



Quarterly report for Bio-Works Technologies AB (publ)

July – September 2019

About Bio-Works

Bio-Works develops, manufactures and supplies leading products for chromatographic separation of proteins and other biomolecules. The company's employees have long and deep experience of the biotechnology industry and, above all, separation media for biomolecules.

The Bio-Works facility is located in Uppsala Business Park, Uppsala, Sweden. The company's quality system is certified according to the ISO 9001: 2015 standard.



Period 1 July – 30 September 2019 in brief

- Net sales amounted to 1 629 (659) KSEK, an increase of 147 %.
- Order intake increased to 1 245 (670) KSEK, an increase of 86 %.
- The result in the third quarter was -11 317 (-7 915) KSEK.
- Earnings per share in the third quarter amounted to – 0,37 (- 0,41) SEK based on the number of shares registered on the balance sheet date. The earnings per average number of shares for the period amounted to - 0,38 (- 0,41).
- Cash flow from operating activities was in total -9 300 (-7 098) KSEK.
- Bank balances amounted to 88 324 (64 092) KSEK at the end of the period.

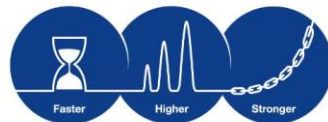


Significant events during the third quarter 2019

- The targeted and preferential rights issue that began in Q2 was completed in July with a net contribution to cash of SEK 62.6 million.
- The customer base grew by 10% during the quarter to 382. Two additional customers are now in production and in total we now have 19 customers in late upscaling and production.
- Sales in North America up to the end of Q3 is about 10 times higher than last year.
- The market position in Eastern Europe continues to be strengthened with a number of customers approaching production scale or scaling up their production.
- We have received a decision on funding of SEK 250,000 for market development in Asia from the Swedish Agency for Economic and Regional Growth.

Significant events after the end of the period, 30 September 2019

- We announced the collaboration with our new distributor in China, Gene Co, October 15. With Gene Co. as a distributor in China, we significantly strengthen our geographical coverage in the country and power in the sales process.
- On our website <http://www.bio-works.com/> we provide continuous updates on what is happening in the company.



CEO statement

Dear shareholders,

The third quarter of 2019 was characterized by good order intake and sales. The period is significantly better compared to Q3 2018. The response from new customers who test our products remains very positive.

Here is a summary of the most important events during the third quarter of 2019.

Increased sales in the third quarter of 2019. The company's sales during Q3 were SEK 1,629,000, which is 147% higher than the corresponding quarter last year. Order intake is also noticeably higher (86%). The growth mainly comes from the company's customers who are in the late scale-up phase and production. A development that means that the company achieves more even and higher sales quarterly. The strong growth of scale-up customers in North America is clearly visible in the sales figures, which up to Q3 are almost 10 times higher than last year.



Continued strong influx of new customers. Bio-Works' strong customer growth during Q3 gives the company a broader customer base, especially in North America and Asia. After the third quarter of 2019, the company has 382 active customers, compared with 348 customers after the second quarter. In all likelihood, we will exceed the annual target of 400 active customers. We see continued good development among our customers who are in the scale-up phases and production. The company has 55 customers scaling-up after the third quarter. Of these, 8 customers are in the late scale-up phase and are nearing full production, in which at the end of Q3 we had 11 customers. These 11 customers include a manufacturer of an FDA-approved drug with global sales.

Continued good development for WorkBead's affimAb. During Q3, several drug-producing companies began testing WorkBeads™ affimAb. Published data shows increased productivity and purity in the production of antibodies. The increased purity attracts customers in the early scale-up phase and customer tests show that WorkBead's affimAb adds value for customers. With a clear differentiation, such as purity, compared to competitors' products, our assessment is that we will be able to gain market share in this area.



