

Year-end report

January-December 2016



February 9, 2017

Fourth quarter, October – December 2016

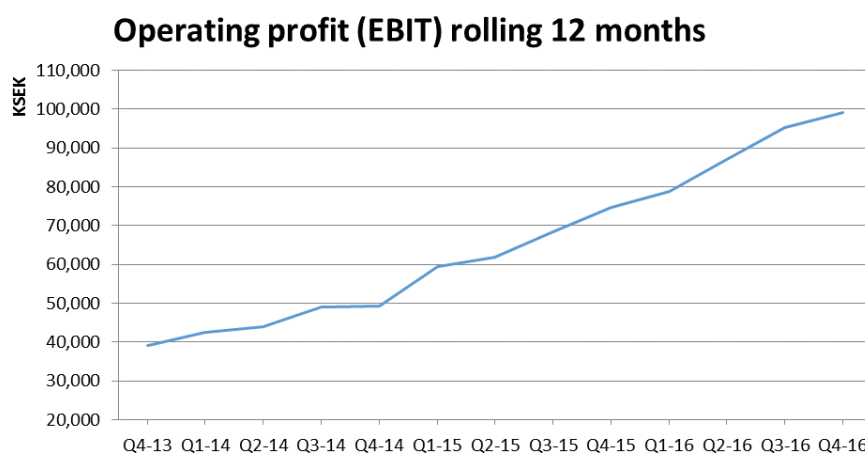
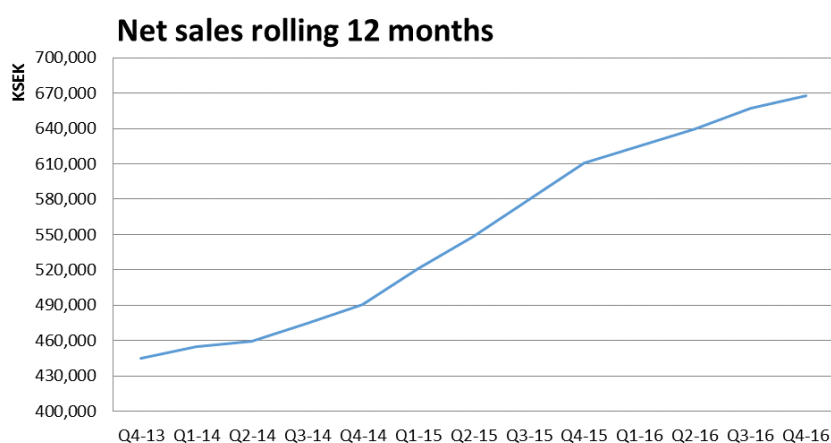
- Net sales amounted to 179.1 MSEK (168.5), an increase by 6.3 percent compared to the corresponding quarter last year. At comparable exchange rates sales increased by 0.9 percent.
- Operating profit increased by 19 percent to 24.1 MSEK (20.2).
- Result after tax amounted to 17.5 MSEK (20.7). The decrease is due to the financial net for the quarter of -5.9 MSEK (-0.7) primarily attributable to the result of currency hedging transactions.
- Earnings per share were 0.27 SEK (0.32) before and after dilution.
- The cash flow from operating activities amounted to 42.4 MSEK (33.3).
- Net cash at December 31 amounted to 128.6 MSEK (134.9), compared to 101.3 MSEK at September 30.
- At the end of the reported period Biotage had no holding of own shares. No shares have been acquired under the repurchasing program resolved at the 2016 Annual General Meeting.

Full year January – December 2016

- Net sales amounted to 667.9 MSEK (610.5), an increase by 9.4 percent compared to the corresponding period last year. At comparable exchange rates net sales increased by 7.8 percent.
- Operating profit increased by 33 percent to 99.1 MSEK (74.8).
- Result after tax amounted to 92.8 MSEK (73.3).
- Earnings per share were 1.43 SEK (1.13) before and after dilution.
- The cash flow from operating activities amounted to 139.1 MSEK (120.1).
- In September Biotage invested 19.3 MSEK in the development of products for purification of biomolecules by acquiring shares corresponding to 22 percent of Chreto Aps.
- The shareholder dividend paid in May amounted to 80.9 MSEK (48.5).
- The board intends to propose to the Annual General Meeting that dividends to the shareholders are paid to the amount of 1.25 SEK (1.25) per share for 2016. According to the dividend policy Biotage should distribute at least 50 percent of the net profit.

