

July 16, 2018

Record figures for sales as well as operating profit

Second quarter, April - June 2018

- Net sales amounted to 236.1 MSEK (196.3), which is an increase by 20.3 percent compared to the corresponding quarter last year. At comparable exchange rates¹⁾ and adjusted for acquisitions net sales increased by 9.0 percent.
- Operating profit increased by 34 percent to 50.0 MSEK (37.2).
- Result after tax increased by 36 percent to 51.4 MSEK (37.7).
- Earnings per share amounted to 0.79 SEK (0.58).
- The cash flow from operating activities amounted to 24.6 MSEK (43.1).
- Dividends to the shareholders were paid to the amount of 90.6 MSEK (80.9).
- Net cash¹⁾ at June 30 was -13.5 MSEK (101.6). The Group's cash and cash equivalents amounted to 95.8 MSEK (101.6). Interest-bearing liabilities at the end of the period amounted to 109.3 MSEK (-) relating to loans under a credit facility taken out in connection with the acquisition of Horizon Technology Inc.

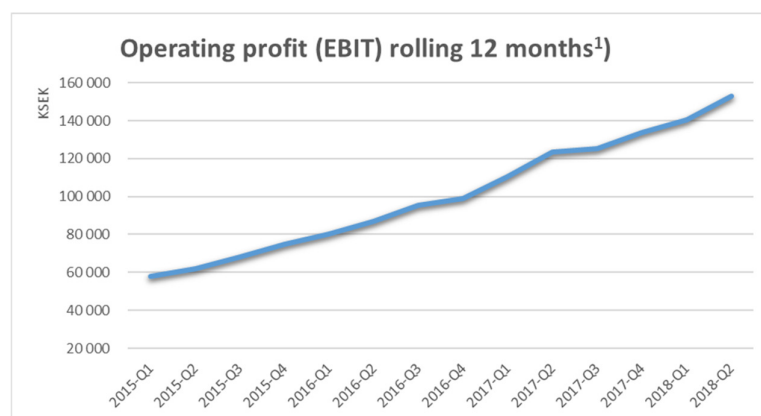
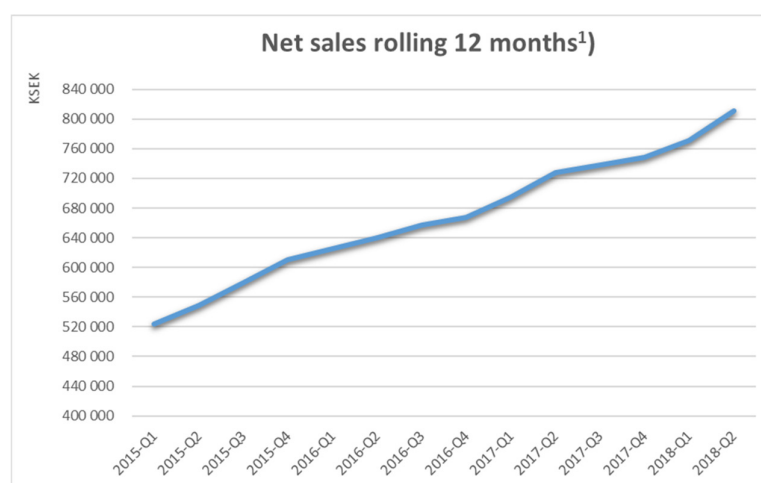
Six months, January - June 2018

- Net sales amounted to 444.1 MSEK (381.5), which is an increase by 16.4 percent compared to the corresponding period last year. At comparable exchange rates¹⁾ and adjusted for acquisitions net sales increased by 9.3 percent.
- Operating profit increased by 27 percent to 91.6 MSEK (72.1).
- Result after tax increased by 32 percent to 96.3 MSEK (73.0).
- Earnings per share amounted to 1.49 SEK (1.13).
- The cash flow from operating activities amounted to 52.7 MSEK (72.2).
- The acquisition of Horizon Technology Inc. was completed on January 16.

