

Biotage AB (publ) Interim report

January - March 2020

April 28, 2020

Positive growth and strong cash flow

First quarter

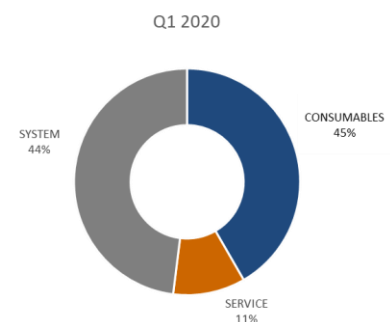
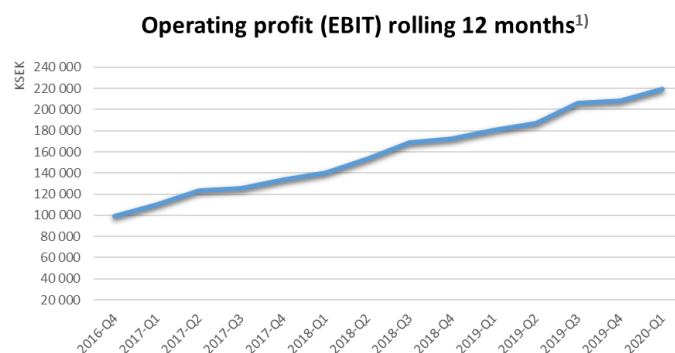
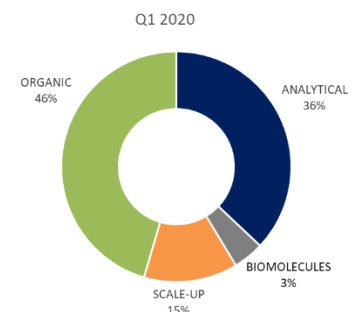
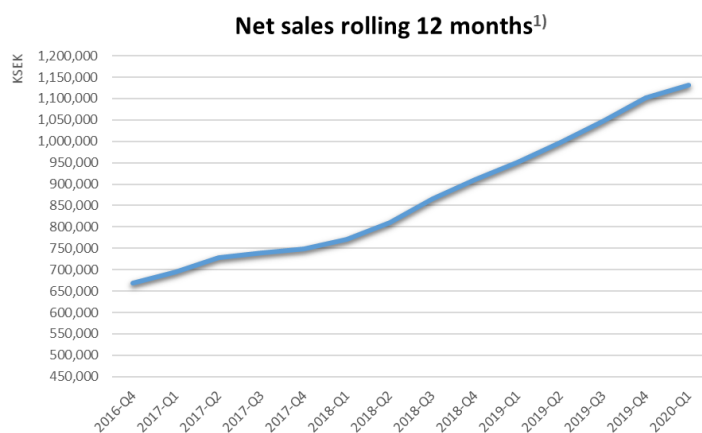
- » Net sales amounted to 277.3 MSEK (248.0), an increase by 11.8 percent compared to the corresponding quarter last year. At comparable exchange rates sales increased by 7.1 percent.
- » Operating profit increased by 23.2 percent to 61.4 MSEK (49.8).
- » Result after tax amounted to 61.3 MSEK (47.5).
- » Earnings per share amounted to 0.94 SEK (0.73) before and after dilution.
- » The cash flow from operating activities increased by 48.3 MSEK to 60.8 MSEK (12.5).
- » Net debt¹⁾ at March 31 was 27.5 MSEK (69.2).
- » Cash and cash equivalents amounted to 231.1 MSEK (185.9).
- » Liabilities to credit institutions amounted to 109.6 MSEK (109.6).
- » On March 2 Lars Bäckman was appointed acting CFO.
- » On March 17 Annette Colin was appointed new CFO and she took up the post on April 1.
- » On March 26 Biotage announced that the Annual General Meeting will be postponed to June 4, 2020.
- » On April 17 Biotage's Board of Directors announced that the proposal for a dividend of 1.60 SEK per share will be withdrawn and instead it is proposed that no dividend be paid in connection with the Annual General Meeting. Furthermore, the board announced that they see an opportunity to convene an extraordinary general meeting later this year to decide on dividend for 2019.

