

Interim report

January-September 2016



November 10, 2016

Third quarter

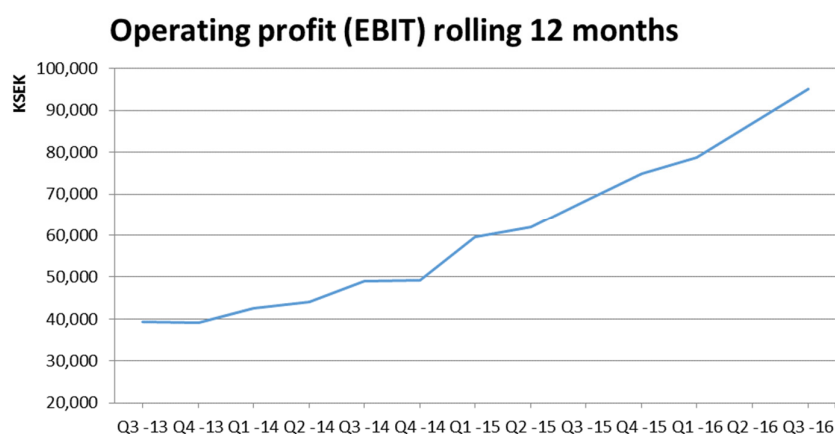
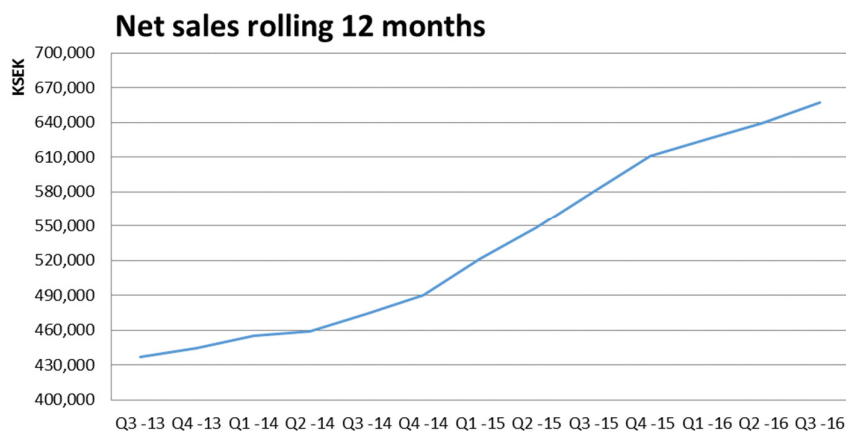
- Net sales amounted to 167.0 MSEK (149.7), an increase by 11.6 percent compared to the corresponding quarter last year. At comparable exchange rates sales increased by 9.5 percent.
- Operating profit increased by 44 percent to 27.2 MSEK (19.0).
- Result after tax increased by 52 percent to 27.7 MSEK (18.3).
- Earnings per share amounted to 0.43 SEK (0.28).
- The cash flow from operating activities amounted to 30.8 MSEK (33.9).
- Net cash at September 30 amounted to 101.3 MSEK (134.9), compared to 99.6 MSEK at June 30.
- Biotage has invested 19.3 MSEK in the development of products for purification of biomolecules through subscription for shares in Chreto Aps.
- 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.

Nine months, January - September

- Net sales amounted to 488.8 MSEK (442.0), an increase by 10.6 percent compared to the corresponding period last year. At comparable exchange rates net sales increased by 10.3 percent.
- Operating profit increased by 37 percent to 75.0 MSEK (54.6).
- Result after tax increased by 43 percent to 75.3 MSEK (52.5).
- Earnings per share amounted to 1.16 SEK (0.81).
- The cash flow from operating activities amounted to 96.7 MSEK (86.8).
- Dividends to the shareholders were paid to the amount of 80.9 MSEK (48.5) in the month of May.