1) See definition pp. 16-17

Group financial development in brief

Amounts in SEK millions	Q2 Apr-Jun 2018	Q2 Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017	12 months Jan-Dec 2017
Net sales	236.1	196.3	444.1	381.5	748.1
Cost of sales	-91.7	-75.3	-172.9	-147.7	-291.5
Gross profit	144.4	121.0	271.2	233.8	456.7
Operating expenses	-94.4	-83.9	-179.6	-161.7	-323.0
Operating profit/loss (EBIT)	50.0	37.2	91.6	72.1	133.6
Financial items	1.9	0.6	5.9	1.9	2.6
Profit/loss before tax	51.9	37.8	97.5	74.0	136.3
Tax	-0.5	-0.1	-1.3	-1.1	2.5
Total profit/loss for the period	51.4	37.7	96.3	73.0	138.7
<i>Gross margin</i>	61.2%	61.7%	61.1%	61.3%	61.0%
<i>Operating margin (EBIT)</i>	21.2%	18.9%	20.6%	18.9%	17.9%



1) See definition pp. 16-17

Comments by CEO Torben Jörgensen

Biotage adds yet another strong quarter with new record figures for sales as well as operating profit. The increased representation by own sales representatives in different parts of the world contributes to Biotage's continued strong growth. Our subsidiary in India has now been operational during two quarters and despite being in a build-up and transition phase the result is already encouraging, as we have turned the negative trend around. Sales in India in the first six months of the year increased by 170 percent compared to the corresponding period last year. In general Biotage is growing faster than the markets in which the company is active, which means that we are growing our market share.

Biotage's operations benefit from the current currency situation with a relatively weak SEK. Notwithstanding the currency benefits, sales in both the quarter and the six-month period increased by 9 percent at comparable exchange rates and adjusted for acquisitions. The gross margin for the quarter as well as the six-month period exceeds our strategic goal of 60 percent. Despite a slightly less favorable distribution of the sales between systems and aftermarket products than the corresponding period last year (49/51 percent vs. 48/52 percent) the gross margin for the six-month period remained practically unchanged. The operating margin (EBIT) exceeds 20 percent for the quarter as well as the six-month period and now amounts to 16.4 percent as a rolling average for the last three years.

The integration of Biotage's latest acquisition, Horizon Technology Inc., proceeds according to plan and we continue to see good opportunities for growing the business over time. By using Biotage's global sales organization we can increase the proportion of direct sales at the same time as we achieve increased geographic coverage. We also already now see that we are increasing the profitability of the acquired business.

The trend of strong sales of our Isolera™ purification systems continues. The sales of these systems have been strong in China for a long period, but during the quarter we also saw a strong development in the US with a 50 percent increase of sales for these products compared to last year. The development in analytical chemistry is also good and the sales in this product area, which also includes the products from Horizon Technology, are strong.

For a long time we have faced tough price competition on consumables in China from local players. In an attempt to gain market share also in this area, we have introduced consumables for the purification system Isolera™ specially designed for the local market in China. The sales of these have begun to take off and we look forward with interest to see the development going forward.

The initiatives in industrial products continue and during the quarter we launched a UV monitoring kit that improves the user-friendliness of our big purification systems Biotage® Flash 150 and Biotage® Flash 400, for use in the pharma and manufacturing industry.

As we see an increased demand for Biotage's products we are developing our production units. This above all applies to the manufacturing of consumables in organic and analytical chemistry. Projects are under way to increase the internal production capacity both short term and long term. During the quarter we, among other things, implemented improvements of the production flows and installed larger production modules.

Group result, financial position and cash flow

Second quarter, April – June 2018

Group net sales in the second quarter 2018 amounted to 236.1 MSEK (196.3), which is an increase by 20.3 percent (20.5). At comparable exchange rates and adjusted for acquisitions sales increased by 9.0 percent (15.9) compared with the corresponding quarter last year. The Americas was the biggest market with 41 percent (44) of the net sales. The EU and the EMEA area contributed 29 percent (29) and Asia increased its share to 30 percent (27).

The Group's gross margin for the quarter amounted 61.2 percent (61.7). The distribution of sales between systems and aftermarket products was 49 percent (49) and 51 percent (51), respectively. Biotage's profitability continues to be favored by the currency situation with a relatively strong USD against SEK.

The operating expenses amounted to 94.4 MSEK (83.9). Of this sum 64.4 MSEK (52.7) were sales costs. The increase in sales costs by 11.7 MSEK compared to the corresponding period last year is mainly attributable to increased staffing in the sales force, the establishment of direct sales in India, and the acquisition of Horizon Technology in January 2018. The research and development costs amounted to 16.9 MSEK (13.7) and the administration costs amounted to 18.5 MSEK (13.2). Also these costs are affected by the acquisition of Horizon. Other operating items, amounting to 5.5 MSEK (-4.3) primarily consists of currency effects on operations related liabilities and receivables. This year's positive contribution compared to the negative effect in the comparative period thus constitutes a positive net effect of no less than 9.8 MSEK between the years.