1) See definition pp.15-16.



Group financial development in brief

Amounts in SEK millions	Q1 Jan-Mar 2020	Q1 Jan-Mar 2019	12 months Jan-Dec 2019
Net sales	277.3	248.0	1,101.4
Cost of sales	-103.9	-95.0	-416.0
Gross profit	173.4	153.0	685.4
Operating expenses	-112.0	-103.2	-477.3
Operating profit/loss (EBIT)	61.4	49.8	208.1
Financial items	10.2	2.3	3.9
Profit/loss before tax	71.6	52.2	212.0
Tax expenses	-10.2	-4.6	-25.2
Total profit/loss for the period	61.3	47.5	186.8
<i>Gross margin</i>	<i>62.5%</i>	<i>61.7%</i>	<i>62.2%</i>
<i>Operating margin (EBIT)</i>	<i>22.1%</i>	<i>20.1%</i>	<i>18.9%</i>



1) See definition pp 15-16

Comments by the CEO

It is with mixed feelings that I deliver Biotage's report for the first quarter of the year. The corona virus pandemic (COVID-19) affects us all. At Biotage we do what we can to try to offer customers, employees and society at large as safe an environment as possible. Modern technologies for meetings without physical encounters are utilized as far as possible. We provide information on how we can limit the spread of infection in accordance with recommendations from the World Health Organisation (WHO) and other authorities. At the same time, I am very proud and grateful for how Biotage managed to deliver a strong first quarter, both in terms of growth and cash flow, under these challenging circumstances.

The Americas showed strong sales in the first quarter of the year. In APAC China had a strong start of the year, interesting to note considering the spread of the corona virus at the beginning of the year. Both the US and China show double-digit growth in percent compared to the corresponding period last year and represent an increasingly large relative share of Biotage's global sales. Sales in EMEA and Japan are not satisfactory and these geographies do not reach the levels of last year. South Korea and India continue to increase sales with good growth rates compared to the previous year.

Biotage's Scale-up Products (formerly called Industrial Products) continue to develop well and now account for 15 percent of the quarter's sales. Other product areas largely follow the previous distribution. The outbreak of the corona pandemic has meant that Biotage has experienced shifts in sales from the first quarter to the second as well as non-sales.

The distribution of sales between systems and aftermarket products (consumables and service) is 44/56, an improvement by two percentage points compared to the corresponding period last year. This product mix contributes to an improved gross margin amounting to 62.5 percent for the quarter (61.7). An increasing share of sales in USD is also a contributing factor.

Also the operating margin, EBIT, improved and amounted to 22.1 percent (20.1) for the quarter. Other operating items include currency effects that have affected the operating margin (EBIT) for the quarter positively by 12.7 million SEK (4.7), which gives a net effect of 8.0 MSEK for the quarter.

It is also very encouraging to know that we are one of many suppliers of products to companies and

institutions that develop methods for treatment, analysis and vaccines against the corona virus. How the coming quarters will be affected is still difficult and too soon to have an opinion of. Clearly, we will see effects, especially if the situation lasts long. Biotage has a strong financial position, but a drawn-out process can be expected to impact also financially strong companies as Biotage negatively. Deterioration of our customers' financial situation can also affect Biotage in terms of the customers' solvency, which can lead not only to longer payment times, but also to long-term credit losses. It can be expected that also Biotage will have a challenging second quarter. Possible adverse effects above all depend on how long lasting the corona pandemic will be.

Since I took over the leadership of Biotage I have worked a lot together with the existing organization that has developed Biotage into the successful company that it is today, but also to identify areas where we can strengthen the organization further. We have made a number of external key recruitments, Annette Colin as CFO, Andreas Juhlin as President International, Jon-Sverre Schanche as new CSO and Petra Duprez as global HR and sustainability manager. Together with the knowledge and experience of Biotage's existing employees, I feel that we now have a strong organization and management that can bring Biotage's success story forward.

