

Fourth quarter 2017 results

Biotec Pharmacon ASA ("Biotec", OSE: BIOTEC) reported sales of NOK 17.7 million (18.2) in the fourth quarter of 2017, and a negative EBITDA of NOK 7.2 million (-8.1). Sales for 2017 amounted to NOK 66.7 million (71.2) and the EBITDA was negative NOK 22.9 million (-19.0). The Company experienced sales growth within both ArcticZymes as well as within the wound care product Woulgan®.

The annual sales within ArcticZymes grew from NOK 29 million in 2016 to NOK 32 million in 2017 despite one of its main customers spending part of 2016 restructuring their business and thus temporarily reducing purchases. The sale of Woulgan® increased from NOK 0.8 million in 2016 to NOK 2.3 million in 2017. There was a reduction in sales of animal health products in comparison to 2016 reflecting lower sales from customers to aquaculture industry. The cash balance at the end of the year was NOK 30.6 million.

During the fourth quarter ArcticZymes launched two new enzymes as well as securing ISO13485 quality certification. With the additional product launches as well as the upgrade of the quality system, ArcticZymes continues to expand its relevance to customers not only within the diagnostic area, but also within the highly interesting bio-manufacturing area (i.e. gene therapies). Biotec expects to continue to grow the enzymes business organically while also looking for inorganic growth opportunities.

Woulgan® was accepted on the UK Drug Tariff based on its clinical effect and favourable healthcare economics. This prompted our partner H&R Healthcare to hire extra resources into the salesforce. Biotec is currently reviewing its go-to-market strategy for Woulgan to ensure further growth of the franchise with less consumption of the company's financial resources.

In the fourth quarter, the Company also had its first sale of M-Gard® to a customer in the US thus opening a market for further opportunities.

In connection with the fourth quarter announcement, CEO Christian Jørgensen states: "-We finished a challenging 2017 with growth in a number of strategic areas. In 2018, focus will be on utilizing our excellent base of quality products to continue organic growth. We will also diligently focus on cash consumption. Within ArcticZymes we will develop and launch new products as well as look for in-organic growth."