

# Interim report

## January - June 2016



August 11, 2016

### Second quarter

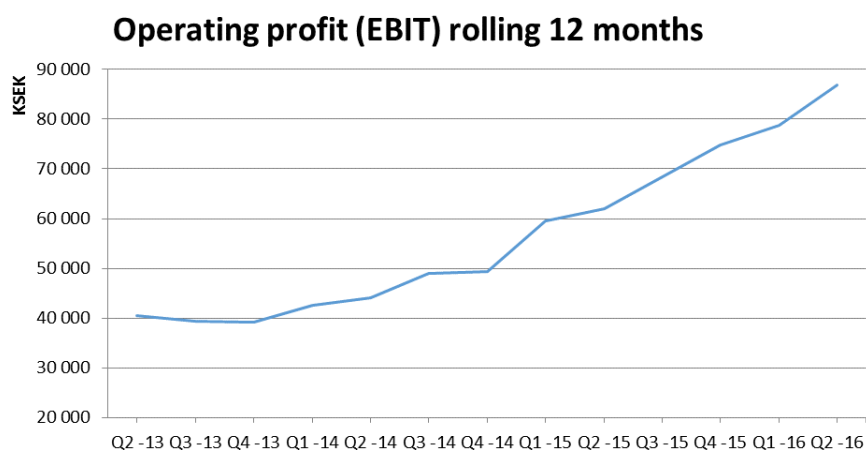
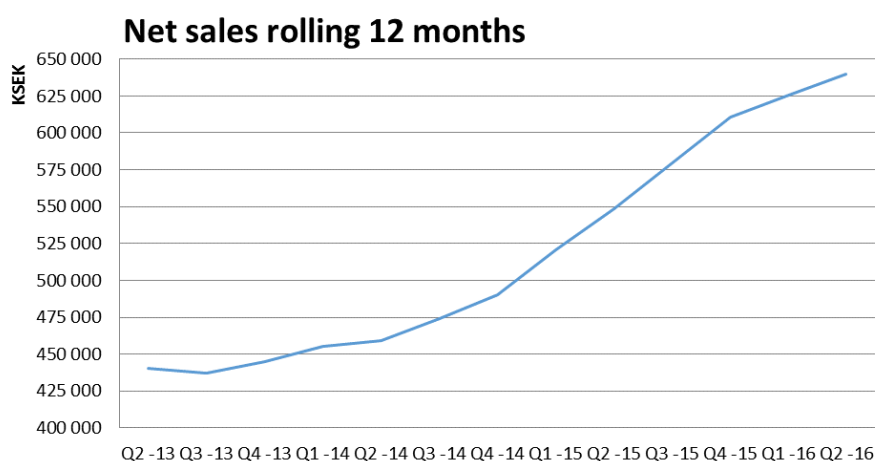
- Net sales amounted to 162.9 MSEK (148.1), an increase by 10.0 percent compared to the corresponding quarter last year. At comparable exchange rates sales increased by 11.1 percent.
- Operating profit increased by 37 percent to 24.2 MSEK (17.7).
- Result after tax increased by 58 percent to 24.7 MSEK (15.7).
- Earnings per share amounted to 0.38 SEK (0.24).
- The cash flow from operating activities amounted to 29.1 MSEK (29.0).
- Dividends to the shareholders were paid to the amount of 80.9 MSEK (48.5).
- Net cash at June 30 amounted to 99.6 MSEK (85.3), compared to 163.5 MSEK at March 31 and 134.9 MSEK at the start of the year.
- At the end of the reported period Biotage had no holding of own shares. No shares were acquired under the repurchasing program resolved at the 2016 Annual General Meeting.

### Six months, January – June

- Net sales amounted to 321.7 MSEK (292.3), an increase by 10.1 percent compared to the corresponding period last year. At comparable exchange rates net sales increase by 10.3 percent.
- Operating profit increased by 34 percent to 47.8 MSEK (35.7).
- Result after tax increased by 39 percent to 47.6 MSEK (34.3).
- Earnings per share amounted to 0.74 SEK (0.53).
- The cash flow from operating activities amounted to 65.9 MSEK (52.8).