Uppsala April 2020



Tomas Blomquist
President and CEO

Group result, financial position and cash flow

First quarter January – March 2020

Group net sales amounted to 277.3 MSEK (248.0), which is an increase by 11.8 percent. At comparable exchange rates sales increased by 7.1 percent compared to the corresponding quarter last year. The Americas was the biggest market with 47 percent (40) of the net sales. EMEA contributed 24 percent (28) and APAC 29 percent (32).

The Group's gross margin increased by 0.8 percentage points to 62.5 percent (61.7). The sales were made up of 44 percent (46) systems sales and 56 percent (54) aftermarket products (consumables and service). Profitability benefited from a higher sales volume and a better product mix. At the same time the work continues to create efficiencies in production and to reduce material expenses.

The operating expenses amounted to 112.0 MSEK (103.2). Selling expenses increased by 17.6 MSEK to 87.1 MSEK (69.5), mainly as a result of increased investments in the sales organization, but also due to currency translation effects as a majority of these expenses are outside Sweden. Research and development expenses increased by 0.3 MSEK to 18.9 MSEK (18.6). The administration expenses decreased by 1.2 MSEK to 19.1 MSEK (20.3), due among other things to transaction expenses from the acquisition of PhyNexus in the first quarter 2019. The administration expenses in the quarter include expenses for both the current and the prior CEO.

Other operating items amounting to 13.1 MSEK (5.2) primarily consists of currency effects on operations related liabilities and receivables and Biotage's share in the result of the associated company Chreto, -0.5 MSEK (-0.6). The positive contribution from currency effects in the quarter represents a net effect from currency changes on the result of the quarter of no less than 8.0 MSEK between the quarters.

Operating profit increased by 23.2 percent to 61.4 MSEK (49.8) and the operating margin (EBIT margin) amounted to 22.1 percent (20.1). The average operating margin for the last three-year period increased to 18.9 percent (17.7), compared to the Group's long-term financial goal of a 20 percent average over a three-year period. Net financial income amounted to 10.2 MSEK (2.3). The increase compared to the corresponding period last year is mainly explained by currency effects.

The result after tax increased to 61.3 MSEK (47.5). The reported tax expense increased by 5.6 MSEK to 10.2 MSEK (4.6). The reported tax expense is

influenced by the fact that the Group's tax deficit in Sweden has been assessed as possible to use in the period. The remaining deferred tax, corresponding to unused loss carry-forwards in the rest of the Group, will be reduced in the financial statements in future periods at the rate at which applicable companies generate taxable profits.

Cash flow

The cash flow from operating activities increased by 48.3 MSEK to 60.8 MSEK (12.5). In the comparative period there was a negative effect of 26.2 MSEK due to increased accounts receivable due to high sales at the end of the quarter. The investments amounted to 14.8 MSEK (50.5). Amortizations and write-downs amounted to 18.9 MSEK (17.0). Capitalized development expenses accounted to 9.6 MSEK (4.2) of the investments and 5.3 MSEK (5.5) of the amortizations and write-downs.

Balance sheet items

At December 31 the Group's cash and cash equivalents amounted to 231.1 MSEK (185.9). The interest-bearing liabilities relate to loans under a credit facility taken out in 2018 in connection with the acquisition of Horizon Technology Inc. to the amount of 109.6 MSEK (109.6) and leasing liability calculated to 56.0 MSEK (59.3) according to IFRS 16. Net debt, which also includes 91.8 MSEK (84.9) in calculated additional purchase sum related to the acquisition of PhyNexus Inc., amounted to 27.5 MSEK (69.2).

The Group reports a total goodwill of 333.1 MSEK (315.9) at March 31. The increase compared to previous years is related to the revaluation to USD. Goodwill is attributable to the acquisitions of PhyNexus Inc. in 2019, Horizon Technology Inc. in 2018 and the acquisitions of MIP Technologies AB and two product lines from Caliper Life Sciences Inc. in 2010. Other intangible fixed assets amounted to 271.4 MSEK (260.0). Of this sum capitalized development expenses amounted to 109.8 MSEK (105.5). The remaining part related mainly to identified surplus values linked to acquisitions. In addition to the net capitalization and amortization of development expenses in the quarter of 4.3 MSEK, the increase compared to last year consists of currency effects.

