas joined Fluicell in 2019 and is the Chief Marketing and Communications Officer since 2020. He holds a PhD in Physical Chemistry from Chalmers University of Technology and has experience as a postdoctoral researcher at RISE Research Institutes of Sweden. Jonas has multi-disciplinary background and experience in projects related to scientific research as well as independently managing science communication projects where science, art and technology meets.

Ownership: *Jonas does not own shares in Fluicell AB*

Nelson Khoo, Chief Business Development and Sales Officer

Nelson joined Fluicell in 2022 as Chief Business Development and Sales Officer. He has entrepreneurial experience from leading positions focused on commercialization and business development activities in several biotech companies. Moreover, Nelson has a background as researcher at Umeå University within cancer and diagnostics research.

Ownership: *Nelson does not own shares in Fluicell AB*

MANAGEMENT & BOARD

Stefan Tilk, Chairman of the Board

Stefan is the Chairman of the Board since 2016 and CEO at NEVS AB. He has an MSc in Engineering Physics from Chalmers University of Technology and studied Business Administration in Barcelona School of Economics. Stefan has extensive experience, managing and developing companies as a CEO, including Geveko AB and Elof Hanson Group. He is also a former Senior Executive VP for both Volvo Buses and Trucks as well as at Coor. Stefan has a strong business acumen where he is particularly skilled in negotiations, business planning, operations management, sales, and international business.

Ownership: *Stefan owns 45,000 shares in Fluicell AB though STILK AB and is independent in relation to both the Company and major shareholders*

Owe Orwar, Board member

Owe is a Board member since 2015 and the CEO of Oblique Therapeutics and Senior Group Leader at the Karolinska Institute. After completing a PhD in Chemistry at University of Gothenburg, he completed two years of postdoctoral studies at Stanford University. Owe has been a former Global VP of R&D at Sanofi, former President of Piramal Healthcare and is a co-founder of six biotech companies. Owe has over 20 years of experience in the pharma and biotech industry. Holder of more than 75 patents, author of hundreds of research articles, he is a pioneer in the fields of single-cell biology and biophysics with several products on the global market.

Ownership: *Owe owns 209,244 shares in Fluicell AB through Clavis & Vose Invest AB. He is dependent in relation to the Company, but independent in relation to major shareholders*

Gavin D. M. Jeffries, Board member

Besides being the CTO, Gavin is also a Board member of Fluicell since 2012. He holds a PhD in Chemistry from the University of Washington, Seattle. Gavin was Assistant Professor at Chalmers University for 4 years and has published over 40 peer reviewed scientific publications with over 1,000 citations. Furthermore, he has co-founded two companies in biotech and optics and is an inventor of multiple patents. Gavin's specialty is within microfluidics, single-cell analysis, and optical platform integration.

Ownership: *Gavin personally owns 55,350 shares in Fluicell AB and 204,000 shares through Jeffries and Associates AB. He is dependent in relation to the Company but independent in relation to major shareholders*

Daniel T. Chiu, Board member

Daniel is a Board member of Fluicell since 2017. He has been a Professor of Chemistry and Bioengineering at the University of Washington since 2006. After graduating from Stanford University, he completed postdoctoral research at Harvard University. Daniel is a founder of multiple life science companies across Asia, Europe, and the U.S. Furthermore, he is a member and/or chairman in several scientific advisory and review panels for both government and industry. Daniel is considered a pioneer in the field of single-cell biology with several products on the global market, authoring over 200 scientific publications and an inventor of over 60 issued patents.

Ownership: *Daniel cannot own shares in Fluicell AB due to his American residency*

Carl Fhager, Board member

Carl is a Board member in Fluicell since 2017. He holds a Master of Laws from University of Gothenburg and is a distinguished lawyer at MAQS' Gothenburg Office. Carl has extensive experience of commercial agreements, including ones relating to cooperation, commission and purchasing, as well as to terms and conditions. He is specialized in the sports, media, and entertainment industry in which he has worked for over 10 years, in addition to being the sports director of the football club BK Häcken for 4 years. Carl's multilateral expertise in both legal and managerial matters has led him to assist many boards as an advisor, or to simply join them as a member or chairman.

