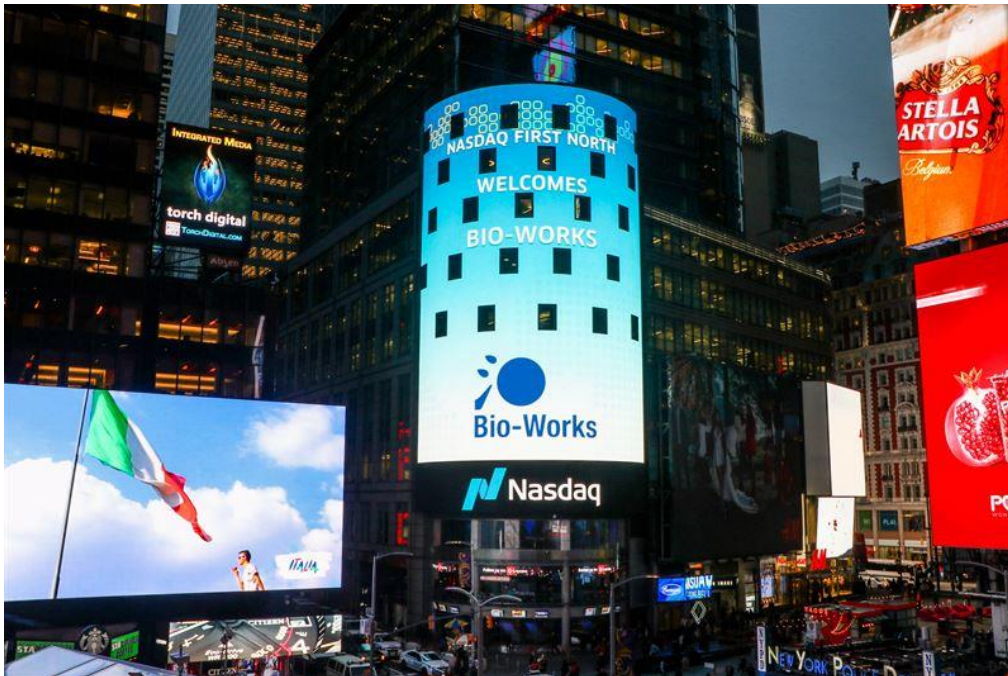




Year-end report
Bio-Works Technologies AB (publ.)

January – December 2018



About Bio-Works

Bio-Works designs, develops, manufactures and supplies innovative leading-edge products for chromatographic separation of proteins or other molecules. The company is staffed by people with long experience in the biotech industry and particularly with protein separation media. Bio-Works facilities are located in the Uppsala Business Park Uppsala, Sweden. Company processes and a Quality Management System follows the standards of ISO 9001:2015.

The period 1st October – 31st December 2018 in short

- The net sales amounted to 2 354 (1 107) KSEK
- Bio-Works received the company's so far second largest order of 1 574 KSEK during the fourth quarter.
- The inflow of orders increased to 2 357 (1 351) KSEK
- The result in the fourth quarter was -13 869 (-9 291) KSEK
- The result per share in the fourth quarter was -0,72 (-0,48) SEK
- The cash flow from the operation activities amounted to -9 640 (-7 302) KSEK
- The bank balance amounted to 54 061 (89 249) KSEK at the end of the period

The period 1st January – 31st December 2018 in short

- The net sales amounted to 6 563 (4 945) KSEK which is an increase of 33%
- The year's result was -37 955 (-23 657) KSEK
- The result per share was -1,96 (-1,22) SEK
- The cash flow from the operation activities amounted to -34 689 (-21 232) KSEK
- The inflow of orders increased to 6 318 (5 175) KSEK, an increase by 22% (85%)
- The number of active customers increased from 105 to 236, i.e. by 125%
- During the year, a new share issue was carried out which increased the bank balance by a net of KSEK 161 along with warrants of KSEK 121.
- The bank balance at year-end amounted to 54 061 KSEK at the end of the period
- The board proposes that no dividend will be paid for the fiscal year 2018.