Group financial development in brief

Amounts in SEK millions	4 th quarter Oct-Dec 2016	4 th quarter Oct-Dec 2015	12 months Jan -Dec 2016	12 months Jan-Dec 2015
Net sales	179.1	168.5	667.9	610.5
Cost of sales	-73.3	-74.2	-282.1	-268.0
Gross profit	105.9	94.3	385.8	342.6
Operating expenses	-81.8	-74.2	-286.7	-267.8
Operating profit/loss (EBIT)	24.1	20.2	99.1	74.8
Financial items	-5.9	-0.7	-6.7	1.4
Profit/loss before tax	18.2	19.4	92.4	76.2
Tax expenses	-0.7	1.3	0.4	-2.9
Total profit/loss for the period	17.5	20.7	92.8	73.3
Gross margin	59.1%	56.0%	57.8%	56.1%
Operating margin (EBIT)	13.4%	12.0%	14.8%	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

It is with satisfaction that I report record sales for the quarter as well as the full year. The sales amounted to 179 MSEK in the quarter and 668 MSEK in the full year. We meet the financial goal of 8 percent sales growth and exceed the goal for operating margin (EBIT) of 10 percent with a good margin. With the achieved sales growth Biotage is growing considerably faster than the underlying markets. We continue to show a solid earning capacity at the same time as the business is growing. For 2016 we achieve an operating profit (EBIT) of 99 MSEK, an increase by 33 percent. Over a ten-year period Biotage has improved EBIT with an average of 25 percent per year. The operating activities generated a cash flow of 139 MSEK in 2016, which is 19 MSEK more than last year.

All regions where we have direct sales grew in the quarter and the full year. China shows the single biggest sales increase with 28 percent during 2016. During the last quarter of the year we started direct sales in South Korea according to plan. We have a good team in place and look forward to a return on this investment already in 2017. We are planning for direct sales in more countries where we see a considerable market potential and where distributor sales have not met our expectations.

Our investments in research and development in recent years have generated a number of new successful products. The share of Biotage's sales relating to products launched in the last three years has increased continuously and now amount to 20 percent.

In 2016 the product area Purification within Organic Chemistry developed especially well. The successes can to a large extent be attributed to the launch of the evaporation system Biotage®V-10 Touch. Also the sales of the purification system Isolera™ exceeded our expectations. The positive development for consumables in Analytical Chemistry continues. It is still in the American market that we see the biggest growth. In 2017 we will add additional personnel resources in Analytical Chemistry and more application laboratories in Europe, Japan and the US. The investment in biomolecules as a new product area was started in earnest in 2016. In December we launched our first consumables for purification of peptides and other large molecules. Earlier in the year we invested in the Danish protein purification company Chreto.

System sales accounted for 45 percent of the sales and aftermarket products for 55 percent in 2016. The main reason why we have not been able to get closer to our strategic distribution goal of 40/60 is the success in China, where we practically only sell systems.

The efficiency at the production plant in Cardiff, Wales is improving, as a result of larger production volumes as well as focused work for a higher degree of automation of the production. Together with a weaker GBP this has contributed to raising the gross margin for the quarter to above 59 percent.

All in all, 2016 was a fantastic year with varying financial situations in the markets where we operate. I am convinced that also 2017 will be an exciting year. We are well prepared and I look forward to the new year with confidence.

Group result, financial position and cash flow

Fourth quarter, October – December 2016

Group net sales in the fourth quarter 2016 amounted to 179.1 MSEK (168.5), which is an increase by 6.3 percent. At comparable exchange rates sales increased by 0.9 percent compared to the corresponding quarter last year. The Americas was the biggest market with 43 percent (43) of the net sales. The EU area contributed 32 percent (32), Japan 11 percent (12), China 8 percent (8), South Korea 1 percent (n/a), EMEA 3 percent (3) and APAC 2 percent (2).

The Group's gross margin improved to 59.1 percent (56.0). Efficiency gains in the production continue to contribute to improved profitability. The relatively weak 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 (47) and 55 percent (53), respectively.

The operating expenses amounted to 81.8 MSEK (74.2). Of this sum 53.6 MSEK (43.5) were sales costs. The increase in sales costs by 10.1 MSEK compared to the corresponding period last year is attributable primarily to the investments in the sales force and to currency effects at the translation to SEK of the costs for the American sales company. The research and development costs decreased by 2.7 MSEK to 11.4 MSEK (14.1) as a result of high activity in development projects capitalized on the balance sheet. The administration costs amounted to 16.8 MSEK (15.4). Other operating items, amounting to 0.1 MSEK (-1.1), primarily consists of currency effects on operations related liabilities and receivables, and Biotage's share of the result of the associated company Chreto.