Ownership: *Carl cannot own shares in Fluicell AB due to working as a lawyer at MAQS*

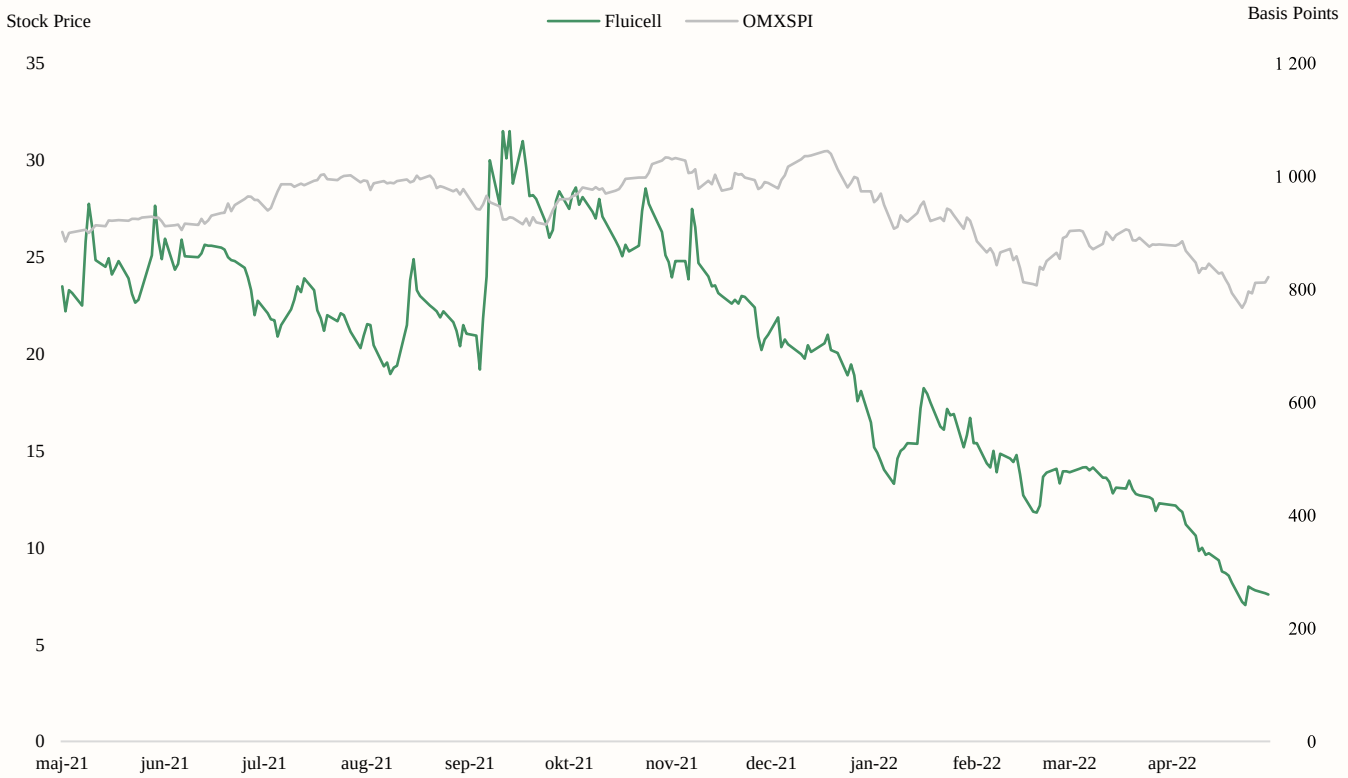
MANAGEMENT & BOARD

Regina Fritche Danielson, Board Member

Regina is a board member since 2022 and holds a PhD in cardiovascular physiology and pharmacology from the University of Gothenburg. Regina is currently the Senior Vice President and Head of Research and Early Development for the cardiovascular, renal and metabolic disease areas at AstraZeneca, leading drug development from target discovery through clinical Proof-of-Concept in the areas of unmet medical need. The main focus of Regina's research activities is to develop new therapies to stop progression or cure disease with regenerative approaches as well as personalized medicine as core strategic attributes. Regina's other commitments involve being a steering committee member of several strategic research collaborations including the British Heart Foundation Centre for Research Excellence (CRE) Cambridge, the Physiological Systems Domain Panel and the Medical Research Council (MRC).

Ownership: *Regina does not own shares in Fluicell AB and is independent in relation to both the Company and major shareholders*

APPENDIX



Base scenario (SEKm)	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Net Revenue	2.5	4.6	2.6	5.9	11.8	21.6	45.1	68.6
Other Operating Income	0.1	0.2	1.4	1.2	1.2	1.2	0.0	0.0