Group financial development in brief

Amounts in SEK millions	3 rd quarter Jul-Sep 2016	3 rd quarter Jul-Sep 2015	9 months Jan -Sep 2016	9 months Jan -Sep 2015	12 months Jan-Dec 2015
Net sales	167.0	149.7	488.8	442.0	610.5
Cost of sales	-70.8	-65.9	-208.8	-193.7	-268.0
Gross profit	96.2	83.8	279.9	248.3	342.6
Operating expenses	-69.0	-64.9	-204.9	-193.6	-267.8
Operating profit/loss (EBIT)	27.2	19.0	75.0	54.6	74.8
Financial items	-2.0	0.5	-0.9	2.1	1.4
Profit/loss before tax	25.3	19.5	74.2	56.8	76.2
Tax expenses	2.4	-1.3	1.1	-4.2	-2.9
Total profit/loss for the period	27.7	18.3	75.3	52.5	73.3
Gross margin	57.6%	56.0%	57.3%	56.2%	56.1%
Operating margin (EBIT)	16.3%	12.7%	15.4%	12.4%	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 third quarter is often the most challenging one for Biotage, with a not insignificant impact of the vacation periods, above all in Europe. Despite this the strong development trend from the year's first six months continues. We increase our sales and we also improve our operating margin (EBIT).

Sales increased by 11.6 percent in the quarter compared to the corresponding period last year, a 9.5 percent increase at comparable exchange rates. On a rolling twelve month basis our sales increase by 14.4 percent, which means that we are gaining market share. Sales are growing in practically all our regions. The US and China remain the regions with the highest growth rate. When it comes to indirect sales we are now beginning to see some positive effects of our efforts. Direct sales in South Korea will start in the fourth quarter. We also see improvements in the distributor sales in the APAC area. The work with establishing a stronger presence in India continues.

The operating margin for the third quarter improved by a little more than 28 percent from 12.7 to 16.3 percent. Efficiency gains in production and positive currency effects result in an improved gross margin. With a gross margin of 57.6 percent for the quarter we are still a bit short of our strategic goal of 60 percent. In order to achieve this, a larger share of consumables in the product mix is required.

Sales of the new generation of the evaporation system Biotage®V-10 Touch are developing well, and so are the sales of our purification system Isolera™, not least in China. The good system sales are balanced by a healthy global sales increase in aftermarket products (consumables and service) in Analytical chemistry. The relation between the sales of systems and aftermarket products remains unchanged compared to the last quarter, however, 45 and 55 percent respectively, compared to our goal of 40/60.

We are running a number of product development projects at a high pace and we are planning for a number of new product launches already in the first part of 2017. Long term we also aim to broaden our product offering for biomolecules, here the investment made in Chreto Aps during the quarter is a part of our initiative.

Group result, financial position and cash flow

Third quarter, July - September 2016

Group net sales in the third quarter 2016 amounted to 167.0 MSEK (149.7), which is an increase by 11.6 percent. At comparable exchange rates sales increased by 9.5 percent compared to the corresponding quarter last year. The Americas was the biggest market with 46 (45) percent of the net sales. The EU area contributed 28 (32) percent, Japan 13 (11) percent, China 9 (7) percent, EMEA 2 (2) percent and APAC 3 (3) percent.

The Group's gross margin improved to 57.6 percent (56.0). Efficiency improvements in the production also continue to contribute to improved profitability. The weakening of the GBP also makes the costs for production in Cardiff, Wales lower at the translation to SEK. As more than half of the Group's sales are made in USD also the relation between USD and SEK affects the reported gross margin. The distribution of sales between systems and aftermarket products was 45 percent (44) and 55 percent (56), respectively.

The operating expenses amounted to 69.0 MSEK (64.9). Of this sum 46.9 MSEK (43.5) were sales costs. The increase in sales costs by 3.3 MSEK compared to the corresponding period last year is attributable primarily to increased staffing in the sales force and to negative currency effects at the translation to SEK of the costs for the American sales organization. The research and development costs increased by 0.7 MSEK compared to the corresponding period last year and amounted to 12.6 MSEK (12.0). The administration costs amounted to 12.7 MSEK (11.8). Other operating items, amounting to 3.2 MSEK (2.4) primarily consists of currency effects on operations related liabilities and receivables.