Well positioned for the future. In 2019, we will continue our ambitious efforts to broaden our customer base geographically and provide support to our customers in the scale-up phase and production. In Eastern Europe, the development of these customer groups is very good and our market position is continuously strengthened. Asia and North America are increasingly important for our sales and are the markets where we expect the greatest growth in the coming years. Sales growth in North America so far this year is particularly clear (about 10 times higher up to and including Q3 as compared to the previous year). The prospect and customer build-up is also very good, which results in recurring larger scale-up and production orders. In Asia, we are strengthening our distribution organization, especially in China with a larger and stronger distributor to increase our ability to cover the entire country. We will also decide on distributor for India and ASEAN countries in the near future. Centrally, we have strengthened the resources for prospect tracking (Inside Sales!) in order to better follow up even more customer contacts and increase our Key Account Managers' time for customer meetings.

For Bio-Works, it is of great importance to enter our customers' scale-up projects early and to ensure that our products are integrated into their production process. This way we achieve long-term, stable sales by virtue of the inertia that exists to switch suppliers in finalized processes. We are now strengthening the sales organization globally with increased focus on these customers. This work also includes building on our internal bioprocess expertise and, with our expanded network, creating a more efficient sales process for larger pharmaceutical companies and contract manufacturers.



We thank you for your confidence and continue our work for growth in 2019 and onwards.

Uppsala October 18, 2019
Mats Johnson
CEO, Bio-Works Technologies AB

The Group

Key Ratios	Jul-Sep		Jan-Sep		Jan-Dec
	2019	2018	2019	2018	2018
Net sales (KSEK)	1 629	659	3 788	4 209	6 563
Inflow of orders (KSEK)	1 245	670	4 220	3 961	6 318
Number of employees	33	28	33	28	28
Equity ratio (%)	91	94	91	95	91
Earnings per share (SEK)	-0,37	-0,41	-1,10	-1,25	-1,96
Bank balance (KSEK)	88 324	64 092	88 324	64 092	54 061
Equity (KSEK)	90 898	75 511	90 898	75 511	61 641
Share price per closing day (SEK)	8,66	13,70	8,66	13,70	9,14
Number of shares balance day	30 415 746	19 335 670	30 415 746	19 335 670	19 335 670
Average number of shares	29 813 568	19 335 670	29 813 568	19 335 670	19 335 670
Earnings per average number of shares	-0,38	-0,41	-1,12	-1,25	-1,96

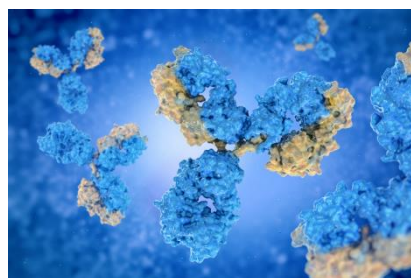
Earnings per share based on registered shares on the balance sheet date was –0,37 (SEK). For Jan-Sept the result per share was – 1,10 (SEK) on the balance sheet date. The earnings per average number of shares for the period amounted to - 0,38 (- 0,41).

The Group's development during the period July – September 2019

Orders received

Bio-Works order intake increased by 86 percent to 1,245 KSEK in the third quarter of 2019 compared to 670 KSEK in 2018. This is largely due to an increased proportion of returning customers, primarily in Europe, and that the market processing in North America and Asia has started to result in sales with higher volumes from scale-up and production customers. The continued efforts to expand the customer base have led to a number of new customers. The number of active customers has increased from 348 to 382, i.e. an increase of 10 percent.

Our data for WorkBeads' affimAb opens the way to many new prospects and customers who want to purify monoclonal antibodies. The performance of our products for the purification of peptides and oligonucleotides is also of great interest in testing our products. For example, in a study from one of the world's largest pharmaceutical companies who examined the effect of separation media on separation efficiency, WorkBeads was the only resin that did not cause deformation of the elution profile, thus providing higher purity and yield of the target substance.



