

Biotage AB (publ)
Interim report January - June 2020

Challenging quarter and improved cash flow

April - June

- Net sales amounted to 254.2 MSEK (282.1), a decrease by 9.9 percent and organically* a decrease by 12.1%.
- Operating profit amounted to 24.5 MSEK (56.1).
- Result after tax amounted to 32.2¹⁾ MSEK (54.2).
- Earnings per share was 0.49¹⁾ SEK (0.83) before and after dilution.
- The cash flow from operating activities increased by 13.9 MSEK to 57.0 MSEK (43.1).
- Net cash* at June 30 amounted to 32.1 MSEK (net debt 69.2).
- Cash and cash equivalents amounted to 260.7 MSEK (185.9).
- Liabilities to credit institutions amounted to 109.6 MSEK (109.6).
- On April 17 Biotage's Board of Directors announced that the proposal for a dividend of 1.60 SEK per share was withdrawn and that it instead proposed that no dividend should be paid in connection with the Annual General Meeting. The Board also announced that it sees an opportunity to summon an Extraordinary General Meeting later this year to decide on a dividend for 2019.
- The Annual General Meeting was held on June 4th.

January - June

- Net sales amounted to 531.6 MSEK (530.1), an increase by 0.3 percent, and organically* a decline by 2.6 percent.
- Operating profit amounted to 85.9 MSEK (105.9).
- Result after tax amounted to 93.6¹⁾ MSEK (101.7).
- Earnings per share amounted to 1.44¹⁾ SEK (1.56) before and after dilution.
- The cash flow from operating activities amounted to 117.8 MSEK (55.6).

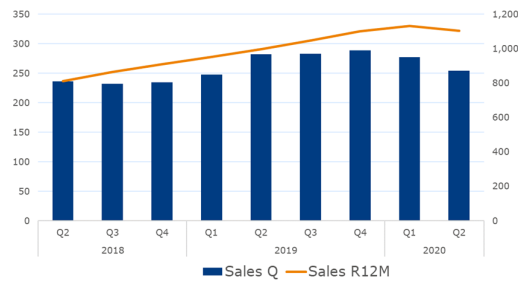
Financial overview

Amounts in SEK millions	Second quarter		6 months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales	254.2	282.1	531.6	530.1	1,101.4
Change, %	-9.9%	19.5%	0.3%	19.4%	20.9%
of which:					
- Organic growth, %	-12.1%	5.8%	-2.6%	7.2%	9.3%
- Currency effects, %	2.2%	10.0%	2.8%	8.8%	7.6%
- Acquisitions/divestments, %	-	3.7%	0.1%	3.4%	4.0%
Gross profit	154.1	175.9	327.5	328.9	685.4
Gross margin, %	60.6%	62.3%	61.6%	62.0%	62.2%
Operating profit (EBIT)	24.5	56.1	85.9	105.9	208.1
Operating margin (EBIT), %	9.6%	19.9%	16.2%	20.0%	18.9%
Net Result	32.2	54.2	93.6	101.7	186.8
Earnings per share, SEK	0.49	0.83	1.44	1.56	2.87
Cashflow from operating activities	57.0	43.1	117.8	55.6	211.8

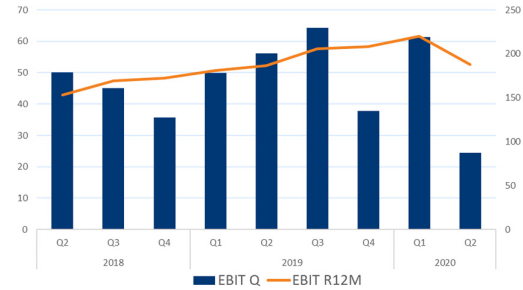
1) The period's result includes revaluation of additional purchase sum to the amount of 27.6 MSEK.

