

Fourth quarter 2019 results

Biotec Pharmacon Q4 2019 Report

Tromsø, Norway, 30 January 2020 – Biotec Pharmacon (OSE: Biotec) announces its fourth quarter and 2019 results.

Highlights from Q4 2019

- Positive EBITDA with NOK 4.6 million (Q4 2018: NOK 1.8 million)* mainly due to ArcticZymes sales. Accruals for onetime expenses relating to restructuring costs amounting to NOK 2.0 million were included in the fourth quarter.
- Gross profit for the Group improved 28% to NOK 18.1 million (Q4 2018: NOK 14.2million)* mainly due to strong top line growth in ArcticZymes.
- ArcticZymes had fourth quarter sales of NOK 16.2 million growing by 52% (Q4 2018: NOK 10.7 million).
- Net Cash-flow for the fourth quarter was NOK 9.2 million (3.5), explained by underlying performance.
- A new Group strategy was implemented with the primary objective to drive the Group into profitability during 2020. ArcticZymes represents the main strategic arm of the business and the decision was made to divest Woulgan.
- Hired Jethro Holter as interim CEO, replacing Christian Jørgensen.
- ArcticZymes launched M-SAN in order to gain greater market access and growth in the therapeutics segment.

*Excludes IFRS 5 “Assets held for sale” relating to the divestment of Woulgan. 2018 figures are adjusted according to IFRS 16 for comparison purposes

Interim CEO Jethro Holter comments:

“We are delighted with an outstanding fourth quarter performance delivering a profitable quarter of NOK 4.6 million. The ArcticZymes business has proved instrumental in being the main contributor to top line growth during the quarter and 2019. The recent decision to redirect our main strategic focus toward ArcticZymes will only catalyse the growth potential and profitability of the company even more as we move into 2020 and beyond.”

“The decision to divest Woulgan was a difficult, but right decision to take. Despite our best efforts with feet on the ground and marketing efforts, quarterly and annual performance fell short of our expectations. Biotec as a standalone company will never be able to generate the kind of revenues and attention that Woulgan deserves, hence Woulgan is best in the hands of a new owner with considerable marketing power.”

“In supporting the new strategy and delivering our promise to drive the company into profitability during 2020, we are all reorganised and ready to achieve our milestones.”