At March 31 the equity capital amounted to 958.3 MSEK (875.5). The change in equity during the year is explained mainly by the net result 61.3 MSEK (186.8), and currency hedging and foreign exchange effects at the translation of foreign subsidiaries 21.4 MSEK (25.6). *Balance items within parentheses refer to figures as at December 31, 2019.*

Major events after the reported period

On April 17, after further analysis and consideration, Biotage's Board of Directors announced its decision to withdraw the proposal for a dividend of 1.60 SEK per share and instead propose that no dividend be paid in connection with the Annual General Meeting. Furthermore, the board announced that they see an opportunity to convene an extraordinary general meeting later this year to decide on dividend for 2019. There are no other major events after the reported period to report. Regarding the corona pandemic, see below under the section Risks and uncertainties.

Human resources

The Group had 469 (413) employees (FTEs – Full Time Equivalents) on March 31, compared to 464 at December 31.

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 sales amounted to 0.9 MSEK (0.7). The operating expenses amounted to 7.3 MSEK (6.5). The operating result was -6.4 MSEK (-5.8). The parent company's net financial income was 11.4 MSEK (0.6) and mainly refers to currency gains from the translation of intra-group receivables and liabilities.

The result after financial items amounted to 5.0 MSEK (-5.2). Reported tax amounted to -5.9 MSEK (-6.4) and was affected by the deferred tax asset being dissolved in full during the quarter. Result after tax amounted to -0.9 MSEK (-11.7). The investments in intangible fixed assets in the quarter amounted to 0.7 MSEK (0.2). The parent company's cash and bank balances amounted to 2.4 MSEK (0.6) at March 31.

The parent company has no significant transactions with related parties other than transactions with subsidiaries. The extent of these is essentially the same as shown in the latest annual report.

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, except as described below regarding the corona pandemic. Other risks are unchanged compared to the description of Biotage's risks, uncertainty factors and the handling of these in the company's Annual Report for 2019.

The corona pandemic (COVID-19)

The corona pandemic (COVID-19) affects the global economy and people at large. Biotage's activities are also affected and we see effects that are difficult to take stock of, depending on how long the virus outbreak will last. Biotage monitors and evaluates the development continuously.

Biotage's business is probably not the type of business that suffers most short term. However, the limited freedom of movement in society also affects Biotage. It is more difficult to visit customers for the sale of new products, and in some cases there are also restrictions on the ability to deliver goods. Several of Biotage's customers participate in research and development of corona virus analyses, vaccines and treatments. This means that Biotage in a number of countries can maintain operations despite extensive government restrictions. Biotage also works actively with virtual meetings both internally and externally and utilizes available modern communications technologies.

So far, Biotage has not experienced any disruptions in the production chain that could not be managed. This may change both in terms of availability of the necessary production resources and more severe disruptions in the transport chain. Biotage has a strong financial position, but a drawn-out process can be expected to affect also financially strong companies as Biotage negatively. Deterioration of our customers' financial situation can also affect Biotage in terms of the customers' solvency, which can lead not only to longer payment times, but also to long-term credit losses.

It can be expected that also Biotage will have a challenging second quarter. As initially mentioned, this depends on how long lasting the corona pandemic will be.

Audit review

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

General information

Unless otherwise stated in this interim report, the Group is referred to. Figures in parentheses indicate the outcome for the corresponding period the previous year, with the exception of balance sheet items where figures in parentheses refer to December 31 the previous year. Unless otherwise stated, amounts are given in MSEK.

Coming financial reports

The interim report for the second quarter 2020 will be published on July 17, 2020.

The interim report for the third quarter 2020 will be published on November 5, 2020.

The year-end report for 2020 will be published on February 12, 2021.

All reports are available at Biotage's website from the above dates.

The interim report for Biotage AB (publ) has been issued by the company's president and CEO Tomas Blomquist after authorization by the Board of Directors.

Uppsala April 28th 2020

Tomas Blomquist

President and CEO

For further information:

Tomas Blomquist, President and CEO
phone: +46 703 23 01 63

Annette Colin, CFO
phone: +46 703 19 06 76

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.