* See definition on pp. 19-20

Net sales, MSEK

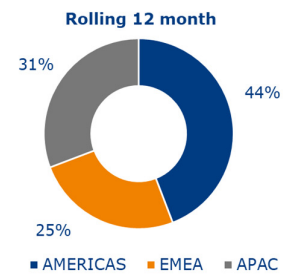
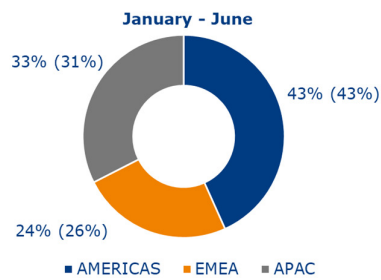
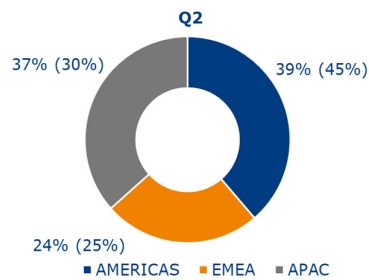


Operating profit, MSEK

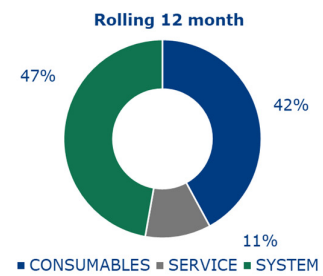
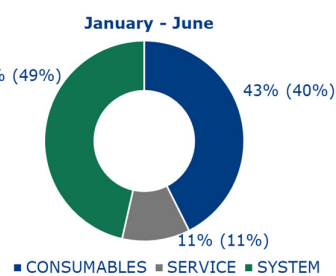
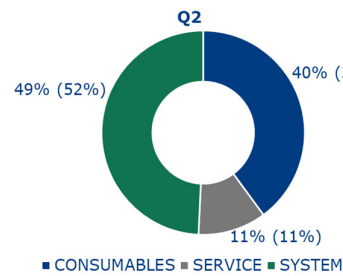


Distribution of net sales

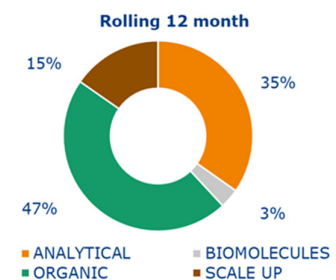
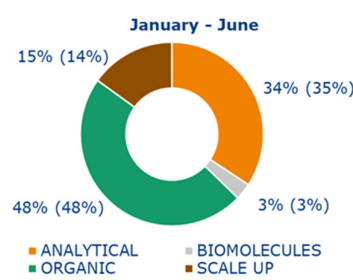
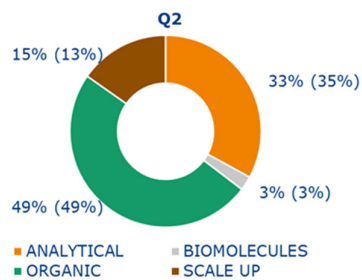
Geographic markets



Product mix



Product areas



* See definition pp. 19-20

Comments by the CEO



Like a wave, the Coronavirus pandemic (COVID-19) has washed from east to west during the year and continues to affect us all. In general, Biotage's business is negatively affected, although we see that sales of parts of our product range are actually increasing as a direct result of the Corona pandemic. In view of all the challenges resulting from the current circumstances, I am pleased with the result we have managed to achieve during the challenging second quarter.

Sales decreased by 9,9 percent in the second quarter compared to the corresponding period 2019. During the first six months of the year sales were almost unchanged compared with the previous year. Organically there was a decline of 12.1 percent for the quarter and 2.6 percent for the six months period. This is of course not in line with our expectations, but we are still grateful that the business has not been worse affected. The fact that Biotage's operations in many countries are regarded as important to society has contributed to Biotage not being affected to a greater extent than what is currently the case. A further explanation is Biotage's global presence and wide range of products. For example, we saw that sales of our products in the environment area were almost unaffected in the quarter and even increased in some parts of the

world. However, the effects of the Corona pandemic will continue to cause shifts in sales as well as lost sales.

During the second quarter sales records were also set by Biotage's flash purification systems. It was mainly in China that the sales successes were significant.