## Group financial development in brief

Amounts in SEK millions	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	6 months	6 months	12 months
	Apr-Jun	Apr-Jun	Jan -Jun	Jan -Jun	Jan-Dec
	2016	2015	2016	2015	2015
Net sales	162.9	148.1	321.7	292.3	610.5
Cost of sales	-69.8	-63.7	-138.0	-127.9	-268.0
Gross profit	93.1	84.5	183.8	164.4	342.6
Operating expenses	-68.9	-66.7	-136.0	-128.8	-267.8
Operating profit/loss (EBIT)	24.2	17.7	47.8	35.7	74.8
Financial items	0.8	-0.3	1.1	1.6	1.4
Profit/loss before tax	25.0	17.4	48.9	37.3	76.2
Tax expenses	-0.3	-1.7	-1.3	-3.0	-2.9
<b>Total profit/loss for the period</b>	<b>24.7</b>	<b>15.7</b>	<b>47.6</b>	<b>34.3</b>	<b>73.3</b>
Gross margin	57.2%	57.0%	57.1%	56.3%	56.1%
Operating margin (EBIT)	14.9%	12.0%	14.9%	12.2%	12.2%



Note that Biotage presents some financial metrics in the interim report that are not defined according to IFRS. Definitions of these are found in the 2015 Annual Report, page 28.

## Comments by CEO Torben Jörgensen

The healthy start of the year is followed by yet another strong quarter with continued organic growth exceeding 10 percent at comparable as well as reported exchange rates. For the quarter the operating margin (EBIT) amounts to 14.9 percent and on a rolling 12 month basis to 13.6 percent. We see continued result improvements as a result of increased sales efforts and efficiency improvements in the production. The cash flow has also continued to develop positively. A weakened GBP and a relatively strong USD have positive currency effects for Biotage. More than half of Biotage's sales are made in USD, while a large part of the production costs are paid in GBP.

The launch of the next generation evaporation system, Biotage®V-10 Touch, was appreciated by the market, resulting in good sales and pipeline build-up. The system is part of our Purification product area that altogether shows a double digit sales increase. We are seeing an even stronger development for our consumables in Analytical chemistry. Compared to the corresponding quarter last year all our product areas are growing.

Practically all geographical regions had a good second quarter. The US, Japan and China continues to show especially strong results.

It is Biotage's ambition to cover as many geographical markets as possible through direct sales, where the market is believed to be sufficiently strong. Biotage has now taken the step into South Korea. This is a region that Biotage previously has managed through distributor sales and which is believed to have a good potential for an own establishment. A subsidiary has been formed, an experienced country manager has been recruited and direct sales will be initiated in the last quarter of the year. We are currently also investigating how Biotage should best be organized in order to better profit in the growth market India.

The gross margin for the quarter improved further and now amounts to 57.2 percent, another step in the right direction towards our strategic goal of 60 percent. The relation between the sales of systems and aftermarket products (consumables and service) in the quarter was 45 and 55 percent, respectively. The successes of our systems mean that we still have a bit left to our strategic goal of a 40/60 relation.

## Group result, financial position and cash flow

### Second quarter April - June 2016

Group net sales in the second quarter 2016 amounted to 162.9 MSEK (148.1), which is an increase by 10.0 percent (23.0). At comparable exchange rates sales increased by 11.1 percent (4.0) compared to the corresponding quarter last year. The Americas was the biggest market with 43 (41) percent of the net sales. The EU area contributed 30 percent (33), Japan 12 percent (12), China 9 percent (8), EMEA 2 percent (4) and APAC 3 percent (3).

The Group's gross margin improved to 57.2 percent (57.0). The weakening of the GBP makes the costs for production in Cardiff, Wales, lower at the translation to SEK. Efficiency improvements in the production also continue to contribute to improved profitability. The distribution of sales between systems and aftermarket products was 45 percent (46) and 55 percent (54), respectively.

The operating expenses amounted to 68.9 MSEK (66.7). Of this sum 46.6 MSEK (40.9) were sales costs. The increase in sales costs by 5.8 MSEK compared to the corresponding period last year is attributable primarily to increased staffing in the sales force. The research and development costs increased by 2.6 MSEK compared to the corresponding period last year and amounted to 13.2 MSEK (10.6). The administration costs amounted to 13.0 MSEK (13.2). Other operating items, amounting to 4.0 MSEK (-2.1) primarily consists of currency effects on operations related liabilities and receivables.

Operating profit improved by 37 percent to 24.2 MSEK (17.7), corresponding to an operating margin (EBIT) of 14.9 percent (12.0). Net financial income amounted to 0.8 MSEK (-0.3). The result after tax improved by 58 percent to 24.7 MSEK (15.7).

The cash flow from operating activities was 29.1 MSEK (29.0). The investments amounted to 12.9 MSEK (7.2) and the amortizations to 8.7 MSEK (9.0). 9.9 MSEK (5.9) of the investments were capitalized development costs and 4.6 MSEK (5.2) of the amortizations were amortizations of capitalized development costs.