Total Revenue	**2.6**	**4.9**	**4.0**	**7.1**	**13.0**	**22.8**	**45.1**	**68.6**
Cost of Goods Sold (COGS)	-0.4	-1.0	-0.7	-1.2	-2.4	-4.3	-9.0	-13.7
Gross Profit	**2.1**	**3.9**	**3.3**	**5.9**	**10.6**	**18.4**	**36.1**	**54.9**
Gross Margin	82.9%	79.7%	82.1%	83.4%	81.9%	81.1%	80.0%	80.0%
External Costs	-8.3	-7.1	-9.9	-11.1	-12.5	-14.0	-15.6	-17.5
Staff Costs	-12.0	-13.2	-14.4	-16.6	-17.4	-18.2	-19.0	-19.8
Other Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**-18.2**	**-16.4**	**-21.1**	**-21.9**	**-19.3**	**-13.7**	**1.4**	**17.6**
EBITDA margin	neg	neg	neg	neg	neg	neg	3.2%	25.6%
Depreciation and Amortization	-0.5	-0.6	-0.6	-0.7	-0.8	-1.0	-1.1	-1.3
EBIT	**-18.7**	**-17.0**	**-21.7**	**-22.6**	**-20.1**	**-14.7**	**0.3**	**16.2**
EBIT margin	neg	neg	neg	neg	neg	neg	0.6%	23.7%
Financial Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Expenses	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**-18.7**	**-17.6**	**-21.7**	**-22.6**	**-20.1**	**-14.7**	**0.3**	**16.2**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-3.6
Net Income	**-18.7**	**-17.6**	**-21.7**	**-22.6**	**-20.1**	**-14.7**	**0.2**	**12.7**
Net Income Margin	neg	neg	neg	neg	neg	neg	0.5%	18.5%

Ratios	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
P/S	39.3x	21.1x	37.5x	16.6x	8.3x	4.5x	2.2x	1.4x
EV/S	33.3x	17.9x	31.9x	14.1x	7.0x	3.8x	1.8x	1.2x
EV/EBIT	neg	neg	neg	neg	neg	neg	291.3x	5.1x