System sales in the quarter accounted for 49 percent and aftermarket products for 51 percent. The gross margin amounted to 60.6 percent (62.3) for the quarter and to 61.6 percent (62.0) for the first six months of the year.

The Americas is Biotage's biggest single geographical market and we see a clear impact of the Corona pandemic on the sales during the quarter. Above all it is system sales that are affected. Compared to the corresponding period previous year the growth in the Americas is negative, while the trend for the first six months remains unchanged. In the APAC region, sales in India are hit even harder by the mobility restrictions imposed during the quarter, while the business in China is recovering and grew by more than 50 percent compared with the second quarter 2019. Sales in South Korea are recovering reasonably well and show growth in relation to the comparative period. EMEA sales were negatively affected by the Corona pandemic and experienced a negative growth.

The operating margin, EBIT, decreased to 9.6 percent (19.9) for the quarter and to 16.2 percent (20.0) for the half-year. Other operating items include currency effects that have negatively affected the operating margin, EBIT, by 12.0 MSEK in the quarter and 0.9 MSEK in the half-year. The negative contribution from currency effects in the quarter means a net effect from currency changes on the quarterly result of no less than 10.2 MSEK between the quarters.

All in all, during the first six months of the year we have seen that the operations have been affected by the Corona pandemic. Asia was initially hit the hardest, while later in the period, and especially in the second quarter, other countries suffered similar effects. Both China and South Korea had a positive organic growth in the quarter as well as in the half-year. There is still considerable uncertainty as to how quickly the economy and the operations in the various geographies can fully recover.

It is still too soon to say with certainty how quickly society as a whole and Biotage's business in particular can fully return to normal. Our employees are doing a fantastic job looking for alternative solutions to physical meetings, and so are many of our customers. However, not everything can be replaced by virtual meetings.

Biotage has a strong financial position and I am grateful that the Board of Directors made the decision to hold off on the dividend for the 2019 financial year, which of course gives Biotage financial sustainability if the effects of the Corona pandemic turn out to be long-lasting.

Finally, I believe that Biotage is well positioned for the future, with implemented reinforcements to corporate management and talented employees in place.

Uppsala July 17, 2020



Tomas Blomquist
President and CEO

Sales, result, cash flow and financial position

Net sales and result

Net sales in the quarter amounted to 254.2 MSEK (282.1), which is a decrease by 9.9 percent and organically a decline by 12.1 percent. The Americas was the biggest market with 39 percent (45) of the net sales, EMEA contributed 24 percent (25) and APAC 37 percent (30). The lower sales and the change in the geographical distribution have been affected by the COVID-19 situation, with the US share decreasing and the APAC share increasing.

Net sales in the six-month period amounted to 531.6 MSEK (530.1), which is an increase of 0.3 percent compared with the corresponding period last year. Organically it is a decline by 2.6 percent.

The Group's gross margin for the quarter decreased by 1.7 percentage points, to 60.6 percent (62.3). The margin was disadvantaged both by the lower sales and to some extent by higher sales in markets with a lower gross margin.

The gross margin for the six months period decreased by 0.4 percentage points, to 61.6 percent (62.0). The sales consisted of 49 percent (52) system sales and 51 percent (48) aftermarket products (consumables and service).

The operating expenses for the quarter amounted to 129.6 MSEK (119.8). Operating expenses include adjustment of retroactive pension provisions for variable remunerations to the amount of 3.1 MSEK.

The sales costs decreased by 1.2 MSEK to 76.7 MSEK (77.9), mainly as a result of less travel due to COVID-19 restrictions.

The administration costs increased by 2.7 MSEK to 21.3 MSEK (18.6).

Research and development costs decreased by 0.2 MSEK to 18.9 MSEK (19.1).

Operating expenses for the six months period amounted to 241.6 MSEK (223.0).

The sales costs increased by 16.4 MSEK to 163.8 MSEK (147.4), mainly because of increased investments in the sales organization.

The administration costs increased by 1.5 MSEK to 40.4 MSEK (38.9). For the half-year these include costs for the current as well as the former CEO for 3.5 months.