Operating profit improved by 44 percent to 27.2 MSEK (19.0), corresponding to an operating margin (EBIT) of 16.3 percent (12.7). Net financial income amounted to -2.0 MSEK (0.5). The result after tax increased by 52 percent to 27.7 MSEK (18.3).

The cash flow from operating activities was 30.8 MSEK (33.9). The investments amounted to 30.2 MSEK (9.0), 19.3 MSEK of this sum is attributable to the acquisition of shares in Chreto Aps. Amortizations and write-downs amounted to 11.8 MSEK (8.9). Capitalized development costs accounted for 6.9 MSEK (3.6) of the investments and 7.7 MSEK (4.9) of the amortizations and write-downs.

Nine months January - September 2016

Group net sales increased by 10.6 percent and amounted to 488.8 MSEK (442.0). At comparable exchange rates net sales increased by 10.3 percent (6.0). The Americas was the biggest market with 44 percent (44) of the net sales. The EU area contributed 29 percent (32), Japan 14 percent (12), China 8 (6) percent, EMEA 2 percent (3) and APAC 3 percent (3).

The Group's gross margin improved to 57.3 percent (56.2). Systems accounted for 44 percent of the sales and aftermarket products for 56 percent, which is the same distribution as in the comparative period. Improved efficiency in the

production plant in Cardiff, Wales and currency effects at the translation of these costs from GBP to SEK gave positive contributions to the profitability.

The operating expenses amounted to 204.9 MSEK (193.6). The increase is mainly attributable to the increase in sales costs by 9.8 MSEK to 135.7 MSEK (125.9).

The operating profit improved by 37 percent to 75.0 MSEK (54.6), corresponding to an operating margin (EBIT) of 15.4 percent (12.4). Net financial income amounted to -0.9 MSEK (2.1). The result after tax was 75.3 MSEK (52.5), an increase by 43 percent.

The cash flow from operating activities improved to 96.7 MSEK (86.8). The investments amounted to 51.3 MSEK (21.9), 19.3 MSEK of this sum is attributable to the acquisition of shares in Chreto Aps. Amortizations and write-downs amounted to 35.3 MSEK (27.6). Capitalized development costs accounted for 23.3 MSEK (13.7) of the investments and 24.7 MSEK (15.9) of the amortizations and write-downs.

Balance sheet items

At September 30, 2016 the Group's cash and cash equivalents amounted to 101.3 MSEK (134.9) compared to 99.6 MSEK at June 30. The Group had no interest-bearing liabilities neither at the end of reported period, nor at the end of the comparative period. Net cash at September 30 thus amounted to 101.3 MSEK (134.9) compared to 99.6 MSEK at June 30. During the year dividends to the shareholders have been paid to the amount of 80.9 MSEK (48.5).

The Group reports a total goodwill of 104.0 MSEK (104.0) at September 30. 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 112.8 MSEK (115.2), compared to 114.7 MSEK at June 30. Of this sum patents and license rights amounted to 26.3 MSEK (29.2) compared to 27.3 MSEK at June 30 and capitalized development costs to 86.6 MSEK (86.0) compared to 87.4 MSEK at June 30.

The 22 percent ownership share in Chreto Aps, acquired on August 31 for 19.3 MSEK, is reported as share in associated company and is included in the item Financial fixed assets.

At September 30 the equity capital amounted to 539.5 MSEK (546.7) compared to 510.3 MSEK at June 30. The change in equity capital during the first nine months is primarily attributable to the net result 75.3 MSEK (52.5) and dividends to the shareholders – 80.9 MSEK (-48.5).

