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Bio-Works Technologies carries out a directed share issue and raises approximately SEK 30 million and communicates target for further cost reduction

The Board of Directors of Bio-Works Technologies AB (“Bio-Works” or the “Company”) has, based on the authorisation granted by the annual general meeting on May 26, 2023, resolved to issue 3,517,644 new shares at a subscription price of SEK 8.50 per share (the “Directed Issue”), through which the Company receives approximately SEK 30 million before transaction related costs. The subscribers consist of a number of existing shareholders, including Swedia Capital AB, Calyptra AB and Rhenman & Partners Asset Management AB. The subscription price corresponds to a discount of approximately 1.60 percent compared to the volume-weighted average price during the period from and including September 19, 2023, to and including October 2, 2023, and a premium of approximately 3.16 percent compared to the closing price of the share on October 2, 2023. The proceeds from the Directed Issue will, alongside the cost savings initiative announced in May 2023, create increased financial flexibility and freedom of action for the Company in order to operate the business forward towards the goal of achieving profitable growth in 2024. In relation to the announced cost savings initiative, the Company hereby also communicates a target to enhance the cost reduction to approximately SEK 2 million on a monthly basis with full effect in January 2024.

Jonathan Royce, CEO of Bio-Works, comments:

”Our view that the market will gradually recover in the first half of 2024 remains unchanged. My full attention is now focused on supporting the sales organisation in converting promising prospects into orders.

The Company has, as previously communicated, taken measures to create a more efficient organisation and reduce operational costs. This work is driven by CFO Arne Hauge, and our goal is to enhance the cost reduction to approximately SEK 2 million on a monthly basis with full effect in January 2024.

In parallel with the efficiency improvements, the capital from the issue significantly strengthens our freedom of action and our ability to work fully towards the goal of achieving profitable growth in 2024. We are of course pleased to be able to take advantage of the interest from our owners and the commitment and strong confidence shown in us in connection with this capitalisation, not least in the prevailing sentiment and in a challenging climate for financing growth companies.”

Staffan Persson, founder of Swedia Capital AB, comments:

”We make long-term investments in companies and entrepreneurs that we believe in and that we believe have the right prerequisites to create significant value in the future. Bio-Works is an example of such a company. Our philosophy involves active ownership responsibility in our investments. We have been part of the Company's journey since 2019, when we made our first investment, and we look forward to continue to follow the Company ahead.”

The Directed Issue

The Board of Directors of Bio-Works has, based on the authorisation granted by the annual general meeting on May 26, 2023, resolved on a directed cash issue of a total of 3,517,644 new shares at a subscription price of SEK 8.50 per share, through which the Company receives approximately SEK 30 million before transaction related costs. The subscription price corresponds to a discount of approximately 1.60 percent compared to the volume-weighted average price during the period from and including September 19, 2023, to and including October 2, 2023, and a premium of approximately 3.16 percent compared to the closing price of the share on October 2, 2023, on First North.

The Directed Issue is subscribed by the existing shareholders Swedia Capital AB (SEK 9 million), Calypra AB (SEK 7 million), Rhenman & Partners Asset Management AB (SEK 5 million), AB Bonit Invest (SEK 4 million), Dariush Hosseinian (SEK 2 million), Ove Mattsson (SEK 2 million), Jonas Pålsson (SEK 0.5 million) and Jonas Ahlén (SEK 0.4 million).

The proceeds from the Directed Issue will, alongside the cost saving initiative announced in May 2023, create increased financial flexibility and freedom of action for the Company in order to operate the business forward towards the goal of achieving profitable growth in 2024.

The Company's Board of Directors considers the subscription price and discount to be marked-based as well as accurately reflects current market conditions and demand. In deciding on the type of issue, the Board of Directors has considered it positive to, via the Directed Issue, be able to take advantage of the interest of existing financially strong and reputable shareholders /investors. A major advantage is that the investors have not demanded an issue discount at the levels that often occur in the same kind of transactions and far from the levels generally determined in preferential rights issues, instead the issue discount has been set at a nearly symbolic level and corresponds a price level at which the market has been able to acquire shares recently.