Operating profit improved by 19 percent to 24.1 MSEK (20.2), corresponding to an operating margin (EBIT) of 13.4 percent (12.0). Net financial income amounted to -5.9 MSEK (-0.7), the difference compared to the corresponding period last year being primarily attributable to the result of currency hedging transactions. The result after tax amounted to 17.5 MSEK (20.7).

The cash flow from operating activities was 42.4 MSEK (33.3). The investments amounted to 16.4 MSEK (10.0). Amortizations and write-downs amounted to 8.6 MSEK (8.9). Capitalized development costs accounted for 8.8 MSEK (5.6) of the investments and 4.5 MSEK (4.8) of the amortizations and write-downs.

Full year January – December 2016

Group net sales increased by 9.4 percent and amounted to 667.9 MSEK (610.5). At comparable exchange rates net sales increased by 7.8 percent. The Americas

was the biggest market with 44 percent (44) of the net sales. The EU area contributed 30 percent (32), Japan 13 percent (12), China 8 percent (7), South Korea 1 percent (n/a), EMEA 2 percent (3) and APAC 2 percent (2).

The Group's gross margin improved to 57.8 percent (56.1). Systems accounted for 45 percent of the sales and aftermarket products for 55 percent, the same distribution as in the comparative period.

The operating expenses amounted to 286.7 MSEK (267.8). The increase is mainly attributable to an increase of the sales costs by 19.8 MSEK to 189.3 MSEK (169.4).

The operating profit improved by 33 percent to 99.1 MSEK (74.8), corresponding to an operating margin (EBIT) of 14.8 percent (12.2). Net financial income amounted to -6.7 MSEK (1.4). The result after tax was 92.8 MSEK (73.3), an increase by 25 percent.

The cash flow from operating activities improved to 139.1 MSEK (120.1). The investments amounted to 67.7 MSEK (31.9). 19.3 MSEK of this sum is attributable to the acquisition of shares in Chreto Aps. Amortizations and write-downs amounted to 43.8 MSEK (36.4). Capitalized development costs accounted for 32.1 MSEK (19.3) of the investments and 29.3 MSEK (20.7) of the amortizations and write-downs.

Balance sheet items

At December 31 2016 the Group's cash and cash equivalents amounted to 128.6 MSEK (134.9) compared to 101.3 MSEK at September 30. The Group had no interest-bearing liabilities neither at the end of the reported period, nor at the end of the comparative period. Net cash at December 31 thus amounted to 128.6 MSEK (134.9), compared to 101.3 MSEK at September 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 December 31. 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 116.0 MSEK (115.2), compared to 112.8 MSEK at September 30. Of this sum patents and license rights amounted to 25.2 MSEK (29.2), compared to 26.3 MSEK at September 30, and capitalized development costs to 90.8 MSEK (86.0), compared to 86.6 MSEK at September 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 December 31 the equity capital amounted to 563.2 MSEK (546.7), compared to 539.5 MSEK at September 30. The change in equity capital during the year is

primarily attributable to the net result 92.8 MSEK (73.3) 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 decided 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 323 employees at December 31, compared to 319 at September 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 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 fourth quarter and to 2.3 MSEK (2.7) in the full year. The operating expenses amounted to 6.1 MSEK (4.7) in the fourth quarter and to 21.4 MSEK (19.3) in the full year. The operating result was - 5.5 MSEK (-4.0) for the quarter and - 19.1 MSEK (-16.6) for the full year.

The parent company's net financial income was 80.8 MSEK (83.9) for the quarter and 83.3 MSEK (83.0) for the full year. The parent company's result after financial items was 75.3 MSEK (80.0) for the quarter and 64.2 MSEK (66.4) for the full year.

The investments in intangible fixed assets amounted to 0.4 MSEK (0.3) in the quarter and to 1.8 MSEK (1.0) in the full year. The parent company's cash and

bank balance amounted to 1.4 MSEK (0.8) at December 31, compared to 1.5 MSEK at September 30.

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, Sweden or info@biotage.com.

Coming reports

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

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.

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

Uppsala February 9, 2017

Torben Jörgensen
President and CEO

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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 February 9, 2017.