APPENDIX

Bull scenario (SEKm)	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Net Revenue	2.5	4.6	2.6	7.8	13.7	23.5	47.0	82.3
Other Operating Income	0.1	0.2	1.4	1.2	1.2	1.2	0.0	0.0
Total Revenue	**2.6**	**4.9**	**4.0**	**9.0**	**14.9**	**24.7**	**47.0**	**82.3**
Cost of Goods Sold (COGS)	-0.4	-1.0	-0.7	-1.6	-2.7	-4.7	-9.4	-16.5
Gross Profit	**2.1**	**3.9**	**3.3**	**7.5**	**12.2**	**20.0**	**37.6**	**65.9**
Gross Margin	82.9%	79.7%	82.1%	82.7%	81.6%	81.0%	80.0%	80.0%
External Costs	-8.3	-7.1	-9.9	-11.1	-12.5	-14.0	-15.6	-17.5
Staff Costs	-12.0	-13.2	-14.4	-16.6	-17.4	-18.2	-19.0	-19.8
Other Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**-18.2**	**-16.4**	**-21.1**	**-20.3**	**-17.7**	**-12.2**	**3.0**	**28.6**
EBITDA margin	neg	neg	neg	neg	neg	neg	6.3%	34.7%
Depreciation and Amortization	-0.5	-0.6	-0.6	-0.7	-0.8	-1.0	-1.1	-1.3
EBIT	**-18.7**	**-17.0**	**-21.7**	**-21.0**	**-18.5**	**-13.1**	**1.8**	**27.2**
EBIT margin	neg	neg	neg	neg	neg	neg	3.9%	33.1%
Financial Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Expenses	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**-18.7**	**-17.6**	**-21.7**	**-21.0**	**-18.5**	**-13.1**	**1.8**	**27.2**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	-6.0
Net Income	**-18.7**	**-17.6**	**-21.7**	**-21.0**	**-18.5**	**-13.1**	**1.4**	**21.2**
Net Income Margin	neg	neg	neg	neg	neg	neg	3.0%	25.8%

Ratios	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
P/S	39.3x	21.1x	37.5x	12.5x	7.1x	4.2x	2.1x	1.2x
EV/S	33.3x	17.9x	31.9x	10.6x	6.0x	3.5x	1.8x	1.0x
EV/EBIT	neg	neg	neg	neg	neg	neg	45.7x	3.0x

Bear scenario (SEKm)	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Net Revenue	2.5	4.6	2.6	3.9	9.8	17.6	43.1	54.9
Other Operating Income	0.1	0.2	1.4	1.2	1.2	1.2	0.0	0.0
Total Revenue	**2.6**	**4.9**	**4.0**	**5.1**	**11.0**	**18.8**	**43.1**	**54.9**
Cost of Goods Sold (COGS)	-0.4	-1.0	-0.7	-0.8	-2.0	-4.4	-12.9	-19.2
Gross Profit	**2.1**	**3.9**	**3.3**	**4.3**	**9.0**	**14.4**	**30.2**	**35.7**
Gross Margin	82.9%	79.7%	82.1%	84.7%	82.2%	76.6%	70.0%	65.0%
External Costs	-8.3	-7.1	-9.9	-11.1	-12.5	-14.0	-15.6	-17.5
Staff Costs	-12.0	-13.2	-14.4	-16.6	-17.4	-18.2	-19.0	-19.8
Other Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**-18.2**	**-16.4**	**-21.1**	**-23.4**	**-20.9**	**-17.8**	**-4.5**	**-1.6**
EBITDA margin	neg	neg	neg	neg	neg	neg	neg	neg
Depreciation and Amortization	-0.5	-0.6	-0.6	-0.7	-0.8	-1.0	-1.1	-1.3
EBIT	**-18.7**	**-17.0**	**-21.7**	**-24.1**	**-21.7**	**-18.7**	**-5.6**	**-3.0**
EBIT margin	neg	neg	neg	neg	neg	neg	neg	neg
Financial Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Expenses	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**-18.7**	**-17.6**	**-21.7**	**-24.1**	**-21.7**	**-18.7**	**-5.6**	**-3.0**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	**-18.7**	**-17.6**	**-21.7**	**-24.1**	**-21.7**	**-18.7**	**-5.6**	**-3.0**
Net Income Margin	neg	neg	neg	neg	neg	neg	neg	neg

Ratios	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
P/S	39.3x	21.1x	37.5x	24.9x	10.0x	5.5x	2.3x	1.8x
EV/S	33.3x	17.9x	31.9x	21.2x	8.5x	4.7x	1.9x	1.5x
EV/EBIT	neg	neg	neg	neg	neg	neg	neg	neg