Operating profit improved by 34 percent to 50.0 MSEK (37.2), corresponding to an operating margin (EBIT) of 21.2 percent (18.9). Net financial income amounted to 1.9 MSEK (0.6). The result after tax improved by 36 percent to 51.4 MSEK (37.7).

The cash flow from operating activities in the period was 24.6 MSEK (43.1). The decrease is attributable to changes in working capital during the quarter, above all to an increase of accounts receivable as a result of high invoicing at the end of the period. The working capital increase is also partly caused by currency effects at the translation of foreign subsidiaries' balance sheet items to SEK. The investments amounted to 10.3 MSEK (10.7). Amortizations and write-downs amounted to 9.9 MSEK (9.0). Capitalized development costs accounted for 6.8 MSEK (6.6) of the investments and 4.7 MSEK (5.0) of the amortizations and write-downs.

Six months January - June 2018

The Group's net sales in the six-month period increased by 16.4 percent (18.6) to 444.1 MSEK (381.5). At comparable exchange rates and adjusted for acquisitions net sales increased by 10.1 percent (14). The Americas was the biggest market with 41 percent (43) of the net sales. The EU and the EMEA area contributed 29 percent (30) and Asia 30 percent (27).

The Group's gross margin for the period was virtually unchanged compared to the corresponding period last year, 61.1 percent (61.3), with a product mix where systems accounted for 49 percent (48) of the sales and aftermarket products for 51 percent (52).

The operating expenses amounted to 179.6 MSEK (161.7). The increase is mainly attributable to an increase of the sales costs by 21.7 MSEK to 124.6 MSEK (102.9).

The operating profit improved by 27 percent (51) to 91.6 MSEK (72.1) corresponding to an operating margin (EBIT) of 20.6 percent (18.9). Net financial income amounted to 5.9 MSEK (1.9). The result after tax was 96.3 MSEK (73.0), an increase by 32 percent.

The cash flow from operating activities was 52.7 MSEK (72.2). The cash flow was negatively affected to the amount of 47.7 MSEK by changes in working capital during the period. Of this sum 7.7 MSEK relates to increased inventories and 34.7 MSEK to increased operating receivables, primarily increased accounts receivable relating to large sales at the end of the period. The investments amounted to 154.3 MSEK (16.7), the net effect of the acquisition of Horizon accounting for 129.8 MSEK. Amortizations and write-downs amounted to 19.1 MSEK (17.3). Capitalized development costs accounted for 14.5 MSEK (10.7) of the investments and 8.8 MSEK (9.2) of the amortizations and write-downs.

Balance sheet items

At June 30, 2018 the Group's cash and cash equivalents amounted to 95.8 MSEK (101.6). At the end of the period the Group had interest-bearing liabilities amounting to 109.3 MSEK (-). The interest-bearing liabilities relate to loans under a credit facility taken out in connection with the acquisition of Horizon Technology Inc. Net cash at June 30 thus amounted to -13.5 MSEK (101.6). During the period dividends to the shareholders were paid to the amount of 90.6 MSEK (80.9).

The Group reports a total goodwill of 186.0 MSEK (104.0) at June 30. The increase in goodwill relates to the acquisition of Horizon Technology Inc. that was completed in January. Other reported goodwill relates to the acquisition of MIP Technologies AB and two product lines from Caliper Life Sciences Inc. in 2010.

Other intangible fixed assets amounted to 191.3 MSEK (115.9). Of this sum 100.8 MSEK (92.3) were capitalized development costs. The rest of the increase primarily consists of identified surplus value in acquired assets in Horizon, see p. 17.

At June 30 the equity capital amounted to 632.4 MSEK (545.7). The change in equity capital during the first six months is attributable to the net result 96.3 MSEK (73.0),

dividends to the shareholders -90.6 MSEK (-80.9) and hedging and currency effects at the translation of foreign subsidiaries 18.1 MSEK (-9.8).

Major events after the reported period

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

Human resources

The Group had 406 employees (334) at June 30, compared to 349 at the start of the year. The increase during the year is mainly attributable to the acquisition of Horizon.