### Six months January - June 2016

Group net sales increased by 10.1 percent (25.0) and amounted to 321.7 MSEK (292.3). At comparable exchange rates net sales increased by 10.3 percent (6.0). The Americas was the biggest market with 43 percent (43) of the net sales. The EU area contributed 30 percent (32), Japan 14 percent (13), China 8 percent (6), EMEA 2 percent (3) and APAC 3 percent (2).

The Group's gross margin improved to 57.1 percent (56.3). Systems sales accounted for 44 percent (45) of the net sales and aftermarket products for 56 percent (55).

The operating expenses amounted to 136.0 MSEK (128.8). The increase is mainly attributable to the increase in sales costs by 6.4 MSEK to 88.8 MSEK (82.4).

The operating profit improved by 34 percent (55) to 47.8 MSEK (35.7), corresponding to an operating margin (EBIT) of 14.9 percent (12.2). Net financial

income amounted to 1.1 MSEK (1.6). The result after tax was 47.6 MSEK (34.3), an increase by 39 percent.

The cash flow from operating activities improved to 65.9 MSEK (52.8). The investments amounted to 21.1 MSEK (12.8) and the amortizations to 17.9 MSEK (18.6). 16.4 MSEK (9.9) of the investments were capitalized development costs and 9.5 MSEK (11.0) of the amortizations were amortizations of capitalized development costs.

### Balance sheet items

At June 30, 2016 the Group's cash and cash equivalents amounted to 99.6 MSEK (90.3), compared to 163.5 MSEK at March 31 and 134.9 MSEK at the start of the year. The Group's interest-bearing liabilities amounted to 0.0 MSEK (5.0) at the end of the reported period. Net cash at June 30 thus amounted to 99.6 MSEK (85.3) compared to 163.5 MSEK at March 31 and 134.9 MSEK at the start of the year. During the period dividends to the shareholders were paid to the amount of 80.9 MSEK (48.5).

The Group reports a total goodwill of 104.0 MSEK (104.0) at June 30, unchanged also compared with December 31, 2015. The reported goodwill is related to the acquisitions of MIP Technologies AB and two product lines from Caliper Life Sciences Inc. in 2010.

Other intangible fixed assets amounted to 114.7 MSEK (121.7), compared to 114.3 MSEK at March 31 and 115.2 MSEK at the start of the year. Of this sum patents and license rights amounted to 27.3 MSEK (31.4), compared to 28.3 MSEK at March 31 and 29.2 MSEK at the start of the year, and capitalized development costs to 87.4 MSEK (90.3), compared to 86.1 MSEK at March 31 and 86.0 at the start of the year.

At June 30 the equity capital amounted to 510.3 MSEK (496.1), compared to 564.2 MSEK at March 31 and 546.7 at the start of the year. The change in equity capital during the six months period is attributable to the net result 47.6 MSEK (34.3), dividends to the shareholders -80.9 MSEK (-48.5), cancellation of reserve for additional purchase sum not paid 0.9 MSEK (-) and hedging and currency effects at the translation of foreign subsidiaries -4.0 MSEK (7.7).

### **Repurchasing program**

Biotage had no holding of own shares at the end of the reported period. No shares were acquired under the repurchasing program decided at the 2016 Annual General Meeting. Complete documentation from the AGM is available at [www.biotage.com](http://www.biotage.com).

### **Patent dispute in the US**

Biotage has as previously reported been sued for alleged patent infringement in the US by Scientific Plastic Products, Inc. ("SPP"). These complaints are declared resting by the court awaiting the results of reexamination cases of the validity of the patents by the US Patent and Trademark Office.

Biotage's analysis indicates that the company has a strong position and that the other party lacks good cause for the alleged patent infringement. Thus no reserves have been booked due to the conflict.

### **Major events after the reported period**

There are no major events after the reported period to report.

### **Human resources**

The Group had 305 (284) employees at June 30, compared to 302 at March 31 and 293 at the start of the year.

### **Parent company**

The Group's parent company, Biotage AB, has wholly owned subsidiaries in Sweden, the United States, United Kingdom, Germany, France, Italy, Japan and China, and from June 2016 also in South Korea. The parent company is responsible for group management, strategic business development and administrative functions at group level and towards subsidiaries.

The parent company's net income amounted to 0.6 MSEK (0.7) in the second quarter and to 1.1 MSEK (1.4) in the period January – June. The operating expenses amounted to 4.9 MSEK (5.5) in the quarter and to 10.8 MSEK (10.0) in the six month period. The operating result was -4.4 MSEK (-4.8) for the quarter and -9.6 MSEK (-8.7) for the six month period.