Repurchasing program

Biotage had no holding of own shares at the end of the reported period. No shares were acquired under the repurchasing program resolved at the 2016 Annual General Meeting. Complete documentation from the AGM is available at 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 319 (291) employees at September 30, compared to 305 at June 30 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 third quarter and to 1.7 MSEK (2.0) in the nine month period. The operating expenses amounted to 4.5 MSEK (4.6) in the quarter and to 15.3 MSEK (14.7) in the nine month period. The operating result was -4.0 MSEK (-4.0) for the quarter and -13.6 MSEK (-12.6) for the nine month period.

The parent company's net financial income was -1.0 MSEK (-0.1) in the quarter and 2.4 MSEK (-0.9) in the nine month period. The parent company's result after financial items was -5.0 MSEK (-4.0) for the quarter and -11.1 MSEK (-13.6) for the nine month period.

The investments in intangible fixed assets amounted to 0.4 MSEK (0.1) in the quarter and to 1.4 MSEK (0.6) in the nine month period. The parent company's cash and bank balance amounted to 1.5 MSEK (1.0) at September 30, compared to 1.3 MSEK at June 30 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 or order it from Biotage AB, Box 8, SE-751 03 Uppsala or info@biotage.com.

Nomination committee

In a press release issued on October 18 it was announced that a nomination committee consisting of shareholders representatives and the Chairman of the Board has been formed for Biotage AB. The nomination committee shall, before the Annual General Meeting 2017, prepare proposals for the election of chairman and other members of the board of directors, the election of chairman of the AGM, election of auditors, the determination of fees and matters pertaining thereto.

The members of the nomination committee are:

Ove Mattsson, Chairman of the Board, Biotage AB

Marianne Flink, Swedbank Robur Fonder

Thomas Ehlin, The Fourth Swedish National Pension Fund

Harald Høegh, Vind AS

Shareholders wishing to submit a proposal for members of the board of Biotage may do so by sending an e-mail to Biotage's Chairman of the Board: info@biotage.com not later than seven weeks before the AGM, which will be held on April 27, 2017.

Coming reports

The year-end report for 2016 will be issued on February 9, 2017.

The Annual General Meeting 2017 will be held on April 27.

The interim report for the first quarter 2017 will be issued on April 27, 2017.

The interim report for the second quarter 2017 will be issued on July 18, 2017.

The interim report for the third quarter 2017 will be issued on November 2, 2017.

The year-end report for 2017 will be issued on February 8, 2018.

The Annual Report for 2016 is planned for publication in week 14 2017.

Uppsala November 10, 2016

Torben Jörgensen
President and CEO

For further information, please contact:

Torben Jörgensen, President and CEO, phone: +46 707 49 05 84

Erika Söderberg Johnson, CFO, phone: +46 707 20 48 20

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 November 10, 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

Biotage AB (publ)

Interim report

2016-01-01 -- 2016-09-30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

	2016-07-01	2015-07-01	2016-01-01	2015-01-01	2015-01-01
Amounts in SEK thousands	2016-09-30	2015-09-30	2016-09-30	2015-09-30	2015-12-31
Net sales	167,032	149,697	488,766	441,987	610,534
Cost of sales	-70,849	-65,865	-208,826	-193,726	-267,967
Gross profit	96,183	83,832	279,940	248,261	342,568
Distribution costs	-46,855	-43,547	-135,666	-125,900	-169,447
Administrative expenses	-12,668	-11,773	-39,163	-36,781	-52,159
Research and development costs	-12,642	-11,969	-37,787	-35,450	-49,528
Other operating income	3,215	2,432	7,708	4,503	3,353
Total operating expenses	-68,951	-64,856	-204,909	-193,628	-267,781
Operating profit/loss	27,232	18,976	75,032	54,633	74,787
Financial net income	-1,963	549	-860	2,147	1,403
Profit/loss before income tax	25,269	19,525	74,172	56,779	76,190
Tax expenses	2,432	-1,252	1,132	-4,245	-2,935
Total profit/loss for the period	27,701	18,273	75,304	52,535	73,255
Other comprehensive income					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	960	1	-1,819	7,436	5,718
Cash flow hedges	586	-285	-624	0	70
Total other comprehensive income	1,546	-285	-2,443	7,436	5,788
Total comprehensive income for the period	29,247	17,988	72,861	59,970	79,043