Research and development costs increased by 0.1 MSEK to 37.8 MSEK (37.7).

Other operating items for the quarter, -12.7 MSEK (-4.3), primarily consist of currency effects on operations related liabilities and receivables and Biotage's share in the associated company Chreto, -0.4 MSEK (-1.9). The negative contribution from currency effects in the quarter results in a net effect of currency changes on the quarterly result of no less than 10.2 MSEK between quarters.

Other operating items for the six months period, 0.4 MSEK (0.9), primarily consist of currency effects on operations related liabilities and receivables and Biotage's share in the result of the associated company Chreto, -0.9 MSEK (-2.7).

Operating profit for the quarter decreased to 24.5 MSEK (56.1) and the operating margin (EBIT margin) was 9.6 percent (19.9). The average operating margin for the last three-year period amounted to 18.1 percent (18.1), compared to the Group's long-term financial target of 20 percent on average over a three-year period.

Operating profit for the six months period decreased to 85.9 MSEK (105.9) and the operating margin (EBIT) was 16.2 percent (20.0).

Net financial income for the quarter amounted to 10.7 MSEK (-1.1). The increase compared to the corresponding period is partly explained by negative currency effects but mainly by an adjustment of the value of the additional purchase sum from the acquisition of PhyNexus of 26.7 MSEK. For more information, see Note 1.

Net financial income for the six months period amounted to 20.9 MSEK (1.2). The increase compared to the corresponding period last year is partly explained by negative currency effects but mainly by the adjustment of the value of the additional purchase sum from the acquisition of PhyNexus in the second quarter.

The result after tax for the quarter decreased to 32.2 MSEK (54.2). Reported tax cost increased by 2.2 MSEK to 3.0 MSEK (0.8).

The result after tax for the six months period decreased to 93.6 MSEK (101.7). Reported tax cost for the six months period amounted to 13.2 MSEK (5.5).

The Group's tax deficit in Sweden has been assessed as possible to use in the period.

The remaining deferred tax, corresponding to 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 in the quarter increased by 13.9 MSEK to 57.0 MSEK (43.1). This is partly explained by the fact that in the comparative period there was a negative effect caused by increased accounts receivable due to high sales at the end of the quarter.

In the six months period the cash flow from operating activities increased by 62.2 MSEK to 117.8 MSEK (55.6).

Adjustments for items not included in the cash flow include the value adjustment of the additional purchase sum relating to PhyNexus of 26.7 MSEK.

The investments amounted to 16.0 SEK (13.2) in the quarter and 30.6 MSEK (62.6) in the six months period. During the quarter 0.9 MSEK relating to additional purchase sum relating to PhyNexus was settled, which is reported in the investment operations.

Amortizations and write-downs in the quarter amounted to 20.5 MSEK (18.0) and to 39.5 MSEK (35.0) in the six months period.

Capitalized development costs accounted for 10.5 SEK (6.6) of the investments in the quarter and for 5.4 MSEK (5.6) of the amortizations and write-downs. The corresponding amounts for the six months period were 20.1 MSEK (10.8) of the investments and 10.7 MSEK (11.1) of the amortizations and write-downs.

Balance sheet items

At June 30, the Group's cash and cash equivalents amounted to 260.7 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 59.5 MSEK (59.3) according to IFRS 16. Net cash, which also includes 58.5 MSEK (84.9) in calculated additional purchase sum related to the acquisition of PhyNexus Inc., and other financial liabilities, 1.0 MSEK (1.3) amounted to 32.1 MSEK (net debt 69.2 MSEK).

At June 30 the Group reports a total goodwill of 316.6 MSEK (315.9). 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 acquisition of MIP Technologies AB and two product lines from Caliper Life Sciences Inc. in 2010.

Other intangible fixed assets amounted to 263.0 MSEK (260.0). Of this sum capitalized development costs amounted to 114.8 MSEK (105.5). The remaining part relates mainly to identified surplus values linked to acquisitions.

At June 30 the equity capital amounted to 962.3 MSEK (875.5). The change in equity during the half-year is explained mainly by the net result 93.6 MSEK (186.8), and currency hedging and foreign exchange effects at the translation of foreign subsidiaries -6.8 MSEK (25.6).