Important events during the fourth quarter 2018

- The launch of WorkBeads™ affimAb in October brings some very exciting application data to our customers and has been well received by them. We have had a major focus on getting test samples to as many customers as possible during the fourth quarter, 2018. At the end of the year, affimAb was being tested by more than 60 customers.
- First meeting with our Scientific Advisory Board (SAB) where a number of technical and strategic issues were discussed which will help us in our strategic decisions going forward.
- December was our single best month ever in terms of net sales.

Important events after the closing 31 December 2018

- The implementation of the ISO 9001: 2015 system was carried out on 31 January. The audit will take place later in Q1.

Comments from the CEO

Dear shareholders,

2018 was another record year for Bio-Works in which we achieved or exceeded all the milestones we had set for the year. Despite all that we achieved during the year, there is still a lot to do and we continue into 2019 with unremitting energy and even higher goals, with the knowledge that our hard work provides results and that our product range is appreciated by our customers.

During 2018, we have continued to build the company according to the plan we presented in connection with the IPO and it is with great pleasure and pride that I can now present the outcome of the 2018 initiative and the purposeful work that we now see the result of. We are quickly expanding our base of customers and increasingly do so in North America and Asia. Sales increased by 33 percent compared to 2017 and the number of customers increased by 125 percent. At year-end, we had 236 active customers, which means that the number of customers grew faster than the objective we set up in the beginning of the year. Our ambition for 2018 was to increase the number of customers by 75 percent to 184, which we surpassed. The number of customers working with scaling up has increased from 30 to 49 during the year, of which four are in a late scaling-up phase and are thus close to production phase. We also have six customers who use our products in production phase, which is very pleasing. One of the production customers produces a product that is approved by the FDA and sold globally. We also have our first customer who is in production phase on the important Asian market.

As we have mentioned earlier, having a growing number of new customers working at lab scale is an important starting point for Bio-Works because many companies will then scale up their methods for industrial use, which in turn means that the initially small orders become larger over time. For Bio-Works, it is of great importance to enter early into our customers' projects, thereby ensuring that our products are integrated into the customer's production process. This creates a long-term lock-in effect since the threshold to switching supplier becomes relatively large. As we show in the figures above, we have noticed increased interest and demand for Bio-Works products, as well as a clear trend that customers order larger volumes and for a higher value at the next opportunity. Particularly gratifying is that we see this very clearly also among our customers in Asia and North America. We also notice that the customers who have started using our products in a project are increasingly also using our products in other projects, which gives a clear and strong validation of the properties of our products.

We launched our Protein A product, WorkBeads™ affimAb, in October with very good performance for increased productivity (purity and yield per unit time). Our marketing has focused on getting customers to test the new product as quickly as possible and more than 60 tests are now underway. The initial response based on our data on capacity, and the efficiency of removal of complex by-products from the cells in which the antibodies are produced, has been very good. Now customers want to test their own samples, which gives us confidence in the future. In step one, it is important to get the antibody companies to start testing the product and then start using WorkBeads™ affimAb in their current projects, to then go on to include the product in scale up projects just as for our other products. We expect WorkBeads™ affimAb to add significant growth over the next few years and we assess demand as large, at the same time as the unit price is considerably higher, generally 5-10 times, than our other products.

We expect our European sales to continue to grow with a focus on building our own sales force. We continue to receive regular orders from PolyPeptide and we are now part of several of their scale up projects. During the first half of 2018, we opened our sales office in the US as planned. This gives us a platform to work with and to maintain relationships with our North American customers. We have intensified our sales work in North America, which has resulted in a growing prospect list and deliveries of products for testing. We have already entered several scale up projects that look promising. Also, in Asia, our products are included in several scale up projects with a focus on China and South Korea, where one customer has now also entered production, as mentioned above. In the future, we see that Asia and North America will be more important for our sales, and it is from these markets that we expect the greatest growth over the next 2-3 years, initially in percent but then also in absolute numbers.

For 2019, we are also expanding the arc in terms of customer growth and the goal is to reach a total of 400 customers at the end of the year, which in number would surpass the growth in 2018. We also expect to slightly adjust the focus of our efforts as our pipeline includes more and more customers in the scale up phase and close collaboration and responsiveness to these customers' needs are becoming increasingly important for Bio-Works. An important milestone during 2019 will be our ISO 9001:2015 certification planned for Q1. We implemented the system in the beginning of 2019 in our operations. The pharmaceutical producing companies often have certification as a demand for supplying their production.