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 15:00 CET on April 28, 2020.

Biotage in brief

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 companies, 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. 460 employees and had sales of 1,101 MSEK in 2019. Biotage is listed on NASDAQ Stockholm. Website: www.biotage.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousands	1/1/2020 3/31/2020	1/1/2019 3/31/2019	1/1/2019 12/31/2019
Net sales	277,336	248,018	1,101,373
Cost of sales	-103,921	-95,005	-415,963
Gross profit	173,415	153,012	685,410
Selling expenses	-87,121	-69,459	-316,721
Administrative expenses	-19,132	-20,300	-82,029
Research and development expenses	-18,873	-18,570	-78,643
Other operating income	13,106	5,164	104
Total operating expenses	-112,020	-103,165	-477,290
Operating profit/loss	61,395	49,847	208,120
Financial net income	10,186	2,311	3,872
Profit/loss before income tax	71,582	52,158	211,992
Tax expenses	-10,235	-4,643	-25,172
Total profit/loss for the period	61,347	47,515	186,820
Other comprehensive income			
Components that may be reclassified to net income:			
Translation differences related to non Swedish subsidiaries	22,080	19,059	25,198
Cash flow hedges	-679	230	460
Total other comprehensive income	21,401	19,288	25,658
Total comprehensive income for the period	82,748	66,803	212,478

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continuing)

Amounts in SEK thousands	1/1/2020 3/31/2020	1/1/2019 3/31/2019	1/1/2019 12/31/2019
Attributable to parent company's shareholders:			
Total profit/loss for the period	61,347	47,515	186,820
Attributable to parent company's shareholders:			
Total comprehensive income for the period	82,748	66,803	212,478
Average shares outstanding	65,201,784	65,123,181	65,182,133
Shares outstanding at end of reporting period	65,201,784	65,201,784	65,201,784
Total profit/loss for the period per share SEK	0.94	0.73	2.87
Total profit/loss for the period per share SEK after dilution	0.94	0.73	2.87

Quarterly summary Amounts in KSEK	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2
Net Sales	277,336	288,594	282,663	282,099	248,018	234,574	232,204	236,071
Cost of sales	-103,921	-109,705	-105,031	-106,221	-95,005	-90,534	-90,815	-91,678
Gross profit	173,415	178,889	177,632	175,877	153,012	144,040	141,389	144,392
Gross margin	62.5%	62.0%	62.8%	62.3%	61.7%	61.4%	60.9%	61.2%
Operating expenses	-112,020	-141,027	-113,302	-119,795	-103,165	-108,303	-96,250	-94,381
Operating profit/loss	61,395	37,861	64,330	56,082	49,847	35,737	45,139	50,011
Operating margin	22.1%	13.1%	22.8%	19.9%	20.1%	15.2%	19.4%	21.2%
Financial net	10,186	-6,162	8,791	-1,068	2,311	-290	-1,846	1,903
Profit/loss before income tax	71,582	31,699	73,121	55,014	52,158	35,448	43,293	51,914
Tax expenses	-10,235	-13,206	-6,486	-837	-4,643	-8,120	735	-495
Total profit/loss for the period	61,347	18,493	66,635	54,177	47,515	27,327	44,027	51,419

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousands	3/31/2020	12/31/2019
ASSETS		
Non-Current assets		
Property, plant and equipment	55,191	53,385
Right-of-use assets	55,446	58,868
Goodwill	333,149	315,869
Other intangible assets	271,386	260,047
Financial assets	16,457	16,614
Deferred tax asset	41,160	44,335
Total non-current assets	772,788	749,118
Current assets		
Inventories	185,990	173,760
Trade and other receivables	237,999	226,943
Cash and cash equivalents	231,122	185,867
Total current assets	655,111	586,569
TOTAL ASSETS	1,427,899	1,335,687
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	90,630	90,630
Other paid-in capital	-	-
Reserves	25,152	3,751
Retained earnings	842,468	781,121
Total equity	958,251	875,503
Non-current liabilities		
Liabilities to credit institutions	109,588	109,550
Lease liabilities	34,608	38,097
Other financial liabilities	91,686	68,782
Deferred tax liability	30,514	28,884
Non-current provisions	2,850	2,599
Total non-current liabilities	269,246	247,912
Current liabilities		
Trade and others liabilities	166,150	166,624
Other financial liabilities	1,305	17,369
Tax liabilities	7,804	3,544
Lease liabilities	21,421	21,231
Current provisions	3,722	3,504
Total current liabilities	200,403	212,272
TOTAL EQUITY AND LIABILITIES	1,427,899	1,335,687