Biotage AB (publ)
Interim report
2016-01-01 -- 2016-09-30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY (Continuing)

	2016-07-01	2015-07-01	2016-01-01	2015-01-01	2015-01-01
	2016-09-30	2015-09-30	2016-09-30	2015-09-30	2015-12-31
Attributable to parent company's shareholders:					
Total profit/loss for the period	27,701	18,273	75,304	52,535	73,255
Attributable to parent company's shareholders:					
Total comprehensive income for the period	29,247	17,988	72,861	59,970	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	0.43	0.28	1.16	0.81	1.13
Total profit/loss for the period per share SEK after dilution	0.43	0.28	1.16	0.81	1.13
Earnings per share relates to:					
Continuing operations	0.43	0.28	1.16	0.81	1.13
Total comprehensive income for the period per share SEK	0.45	0.28	1.13	0.93	1.22
Total comprehensive income for the period per share after dilution SEK	0.45	0.28	1.13	0.93	1.22

Quarterly summary 2015 and 2016	2016	2016	2016	2015	2015	2015
Amounts in KSEK	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
Net Sales	167,032	162,859	158,875	168,548	149,697	148,115
Cost of sales	-70,849	-69,769	-68,208	-74,241	-65,865	-63,665
Gross profit	96,183	93,091	90,666	94,307	83,832	84,450
Gross margin	57.6%	57.2%	57.1%	56.0%	56.0%	57.0%
Operating expenses	-68,951	-68,865	-67,092	-74,153	-64,856	-66,746
Operating profit/loss	27,232	24,225	23,574	20,154	18,976	17,704
Finansnetto	-1,963	761	343	-744	549	-346
Profit/loss before income tax	25,269	24,986	23,917	19,411	19,525	17,358
Tax expenses	2,432	-256	-1,044	1,310	-1,252	-1,701
Total profit/loss for the period	27,701	24,730	22,872	20,721	18,273	15,658

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Interim report
2016-01-01 -- 2016-09-30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

Amounts in SEK thousands	2016-09-30	2015-12-31
ASSETS		
Non-Current assets		
Property, plant and equipment	39,737	44,719
Goodwill	104,023	104,023
Other intangible assets	112,835	115,170
Financial assets	22,361	692
Deferred tax asset	52,741	47,626
Total non-current assets	331,697	312,228
Current assets		
Inventories	88,497	97,182
Trade and other receivables	136,702	124,536
Cash and cash equivalents	101,331	134,885
Total current assets	326,530	356,604
TOTAL ASSETS	658,227	668,832
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	89,953	89,953
Reserves	-91,059	-88,616
Retained earnings	540,619	545,320
Total equity	539,513	546,656
Non-current liabilities		
Other financial liabilities	866	1,075
Deferred tax liability	1,758	1,948
Non-current provisions	1,548	1,468
Total non-current liabilities	4,172	4,491
Current liabilities		
Trade and others liabilities	110,678	109,698
Other financial liabilities	-	3,698
Tax liabilities	1,309	2,317
Current provisions	2,555	1,970
Total current liabilities	114,542	117,684
TOTAL EQUITY AND LIABILITIES	658,227	668,832

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Interim report
2016-01-01 -- 2016-09-30

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK thousands	Share capital	Other paid-in capital	Accumulated translation reserve	Hedging reserve	Retained earnings	Total equity
Opening balance January 1, 2015	89,953	4,993	-94,404	-	515,607	516,150
Changes in equity in the period of January 1 -december 31, 2015						
Total comprehensive income	-	-	5,718	70	73,255	79,044
Total non-owners changes	-	-	5,718	70	73,255	79,044
Transactions with equity holders of the company						
Dividend to shareholders of the parent company	-	-	-	-	-48,536	-48,536
Reclassification terminated option program	-	-4,993	-	-	4,993	-
Closing balance December 31, 2015	89,953	-	-88,687	70	545,320	546,657
Changes in equity in the period of January 1, - September 30, 2016						
Total comprehensive income	-	-	-1,819	-624	75,304	72,861
Total non-owners changes	-	-	-1,819	-624	75,304	72,861
Transactions with equity holders of the company						
Dividend to shareholders of the parent company	-	-	-	-	-	-
Dividend to shareholders of the parent company	-	-	-	-	-80,893	-80,893
Reversal unpaid additional purchase consideration	-	-	-	-	888	888
Closing balance September 30, 2016	89,953	-	-90,505	-554	540,619	539,513