Balance sheet items within parentheses refer to figures as at December 31, 2019.

Human resources

The Group had 467 (438) employees (full time equivalents) at June 30, compared with 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, Switzerland, 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 0.8 MSEK (0.7) in the second quarter. The operating expenses amounted to 6.3 MSEK (6.0). The operating result was -5.5 MSEK (-5.2). The parent company's net financial income was -11.6 MSEK (-0.2) and mainly refers to currency losses from the translation of intra-group receivables and liabilities. The result after financial items amounted to -17.1 MSEK (-5.4). Reported tax amounted to 0 MSEK (-4.5).

The result after tax amounted to -17.0 MSEK (-9.9). The investments in intangible fixed assets in the quarter amounted to 0.7 MSEK (0.7). The parent company's cash and bank balances amounted to 1.2 MSEK (0.6) on June 30.

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

Annual General Meeting

At Biotage AB's Annual General Meeting on June 4, 2020 the following, among other things, was resolved:

- Determination of the parent company's and the Group's income statement and balance sheet for 2019.
- No dividend shall be paid for the financial year 2019.
- Discharge was granted to the members of the Board of Directors and the Managing Director for the 2019 financial year.
- Re-election of board members Torben Jørgensen, Peter Ehrenheim, Thomas Eklund, Karolina Lawitz, Åsa Hedin and Mark Bradley. The AGM appointed Torben Jørgensen as Chairman of the Board.
- Re-election of Deloitte AB as the company's auditor with Jonas Ståhlberg as auditor in charge.
- The Meeting resolved in accordance with the Nomination Committee's proposal for board fees, fees to members of the Company's Audit Committee and fees to the company's auditors.
- The three largest shareholders shall each appoint a representative to the Nomination Committee and the Chairman of the Board.
- Guidelines for remuneration to senior executives.
- Amendment of the Articles of Association.
- Authorization for the Board of Directors to resolve on the issue of shares.
- Introduction of incentive program (LTIP) including an authorization to issue Class C shares and to decide on the repurchase of these Class C shares for the purpose of LTIP.

For further information, see Resolutions at Biotage AB's Annual General Meeting at www.biotage.com

Major events during the reported period

On April 17 Biotage's Board of Directors announced that the proposal for a dividend of 1.60 SEK per share was withdrawn and that it instead proposed that no dividend should be paid in connection with the AGM. The Board also announced that it sees an opportunity to summon an Extraordinary General Meeting later this year to decide on a dividend for 2019.

Biotage held the Annual General Meeting on June 4th at the company's head office in Uppsala.

Major events after the reported period

No major events have taken place since the end of the reporting period.

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 global spread of the Corona pandemic (COVID-19) constitutes a challenge for society at large. Institutions, companies, and individuals are affected to varying degrees. The uncertainty over how long the virus outbreak will last and the possibility of a "second wave" mean that the effects remain difficult to predict. Biotage monitors and evaluates the development continuously.

Biotage is taking steps to meet the challenges and risks of the Corona pandemic, at the same time as Biotage seeks to maintain momentum in its business operations. For example, Biotage's Board of Directors took the immediate step to propose the suspension of the planned dividend for 2019, which was also decided at the AGM. This meant a significant strengthening of Biotage's cash, which at the end of the six months period amounted to 260.7 MSEK. It is the Board's assessment that Biotage fully meets the requirements and possesses the financial strength to continue the business over the next 12 months after the reporting date.

Although Biotage's business is not the type of business that suffers most short term the business has been affected, not least by the limited freedom of movement in society.

The use of modern communications technologies has to some extent mitigated the effects of not being able to visit customers for sales and service.