Parent company

The Group's parent company, Biotage AB, has wholly owned subsidiaries in Sweden, the United States, United Kingdom, Germany, France, Italy, Japan, China, South Korea and India. 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 (0.6) in the second quarter. The operating expenses amounted to 5.5 MSEK (5.6) and the operating result to -4.9 MSEK (-5.0). The parent company's net financial income was 1.5 MSEK (1.6) and the result after financial items amounted to -3.4 MSEK (-3.4). The investments in intangible fixed assets amounted in the quarter amounted to 0.5 MSEK (0.0). The parent company's cash and bank balance amounted to 1.5 MSEK (1.5) at June 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 2017. 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 financial reports

The interim report for the third quarter 2018 will be issued on November 6, 2018. The year-end report for 2018 will be issued on February 7, 2019. All reports are available at Biotage's website from the above dates.

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

Assurance

The Board of Directors and the CEO 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 July 16, 2018

Torben Jörgensen
President and CEO

Thomas Eklund
Chairman of the Board

Nils-Olof Björk
Board Director

Yvonne Mårtensson
Board Director

Peter Ehrenheim
Board Director

Karolina Lawitz
Board Director

Annika Gärdlund
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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 11.00 CET on July 16, 2018.

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, contract research and contract manufacturing organizations, pharmaceutical and food companies, among others. The company is headquartered in Uppsala and has offices in the US, UK, China, Japan, South Korea and India. Biotage has approx. 400 employees and had sales of 748 MSEK in 2017. Biotage is listed on NASDAQ Stockholm. Website: www.biotage.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

	2018-04-01	2017-04-01	2018-01-01	2017-01-01	2017-01-01
Amounts in SEK thousands	2018-06-30	2017-06-30	2018-06-30	2017-06-30	2017-12-31
Net sales	236,071	196,315	444,118	381,543	748,147
Cost of sales	-91,678	-75,269	-172,921	-147,743	-291,483
Gross profit	144,392	121,046	271,198	233,801	456,664
Distribution costs	-64,439	-52,702	-124,564	-102,855	-207,628
Administrative expenses	-18,544	-13,163	-33,752	-26,041	-54,705
Research and development costs	-16,943	-13,673	-31,895	-28,327	-55,986
Other operating income	5,545	-4,315	10,616	-4,438	-4,715
Total operating expenses	-94,381	-83,853	-179,595	-161,661	-323,034
Operating profit/loss	50,011	37,193	91,602	72,140	133,630
Financial net income	1,903	600	5,947	1,904	2,631
Profit/loss before income tax	51,914	37,793	97,549	74,043	136,260
Tax	-495	-115	-1,277	-1,073	2,487
Total profit/loss for the period	51,419	37,678	96,272	72,970	138,747
Other comprehensive income					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	12,063	-7,716	18,591	-9,773	-12,268
Cash flow hedges	-36	668	-475	133	-213
Total other comprehensive income	12,027	-7,049	18,116	-9,641	-12,481
Total comprehensive income for the period	63,446	30,629	114,388	63,330	126,267

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY (Continuing)

	2018-04-01	2017-04-01	2018-01-01	2017-01-01	2017-01-01
Beloppi KSEK	2018-06-30	2017-06-30	2018-06-30	2017-06-30	2017-12-31
Attributable to parent company's shareholders:					
Total profit/loss for the period	51,419	37,678	96,272	72,970	138,747
Attributable to parent company's shareholders:					
Total comprehensive income for the period	63,446	30,629	114,388	63,330	126,267
Average shares outstanding	64,714,447	64,714,447	64,714,447	64,714,447	64,714,447
Average shares outstanding after dilution (*)	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	0.79	0.58	1.49	1.13	2.14
Total profit/loss for the period per share SEK after dilution	0.79	0.58	1.49	1.13	2.14
Earnings per share relates to:					
Continuing operations	0.79	0.58	1.49	1.13	2.14
Total comprehensive income for the period per share SEK	0.98	0.47	1.77	0.98	1.95
Total comprehensive income for the period per share after dilution SEK	0.98	0.47	1.77	0.98	1.95