The parent company's net financial income was -1.0 MSEK (-1.2) for the quarter and 3.4 MSEK (-0.9) for the six month period. The parent company's result after financial items was -5.3 MSEK (-6.0) for the quarter and -6.2 MSEK (-9.6) for the six month period.

The investments in intangible fixed assets amounted to 0.6 MSEK (0.3) in the quarter and to 1.0 MSEK (0.2) in the six month period. The parent company's cash and bank balance amounted to 1.3 MSEK (1.0) at June 30, compared to 0.8 MSEK at March 31 and 0.8 MSEK at the start of the year.

### **Risks and uncertainties**

As an international Group, Biotage is exposed to various risks that affect the possibilities to achieve the established targets. There are operational risks, such as the risk that competitive situations affect price levels and sales volumes, and the risk that the economic development in the markets and segments where the Group operates is not stable. There are also financial risks, such as currency risks, interest risks and credit risks. No major changes in significant risks or uncertainty factors have occurred during the period. Our assessment thus remains unchanged compared to the description of the company's risks, uncertainty factors and the handling of these in the company's Annual Report for 2015. Readers wishing to study the Annual Report can download this from the

company's website [www.biotage.com](http://www.biotage.com) or order it from Biotage AB, Box 8, SE-751 03 Uppsala or [info@biotage.com](mailto:info@biotage.com).

### Coming reports

The interim report for the third quarter 2016 will be issued on November 10, 2016.  
The year-end report for 2016 will be issued on February 9, 2017.  
The 2017 Annual General Meeting will be held on April 27, 2017.  
The interim report for the first quarter 2017 will be issued on April 27, 2017.

*This report has not been reviewed by the company's auditor.*

### Assurance

The Board of Directors and the President assure that the interim report gives a fair review of the operations of the Parent Company and the Group, their financial positions and results, and describes the significant risks and uncertainties that the Parent Company and the Group companies are facing.

Uppsala August 11, 2016

Torben Jörgensen  
President and CEO

Ove Mattsson  
Chairman

Nils-Olof Björk  
Board Director

Thomas Eklund  
Board Director

Anders Walldov  
Board Director

Peter Ehrenheim  
Board Director

Karolina Lawitz  
Board Director

Malin Albertsson  
Board Director  
Employee Representative

Love Amcoff  
Board Director  
Employee Representative

Annika Gärdlund  
Board Director  
Employee Representative

Anders Wessman  
Deputy Board Director  
Employee Representative

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*This information is information that Biotage AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08.30 CET on August 11, 2016.*

### About Biotage

*Biotage offers efficient separation technologies from analysis to industrial scale and high quality solutions for analytical chemistry from research to commercial analysis laboratories. Biotage's products are used by government authorities, academic institutions, pharmaceutical and food companies, among others. The*

company is headquartered in Uppsala and has offices in the US, UK, China, Japan and South Korea. Biotage has approx. 300 employees and had sales of 611 MSEK in 2015. Biotage is listed on the NASDAQ OMX Stockholm stock exchange. Website: [www.biotage.com](http://www.biotage.com)

**Biotage AB (publ)**

**Interim report**

**2016-01-01 -- 2016-06-30**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY**

Amounts in SEK thousands	2016-04-01 2016-06-30	2015-04-01 2015-06-30	2016-01-01 2016-06-30	2015-01-01 2015-06-30	2015-01-01 2015-12-31
Net sales	162,859	148,115	321,734	292,290	610,534
Cost of sales	-69,769	-63,665	-137,977	-127,861	-267,967
<b>Gross profit</b>	<b>93,091</b>	<b>84,850</b>	<b>183,757</b>	<b>164,429</b>	<b>342,568</b>
Distribution costs	-46,621	-40,857	-88,811	-82,353	-169,447
Administrative expenses	-13,046	-13,196	-26,495	-25,009	-52,159
Research and development costs	-13,176	-10,583	-25,145	-23,481	-49,528
Other operating income	3,978	-2,110	4,493	2,070	3,353
<b>Total operating expenses</b>	<b>-68,865</b>	<b>-66,746</b>	<b>-135,957</b>	<b>-128,772</b>	<b>-267,781</b>
<b>Operating profit/loss</b>	<b>24,225</b>	<b>17,704</b>	<b>47,799</b>	<b>35,657</b>	<b>74,787</b>
Financial net income	761	-346	1,103	1,598	1,403
<b>Profit/loss before income tax</b>	<b>24,986</b>	<b>17,358</b>	<b>48,903</b>	<b>37,255</b>	<b>76,190</b>
Tax expenses	-256	-1,701	-1,300	-2,993	-2,935
<b>Total profit/loss for the period</b>	<b>24,730</b>	<b>15,658</b>	<b>47,602</b>	<b>34,262</b>	<b>73,255</b>
<b>Other comprehensive income</b>					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	2,551	-2,092	-2,779	7,435	5,718
Cash flow hedges	-1,196	428	-1,210	285	70
<b>Total other comprehensive income</b>	<b>1,355</b>	<b>-1,663</b>	<b>-3,989</b>	<b>7,721</b>	<b>5,788</b>
<b>Total comprehensive income for the period</b>	<b>26,085</b>	<b>13,994</b>	<b>43,613</b>	<b>41,982</b>	<b>79,043</b>