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands		Share capital	Other accumulated payed-in capital	translation reserve	Hedging reserve	Retained earnings	Total equity
Opening balance	January 1, 2019	89,953	-	-79,871	-5	692,104	702,180
Changes in equity in the period of January 1, 2019 - December 31, 2019							
Total comprehensive income		-	-	25,198	460	186,820	212,478
Total non-owners changes		-	-	25,198	460	186,820	212,478
Transactions with equity holders of the company							
New share issue		677	57,970	-	-	-	58,648
Dividend to shareholders of the parent company		-	-	-	-	-97,803	-97,803
Closing balance	December 31, 2019	90,630	57,970	-54,673	454	781,121	875,503
Changes in equity in the period of January 1, 2020 - March 31, 2020							
Total comprehensive income		-	-	22,080	-679	61,347	82,748
Total non-owners changes		-	-	22,080	-679	61,347	82,748
Transactions with equity holders of the company							
Closing balance	March 31, 2020	90,630	57,970	-32,593	-225	842,468	958,251

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK thousands	1/1/2020 3/31/2020	1/1/2019 3/31/2019	1/1/2019 12/31/2019
Operating activities			
Profit/loss before income tax	71,582	52,158	211,992
Adjustments for non-cash items	2,096	6,455	76,501
	73,678	58,613	288,493
Income tax paid	-2,739	-2,386	-9,925
Cash flow from operating activities before changes in working capital	70,939	56,227	278,568
Cash flow from changes in working capital:			
Increase (-)/ decrease (+) in inventories	-2,161	-713	-25,497
Increase (-)/ decrease (+) in operating receivables	-72	-26,175	-32,001
Increase (+)/ decrease (-) in operating liabilities	-7,878	-16,845	-9,264
Cash flow from changes in working capital	-10,111	-43,733	-66,761
Cash flow from operating activities	60,828	12,494	211,807
Investing activities			
Acquisition of intangible assets	-10,726	-5,067	-29,941
Acquisition of property, plant and equipment	-4,117	-5,860	-15,513
Acquisition of financial assets	-	-	-687
Acquisitions of companies and product lines	-	-39,536	-39,536
Sale of financial assets	331	1,034	-
Cash flow from investing activities	-14,512	-49,429	-85,676
Financing activities			
Dividend to shareholders	-	-	-97,803
Proceeds from borrowings	-	-	40,000
Repayment of loans	-5,477	-60	-61,402
Cash flow from financial activities	-5,477	-60	-119,205
Cash flow for the period	40,838	-36,995	6,926
Cash and cash equivalents opening balance	185,867	177,020	177,020
Exchange differences in liquid assets	4,417	2,577	1,921
Cash and equivalents closing balance	231,122	142,603	185,867
Additional information:			
<i>Adjustments for non-cash items</i>			
Depreciations and impairments	18,914	16,996	74,372
Exchange rates differences	-16,970	-9,753	-1,855
Other items	153	-787	3,984
Total	2,096	6,455	76,501