Net sales

Net sales increased by 147 percent during the third quarter of 2019 compared to the third quarter of 2018 and amounted to 1,629 (659) KSEK. As mentioned earlier, we can expect uneven sales between the quarters because a few individual orders for production represent a large proportion of total sales. The quarterly result is strongly affected by the quarter in which they are placed.

Sales by region show a good growth rate in all regions, especially in North America where we are almost 10 times higher than last year after Q3. We also see a growing growth rate in Asia. The loss in Sweden is also still due to the fact that our biggest customer did not order anything this year.

Net sales	Jul-Sep		Jan-Sep		Jan-Dec 2018
	2019	2018	2019	2018	
Sweden	2	14	44	2 263	3 879
Europe	826	431	1 763	1 429	1 676
North America	629	97	1 410	144	385
Asia	172	117	571	373	623
Total	1 629	659	3 788	4 209	6 563

Earnings

Profit for the third quarter of 2019 amounted to -11,397 (-7,904) KSEK. The increase in the loss is mainly explained by increased staff costs, whereby last year's recruitments now impact fully as well as consulting services within the sales organization.

Personnel costs amounted to - 6,900 (-5,188) KSEK, which is explained by the fact that the number of employees increased by 5 to 33 (28) compared with the third quarter of 2018.

Costs for raw materials and other supplies decreased by 64 KSEK to -201 (-265) KSEK. Other external costs were -5,535 (-2,998) KSEK, an increase of 2,537 KSEK as a result of an increased proportion of purchased external services and premises.

Depreciation and amortization decreased during the third quarter of 2019 by 38 KSEK to -538 (-576) KSEK compared with the corresponding period last year, where planned investments have been delayed and the company's patents are fully amortized.

Operating profit for the third quarter of 2019 decreased by 3,402 KSEK to -11,317 (-7,915) KSEK compared with the third quarter of 2018.

Net financial items for the period amounted to - 79 (11) KSEK, where the decrease is explained by the weaker SEK, which gave a change of -113 KSEK.

Financing and cash flow

Cash flow from operating activities amounted to -9,300 (-7,098) KSEK. The cash flow includes the cash from the new share issue that was received during the period.

Cash flow for the period amounted to 53,258 (-7,148) KSEK and is due to the remaining liquidity of the new share issue accruing to the company. Cash and cash equivalents at the end of the period were 88,324 (64,092) KSEK.

Shareholders

On 30 September 2019 Bio-Works Technologies AB had 2 186 shareholders (2 131 on 28 June 2019).

Shareholders	Number of shares	Number of votes
NORTAL INVESTMENTS AB	3 854 642	12,67%
AMICOGEN INC.	3 007 896	9,89%
NORDNET PENSIONS FÖRSÄKRING AB	1 557 807	5,12%
FÖRSÄKRINGS AKTIEBOLAGET, AVANZA PENSION	1 381 502	4,54%
SKANDINAVISKA ENSKILDA BANKEN, W8IMY	974 228	3,20%
MALMGREN, OLOF MATHIAS	750 000	2,47%
CITI SWITZ AG AS AGENT FOR CLIENTS	555 556	1,83%
EKLUND, THOMAS	555 556	1,83%
FÄRJSUNDET INDUSTRI AKTIEBOLAG	439 868	1,45%
ALMI INVEST ÖSTRA MELLANSVERIGE	438 636	1,44%
The ten largest shareholders	13 515 691	44,44%
Other shareholders	16 900 055	55,56%
Total number	30 415 746	100,00%

Employees

The average number of employees in the Bio-Works Group during the third quarter of 2019 has been 30,4 (27,3) and at the end of the quarter the number of full-time employees was 33 (28).

Accounting principles

The annual report and interim reports are prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1 (K3). The rules applied are unchanged compared with the previous year.