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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY (Continuing)**

	<b>2016-04-01</b>	<b>2015-04-01</b>	<b>2016-01-01</b>	<b>2015-01-01</b>	<b>2015-01-01</b>
	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2015-12-31</b>
Attributable to parent company's shareholders:					
Total profit/loss for the period	24,730	15,658	47,602	34,262	73,255
Attributable to parent company's shareholders:					
Total comprehensive income for the period	26,085	13,994	43,613	41,982	79,043
Average shares outstanding	64,714,447	64,714,447	64,714,447	64,714,447	64,714,447
Shares outstanding at end of reporting period	64,714,447	64,714,447	64,714,447	64,714,447	64,714,447
Total profit/loss for the period per share SEK	0.38	0.24	0.74	0.53	1.13
Total profit/loss for the period per share SEK after dilution	0.38	0.24	0.74	0.53	1.13
Earnings per share relates to:					
Continuing operations	0.38	0.24	0.74	0.53	1.13
Total comprehensive income for the period per share SEK	0.40	0.22	0.67	0.65	1.22
Total comprehensive income for the period per share after dilution SEK	0.40	0.22	0.67	0.65	1.22

<b>Quarterly summary 2015 and 2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
<b>Amounts in KSEK</b>	<b>kv2</b>	<b>kv1</b>	<b>kv4</b>	<b>kv3</b>	<b>kv2</b>	<b>kv1</b>
Net Sales	162,859	158,875	168,548	149,697	148,115	144,175
Cost of sales	-69,769	-68,208	-74,241	-65,865	-63,665	-64,196
Gross profit	<b>93,091</b>	<b>90,666</b>	<b>94,307</b>	<b>83,832</b>	<b>84,450</b>	<b>79,978</b>
Gross margin	57.2%	57.1%	56.0%	56.0%	57.0%	55.5%
Operating expenses	-68,865	-67,092	-74,153	-64,856	-66,746	-62,026
Operating profit/loss	<b>24,225</b>	<b>23,574</b>	<b>20,154</b>	<b>18,976</b>	<b>17,704</b>	<b>17,952</b>
Finansnetto	761	343	-744	549	-346	1,944
Profit/loss before income tax	<b>24,986</b>	<b>23,917</b>	<b>19,411</b>	<b>19,525</b>	<b>17,358</b>	<b>19,896</b>
Tax expenses	-256	-1,044	1,310	-1,252	-1,701	-1,292
<b>Total profit/loss for the period</b>	<b>24,730</b>	<b>22,872</b>	<b>20,721</b>	<b>18,273</b>	<b>15,658</b>	<b>18,604</b>

**Biotage AB (publ)**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY**

Amounts in SEK thousands	2016-06-30	2015-12-31
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	39,927	44,719
Goodwill	104,023	104,023
Other intangible assets	114,669	115,170
Financial assets	1,802	692
Deferred tax asset	49,045	47,626
<b>Total non-current assets</b>	<b>309,465</b>	<b>312,228</b>
<b>Current assets</b>		
Inventories	94,582	97,182
Trade and other receivables	129,988	124,536
Cash and cash equivalents	99,572	134,885
<b>Total current assets</b>	<b>324,141</b>	<b>356,604</b>
<b>TOTAL ASSETS</b>	<b>633,607</b>	<b>668,832</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to equity holders of the parent company</b>		
Share capital	89,953	89,953
Reserves	-92,605	-88,616
Retained earnings	512,918	545,320
<b>Total equity</b>	<b>510,266</b>	<b>546,656</b>
<b>Non-current liabilities</b>		
Other financial liabilities	910	1,075
Deferred tax liability	1,793	1,948
Non-current provisions	1,513	1,468
<b>Total non-current liabilities</b>	<b>4,216</b>	<b>4,491</b>
<b>Current liabilities</b>		
Trade and others liabilities	114,652	109,698
Other financial liabilities	-	3,698
Tax liabilities	1,948	2,317
Current provisions	2,526	1,970
<b>Total current liabilities</b>	<b>119,125</b>	<b>117,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>633,607</b>	<b>668,832</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