APPENDIX

Patent family #1 : "Pipettes, methods of use, and methods of stimulating an object of interest"

Application Number	Applicant	Status	Region	Inventors	Filing Date	Publication Date	Expires
US 13/486,599	Owe Orwar	Granted as patent US 9,126,197	US	Owe Orwar, Alar Ainla, Aldo Jesorka	Jun 1, 2012	Sep 8, 2015	Dec 3, 2030
US 14/823,199	Fluicell AB	Granted as patent US 9,671,366	US	Owe Orwar, Alar Ainla, Aldo Jesorka	Aug 11, 2015	Dec 3, 2015	Dec 3, 2030
EP 15199422.5	Fluicell AB	Validated as patent EP 3 023 151 in Sweden, the Netherlands, Denmark, France, Switzerland, UK and Germany	EU	Owe Orwar, Alar Ainla, Aldo Jesorka	Dec 3, 2010	May 25, 2016	Dec 3, 2030

Note: This patent family protects the basal technology and principle behind the microfluidic pipette Biopen and its use

Patent family #2: "Microfluidic device with holding interface, and methods of use"

Application Number	Applicant	Status	Region	Inventors	Filing Date	Publication Date	Expires
US 14/072,153	Fluicell AB	Granted as US 9,658,240 B2	US	Owe Orwar, Alar Ainla, Aldo Jesorka, Gavin Jeffries	Nov 5, 2013	May 23, 2017	May 7, 2032
EP 21150588.8	Fluicell AB	Ongoing	EU	Owe Orwar, Alar Ainla, Aldo Jesorka, Gavin Jeffries	Jan 7, 2021	Sep 29, 2021	May 7, 2032

Note: This patent family protects the pipette holder in Biopen and the use of the pipette

Patent family #3: "Methods to fabricate, modify, remove and utilize fluid membranes"

Application Number	Applicant	Status	Region	Inventors	Filing Date	Publication Date	Expires
US 15/440,673	Fluicell AB	Ongoing	US	Alar Ainla, Irep Gözen, Aldo Jesorka, Mehrnaz Shaali	Feb 23, 2017	Jun 8, 2017	Jan 19, 2034
EP 14747112.2	Fluicell AB	Validated as EP 2 945 745 in Sweden, the Netherlands, Denmark, France, Switzerland, UK and Germany	EU	Alar Ainla, Irep Gözen, Aldo Jesorka, Mehrnaz Shaali	Jan 19, 2014	Nov 25, 2015	Jan 19, 2034

Note: This patent family protects the process of biomolecular printing and development of 2D-patterns of biological membranes on surfaces

Patent family #4: "Methods and systems utilizing recirculating fluid flows"

Application Number	Applicant	Status	Region	Inventors	Filing Date	Publication Date	Expires
US 62/538,272	Fluicell AB	Ongoing	US	Owe Orwar, Alar Ainla, Gavin Jeffries, Shijun Xu	Jul 27, 2018	May 28, 2020	Jul 27, 2038
EP 3658199	Fluicell AB	Ongoing	EU	Owe Orwar, Alar Ainla, Gavin Jeffries, Shijun Xu	Jul 27, 2018	Jun 3, 2020	Jul 27, 2038

Note: The patent relates to the technology supporting bioprinting

Patent family #5: "Methods and systems for generating three-dimensional biological structures"

Application Number	Applicant	Status	Region	Inventors	Filing Date	Publication Date	Expires
PCT/IB2020/000900	Fluicell AB	Ongoing	World	Owe Orwar, Gavin Jeffries, Shijun Xu	Oct 19, 2020	Apr 29, 2021	Oct 19, 2040

Note: This patent relates to the methods integrating specific cell sources with precise positioning into complex tissue models through 3D bioprinting

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