Quarterly summary	2018	2018	2017	2017	2017	2017
Amounts in KSEK	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	236,071	208,048	188,888	177,716	196,315	185,228
Cost of sales	-91,678	-81,242	-73,271	-70,469	-75,270	-72,473
Gross profit	144,392	126,805	115,617	107,246	121,045	112,755
Gross margin	61.2%	61.0%	61.2%	60.3%	61.7%	60.9%
Operating expenses	-94,381	-85,214	-83,387	-77,986	-83,853	-77,808
Operating profit/loss	50,011	41,591	32,231	29,260	37,192	34,947
Financial net	1,903	4,044	2	725	600	1,304
Profit/loss before income tax	51,914	45,635	32,233	29,985	37,793	36,250
Tax	-495	-782	2,417	1,143	-116	-958
Total profit/loss for the period	51,419	44,853	34,650	31,128	37,677	35,293

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

Amounts in SEK thousands	2018-06-30	2017-12-31
ASSETS		
Non-Current assets		
Property, plant and equipment	49,116	45,303
Goodwill	185,954	104,023
Other intangible assets	191,336	118,646
Financial assets	19,996	19,243
Deferred tax asset	62,049	60,735
Total non-current assets	508,450	347,949
Current assets		
Inventories	120,290	95,794
Trade and other receivables	190,848	139,195
Cash and cash equivalents	95,844	174,263
Total current assets	406,982	409,252
TOTAL ASSETS	915,432	757,201
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	89,953	89,953
Reserves	-78,303	-96,419
Retained earnings	620,749	615,077
Total equity	632,399	608,611
Non-current liabilities		
Liabilities to credit institutions	109,325	-
Other financial liabilities	612	656
Deferred tax liability	15,090	1,621
Non-current provisions	2,048	1,936
Total non-current liabilities	127,076	4,212
Current liabilities		
Trade and others liabilities	150,304	139,693
Tax liabilities	1,884	1,899
Current provisions	3,770	2,785
Total current liabilities	155,958	144,377
TOTAL EQUITY AND LIABILITIES	915,432	757,201

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Beloppi KSEK	Share capital	Accumulated translation reserve	Hedging reserve	Retained earnings	Total equity
Opening balance January 1, 2017	89,953	-84,227	288	557,223	563,238
Changes in equity in the period of January 1, 2017 - December 31, 2017					
Total comprehensive income	-	-12,268	-213	138,747	126,267
Total non-owners changes	-	-12,268	-213	138,747	126,267
Transactions with equity holders of the company					
Dividend to shareholders of the parent company	-	-	-	-80,893	-80,893
Closing balance December 31, 2017	89,953	-96,494	76	615,077	608,611
Changes in equity in the period of January 1, 2017 - June 30, 2017					
Total comprehensive income	-	-9,773	133	72,970	63,330
Total non-owners changes	-	-9,773	133	72,970	63,330
Transacitions with equity holders of the company					
Dividend to shareholders of the parent company	-	-	-	-80,893	-80,893
Closing balance June 30, 2017	89,953	-94,000	421	549,300	545,674
Changes in equity in the period of January 1, 2018 - June 30, 2018					
Total comprehensive income	-	18,591	-475	96,272	114,388
Total non-owners changes	-	18,591	-475	96,272	114,388
Transacitions with equity holders of the company					
Dividend to shareholders of the parent company	-	-	-	-90,600	-90,600
Closing balance June 30, 2018	89,953	-77,903	-399	620,749	632,399

CONSOLIDATED STATEMENT OF CASH FLOWS

	2018-04-01	2017-04-01	2018-01-01	2017-01-01	2017-01-01
Amounts in SEK thousands	2018-06-30	2017-06-30	2018-06-30	2017-06-30	2017-12-31
Operating activities					
Profit/loss before income tax	51,914	37,793	97,549	74,043	136,260
Adjustments for non-cash items	1,978	11,694	5,566	17,665	36,216
	53,891	49,487	103,115	91,708	172,476
Income tax paid	-1,352	-985	-2,749	-2,234	-5,091
Cash flow from operating activities					
before changes in working capital	52,539	48,502	100,366	89,475	167,385
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	-2,775	-5,165	-7,721	-6,343	-12,544
Increase (-)/ decrease (+) in operating receivables	-21,217	-136	-34,717	-8,727	-6,372
Increase (+)/ decrease (-) in operating liabilities	-3,994	-149	-5,230	-2,164	20,463
Cash flow from changes in working capital	-27,985	-5,449	-47,668	-17,234	1,547
Cash flow from operating activities	24,554	43,053	52,698	72,241	168,932
Investing activities					
Acquisition of intangible assets	-7,649	-7,763	-18,544	-11,973	-26,998
Acquisition of property, plant and equipment	-3,757	-2,912	-5,903	-4,760	-10,806
Acquisition of financial assets	-	-	-129,822	-	-
Sale of financial assets	1,114	626	-	1,113	902
Cash flow from investing activities	-10,291	-10,048	-154,269	-15,620	-36,903
Financing activities					
Dividend to shareholders	-90,600	-80,893	-90,600	-80,893	-80,893
Loan raised	34	-	109,319	-	-
Repayment of loans	-	-46	-	-88	-160
Cash flow from financial activities	-90,567	-80,939	18,719	-80,982	-81,053
Cash flow for the period	-76,304	-47,934	-82,852	-24,361	50,976
Cash and cash equivalents opening balance	168,889	152,097	174,263	128,622	128,622
Exchange differences in liquid assets	3,258	-2,526	4,433	-2,625	-5,336
Cash and equivalents closing balance	95,844	101,637	95,844	101,637	174,263
Additional information:					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	9,908	9,031	19,079	17,295	34,225
Other items	-7,931	2,663	-13,513	370	1,991
Total	1,978	11,694	5,566	17,665	36,216