However, a substantial reduction of travel has resulted in cost savings and a lower environmental footprint. It cannot be ruled out that these more positive effects may mean changes in how we use our resources long-term. During the second quarter we have seen operations resume in Asia, and especially in China and South Korea, but also other countries like India started to open up in the latter part of the quarter. In Europe customers are also starting to come back and we have been able to resume customer visits to a lesser extent. Also in the US preparations are under way to return to a more normal business. The US market was more affected by the Corona pandemic in the second than in the first quarter of the year. This is likely a natural consequence of the pandemic reaching the US later than e.g. Asia. However, a "second wave" of the Corona pandemic can quickly create new negative changes.

Several of Biotage's customers participate in research and development of Corona virus analyses, vaccines, and treatments. This has meant that Biotage in several countries has been able to maintain operations despite extensive government restrictions. Biotage has also seen that the demand for parts of the product range has increased as a consequence of the Corona pandemic.

Disruptions in the production chain have been of a smaller scale and could mainly be managed during the quarter, albeit at higher costs. This may of course also change, both in terms of the availability of the necessary production resources and more severe disruptions in the transport chain if the Corona pandemic continues.

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. Biotage has a strong financial position, but a drawn-out process can be expected to affect also financially strong companies as Biotage negatively. Biotage is working actively to maintain a good payment order of accounts receivable. So far, Biotage has noted some lag with payments in relation to maturity in some geographies. However, it is still too early to draw any conclusions concerning credit losses and write-down requirements due specifically to the Corona pandemic. The same applies to general write-down requirements for other asset classes. So far, no general write-down requirements due to the Corona pandemic has occurred.

Biotage has not implemented any staff reductions or layoffs due to the Corona pandemic. Nor has Biotage participated in any support programs other than reduced employer contributions in Sweden, China and the UK, among other countries.

The operations are expected to gradually return to normal, however totally dependent on how long-lasting the Corona pandemic will be.

Transactions with related parties

No significant transactions have taken place during the period other than transactions between subsidiaries and remuneration to senior executives.

Forward-looking information

This report contains forward-looking information based on the current expectations of the corporate management. Although the management believes that the expectations expressed in such forward-looking information are reasonable, no assurance can be given that these expectations will prove to be correct. Consequently, actual future outcomes may vary materially from what is stated in this forward-looking information due to, among other things, changing economic, market and competition conditions, changes in legal and regulatory requirements, and other policy measures and fluctuations in exchange rates.

Biotage's financial targets

- Average annual organic growth 8%, over a three-year period.
- Average annual operating margin, EBIT, 20%, over a three-year period.
- Biotage's dividend policy is that at least 50% of the net result shall be distributed to the shareholders

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, except for 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

Interim report January-September November 5 2020

Year-end report 2020 February 12 2021

All financial reports are published at
www.biotage.com

The Board of Directors and the CEO certify that the interim report provides a true and fair overview of the parent company's and the Group's operations, financial position and result and describes the significant risks and uncertainties faced by the parent company and the companies included in the Group.

Uppsala July 17, 2020

Tomas Blomquist
President and CEO

Torben Jørgensen	Åsa Hedin
Chairman of the Board	Board member

Thomas Eklund	Mark Bradley
Board member	Board member

Peter Ehrenheim	Karolina Lawitz
Board member	Board member

Love Amcoff	Annika Gärdlund
Employee representative	Employee representative

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This information is information that Biotage AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 15:00 CET on July 17, 2020 at 08:00 CET.