INCOME STATEMENT, PARENT

	1/1/2020	1/1/2019	1/1/2019
Amounts in SEK thousands	3/31/2020	3/31/2019	12/31/2019
Net sales	862	707	2,880
Administrative expenses	-6,605	-5,759	-24,016
Research and development expenses	-721	-768	-3,284
Other operating items	75	28	59
Operating expenses	-7,250	-6,499	-27,240
Operating profit/loss	-6,388	-5,792	-24,361
Profit/loss from financial investments:			
Interest income from receivables from group companies	16	-	221
Result from participations in group companies	-	-	42,238
Other interest and similar income	11,691	962	3,272
Other interest and similar expenses	-342	-408	-1,797
Group contribution received	-	-	151,959
Financial net income	11,365	554	195,893
Profit/loss before income tax	4,976	-5,238	171,532
Tax expenses	-5,912	-6,420	-27,711
Total profit/loss for the period	-935	-11,658	143,821
STATEMENT OF COMPREHENSIVE INCOME. PARENT			
Total profit/loss for the period	-935	-11,658	143,821
Other comprehensive income:			
Components that may be reclassified to net income:			
Translation differences related to	-	-	-
Total comprehensive income, parent	-935	-11,658	143,821

BALANCE SHEET, PARENT

Amounts in SEK thousands	3/31/2020	12/31/2019
ASSETS		
Non-current assets		
Intangible assets		
Patents and licenses	12,162	11,808
	12,162	11,808
Financial assets		
Investments in group companies	472,103	472,103
Receivables from group companies	155,718	145,369
Shares in associated companies	19,284	19,284
Deferred tax asset	-	5,912
	647,105	642,669
Total non-current assets	659,267	654,476
Current assets		
Current receivables		
Receivables from group companies	85,660	93,970
Other receivables	1,204	981
Prepaid expenses and accrued income	1,457	1,195
	88,321	96,146
Cash and cash equivalents	2,379	619
Total current assets	90,700	96,766
TOTAL ASSETS	749,967	751,242
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	90,630	90,630
	90,630	90,630
<i>Unrestricted equity</i>		
Other contributed capital	57,970	57,970
Retained earnings	482,351	338,530
Profit/loss for the year	-935	143,821
	539,386	540,322
Total equity	630,017	630,952
Longterm liabilities		
Liabilities to credit institutions	110,000	110,000
	110,000	110,000
Current liabilities		
Trade payables	1,105	1,598
Liabilities to group companies	1,134	229
Other current liabilities	1,100	229
Accrued expenses and prepaid income	6,612	8,234
	9,950	10,290
TOTAL EQUITY, PROVISIONS AND LIABILITIES	749,967	751,242

NOTER

Note 1 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 2020 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 2019. These are described on pp. 46-52 in the Annual Report. For balance sheet items figures in brackets refer to the value at the end of the corresponding period last year, December 31, 2019. For result and cash flow items the corresponding period last year is referred to.

New and changed standards and interpretations

The corporate management's assessment is that 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. Changes in RFR2 effective from January 1, 2020 have not had any material effect on the parent company's financial statements.

Fair value

Biotage has a financial liability concerning additional purchase sum at business acquisition measured at fair value through profit or loss. The additional purchase sum, relating to the acquisition of PhyNexus Inc., is based on the agreed allocation of the gross profit on related products during the period 2019 to 2023. The agreement with the sellers does not include a maximum amount. For the financial year 2019, which is settled in 2020, the additional purchase sum is calculated to 0.9 MSEK. The company's best estimate of fair value at March 31, 2020 amounts to 91.8 MSEK, which is in line with previous periods adjusted for currency effects. 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. Valuation has been made based in expected future cash flows.

Financial debt measured at fair value	3/31/2020	12/31/2019
Additional purchase sum, long-term part	90.9	67.9
Additional purchase sum, short-term part	0.9	17.0
Total	91.8	84.9

Opening balance January 1, 2020	84.9
Acquisition	0.0
Translation difference	6.9
Adjusted during the year	0.0
Closing balance March 31, 2020	91.8

A calculation of fair value based on discounted future cash flows, where a discount rate reflecting the counterparty's credit risk constitutes the most significant input, is not considered to result in any significant difference compared to the reported value for financial assets and short-term financial debts valued at accrued acquisition value. For these financial assets and liabilities the reported value is thus considered to be a good approximation of fair value. For further information on financial assets and liabilities and classification, see the Annual Report for 2019, note 19.

Note 2 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 2019, page 78.