South Korea is focusing on building up the largest global capacity for producing biosimilars within a few years. This has motivated our largest shareholder, Amicogen, a leading biotechnology company with headquarters in South Korea, to invest in Bio-Works on the basis of our strong products. To succeed in the South Korean market, local presence is of great importance, which Bio-Works secures through the collaboration with Amicogen. A clear illustration of our close collaboration is the fact that the Protein A ligand we use in the WorkBeads™ affimAb is produced by Amicogen in place in South Korea.

In the production of biosimilars, vaccines and peptides including insulin our patented technology and our products have allowed the customer to obtain significant productivity benefits in terms of higher flow rate in the process and, despite this, also higher purity of the target protein. Our products therefore enable cost savings for our customers while at the same time they produce higher quality of their own products. A key factor in our business model is that we build our products into the customers' development processes. This means that customers are very likely to continue to buy Bio-Works products once their pharmaceutical product is approved and they move into full production phase. This is due to the regulations that state that the production process, including separation media, must remain intact. The production phase involves recurring orders with high order values, as the volumes are larger. With customers who use our products in full production phase, we receive a stable cash flow over time, which ensures a significant value for our shareholders.

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

Uppsala 22 February 2019

Mats Johnson

CEO Bio-Works Technologies AB (publ)

The group

Key Ratios	Jan - Dec	
	2018	2017
Net sales (KSEK)	6 563	4 945
Inflow of orders (KSEK)	6 318	5 175
Number of employees	28	19
Equity ratio (%)	91	94
Earnings per share (SEK)	-1,96	-1,22
Bank balance (KSEK)	54 061	89 249
Equity (KSEK)	61 641	99 316
Share price per closing day (SEK)	9,1	9,9
Number of shares	19 335 670	19 315 670

The Group's development during the period January - December 2018

Orders received

Bio-Works' order intake increased by almost 22 percent to KSEK 6 318 in 2018, compared with KSEK 5 175 in 2017. Continued efforts to expand the customer base have led to many new customers. The number of active customers has increased from 105 to 236, i.e. an increase of 125 percent. A door-opener for new customers is Bio-Works new product area affimAb, which inspired curiosity from those who purify antibodies with the purpose of producing drugs. A new market segment is opening up for us.

Net sales

Net sales increased by 33 percent in 2018 compared with the previous year and amounted to KSEK 6 563 (4 945). Our lab products have increased in net sales by KSEK 225 (591) compared to 2017. The scale up products have increased in net sales by KSEK 1 374 (680) during the year, confirming that our focus on customers who are scaling up for the purification of biomolecules is now yielding results.

In 2018, our largest customer placed four major volume orders. The largest of these was for KSEK 1 575. Our collaboration with Amicogen Inc. in South Korea helps us build sales in South Korea. Our sales activities with our distributor in China have also contributed to this year's sales increase and our sales efforts in North America are starting to result in a number of early scale up orders.

Net sales	Jan - Dec	
	2018	2017
Sweden	3 879	2 424
Europe	1 676	1 811
North America	385	123
Asia	623	587
Total	6 563	4 945

Results

The result for the year for 2018 amounted to KSEK -37 955 (-23 657). The deficit for 2018 is mainly due to the ambition to build a new organization for future growth and the desire to expand the customer base, as well as the previously capitalized development work for Beer and Emul being taken up as depreciation to the amount of KSEK 4 634. This sum has therefore no effect on the cash flow.

Staff costs amounted to KSEK 23 370 (17 017), an increase of KSEK 6 353 (3 839) since 2017, due to the fact that the average number of employees increased by 6 to 25.2 (19) with 28 actual employees at year-end.

The cost of raw materials and other consumables decreased by KSEK 300 to KSEK 979 (1 279), mainly due to reduced scrapping. Other external costs amounted to KSEK 13 975 (11 607), an increase of KSEK 2 368 as a result of increased travel and market presence at trade shows, etc, as well as expanded premises and purchased external services.

Depreciation increased during 2018 due to the fact that the capitalized development costs for Beer and Emul were recognized in the income statement.

Operating profit for 2018 amounted to KSEK 38 071 (-23 571).

