

Fluicell positioned to accelerate growth



During this third quarter of 2021, Fluicell has taken several important steps forward towards shaping the future of the company and building a strong foundation for growth. We have achieved several crucial milestones this period, both in terms of development activities within the company and in relation to our customers in the research community. Not least among the recent important developments is the increasing recognition of Fluicell as an important bioprinting actor and the positioning of Biopixlar as a technology with the potential to shape the future development of bioprinting. Fluicell is maturing and our products are gaining more and more attention. All this is very positive and encourages us to focus even more and follow the plan to reach the high levels which we have set for the company. We are very proud of what we have achieved so far and look forwards to the future with great anticipation.

Increased Biopixlar recognition

The growing awareness of the advantages offered by Biopixlar and Fluicell's innovative microfluidic technology has recently been shown in a very clear way through the expressed opinions of experts in the bioprinting field. In an article published in the August issue of SLAS Technology, Dr. Roman Voronov describes Biopixlar as one of the unique developments in microfluidic bioprinting and states that the platform has the potential to revolutionize low-cost bioprinting of the future. In addition to this, we also recently received a very insightful Biopixlar review from the world-renowned bioprinting expert Dr. Luiz Bertassoni, who has been using Biopixlar since March this year and with whom we have ongoing dialogues to discuss further collaboration. In his review Dr. Bertassoni writes *"This technology certainly provides a new tool for tissue engineers and biologists to mimic the complex geometric patterns and multi-cellular microenvironments that are characteristic to native human organs, and is an important stepping-stone for the field."*

Expert opinions like these are very encouraging for us and clearly confirms what we have been stating over the years regarding our faith in the technology. Statements like these are also very important component in our continued growth agenda and in our ambition to establish Biopixlar as the market-leading platform for high resolution bioprinting.

Directed issue fuels growth

Our growth agenda is further fueled by the confidence in the company shown by investors. During September, we completed a directed issue & issuing of an option program of which the T03 was approved at the EGM that took place on October 18. The option program gives us the possibility to broaden our shareholder base and to raise capital on favorable terms in a time- and cost-effective manner. We believe this is a very satisfying combination for both the shareholders and Fluicell which has been achieved in collaboration with financial advisor Partner FondKommission. This new capitalization provides Fluicell with the means and the mandate to intensify our regenerative medicine agenda, and at the same time accelerate our commercial growth strategy. Fluicell's advancement in these two areas goes hand-in-hand with each other and together contribute to shaping the future of the company. Each warrant entitles the holder to subscribe for one new share in Fluicell at a subscription price of 60% of the volume-weighted average price during the period April 25th – May 8th, 2022. Upon full exercise of all attached warrants, Fluicell will receive approx. SEK 43 million. The exercise period of the series T03 warrants is planned to take place between May 16th – 27th, 2022. The record date has been set for November 1, 2021.

Important advances in R&D

Fluicell's journey towards therapeutic development took an important step forward when we announced, on September 16, our success in creating insulin-producing biocomposites based on Biopixlar-printed tissues. This advancement constitutes a first important step towards our end-goal, to develop an engineered tissue product for treating type 1 diabetes. Our goal is ambitious, but we have confidence in the strength of our technology platform together with the dedication of our R&D team and our capacity to innovate. We therefore believe that we have the ability to deliver on one of the fundamental hopes for 3D bioprinting that has been driving development since the advent of the technology. The development towards regenerative medicine is important for Fluicell, since it enables us to target a new rapidly growing market (11.4 BnUSD estimated in 2025 with CAGR 24.5%) with immense future potential.



An important signifier for the strength and global reputation of our R&D capacity came this period through the signing of a research agreement with one of the world's leading pharmaceutical companies, which we announced on September 23. The goal of the project is to develop bioprinted cardiac tissues for safety pharmacological studies and will hopefully result in further collaboration. This project is not directly connected to our regenerative program per se but is of interest for testing new bioprinting methods which we have developed in-house and, at the same time, continue to increase our ability to print cardiac cells. We also see many possible synergistic effects coming out of this project that can benefit our regenerative medicine program. Both in term of the mentioned technology development, that can also benefit our regenerative medicine program, and through the additional experience and knowledge from working in the cardiac biology field.

Improved results

Alongside the major advancements Fluicell has made in R&D and in increasing the market recognition for our platforms, the company has also managed to increase incomes compared to the same period last year, with a resulting income for Q3 of 1 436 KSEK (278 KSEK). Although the result is a substantial improvement compared to Q3 last year, we continue to experience slow sales development and the timeline still very challenging to predict. As I have previously stated, the interest for our instruments is still high and we are confident that, as the effects of the pandemic pan, we will be able to significantly increase our sales. An important indication is that we, for the first time since the pandemic started, were able to physically participate in the Karolinska Institutet Inflammation and Immunology Network retreat that took place in the beginning of October. It feels great to again be able to meet with scientist and to discuss how our technologies can assist them in their next research breakthrough. This period, we also saw the first scientific publication

from researchers in China using BioPen. This is an important achievement for us since it will further increase our ability to reach customers on the Chinese market.

Many of the recent developments are centered around the Biopixlar platform. In addition to what we have stated above, we have also successfully performed Biopixlar installation and user training both at the National Institute of Health and at Maastricht University. The Biopixlar platform at Maastricht University is part of the Birdie collaboration, a project that is continuously advancing and that creates many new possibilities for future applications for our technology. In addition to the Biopixlar platform at Maastricht University, we have also shipped a BioPen unit to University of Nantes, where it will be used for studying viral infections. This is an application that we are very excited about, and which will demonstrate the potential for the BioPen system for single-cell studies in important research areas such as virology and nanomedicine. We have also signed a new leasing agreement with Orion Pharma for Dynaflo Resolve, which shows that the product continues to be regarded as a reliable high-quality platform among companies doing pharmaceutical research.

We have an interesting and exciting time ahead of us and hopefully we can leave the pandemic behind us soon. Fluicell stands ready and well positioned to accelerate with both strong partners and products.

Victoire Viannay

November 19, 2021

This CEO Newsletter is a modified version of the CEO words that is also published today as part of the Fluicell's report for the third quarter 2021.