The consolidated accounts have been prepared in accordance with the acquisition method. The cost of an acquisition consists of the fair value of assets and liabilities as per the transfer date. Identifiable acquired assets, assumed liabilities and any obligations in a company acquisition are valued at fair value regardless of the extent of any non-controlling interest. The surplus, consisting of the difference between the acquisition value and the fair value of the Group's share of identifiable acquired net assets, is reported as goodwill. Acquisition costs are expensed as they arise.

When translating the income and balance sheets of foreign subsidiaries into Swedish kronor, the daily rate method is used. All assets and liabilities in the subsidiaries' balance sheets are thereby translated at the closing day rate and all items in the income statement at the year's average rate. Translation differences arising are reported directly against equity.

Financial reports

Bio-Works Group					
INCOME STATEMENT					
KSEK	Jul-Sep		Jan-Sep		Jan-Dec
	2019	2018	2019	2018	2018
Net sales	1 629	659	3 788	4 209	6 563
Change in inventories of products in progress	219	443	342	-17	554
Capitalized own developing work	0	0	0	0	0
Other operating income	8	10	7	41	72
Operating expenses					
Raw material and consumables used	-201	-265	-1 163	-492	-979
Other external expenses	-5 535	-2 998	-9 592	-6 804	-13 975
Personnel costs	-6 900	-5 188	-12 631	-11 381	-23 370
Depreciation of intangible and tangible assets	-538	-576	-1 071	-1 160	-6 935
Other operating expenses	0	0	0	0	0
Total operating expenses	-13 174	-9 028	-24 456	-19 837	-45 260
Operating profit/loss	-11 317	-7 915	-21 948	-16 263	-38 071
Profit/loss from financial items					
Financial income	33	32	53	64	162
Financial expenses	0	0	0	-1	-4
Currency effects	-113	-21	-52	18	-43
Total financial net	-79	11	1	81	115
Profit/loss after financial items	-11 397	-7 904	-21 947	-16 181	-37 955
Tax	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	-11 397	-7 904	-21 947	-16 181	-37 955

Bio-Works Group
BALANCE SHEET
KSEK

30 Sep 30 Sep 31 Dec
2019 2018 2018

FIXED ASSETS			
Intangible assets	670	7 105	1 992
Tangible assets	1 268	1 014	1 317
TOTAL FIXED ASSETS	1 938	8 119	3 309
CURRENT ASSETS			
Inventory	6 000	5 390	5 994
Accounts receivables	981	202	2 477
Other short-term receivables	737	726	429
Prepaid expenses and accrued income	1 433	1 384	1 135
Bank balances	88 324	64 091	54 061
TOTAL CURRENT ASSETS	97 475	71 793	64 096
TOTAL ASSETS	99 413	79 912	67 406
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3 042	1 934	1 934
Unregistered share kapital	0		
Development fund	376	3 960	376
Non-restricted equity			
Share premium reserve	225 141	163 648	163 648
Profit/loss brought forward	-104 316	-69 945	-66 360
Profit/loss for the period	-33 344	-24 086	-37 955
TOTAL EQUITY	90 898	75 511	61 641
SHORT-TERM LIABILITIES			
Accounts payables	2 256	999	1 433
Prepayments from customers	291	0	0
Other short-term liabilities	1 478	1 248	1 475
Accrued expenses and deferred income	4 490	2 153	2 856
TOTAL SHORT TERM LIABILITIES	8 515	4 401	5 764
TOTAL EQUITY AND LIABILITIES	99 413	79 912	67 406

Bio-Works Group
Change in Equity
KSEK

	<u>Third quarter</u>		<u>Year</u>
	2019 Jul-Sep	2018 Jul-Sep	2018 jan-dec
Opening balance period	102 501	83 348	61 641
Profit/loss for the period	-11 397	-7 904	-37 955
Transactions with shareholders			
Warrants		53	121
Share issue	62 255	161	161
Not registered share capital	552		
Translation differences		-1	-2
Closing balance period	90 898	75 511	61 641

The new share issue concerns part of the share capital that was registered after June 30 and additional issue costs