The net financial items for the year amounted to KSEK 115 (-86) and include KSEK 127 in the interest received for the company's bank deposits at SBAB of SEK 50 million.

Research and Development

The previous development work - Beer, for the stabilization of beer, and Emul, a bio-based emulsification process, which ended in 2017 with a total capitalized value of KSEK 4 634 has been taken up as depreciation, as the business and long-term strategy is not focused on Food & Beverage and a transition to oil-based production is still being evaluated.

Financing and cash flow

Cash flow from operating activities was KSEK -34 689 (-21 232).

Cash flow from investing activities amounted to KSEK -781 in new machines and equipment.

Cash flow for the year amounted to KSEK -35 188 (76 108) and can be explained by the upscaling of the company's marketing and sales presence.

The Board of Directors and the management team were offered the opportunity to subscribe for warrants according to a decision at the Annual General Meeting in June 2018 and most of the members took up the offer, yielding KSEK 121.

Cash and cash equivalents at the end of the year were KSEK 54 061 (89 249).

Shareholders

As of December 28, 2018, Bio-Works Technologies AB had 2 249 (1 322) shareholders following the introduction on Nasdaq First North, Stockholm.

Shareholders	Number of shares	Number of votes
Amicogen Inc	1 912 000	9,89%
Avanza Pension	1 362 285	7,05%
Nordnet Pensionsförsäkring	986 786	5,10%
Daniel Sandberg	798 000	4,13%
Rhenman Partners Asset Management AB	619 460	3,20%
ALMI	441 586	2,28%
Andrew Bright	356 589	1,84%
Olof Mathias Malmgren	330 000	1,71%
Ralf Jersby	303 648	1,57%
Jan Berglöf	267 179	1,38%
The ten largest shareholders	7 377 533	38,16%
Other shareholders	11 958 137	61,84%
Total number	19 335 670	100,00%

Employees

The average number of employees in the Bio-Works Group in 2018 has been 25 (19) and at the end of the year the number of full-time employees was 28 (19).

Accounting

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 for 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	Oct - Dec		Change	Jan - Dec		Change
	2018	2017		2018	2017	
Net sales	2 354	1 107	1 247	6 563	4 945	1 618
Change in inventories of products in progress	128	-1 980	2 108	554	121	433
Capitalized own developing work	0	202	-202	0	1 428	-1 428
Other operating income	20	993	-973	72	2 080	-2 008
Operating expenses						
Raw material and consumables used	-222	234	-456	-979	-1 279	300
Other external expenses	-4 173	-3 730	-443	-13 975	-11 607	-2 368
Personnel costs	-6 801	-5 514	-1 287	-23 370	-17 017	-6 353
Depreciation of intangible and tangible assets	-5 199	-570	-4 629	-6 935	-2 225	-4 710
Other operating expenses	0	-11	11	0	-17	17
Total operating expenses	-16 395	-9 591	-6 804	-45 260	-32 145	-13 115
Operating profit/loss	-13 893	-9 269	-4 624	-38 071	-23 571	-14 500
Profit/loss from financial items						
Financial income	32	12	20	162	12	150
Financial expenses	-1	-26	25	-4	-66	62
Currency effects	-7	-8	1	-43	-32	-11
Total financial net	24	-22	46	115	-86	201
Profit/loss after financial items	-13 869	-9 291	-4 578	-37 955	-23 657	-14 298
Tax	-	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	-13 869	-9 291	-4 578	-37 955	-23 657	-14 298

Bio-Works Group BALANCE SHEET KSEK	31 Dec 2018	31 Dec 2017	Change vs. 31 Dec 2017
FIXED ASSETS			
Intangible assets	1 992	8 551	-6 559
Tangible assets	1 317	913	404
TOTAL FIXED ASSETS	3 309	9 464	-6 155
CURRENT ASSETS			
Inventory	5 994	3 775	2 219
Accounts receivables	2 477	768	1 709
Other short-term receivables	429	1 093	-664
Prepaid expenses and accrued income	1 135	956	179
Bank balances	54 061	89 249	-35 188
TOTAL CURRENT ASSETS	64 096	95 841	-31 745
TOTAL ASSETS	67 406	105 305	-37 899
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1 934	1 932	2
Development fund	376	3 960	-3 584
Non-restricted equity			
Share premium reserve	163 648	163 368	280
Profit/loss brought forward	-66 360	-46 287	-20 073
Profit/loss for the period	-37 955	-23 657	-14 298
TOTAL EQUITY	61 641	99 316	-37 675
SHORT-TERM LIABILITIES			
Accounts payables	1 433	1 861	-428
Prepayments from customers	0	0	0
Other short-term liabilities	1 475	1 774	-299
Accrued expenses and deferred income	2 856	2 354	502
TOTAL SHORT-TERM LIABILITIES	5 764	5 989	-225
TOTAL EQUITY AND LIABILITIES	67 406	105 305	-37 899