Amounts in SEK thousands	Share capital	Other payed-in capital	Accumulated translation reserve	Hedging reserve	Retained earnings	Total equity
<b>Opening balance January 1, 2015</b>	<b>89,953</b>	<b>4,993</b>	<b>-94,404</b>	<b>-</b>	<b>515,607</b>	<b>516,150</b>
<b>Changes in equity in the period of January 1 -december 31, 2015</b>						
Total comprehensive income	-	-	5,718	70	73,255	79,044
<b>Total non-owners changes</b>	<b>-</b>	<b>-</b>	<b>5,718</b>	<b>70</b>	<b>73,255</b>	<b>79,044</b>
<b>Transactions with equity holders of the company</b>						
Dividend to shareholders of the parent company	-	-	-	-	-48,536	-48,536
Share buy-back by parent company *	-	-4,993	-	-	4,993	-
<b>Closing balance December 31, 2015</b>	<b>89,953</b>	<b>-</b>	<b>-88,687</b>	<b>70</b>	<b>545,320</b>	<b>546,657</b>
<b>Changes in equity in the period of January 1, - June 30, 2016</b>						
Total comprehensive income	-	-	-2,779	-1,210	47,602	43,613
<b>Total non-owners changes</b>	<b>-</b>	<b>-</b>	<b>-2,779</b>	<b>-1,210</b>	<b>47,602</b>	<b>43,613</b>
<b>Transacitions with equity holders of the company</b>						
Dividend to shareholders of the parent company	-	-	-	-	-80,893	-80,893
Reversal unpaid additional purchase consideration	-	-	-	-	888	888
<b>Closing balance June 30, 2016</b>	<b>89,953</b>	<b>-</b>	<b>-91,466</b>	<b>-1,139</b>	<b>512,918</b>	<b>510,266</b>

\*<sup>1)</sup> Repurchased shares, cancellation of repurchased shares and bonus issue

The 2016 Annual General Meeting resolved to authorize the Board to continue to let the company repurchase shares up until the AGM 2017, so that the company's holding of own shares amounts to a maximum of 10 percent of the number of registered shares. At the balance sheet date June 30, 2016, the company held no repurchased shares.

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**2016-01-01 -- 2016-06-30**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	2016-04-01	2015-04-01	2016-01-01	2015-01-01	2015-01-01
Amounts in SEK thousands	2016-06-30	2015-06-30	2016-06-30	2015-06-30	2015-12-31
<b>Operating activities</b>					
Profit/loss before income tax	24,986	17,358	48,903	37,255	76,190
Adjustments for non-cash items	9,732	9,972	18,785	25,691	45,921
	<b>34,718</b>	<b>27,331</b>	<b>67,688</b>	<b>62,946</b>	<b>122,111</b>
Income tax paid	-75	751	-2,911	-119	-1,638
<b>Cash flow from operating activities before changes in working capital</b>	<b>34,642</b>	<b>28,082</b>	<b>64,776</b>	<b>62,827</b>	<b>120,473</b>
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	-201	3,901	2,679	1,633	11,196
Increase (-)/ decrease (+) in operating receivables	-4,366	-3,010	-1,946	-16,906	-23,298
Increase (+)/ decrease (-) in operating liabilities	-997	65	419	5,294	11,708
<b>Cash flow from operating activities</b>	<b>29,077</b>	<b>29,039</b>	<b>65,929</b>	<b>52,847</b>	<b>120,078</b>
<b>Investing activities</b>					
Acquisition of intangible assets	-10,518	-6,441	-17,639	-10,840	-21,195
Acquisition of property, plant and equipment	-1,562	-927	-2,607	-1,900	-10,834
Acquisition of financial assets	-791	143	-890	-68	-96
Sale of financial assets	-	-	-	-	261
<b>Cash flow from investing activities</b>	<b>-12,871</b>	<b>-7,225</b>	<b>-21,137</b>	<b>-12,809</b>	<b>-31,865</b>
<b>Financing activities</b>					
Dividend to shareholders	-80,893	-48,536	-80,893	-48,536	-48,536
Repayment of loans	-64	-2,333	-165	-2,733	-6,698
<b>Cash flow from financial activities</b>	<b>-80,957</b>	<b>-50,869</b>	<b>-81,058</b>	<b>-51,269</b>	<b>-55,234</b>
<b>Cash flow for the period</b>	<b>-64,750</b>	<b>-29,055</b>	<b>-36,266</b>	<b>-11,231</b>	<b>32,980</b>
Cash and cash equivalents opening balance	163,479	120,807	134,885	100,045	100,045
Exchange differences in liquid assets	843	-1,445	952	1,493	1,861
<b>Cash and equivalents closing balance</b>	<b>99,572</b>	<b>90,307</b>	<b>99,572</b>	<b>90,307</b>	<b>134,885</b>
<b>Additional information:</b>					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	12,786	9,017	23,473	18,695	40,679
Other items	-3,054	956	-4,688	6,996	5,242
Total	9,732	9,972	18,785	25,691	45,921