Bio-Works Group CASH FLOW KSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan - dec 2018
Operating activities					
Operating profit/loss	-11 317	-7 915	-33 265	-24 178	-38 071
<i>Adjustments for items not included the cash flow</i>	459	519	1 531	1 734	7 051
Cash flow from operating activities before working capital changes	-10 858	-7 396	-31 735	-22 444	-31 020
Cash flow from working capital changes	1 558	298	3 635	-2 604	-3 669
Cash flow from operating activities	-9 300	-7 098	-28 100	-25 047	-34 689
Investing activities					
Investments in intangible assets	0	0	0	0	0
Investments in tangible assets	-43	-118	-237	-391	-781
Cash flow from investing activities	-43	-118	-237	-391	-781
Financing activities					
New share issue	62 601	-1	62 601	161	161
Warrants	0	68	0	121	121
Cash flow from financing activities	62 601	67	62 601	282	282
Cash flow this period	53 258	-7 148	34 263	-25 157	-35 188
Liquidity at this periods' beginning	35 066	71 240	54 061	89 249	89 249
Exchange rate differences in liquidity	0	0	0	0	0
Liquidity at this period end	88 324	64 092	88 324	64 092	54 061

The parent company

Bio-Works Technologies AB					
INCOME STATEMENT					
KSEK	Jul-Sep		Jan-Sep		Jan-Dec
	2019	2018	2019	2018	2018
Net sales	1 511	791	4 358	3 074	4 010
Operating expenses					
Other external expenses	-1 194	-607	-2 785	-2 771	-3 129
Personnel costs	-1 310	-1 058	-3 520	-2 866	-4 214
Depreciation of intangible asset	0	-4	0	-14	-14
Total operating expenses	-2 504	-1 668	-6 305	-5 651	-7 358
Operating profit/loss	-994	-877	-1 948	-2 578	-3 348
Profit/loss from financial items					
Profit/loss from associated companies	-7 757	0	-27 232	0	-41 765
Financial income	33	242	87	565	127
Financial expenses	0	0	0	0	-1
Currency effects	0	0	0	-1	0
Total financial net	-7 724	242	-27 146	563	-41 640
Profit/loss after financial items	-8 717	-636	-29 093	-2 014	-44 988
Tax	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	-8 717	-636	-29 093	-2 014	-44 988

Bio-Works Technologies AB
BALANCE SHEET
KSEK

30 Sep 30 Sep 31 Dec
2019 2018 2018

FIXED ASSETS			
Intangible assets	0	0	0
Financial non-current assets	100	28 677	100
TOTAL FIXED ASSETS	100	28 677	100
CURRENT ASSETS			
Short-term receivables, Group companies	0	4 504	0
Other short-term receivables	0	0	0
Prepaid expenses and accrued income	176	204	112
Bank balances	85 786	61 327	51 809
Total current assets	85 962	66 035	51 921
TOTAL ASSETS	86 062	94 712	52 021
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	3 042	1 934	1 934
Unregistered share capital	0		
Non-restricted equity			
Share premium reserve	225 141	163 648	163 648
Profit/loss brought forward	-114 766	-69 779	-69 779
Profit/loss for the period	-29 093	-2 014	-44 988
TOTAL EQUITY	84 323	93 789	50 815
SHORT-TERM LIABILITIES			
Accounts payables	469	137	178
Other short-term liabilities	329	275	379
Accrued expenses and deferred income	941	511	649
TOTAL SHORT-TERM LIABILITIES	1 740	923	1 206
TOTAL EQUITY AND LIABILITIES	86 062	94 712	52 021