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 %	First quarter			
	1/1/2020 3/31/2020		1/1/2019 3/31/2019	
	KSEK	%	KSEK	%
Reported sales in the comparison period	248,018		208,048	
Reported sales in the period*	277,336		241,630	
Reported Change	29,319	11.8	33,583	16.1
Sales in current period to the comparable periods exchange	265,533		220,088	
Change to comparable rates	17,516	7.1	12,040	5.8

* Comparative figures exclude sales from acquired companies

Net debt

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 debt is reported defined as cash reduced by liabilities to credit institutions and leasing liability in accordance with IFRS 16.

Net debt	3/31/2020	12/31/2019
Cash	-231.1	-185.9
Liabilities to credit institutions	109.6	109.6
Lease liabilities	56.0	59.3
Other interest-bearing liabilities	93.0	86.2
Net debt	27.5	69.2

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	3/31/2020			3/31/2019		
	4/1/2019 12/31/2019	1/1/2020 3/31/2020	Rolling 12 months	4/1/2018 12/31/2018	1/31/2019 3/31/2019	Rolling 12 months
Net sales	853.4	277.3	1,130.7	702.8	248.0	950.9
Operating profit	158.3	61.4	219.7	130.9	49.8	180.7
Net sales increase %			18.9%			23.3%

EBIT and EBIT margin

In this report Biotage uses the result measure EBIT, Earnings Before Interest and Taxes, as an alternative term for operating profit. EBIT margin is thus an alternative term for operating margin, calculated as operating profit divided by net sales.

Long-term liabilities

As of March 31, 2020, there is a long-term loan to a credit institution of 109.6 MSEK (109.6). All covenants linked to this loan are met on the balance sheet date.

Note 3 Pledged assets and contingent liabilities

At March 31, 2020 Biotage had pledged assets amounting to 22.5 MSEK (22.5), no material change has occurred during the reporting period in addition to what is stated in the 2019 Annual Report. There are no contingent liabilities of a material character.

Note 4 Composition of revenue

Composition of income

Composition of income:	First quarter	
	1/1/2020	1/1/2019
	3/31/2020	3/31/2019
Net sales - distribution between products and services:		
Products	250,835	227,967
Services	24,485	18,212
Other sales revenue	2,016	1,839
Total sales revenue	277,336	248,018

Revenue by geographical market and product area Q1	Americas		EMEA		APAC		Total	
	1/1/2020	1/1/2019	1/1/2020	1/1/2019	1/1/2020	1/1/2019	1/1/2020	1/1/2019
	3/31/2020	3/31/2019	3/31/2020	3/31/2019	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Organic Chemistry	37,842	35,749	30,478	33,646	59,654	59,209	127,973	128,603
Analytical Chemistry	60,725	47,434	23,946	24,008	13,867	14,888	98,538	86,330
Scale-Up (previously called Industrial Products)	27,047	10,987	9,272	9,609	4,984	6,101	41,303	26,697
Biomolecules	6,004	4,407	2,323	1,661	1,195	319	9,522	6,387
Total sales revenue	131,618	98,577	66,018	68,923	79,699	80,517	277,336	248,018

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

Revenue by sales channel	First quarter	
	1/1/2020	1/1/2019
	3/31/2020	3/31/2019
Direct sales through own sales channel	260,796	233,997
Sales through distributors	16,540	14,021
Total sales revenue	277,336	248,018

Point in time of transfer of goods and services	First quarter	
	1/1/2020	1/1/2019
	3/31/2020	3/31/2019
Goods transferred at a point in time	252,851	226,087
Services transferred at a point in time	5,493	5,312
Service contracts and other services transferred over a period of time	18,992	16,619
Total sales revenue	277,336	248,018

Revenue by system and aftermarket	First quarter	
	1/1/2020	1/1/2019
	3/31/2020	3/31/2019
System	122,055	115,639
Aftermarket	155,282	132,379
Total sales revenue	277,336	248,018

Biotage AB (publ)
 Box 8
 SE-751 03 Uppsala
 Visiting address: Vimpelgatan 5
 Phone: +46 18 565900
 Org. no.: 556539-3138
 www.biotage.com