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 September 30, 2016, the company held no repurchased shares.

Biotage AB (publ)
Interim report
2016-01-01 -- 2016-09-30

CONSOLIDATED STATEMENT OF CASH FLOWS

	2016-07-01	2015-07-01	2016-01-01	2015-01-01	2015-01-01
Amounts in SEK thousands	2016-09-30	2015-09-30	2016-09-30	2015-09-30	2015-12-31
Operating activities					
Profit/loss before income tax	25,269	19,525	74,172	56,779	76,190
Adjustments for non-cash items	10,843	8,575	29,628	34,266	45,921
	36,112	28,100	103,800	91,045	122,111
Income tax paid	-1,885	-858	-4,796	-977	-1,638
Cash flow from operating activities before changes in working capital	34,228	27,241	99,004	90,068	120,473
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	6,394	1,973	9,074	3,605	11,196
Increase (-)/ decrease (+) in operating receivables	-5,378	1,902	-7,324	-15,004	-23,298
Increase (+)/ decrease (-) in operating liabilities	-4,464	2,818	-4,045	8,112	11,708
Cash flow from operating activities	30,779	33,934	96,708	86,781	120,078
Investing activities					
Acquisition of intangible assets	-7,413	-4,160	-25,053	-15,000	-21,195
Acquisition of property, plant and equipment	-2,280	-4,854	-4,887	-6,755	-10,834
Acquisition of financial assets	-20,499	-28	-21,389	-96	-96
Sale of financial assets	-	-	-	-	261
Cash flow from investing activities	-30,192	-9,042	-51,329	-21,851	-31,865
Financing activities					
Dividend to shareholders	-	-	-80,893	-48,536	-48,536
Repayment of loans	-44	-64	-208	-2,797	-6,698
Cash flow from financial activities	-44	-64	-81,102	-51,333	-55,234
Cash flow for the period	544	24,828	-35,722	13,598	32,980
Cash and cash equivalents opening balance	99,572	90,307	134,885	100,045	100,045
Exchange differences in liquid assets	1,216	582	2,168	2,075	1,861
Cash and equivalents closing balance	101,331	115,718	101,331	115,717	134,885
Additional information:					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	11,786	8,865	35,259	27,560	40,679
Other items	-943	-290	-5,631	6,706	5,242
Total	10,843	8,574	29,628	34,266	45,921

Biotage AB (publ)
Interim report
2016-01-01 -- 2016-09-30

INCOME STATEMENT, PARENT IN SUMMARY

	2016-07-01	2015-07-01	2016-01-01	2015-01-01	2015-01-01
Amounts in SEK thousands	2016-09-30	2015-09-30	2016-09-30	2015-09-30	2015-12-31
Net sales	572	677	1,703	2,038	2,720
Administrative expenses	-3,979	-4,263	-13,584	-12,853	-17,034
Research and development costs	-537	-506	-1,708	-1,759	-2,470
Other operating items	-24	136	0	-64	172
Operating expenses	-4,540	-4,634	-15,293	-14,676	-19,332
Operating profit/loss	-3,969	-3,957	-13,589	-12,638	-16,612
Profit/loss from financial investments:					
Interest income from receivables from group companies	-	-	-	-	138
Interest expense from liabilities to group companies	-644	-409	-1,869	-871	-1,293
Result from participations in group companies	0	-	2,793	-38	45,063
Other interest and similar income	-	-	2,218	2	2
Other interest and similar expenses	-354	356	-694	-52	-72
Group contribution received	-	-	-	-	39,127
Financial net income	-997	-53	2,448	-959	82,966
Profit/loss before income tax	-4,966	-4,010	-11,141	-13,596	66,354
Tax expenses	890	-	2,309	-	761
Total profit/loss for the period	-4,076	-4,010	-8,832	-13,596	67,115