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. 325 employees and had sales of 668 MSEK in 2016. Biotage is listed on the NASDAQ OMX Stockholm stock exchange. Website: www.biotage.com

Biotage AB (publ)

Year end report

2016-01-01 -- 2016-12-31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

	2016-10-01	2015-10-01	2016-01-01	2015-01-01
Amounts in SEK thousands	2016-12-31	2015-12-31	2016-12-31	2015-12-31
Net sales	179,145	168,548	667,912	610,534
Cost of sales	-73,272	-74,241	-282,098	-267,967
Gross profit	105,873	94,307	385,813	342,568
Distribution costs	-53,610	-43,547	-189,276	-169,447
Administrative expenses	-16,832	-15,378	-55,995	-52,159
Research and development costs	-11,402	-14,078	-49,188	-49,528
Other operating income	52	-1,150	7,760	3,353
Total operating expenses	-81,791	-74,153	-286,700	-267,781
Operating profit/loss	24,082	20,154	99,114	74,787
Financial net income	-5,852	-744	-6,712	1,403
Profit/loss before income tax	18,230	19,411	92,401	76,190
Tax expenses	-738	1,310	394	-2,935
Total profit/loss for the period	17,492	20,721	92,796	73,255
Other comprehensive income				
Components that may be reclassified to net income:				
Translation differences related to non Swedish subsidiaries	6,279	-1,718	4,460	5,718
Cash flow hedges	842	70	218	70
Total other comprehensive income	7,121	-1,648	4,678	5,788
Total comprehensive income for the period	24,613	19,073	97,474	79,043

CONSOLIDATED STATEMENT

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

Amounts in SEK thousands	2016-12-31	2015-12-31
ASSETS		
Non-Current assets		
Property, plant and equipment	45,447	44,719
Goodwill	104,023	104,023
Other intangible assets	116,015	115,170
Financial assets	21,389	692
Deferred tax asset	52,344	47,626
Total non-current assets	339,217	312,228
Current assets		
Inventories	88,906	97,182
Trade and other receivables	138,451	124,536
Cash and cash equivalents	128,622	134,885
Total current assets	355,980	356,604
TOTAL ASSETS	695,196	668,832
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	89,953	89,953
Reserves	-83,938	-88,616
Retained earnings	557,223	545,320
Total equity	563,238	546,657
Non-current liabilities		
Other financial liabilities	815	1,075
Deferred tax liability	1,759	1,948
Non-current provisions	1,663	1,468
Total non-current liabilities	4,237	4,491
Current liabilities		
Trade and others liabilities	123,733	109,698
Other financial liabilities	-	3,698
Tax liabilities	1,085	2,317
Current provisions	2,903	1,970
Total current liabilities	127,721	117,684
TOTAL EQUITY AND LIABILITIES	695,196	668,832

Attributable to parent company's
Total profit/loss for the period

Attributable to parent company's
Total comprehensive income for the period

Average shares outstanding

Shares outstanding at end of reporting period

Total profit/loss for the period per share SEK
Total profit/loss for the period per share after dilution SEK

Earnings per share relates to:
Continuing operations

Total comprehensive income for the period per share SEK

Total comprehensive income for the period per share after dilution SEK

Quarterly summary 2015 and 2016
Amounts in KSEK

Net Sales
Cost of sales
Gross profit
Gross margin
Operating expenses
Operating profit/loss
Finansnetto
Profit/loss before income tax
Tax expenses
Total profit/loss for the period

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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, - December 31, 2016						
Total comprehensive income	-	-	4,460	218	92,796	97,474
Total non-owners changes	-	-	4,460	218	92,796	97,474
Transacitions with equity holders of the company						
	-	-	-	-	-	-
Dividend to shareholders of the parent company	-	-	-	-	-80,893	-80,893
Reversal unpaid additional purchase consideration	-	-	-	-	-	-
Closing balance december 31, 2016	89,953	-	-84,227	289	557,223	563,238

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 December 31, 2016, the company held no repurchased shares.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	2016-10-01	2015-10-01	2016-01-01	2015-01-01
Amounts in SEK thousands	2016-12-31	2015-12-31	2016-12-31	2015-12-31
Operating activities				
Profit/loss before income tax	18,230	19,411	92,401	76,190
Adjustments for non-cash items	13,021	11,655	42,649	45,921
	31,251	31,066	135,051	122,111
Income tax paid	-567	-661	-5,363	-1,638
Cash flow from operating activities before changes in working capital	30,684	30,405	129,688	120,473
Cash flow from changes in working capital:				
Increase (-)/ decrease (+) in inventories	881	7,591	9,955	11,196
Increase (-)/ decrease (+) in operating receivables	-1,497	-8,295	-8,821	-23,298
Increase (+)/ decrease (-) in operating liabilities	12,296	3,596	8,250	11,708
Cash flow from operating activities	42,363	33,297	139,072	120,078
Investing activities				
Acquisition of intangible assets	-9,270	-6,195	-34,322	-21,195
Acquisition of property, plant and equipment	-8,331	-4,079	-13,218	-10,834
Acquisition of financial assets	-	-	-20,620	-96
Sale of financial assets	1,204	261	435	261
Cash flow from investing activities	-16,397	-10,014	-67,726	-31,865
Financing activities				
Dividend to shareholders	-	-	-80,893	-48,536
Repayment of loans	-51	-3,901	-259	-6,698
Cash flow from financial activities	-51	-3,901	-81,152	-55,234
Cash flow for the period	25,915	19,382	-9,807	32,980
Cash and cash equivalents opening balance	101,331	115,718	134,885	100,045
Exchange differences in liquid assets	1,376	-214	3,544	1,861
Cash and equivalents closing balance	128,622	134,885	128,622	134,885
Additional information:				
<i>Adjustments for non-cash items</i>				
Depreciations and impairments	8,566	13,119	43,825	40,679
Other items	4,455	-1,463	-1,176	5,242
Total	13,021	11,655	42,649	45,921