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**INCOME STATEMENT, PARENT IN SUMMARY**

<b>Amounts in SEK thousands</b>	<b>2016-04-01</b>	<b>2015-04-01</b>	<b>2016-01-01</b>	<b>2015-01-01</b>	<b>2015-01-01</b>
	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2015-12-31</b>
Net sales	567	675	1,132	1,361	2,720
Administrative expenses	-4,417	-4,742	-9,606	-8,589	-17,034
Research and development costs	-600	-555	-1,171	-1,253	-2,470
Other operating items	91	-180	24	-200	172
Operating expenses	-4,926	-5,477	-10,752	-10,042	-19,332
<b>Operating profit/loss</b>	<b>-4,359</b>	<b>-4,802</b>	<b>-9,621</b>	<b>-8,681</b>	<b>-16,612</b>
<b>Profit/loss from financial investments:</b>					
Interest income from receivables from group companies	-	-	-	-	138
Interest expense from liabilities to group companies	-615	-309	-1,226	-462	-1,293
Result from participations in group companies	-	-38	2,793	-38	45,063
Other interest and similar income	0	-	2,218	2	2
Other interest and similar income	-340	-893	-340	-408	-72
Group contribution received	-	-	-	-	39,127
Financial net income	-954	-1,240	3,445	-906	82,966
<b>Profit/loss before income tax</b>	<b>-5,314</b>	<b>-6,042</b>	<b>-6,175</b>	<b>-9,587</b>	<b>66,354</b>
Tax expenses	1,419	-	1,419	-	761
<b>Total profit/loss for the period</b>	<b>-3,894</b>	<b>-6,042</b>	<b>-4,756</b>	<b>-9,587</b>	<b>67,115</b>
<b>STATEMENT OF COMPREHENSIVE INCOME PARENT</b>					
Total profit/loss for the period	-3,894	-6,042	-4,756	-9,587	67,115
<b>Other comprehensive income:</b>					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	-	-	-	-	-
<b>Total comprehensive income, parent</b>	<b>-3,894</b>	<b>-6,042</b>	<b>-4,756</b>	<b>-9,587</b>	<b>67,115</b>

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**BALANCE SHEET, PARENT**

<b>Amounts in SEK thousands</b>	<b>2016-06-30</b>	<b>2015-12-31</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Intangible assets</i>		
Patents and licenses	8,889	8,386
<i>Financial assets</i>		
Investments in group companies	482,380	468,128
Receivables from group companies	-	11,241
Deferred tax asset	39,690	38,271
	<b>522,070</b>	<b>517,641</b>
<b>Total non-current assets</b>	<b>530,960</b>	<b>526,026</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Receivables from group companies	17,306	59,945
Other receivables	550	584
Prepaid expenses and accrued income	931	1,070
	<b>18,787</b>	<b>61,599</b>
Cash and cash equivalents	<b>1,340</b>	<b>813</b>
<b>Total current assets</b>	<b>20,127</b>	<b>62,412</b>
<b>TOTAL ASSETS</b>	<b>551,087</b>	<b>588,438</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	89,953	89,953
	<b>89,953</b>	<b>89,953</b>
<i>Unrestricted equity</i>		
Fair value reserve	-66,055	-66,055
Retained earnings	473,702	487,480
Profit/loss for the year	-4,756	67,114
	<b>402,891</b>	<b>488,540</b>
<b>Total equity</b>	<b>492,844</b>	<b>578,493</b>
<b>Current liabilities</b>		
Other financial liabilities	0	3,423
Trade payables	577	499
Liabilities to group companies	53,804	643
Other current liabilities	122	123
Accrued expenses and prepaid income	3,739	5,257
	<b>58,242</b>	<b>9,944</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>551,087</b>	<b>588,438</b>
Pledged assets	22,500	22,500
Contingent liabilities	-	-