INCOME STATEMENT, PARENT IN SUMMARY

	2018-04-01	2017-04-01	2018-01-01	2017-01-01	2017-01-01
Amounts in SEK thousands	2018-06-30	2017-06-30	2018-06-30	2017-06-30	2017-12-31
Net sales	621	585	1,224	1,175	2,304
Administrative expenses	-4,770	-4,771	-9,621	-9,368	-18,012
Research and development costs	-787	-803	-1,298	-1,526	-2,874
Other operating items	46	1	52	30	14
Operating expenses	-5,511	-5,573	-10,866	-10,865	-20,871
Operating profit/loss	-4,889	-4,988	-9,643	-9,690	-18,567
Profit/loss from financial investments:					
Interest income from receivables from group compan	41	-	41	-	150
Interest expense from liabilities to group companies	-	-656	-	-1,311	-2,550
Other interest and similar income	1,948	2,211	3,317	3,492	4,609
Other interest and similar expenses	-520	-	-769	-	-
Group contribution received	-	-	-	-	86,334
Financial net income	1,468	1,555	2,589	2,181	88,543
Profit/loss before income tax	-3,421	-3,433	-7,054	-7,510	69,976
Tax	5,003	274	5,003	274	8,649
Total profit/loss for the period	1,582	-3,159	-2,052	-7,235	78,626

STATEMENT OF COMPREHENSIVE INCOME, PARENT

Total profit/loss for the period	1,582	-3,159	-2,052	-7,235	78,626
Other comprehensive income:					
Components that may be reclassified to net income:					
Translation differences related to	-	-	-	-	-
Total comprehensive income, parent	1,582	-3,159	-2,052	-7,235	78,626

BALANCE SHEET, PARENT

Amounts in SEK thousands	2018-06-30	2017-12-31
ASSETS		
Non-current assets		
Intangible assets		
Patents and licenses	10,552	10,053
	10,552	10,053
Financial assets		
Investments in group companies	470,398	470,398
Receivables from group companies	172,546	11,685
Shares in associated companies	19,284	19,284
Deferred tax asset	53,498	48,495
	715,726	549,863
Total non-current assets	726,277	559,916
Current assets		
Current receivables		
Receivables from group companies	3,407	55,600
Other receivables	468	307
Prepaid expenses and accrued income	1,342	3,410
	5,217	59,317
Cash and cash equivalents	1,535	1,459
Total current assets	6,752	60,776
TOTAL ASSETS	733,030	620,692
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	89,953	89,953
	89,953	89,953
<i>Unrestricted equity</i>		
Retained earnings	380,532	392,507
Profit/loss for the year	-2,052	78,626
	378,481	471,133
Total equity	468,434	561,086
Longterm liabilities		
Liabilities to credit institutions	110,000	-
	110,000	-
Current liabilities		
Trade payables	765	876
Liabilities to group companies	148,137	50,669
Other current liabilities	161	47
Accrued expenses and prepaid income	5,533	8,014
	154,596	59,607
TOTAL EQUITY, PROVISIONS AND LIABILITIES	733,030	620,692

NOTES

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 2018 have not had any effect on the Group's financial reporting.

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 2017. These are described on pp. 42-50 in the Annual Report.