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 Financial Statements

Consolidated statement of comprehensive income in summary

Amounts in SEK thousands	4/1/2020 6/30/2020	4/1/2019 6/30/2019	1/1/2020 6/30/2020	1/1/2019 6/30/2019	1/1/2019 12/31/2019
Net sales	254,229	282,099	531,565	530,116	1,101,373
Cost of sales	-100,120	-106,221	-204,041	-201,227	-415,963
Gross profit	154,109	175,877	327,524	328,890	685,410
Selling expenses	-76,681	-77,901	-163,802	-147,360	-316,721
Administrative expenses	-21,252	-18,551	-40,384	-38,852	-82,029
Research and development expenses	-18,949	-19,087	-37,822	-37,657	-78,643
Other operating income	-12,742	-4,255	364	909	104
Total operating expenses	-129,625	-119,795	-241,644	-222,960	-477,290
Operating profit	24,484	56,082	85,880	105,929	208,120
Financial net income	10,737	-1,068	20,923	1,243	3,872
Profit before income tax	35,221	55,014	106,803	107,172	211,992
Tax expenses	-2,999	-837	-13,233	-5,481	-25,172
Total profit for the period	32,223	54,177	93,569	101,691	186,820
Other comprehensive income					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	-28,342	-1,886	-6,262	17,173	25,198
Cash flow hedges	126	-54	-553	175	460
Total other comprehensive income	-28,216	-1,940	-6,815	17,348	25,658
Total comprehensive income for the period	4,007	52,236	86,754	119,039	212,478
Attributable to parent company's shareholders:					
Total profit for the period	32,223	54,177	93,569	101,691	186,820
Attributable to parent company's shareholders:					
Total comprehensive income for the period	4,007	52,236	86,754	119,039	212,478
Average shares outstanding	65,201,784	65,201,784	65,201,784	65,162,483	65,182,133
Shares outstanding at end of reporting period	65,201,784	65,201,784	65,201,784	65,201,784	65,201,784
Total profit for the period per share SEK	0.49	0.83	1.44	1.56	2.87
Total profit for the period per share SEK after dilution	0.49	0.83	1.44	1.56	2.87

Quarterly summary

Quarterly summary Amounts in KSEK	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Net Sales	254,229	277,336	288,594	282,663	282,099	248,018	234,574	232,204
Cost of sales	-100,120	-103,921	-109,705	-105,031	-106,221	-95,005	-90,534	-90,815
Gross profit	154,109	173,415	178,889	177,632	175,877	153,012	144,040	141,389
Gross margin	60.6%	62.5%	62.0%	62.8%	62.3%	61.7%	61.4%	60.9%
Operating expenses	-129,625	-112,020	-141,027	-113,302	-119,795	-103,165	-108,303	-96,250
Operating profit	24,484	61,395	37,861	64,330	56,082	49,847	35,737	45,139
Operating margin	9.6%	22.1%	13.1%	22.8%	19.9%	20.1%	15.2%	19.4%
Financial net	10,737	10,186	-6,162	8,791	-1,068	2,311	-290	-1,846
Profit before income tax	35,221	71,582	31,699	73,121	55,014	52,158	35,448	43,293
Tax expenses	-2,999	-10,235	-13,206	-6,486	-837	-4,643	-8,120	735
Total profit for the period	32,223	61,347	18,493	66,635	54,177	47,515	27,327	44,027

Consolidated statement of financial position in summary

Amounts in SEK thousands	6/30/2020	12/31/2019
ASSETS		
Non-Current assets		
Property, plant and equipment	51,488	53,385
Right-of-use assets	58,255	58,868
Goodwill	316,594	315,869
Other intangible assets	263,022	260,047
Financial assets	15,873	16,614
Deferred tax asset	36,832	44,335
Total non-current assets	742,064	749,118
Current assets		
Inventories	175,961	173,760
Trade and other receivables	207,802	226,943
Cash and cash equivalents	260,692	185,867
Total current assets	644,456	586,569
TOTAL ASSETS	1,386,519	1,335,687
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	90,630	90,630
Reserves	-3,064	3,751
Retained earnings	874,691	781,121
Total equity	962,257	875,503
Non-current liabilities		
Liabilities to credit institutions	109,625	109,550
Lease liabilities	38,554	38,097
Other financial liabilities	57,724	68,782
Deferred tax liability	29,198	28,884
Non-current provisions	2,787	2,599
Total non-current liabilities	237,888	247,912
Current liabilities		
Trade and others liabilities	155,580	166,624
Other financial liabilities	1,770	17,369
Tax liabilities	4,522	3,544
Lease liabilities	20,918	21,231
Current provisions	3,583	3,504
Total current liabilities	186,373	212,272
TOTAL EQUITY AND LIABILITIES	1,386,519	1,335,687