STATEMENT OF COMPREHENSIVE INCOME, PARENT

Total profit/loss for the period	-4,076	-4,010	-8,832	-13,596	67,115
Other comprehensive income:					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	-	-	-	-	-
Total comprehensive income, parent	-4,076	-4,010	-8,832	-13,596	67,115

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BALANCE SHEET, PARENT

Amounts in SEK thousands	2016-09-30	2015-12-31
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Patents and licenses	9,058	8,386
<i>Financial assets</i>		
Investments in group companies	467,955	468,128
Receivables from group companies	14,891	11,241
Shares in associated companies	19,284	-
Deferred tax asset	40,580	38,271
	542,710	517,641
Total non-current assets	551,768	526,026
Current assets		
<i>Current receivables</i>		
Receivables from group companies	2,202	59,945
Other receivables	290	584
Prepaid expenses and accrued income	760	1,070
	3,252	61,599
Cash and cash equivalents	1,469	813
Total current assets	4,721	62,412
TOTAL ASSETS	556,490	588,438
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	89,953	89,953
	89,953	89,953
<i>Unrestricted equity</i>		
Fair value reserve	-66,055	-66,055
Retained earnings	473,702	487,480
Profit/loss for the year	-8,832	67,114
	398,815	488,540
Total equity	488,768	578,493
Current liabilities		
Other financial liabilities	-	3,423
Trade payables	290	499
Liabilities to group companies	63,140	643
Other current liabilities	122	123
Accrued expenses and prepaid income	4,169	5,257
	67,721	9,944
TOTAL EQUITY, PROVISIONS AND LIABILITIES	556,490	588,438
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.

For balance sheet items figures in brackets refer to the value at the end of 2015. For result and cash flow items the corresponding period last year is referred to.

Fair value

Biotage has had a financial debt concerning additional purchase payments in connection with acquired operations which has been measured as fair value allocated to the result. The additional purchase payments related to the acquisition of MIP Technologies AB. The additional purchase payments in 2016 was calculated on the outcome of 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.

Financial debt measured at fair value	2016-09-30	2015-12-31
Additional purchase payments, short-term part	-	3,423
Total	-	3,423

The change in financial debt in 2016 is presented below:

Opening value January 1, 2016	3,423
Cancelled reserve	-888
Settled during the year	-2,535
Value carried forward September 30, 2016	0

Biotage also has a financial asset of 1.3 MSEK measured as fair value concerning an option to acquire all outstanding shares in Chreto Aps. 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.

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 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.

Net 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.

Sales change in %	July 1 2016 - Sep 30 2016	July 1 2015 - Sep 30 2015	Jan 1 2016 - Sep 30 2016	Jan 1 2015 - Sep 30 2015
	%	%	%	%
Sales at comparable exchange rates	9.5	7.0	10.3	7.0
Currency effects	2.1	19.3	0.3	18.0
Reported change	11.6	26.3	10.6	25.0

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.

Net cash	Sep 30, 2016	Dec 31, 2015
Cash	101,331	134,885
Liabilities to credit institutions	0	0
Net cash	101,331	134,885

Graphs of net sales and operating result

Biotage has chosen to report graphs of the net sales and the operating result on a rolling 12 month basis as corporate management also follows the development over time on a rolling 12 month basis and believes that this provides complementary information to the calendar based interim data otherwise given in the report.

Review report

Introduction

We have performed a review of the financial information in summary (interim report) for Biotage AB at September 30, 2016 and the nine month period ending this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, November 10, 2016

Deloitte AB

Jonas Ståhlberg

Authorized Public Accountant