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

New and changed standards and interpretations

IFRS 9 *Financial instruments* replaces IAS 39 *Financial instruments: Recognition and measurement*. The application of IFRS 9 came into effect on January 1 2018. IFRS 9 includes new requirements on classification and measurement of financial instruments, for write-off, impairment and general rules for hedge accounting. The new standard means a new model for write-down of accounts receivable in the Group. The analysis performed shows that the Group in essence meets the requirements of IFRS 9 and that it will not have any significant effect on Biotage's accounts.

IFRS 15 *Revenue from contracts with customers* replaces IAS 18 *Revenue* and IAS 11 *Construction contracts*. The basic principle for revenue recognition according to IFRS 15 is that a company shall recognize revenue in a way that reflects the transfer of the promised goods or service to the customer, at the amount that the company expects to be entitled to receive in exchange for the goods or service. Revenue is recognized when the customer obtains control of the goods or services. There is extensive guidance in IFRS 15 for specific areas and the disclosure requirements are extensive. IFRS 15 came into effect on January 1 2018 or later. An analysis of the Group's revenue streams has been performed and the new standard was not found to have affected the timing of recognition of revenue in the Group and is not expected to have any other significant effect on Biotage's accounts.

New and changed standards and interpretations which have not yet come into effect

IFRS 16 *Leases* means that all assets that Biotage rents under a leasing agreement, including rental agreements for premises, shall be recognized as an asset and liability, and a cost for depreciation and interest reported on the income statement. The standard will mean that higher assets as well as higher liability will be reported in the balance sheet than today. IFRS 16 shall be applied from the financial year 2019 at the latest and is not yet adopted by the EU.

The corporate management's assessment is that the other new and revised standards and interpretations will not have any material effect on the Group's financial statements for the period in which they are applied for the first time.

Fair value

Biotage has a financial asset of 0.4 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.

Key ratios and financial metrics

For definitions of the key ratios and financial metrics used in the Group's financial reporting, see Biotage's Annual Report for 2017, page 76.

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 supplementary 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 %	Second quarter				6 months			
	4/1/2018		4/1/2017		1/1/2018		1/1/2017	
	6/30/2018		6/30/2017		6/30/2018		6/30/2017	
	KSEK	%	KSEK	%	KSEK	%	KSEK	%
Reported sales in the comparison period	196,315		162,859		381,543		321,734	
Reported sales in the period*	216,055		196,315		410,853		381,543	
Reported Change	19,740	10.1	33,456	20.5	29,310	7.7	59,809	18.6
Sales in current period to the comparable periods exchange rates*	213,943		188,691		417,192		366,795	
Change to comparable rates	17,628	9.0	25,832	15.9	35,649	9.3	45,061	14.0

* Excluding sales from companies acquired during the year

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	6/30/2018	6/30/2017
Cash	95.8	101.6
Liabilities to credit institutions	-109.3	0.0
Net cash	-13.5	101.6

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 supplementary information to the calendar-based interim data otherwise given in the report.

Rolling 12 months	6/30/2018			6/30/2017		
	7/1/2017	1/1/2018	Rolling 12 months	7/1/2016	1/31/2017	Rolling 12 months
	12/31/2017	6/30/2018		12/31/2016	6/30/2017	
Net sales	366.6	444.1	810.7	346.2	381.5	727.7
Operating profit	61.5	91.6	153.1	51.3	72.1	123.5
Net sales increase %			11.4%			13.7%

EBIT

In this report Biotage uses the result measure EBIT, Earnings Before Interest and Taxes, as an alternative term for operating profit.

Pledged assets

At June 30, 2018 Biotage had pledged assets amounting to 22.5 MSEK (22.5), no material change has occurred during the reporting period. There are no contingent liabilities of a material character.

Business acquisition

On January 16, 2018 Biotage AB acquired 100 percent of the privately held company Horizon Technology Inc. Horizon, based in New Hampshire, USA, is a supplier of automated systems and consumables for separation in the areas of water purification, food testing, petrochemicals and the pharma industry. Horizon's product offering complements Biotage's product portfolio well and strengthens Biotage's position above all in the areas of food safety and environmental applications. Biotage's global direct sales are furthermore expected to benefit the sales of Horizon's products. Biotage acquired all shares in Horizon by cash payment of the entire purchase price of 143 MSEK on the day of acquisition.

In this acquisition analysis no differences between book values and actual values concerning other receivables have been identified. The stock is valued at book value.