Bio-Works Group
Change in Equity
KSEK

	<u>Restricted equity</u>		<u>Non-restricted equity</u>		Total equity
	Share-capital	Development fund	Share premium reserve	brought forward incl. this years result	
Opening balance 2017	863	2 786	65 112	-45 120	23 641
New opening balance 2017	863	2 786	65 112	-45 120	23 641
Share issue January	35				35
Share issue June	306		26 816		26 816
Share issue December	728		70 938		70 938
Warrants			502		502
Development fund		1 174		-1 174	0
Translation differences				7	7
This year's result				-23 657	-23 657
Closing balance 2017	1 932	3 960	163 368	-69 944	98 282
Opening balance 2018	1 932	3 960	163 368	-69 944	99 316
Share issue June	2		159		161
Warrants			121		121
Development fund		0		0	0
Depreciation development funds		-3 585		3 585	0
Translation differences				-2	-2
This year's result				-37 955	-37 955
Closing balance 2018	1 934	375	163 648	-104 316	61 641

Bio-Works Group CASH FLOW KSEK	Oct - Dec 2018	Oct - Dec 2017	Jan - Dec 2018	Jan - Dec 2017	Change 2018 vs. 2017	Jan - Sep 2018	Jan - Sep 2017
Operating activities							
Operating profit/loss	-13 893	-9 269	-38 071	-23 571	-14 500	-24 178	-14 302
<i>Adjustments for items not included the cash flow</i>	5 319	544	7 051	2 135	4 916	1 732	1 591
Cash flow from operating activities before working capital changes	-8 575	-8 725	-31 020	-21 436	-9 584	-22 445	-12 711
Cash flow from working capital changes	-1 065	1 423	-3 669	204	-3 873	-2 604	-1 219
Cash flow from operating activities	-9 640	-7 302	-34 689	-21 232	-13 457	-25 049	-13 930
Investing activities							
Investments in intangible assets	0	-202	0	-1 428	1 428	0	-1 226
Investments in tangible assets	-390	-503	-781	-556	-225	-391	-53
Cash flow from investing activities	-390	-705	-781	-1 984	1 203	-391	-1 279
Financing activities							
New share issue	0	71 665	161	98 822	-98 661	161	27 157
Warrants	0	21	121	502	-381	121	481
Cash flow from financing activities	0	71 686	282	99 324	-99 042	282	27 638
Cash flow this period	-10 030	63 679	-35 188	76 108	-111 296	-25 158	12 429
Liquidity at this periods' beginning	64 091	25 571	89 249	13 142	76 107	89 249	13 142
Exchange rate differences in liquidity	0	-1	0	-1	1	0	0
Liquidity at this period end	54 061	89 249	54 061	89 249	-35 188	64 091	25 571

Parent company

Bio-Works Technologies AB INCOME STATEMENT KSEK	Oct - Dec 2018	Oct - Dec 2017	Change	Jan - Dec 2018	Jan - Dec 2017	Change
Net sales	937	986	-49	4 010	3 783	227
Operating expenses						
Other external expenses	-359	-1 020	661	-3 129	-3 903	774
Personnel costs	-1 348	-1 935	587	-4 214	-4 071	-143
Depreciation of intangible asset	0	-6	6	-14	-22	-6
Total operating expenses	-1 707	-2 961	1 254	-7 358	-7 996	624
Operating profit/loss	-770	-1 975	1 205	-3 348	-4 213	851
Profit/loss from financial items						
Profit/loss from associated companies	-42 235	-18 002	-24 233	-41 765	-18 038	-23 727
Financial income	32	73	-41	127	120	7
Financial expenses	-1	0	-1	-1	0	-1
Currency effects	1	0	1	0	0	0
Total financial net	-42 203	-17 929	-24 274	-41 640	-17 918	-23 722
Profit/loss after financial items	-42 973	-19 904	-23 069	-44 988	-22 131	-22 870
Tax	-	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	-42 973	-19 904	-23 069	-44 988	-22 131	-22 870