Bio-Works Technologies AB CASH FLOW KSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan - dec 2018
Operating activities					
Operating profit/loss	-994	-877	-1 948	-2 578	-3 348
<i>Adjustments for items not included the cash flow</i>	33	4	87	13	140
Cash flow from operating activities before working capital changes	-960	-873	-1 861	-2 565	-3 208
Cash flow from working capital changes	376	-1 006	470	-4 812	-29
Cash flow from operating activities	-584	-1 879	-1 391	-7 377	-3 237
Investing activities					
Aquisition of patent	0	0	0	0	0
Change of long-term receivables	0	0	0	0	0
Cash flow from investing activities	0	0	0	0	0
Financing activities					
New share issue	62 601	0	62 601	160	161
Warrants	0	68	0	121	121
Conditional shareholder's contribution given	-7 757	0	-27 232	0	-42 481
Loan to subsidiary	0	0	0	-16 000	12 823
Cash flow from financing activities	54 844	68	35 369	-15 719	-29 377
Cash flow this period	54 260	-1 811	33 977	-23 096	-32 614
Liquidity at this years' beginning	31 527	63 139	51 809	84 423	84 423
Liquidity at this period end	85 787	61 327	85 786	61 327	51 809

Risks

Bio-Works Technologies AB and its subsidiary Bio-Works Sweden AB's operations are associated with risks related to the development of existing and future products, financing, intangible assets, collaborations with partners, agreements and dependence on key persons. There is a continuous process for identifying all the risks involved and assessing how each risk should be managed.

Assurance

The Board of Directors and the CEO assure that the interim report, to the best of their knowledge, provides a true and fair view of the Parent Company and the Group's operations, position and results and describes the most significant risks and uncertainties that the Parent Company and its subsidiaries face.

Audit

This report has not been reviewed by the company's auditor. This English translation is unofficial and is provided for convenience.

Uppsala 18th October 2019

Peter von Ehrenheim
Chairman of the Board

Thomas Pollare
Board Member

Lena Söderström
Board Member

Kirsti Gjellan
Board Member

Thomas Eklund
Board Member

Patrick Van de Velde
Board Member

Mats Johnson
CEO

Certified Advisor

FNCA Sweden AB, +46(0)8-528 00 399, is the Company's Certified Advisor at Nasdaq First North, Stockholm

Coming reporting dates

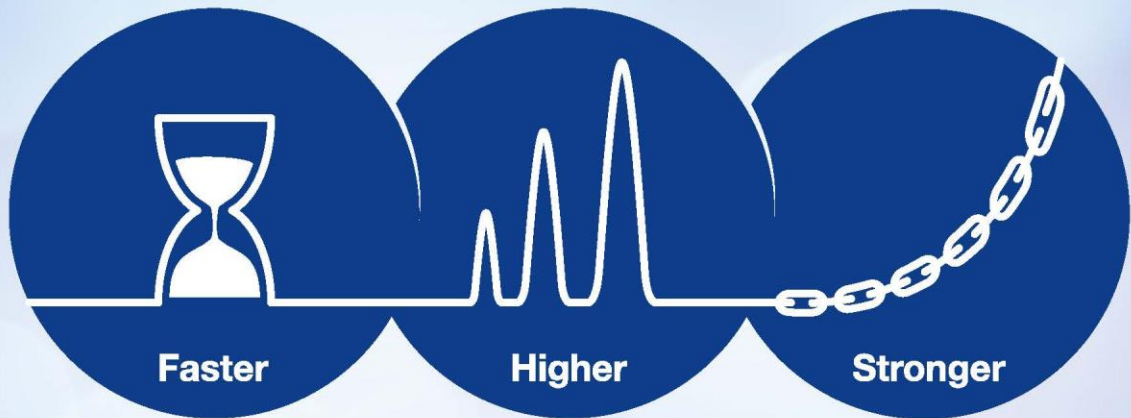
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Annual General Meeting

The Annual General Meeting for 2019 will be held on May 15th, 2020.

For further information,
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This information is such that Bio-Works Technologies AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. This information was provided by the persons named above for publication 2019-10-18, at 13.00.



Flow rate

Binding capacity

Beads



Bio-Works believes in sustainability and care about the environment. Please give me to a friend or recycle me.