## Accounting principles

The Group reporting of Biotage is based on International Financial Reporting Standards as adopted by the EU. The Group's interim report is prepared in accordance with IAS 34 *Interim Reporting* and the Swedish Accounting Act. The parent company's interim report is prepared in accordance with the Swedish Accounting Act and The Swedish Financial Reporting Board's recommendation RFR 2 *Reporting for Legal Entities*. The Group and the parent company have applied the same accounting principles and calculation methods in the interim report as in the latest annual report. Information according to IAS 34 Interim Reporting is given in notes as well as in other places in the interim report. Changed and new standards and interpretations from IASB and IFRS Interpretations Committee which have come into effect and apply to the fiscal year 2016 have not had any effect on the Group's financial reporting.

### Fair value

Biotage has a financial debt concerning additional purchase sums in connection with acquired operations which has been measured as fair value allocated to the result. The additional purchase sums, relating to the acquisition of MIP Technologies AB, are based on the distribution of gross profit applying to certain areas and may be paid up to and including 2015. The agreement with the sellers does not stipulate a maximum sum, as there has been considerable uncertainty about the future outcome. The additional purchase sum to be paid in 2016 is calculated on the outcome of the fiscal year 2015 and was preliminarily calculated to amount to 3.4 MSEK at the year-end closing 2015. Calculations of fair value are based on level 3 in the fair value hierarchy, which means that fair value has been established according to a valuation model where essential inputs are based on unobservable data. The measurement has been made based on expected future cash flows.

<b>Financial debt measured at fair value</b>	<b>2016-06-30</b>	<b>2015-12-31</b>
Additional purchase sum, long-term part	-	-
Additional purchase sum, short-term part	-	3,423
Total	-	3,423

The change in financial debt in 2016 is presented below:

<b>Opening value January 1, 2016</b>	<b>3,423</b>
Cancelled reserve	-888
Settled during the year	-2,535
<b>Value carried forward June 30, 2016</b>	<b>0</b>

Other financial assets and financial debts are measured according to accrued acquisition value and the value reported for these is considered to be a good approximation of fair value.

In the preparation of the Group's and the parent company's interim reports, the same accounting principles and calculation methods were in all other respects applied as in the preparation of the Annual Report for 2015. These are described on pp. 38-46 in the Annual Report.

## Key ratios and financial metrics

For a summary of definitions of the key ratios and financial metrics used in the Group's financial reporting, see Biotage's Annual Report 2015, page 28.

### **Financial metrics in the interim report not defined according to IFRS**

In this report Biotage discloses information that the corporate management uses to assess the development of the Group. Some of the financial metrics presented are not defined according to IFRS. The company believes that these metrics give valuable complementing information to stakeholders and corporate management, as they contribute to the evaluation of relevant trends and the company's performance. As not all companies calculate financial metrics in the same way, they are not always comparable with the metrics used by other companies. These financial metrics should thus not be seen as a substitute for metrics defined according to IFRS.

Effective July 3, 2016 ESMA's guidelines on "alternative performance measures" are applied, which means increased information demands concerning financial metrics not defined by IFRS. An explanation of the financial metrics that Biotage finds relevant according to the new guidelines is given below.

### *Sales at comparable exchange rates*

As the major part of the Group's income is paid in other currencies than the accounting currency SEK the reported sales are affected to a relatively high degree by exchange rate variations between the periods. In order for stakeholders and corporate management to be able to analyze the sales development cleared of currency effects the company reports the sales development in relation to the comparative period at constant exchange rates. The current period's sales in the respective currencies are recalculated according to the exchange rates used in the reporting of the comparative period.

<b>Sales change in %</b>	<b>April 1 2016- June 30 2016</b>	<b>April 1 2015- June 30 2015</b>	<b>Jan 1 2016- June 30 2016</b>	<b>Jan 1 2015- June 30 2015</b>
	%	%	%	%
Sales at comparable exchange rates	11.1	4.0	10.3	6.0
Currency effects	-1.0	19.0	-0.2	19.0
<b>Reported change</b>	<b>10.0</b>	<b>23.0</b>	<b>10.1</b>	<b>25.0</b>

### *Net cash*

In order for stakeholders and corporate management to be able to follow and analyze the Group's financial strength, information on the Group's net cash is reported defined as cash reduced by liabilities to credit institutions.

<b>Net cash</b>	<b>June 30, 2016</b>	<b>Dec 31, 2015</b>
Cash	99,572	134,885
Liabilities to credit institutions	0	0
<b>Net cash</b>	<b>99,572</b>	<b>134,885</b>