Bio-Works Technologies AB BALANCE SHEET KSEK	31 Dec 2018	31 Dec 2017	Change vs. 31 Dec 2017
FIXED ASSETS			
Intangible assets	0	14	-14
Financial non-current assets	100	12 208	-12 108
TOTAL FIXED ASSETS	100	12 222	-12 122
CURRENT ASSETS			
Short-term receivables, Group companies	0	712	-712
Other short-term receivables	0	482	-482
Prepaid expenses and accrued income	112	75	37
Bank balances	51 809	84 423	-32 614
Total current assets	51 921	85 692	-33 771
TOTAL ASSETS	52 021	97 914	-45 893
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1 934	1 932	2
Non-restricted equity			
Share premium reserve	163 648	163 368	280
Profit/loss brought forward	-69 779	-47 648	-22 131
Profit/loss for the period	-44 988	-22 131	-22 857
TOTAL EQUITY	50 815	95 521	-44 706
SHORT-TERM LIABILITIES			
Accounts payables	178	1 066	-888
Other short-term liabilities	379	249	130
Accrued expenses and deferred income	649	1 078	-429
TOTAL SHORT-TERM LIABILITIES	1 206	2 393	-1 187
TOTAL EQUITY AND LIABILITIES	52 021	97 914	-45 893

Bio-Works Technologies AB CASH FLOW KSEK	Oct - Dec 2018	Oct - Dec 2017	Jan - Dec 2018	Jan - Dec 2017	Change 2018 vs. 2017
Operating activities					
Operating profit/loss	-770	-1 975	-3 348	-4 213	865
<i>Adjustments for items not included the cash flow</i>	127	16	140	-4	144
Cash flow from operating activities before working capital changes	-643	-1 959	-3 208	-4 217	1 009
Cash flow from working capital changes	-2 875	17 533	-7 687	6 588	-14 275
Cash flow from operating activities	-3 518	15 574	-10 895	2 371	-13 266
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	0	71 665	161	98 822	-98 661
Warrants	0	21	121	502	-381
Conditional shareholder's contribution given	-42 481	-18 000	-42 481	-18 000	-24 481
Loan to subsidiary	36 481	-5 000	20 481	-12 000	32 481
Cash flow from financing activities	-6 000	48 686	-21 718	69 324	-91 042
Cash flow this period	-9 518	64 260	-32 614	71 695	-104 309
Liquidity at this years' beginning	61 327	20 163	84 423	12 728	71 695
Liquidity at this period end	51 809	84 423	51 809	84 423	-32 614

Dividend

The Board of Directors proposes that no dividend be paid to the shareholders for 2018. The Board also proposes that this year's accumulated loss be transferred to a new account.

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 President 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 provided for convenience and does not constitute an official version of the report, nor has it been reviewed by the company's auditor.

Uppsala 22 February 2019

Thomas Pollare
Chairman

Lena Söderström
Board member

Kirsti Gjellan
Board member

Patrick van de Velde
Board member

Yong Chul Shin
Board member

Mats Johnson
CEO

Certified Advisor

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

Coming reports

Annual report 2018	2 May 2019, and will be published on www.bio-works.com
Interim report Q1 2019	29 April 2019
Half year report 2019	23 August 2019

Annual General Meeting

The Annual General Meeting for 2018 will be held on 24 May 2019.

For further information:

Mats Johnson, CEO, telephone +46 70 516 53 37

Bio-Works Technologies AB (publ), Virdings allé 18, 754 50 Uppsala, Sweden

Tel: +46 8 562 674 30, Fax +46 8 124 513 29, email: info@bio-works.com

This information is such that Bio-Works Technologies AB (publ) is required to publish in accordance with the EU Market Abuse Regulation. This information was provided, by the person above, for publication at 14.00 pm on 22 February 2019.