The acquired company's net assets at the time of acquisition	Acquisition analysis
Tangible fixed assets	0.6
Intangible assets: Customer relations	26.4
Intangible assets: Trademarks	13.0
Intangible assets: Patents/technology	19.5
Other intangible assets	2.1
Stock	8.2
Accounts receivable and other receivables	9.0
Cash and cash equivalents	12.7
Accounts payable and other operating liabilities	-10.0
Deferred tax	-12.4
Net identifiable assets and liabilities	69.2
Consolidated goodwill	73.3
Transferred payment	142.5

Goodwill

In the acquisition analysis goodwill amounts to 73 MSEK. The goodwill included in the acquisition corresponds partly to Biotage's estimated ability to increase the sales of Horizon's products in a bigger marketplace due to its global sales organization, partly to the synergies that occur as Biotage's product offering is widened, and also to the knowledge in the environmental area and in water purification that exists in the acquired company. This goodwill is not deemed to be tax deductible.

Acquisition related expenses

The acquisition related expenses amounted to 2.8 MSEK and relate to fees paid for external legal counsel and consultants in connection with due diligence, among other things. 2.5 MSEK of these costs were reported already in 2017. The expenses have been reported under Administration costs in the Group's statement of profit or loss and other comprehensive income.

Composition of income

Composition of income:	Second quarter		6 months	
	4/1/2018	4/1/2017	1/1/2018	1/1/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Net sales - distribution between products and services:				
Products, Systems	120,241	96,754	213,053	183,692
Products, Consumables and spare parts	94,100	78,474	188,172	156,802
Service contracts and other services	19,901	19,685	38,602	38,141
Other sales revenue	1,829	1,403	4,291	2,909
Total sales revenue	236,071	196,315	444,118	381,544

Revenue by geographical market and product area Q1 2017	Organic Chemistry		Analytical Chemistry		Industrial products		Total	
	4/1/2018	4/1/2017	4/1/2018	4/1/2017	4/1/2018	4/1/2017	4/1/2018	4/1/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
North- and South America	43,903	42,583	46,561	33,895	5,004	7,105	95,468	83,583
Europa	36,458	32,434	18,726	13,489	4,164	7,905	59,349	53,827
Japan	18,699	20,274	2,274	3,153	3,458	2,414	24,431	25,841
China	17,059	14,000	2,816	2,577	22	2	19,898	16,578
EMEA and APAC	8,352	3,757	12,007	4,282	909	488	21,268	8,528
South Korea	6,705	5,730	3,320	1,004	0	0	10,025	6,734
India	5,412	1,017	211	103	8	104	5,631	1,224
Total sales revenue	136,589	119,795	85,915	58,502	13,566	18,018	236,071	196,315

Revenue by geographical market and product area Q1 2018	Organic Chemistry		Analytical Chemistry		Industrial products		Total	
	1/1/2018	1/1/2017	1/1/2018	1/1/2017	1/1/2018	1/1/2017	1/1/2018	1/1/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
North- and South America	84,063	82,425	87,064	66,083	12,528	12,536	183,655	161,045
Europa	63,074	62,677	34,756	26,778	10,830	14,351	108,661	103,806
Japan	39,110	42,532	4,749	6,594	6,625	3,528	50,484	52,654
China	35,407	27,458	4,684	5,674	43	4	40,135	33,136
EMEA and APAC	13,143	6,538	20,180	8,750	1,713	1,268	35,036	16,557
South Korea	12,540	8,683	6,522	1,550	0	37	19,062	10,270
India	6,404	3,493	651	225	31	358	7,086	4,076
Total sales revenue	253,739	233,807	158,607	115,653	31,772	32,083	444,118	381,544

The distribution relates to sales per product area to customers located in the above geographical areas.

Revenue by sales channel	Second quarter		6 months	
	4/1/2018	4/1/2017	1/1/2018	1/1/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Direct sales through own sales channel	214,802	187,788	409,082	364,987
Sales through distributors	21,268	8,528	35,036	16,557
Total sales revenue	236,071	196,315	444,118	381,544

Point in time of transfer of goods and services	Second quarter		6 months	
	4/1/2018	4/1/2017	1/1/2018	1/1/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Goods transferred at a point in time	216,170	179,274	405,516	347,458
Services transferred at a point in time	5,271	4,948	10,687	9,670
Service contracts and other services transferred over a period of time	14,630	12,093	27,914	24,415
Total sales revenue	236,071	196,315	444,118	381,544