The Company's Board of Directors has investigated the conditions and carefully considered the possibility of carrying out a preferential rights issue to raise the necessary capital, hence the reason for the deviation from the shareholders' preferential rights. The Board of Directors has concluded that a preferential rights issue would entail a significantly longer completion period and thus greater exposure to share price fluctuations in the stock market in comparison to a directed issue and may lead to the Company losing flexibility and the opportunity to make value-driving investments in the business. Against the background of decreasing liquidity, prevailing sentiment and the volatility that has been observed in the stock market for smaller growth companies in 2022 and in the beginning of 2023, which also continues to prevail, the Board of Directors has assessed that a preferential rights issue would also require underwriting from a consortium of guarantors, which would entail additional costs and/or further dilution for the shareholders depending on the type of remuneration paid for such underwriting commitments. Given that the total capital raised by the Company via the Directed Issue is limited the Board of Directors assess that the costs of conducting a preferential rights issue would be disproportionately high in relation to the capital raised. In addition, a preferential rights issue would likely have been made at a lower subscription price, given the recent discount levels for preferential rights issues in the market. The Board of Directors deems that the decision to conduct a directed issue will result in a larger proportion of the proceeds benefiting the Company and the shareholders in comparison to a preferential rights issue.

The Board of Director's overall assessment is thus that the reasons for conducting the Directed Issue in this manner outweighs the reasons that justify the main rule of issuing shares with preferential rights for existing shareholders, and that an issue with deviation from the shareholders' preferential rights is thus in the interest of the Company and all shareholders. Furthermore, the Board of Directors assess that the subscription price is well within the framework of what is considered market-based currently, given the symbolic discount to the market price.

Shares and share capital

The Directed Issue entails a dilution effect of approximately 9 percent of the number of shares and votes in the Company. Through the Directed Issue, the number of shares and votes in the Company increases by 3,517,644 from 35,462,146 to 38,979,790. The share capital increases by SEK 351,764.40 from SEK 3,546,214.60 to SEK 3,897,979.00.

Target for increased cost reduction

On May 29, 2023, Bio-Works communicated the launch of a restructuring work aimed at reducing the Company's operating costs and thereby securing the path towards profitable growth in 2024. The changes were launched in June 2023 and were estimated to provide an improvement in the cost structure by approximately SEK 13 million annually.

In relation to the announced cost saving initiative, the Company hereby also communicates a target to increase the cost reduction to approximately SEK 2 million on a monthly basis with full effect in January 2024.

Advisors

In connection with the Directed Issue, Sedermera Corporate Finance AB is the financial advisor (www.sedermera.se), Markets & Corporate Law Nordic AB is the legal advisor (www.mcl.law) and Nordic Issuing AB is the issuing agent (www.nordic-issuing.se).

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from someone else.

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This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in

Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. The information in this press release is only disclosed as background information and does not claim to be complete. Accordingly, an investor should not rely solely on the information in this press release or its accuracy or completeness.

This press release does not constitute a recommendation for any investors' decisions regarding the Directed Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company

nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or the rules of Nasdaq First North Growth Markets.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600 /2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

Contacts

For more information, please visit the Bio-Works homepage at, www.bio-works.com or contact: Arne Hauge, CFO, e-mail: arne.hauge@bio-works.com, phone: +46(0) 70 325 64 36.

About Bio-Works

Bio-Works enables scientists to achieve their purification goals, from laboratory research to large scale bioprocess production. Our vision is a biotech industry that embraces, develops and builds on new methods and novel ideas. WorkBeads™, Bio-Works' next-generation, agarose-based products, are used to purify proteins, peptides and other biomolecules, resulting in purer therapies and safer diagnostics. Through collaboration with customers and partners, we develop purification solutions that make important medicines available and accessible to everyone.

Bio-Works' headquarters, with R&D and manufacturing, is located in Uppsala Business Park in Uppsala, Sweden. We supply products globally, through a combination of direct sales and via distributors in Europe, North America and Asia. The company is certified according to the ISO 9001:2015 quality management system. Bio-Works is listed on Nasdaq First North ("BIOWKS"), and FNCA Sweden AB, +46 (0) 8-528 00 399, info@fnca.se, is appointed Certified Adviser. For more information, www.bio-works.com.

This information is information that Bio-Works Technologies is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-10-02 18:26 CEST.

Attachments

[Bio-Works Technologies carries out a directed share issue and raises approximately SEK 30 million and communicates target for further cost reduction](#)