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INCOME STATEMENT, PARENT IN SUMMARY

	2016-10-01	2015-10-01	2016-01-01	2015-01-01
Amounts in SEK thousands	2016-12-31	2015-12-31	2016-12-31	2015-12-31
Net sales	583	682	2,287	2,720
Administrative expenses	-5,642	-4,181	-19,227	-17,034
Research and development costs	-369	-711	-2,077	-2,470
Other operating items	-86	236	-86	172
Operating expenses	-6,097	-4,656	-21,389	-19,332
Operating profit/loss	-5,513	-3,974	-19,103	-16,612
Profit/loss from financial investments:				
Interest income from receivables from group companies	145	138	145	138
Interest expense from liabilities to group companies	-712	-422	-2,581	-1,293
Result from participations in group companies	-	45,101	2,793	45,063
Other interest and similar income	-2,217	-	1	2
Other interest and similar expenses	-1,884	-20	-2,578	-72
Group contribution received	85,500	39,127	85,500	39,127
Financial net income	80,833	83,925	83,281	82,966
Profit/loss before income tax	75,320	79,950	64,178	66,354
Tax expenses	-735	761	1,574	761
Total profit/loss for the period	74,585	80,711	65,753	67,115

STATEMENT OF COMPREHENSIVE INCOME, PARENT

Total profit/loss for the period	74,585	80,711	65,753	67,115
Other comprehensive income:				
Components that may be reclassified to net income:				
Translation differences related to non Swedish subsidiaries	-	-	-	-
Total comprehensive income, parent	74,585	80,711	65,753	67,115

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BALANCE SHEET, PARENT

Amounts in SEK thousands	2016-12-31	2015-12-31
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Patents and licenses	9,243	8,386
<i>Financial assets</i>		
Investments in group companies	469,271	468,128
Receivables from group companies	12,599	11,241
Shares in associated companies	19,284	-
Deferred tax asset	39,846	38,271
	540,999	517,641
Total non-current assets	550,242	526,026
Current assets		
<i>Current receivables</i>		
Receivables from group companies	72,419	59,945
Other receivables	386	584
Prepaid expenses and accrued income	1,067	1,070
	73,872	61,599
Cash and cash equivalents	1,392	813
Total current assets	75,264	62,412
TOTAL ASSETS	625,506	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	0	-66,055
Retained earnings	407,647	487,480
Profit/loss for the year	65,753	67,114
	473,400	488,540
Total equity	563,353	578,493
Current liabilities		
Other financial liabilities	-	3,423
Trade payables	1,240	499
Liabilities to group companies	55,502	643
Other current liabilities	122	123
Accrued expenses and prepaid income	5,289	5,257
	62,153	9,944
TOTAL EQUITY, PROVISIONS AND LIABILITIES	625,506	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 sums in connection with acquired operations which has been measured as fair value allocated to the result. The additional purchase sums related to the acquisition of MIP Technologies AB. The additional purchase sum paid 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 as fair value	Dec 31 2016	Dec 31 2015
Additional purchase sum, 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 December 31, 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. Biotage owns 22 percent of Chreto. 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 %	Oct 1 - Dec 31	Oct 1 - Dec 31	Jan 1 - Dec 31	Jan 1 - Dec 31
	2016	2015	2016	2015
	%	%	%	%
Sales at comparable exchange rates	0.9	6.4	7.8	8.4
Currency effects	5.4	15.9	1.6	16.1
Reported change	6.3	22.3	9.4	24.5

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	Dec 31 2016	Dec 31 2015
Cash	128,622	134,885
Liabilities to credit institutions	0	0
Net cash	128,622	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 months' basis as corporate management also follows the development over

time on a rolling 12 months' basis and believes that this provides complementary information to the calendar based interim data otherwise given in the report.