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, 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
Reclassification terminated option program		-	-	-	-	-	-
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, 2019 - June 30, 2019							
Total comprehensive income		-	-	17,173	175	101,691	119,039
Total non-owners changes		-	-	17,173	175	101,691	119,039
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	June 30, 2019	90,630	57,970	-62,699	170	695,993	782,064
Changes in equity in the period of							
January 1, 2020 - June 30, 2020							
Total comprehensive income		-	-	-6,262	-553	93,569	86,754
Total non-owners changes		-	-	-6,262	-553	93,569	86,754
Transactions with equity holders of the company							
Dividend to shareholders of the parent company		-	-	-	-	-	-
Closing balance	June 30, 2020	90,630	57,970	-60,935	-99	874,691	962,257

Consolidated statement of cash flows in summary

Amounts in SEK thousands	4/1/2020 6/30/2020	4/1/2019 6/30/2019	1/1/2020 6/30/2020	1/1/2019 6/30/2019	1/1/2019 12/31/2019
Operating activities					
Profit before income tax	35,221	55,014	106,803	107,172	211,992
Adjustments for non-cash items	10,975	28,368	13,071	34,823	76,501
	46,196	83,382	119,874	141,995	288,493
Income tax paid	-1,278	-2,722	-4,017	-5,108	-9,925
Cash flow from operating activities before changes in working capital	44,918	80,660	115,857	136,887	278,568
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	-4,129	-2,612	-6,290	-3,325	-25,497
Increase (-)/ decrease (+) in operating receivables	20,433	-35,150	20,361	-61,325	-32,001
Increase (+)/ decrease (-) in operating liabilities	-4,234	228	-12,112	-16,617	-9,264
Cash flow from changes in working capital	12,071	-37,534	1,960	-81,267	-66,761
Cash flow from operating activities	56,989	43,126	117,816	55,620	211,807
Investing activities					
Acquisition of intangible assets	-11,622	-7,450	-22,348	-12,517	-29,941
Acquisition of property, plant and equipment	-3,556	-4,341	-7,673	-10,201	-15,513
Acquisition of financial assets	-866	-1,378	-866	-345	-687
Acquisitions of companies and product lines	-	-	-	-39,536	-39,536
Sale of financial assets	-	-	331	-	-
Cash flow from investing activities	-16,045	-13,169	-30,556	-62,599	-85,676
Financing activities					
Dividend to shareholders	-	-97,803	-	-97,803	-97,803
Proceeds from borrowings	-	40,000	-	40,000	40,000
Repayment of loans	-6,117	-6,023	-11,595	-6,083	-61,402
Cash flow from financial activities	-6,117	-63,826	-11,595	-63,886	-119,205
Cash flow for the period	34,827	-33,869	75,665	-70,864	6,926
Cash and cash equivalents opening balance	231,122	142,603	185,867	177,020	177,020
Exchange differences in liquid assets	-5,257	-653	-840	1,924	1,921
Cash and equivalents closing balance	260,692	108,080	260,692	108,080	185,867
Additional information:					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	20,540	18,020	39,454	35,016	74,372
Exchange rates differences	16,165	6,639	-805	-3,114	-1,855
Other items	-25,731	3,709	-25,578	2,921	3,984
Total	10,975	28,368	13,071	34,823	76,501

Income statement, parent company

	4/1/2020 6/30/2020	4/1/2019 6/30/2019	1/1/2020 6/30/2020	1/1/2019 6/30/2019	1/1/2019 12/31/2019
Amounts in SEK thousands					
Net sales	831	726	1,693	1,433	2,880
Administrative expenses	-5,803	-4,985	-12,408	-10,744	-24,016
Research and development expenses	-420	-978	-1,141	-1,746	-3,284
Other operating items	-76	-0	-1	28	59
Operating expenses	-6,299	-5,963	-13,549	-12,462	-27,240
Operating profit	-5,468	-5,237	-11,856	-11,029	-24,361
Profit from financial investments:					
Interest income from receivables from group companies	14	35	29	35	221
Result from participations in group companies	-	-	-	-	42,238
Other interest and similar income	-	174	707	1,136	3,272
Other interest and similar expenses	-11,609	-387	-967	-794	-1,797
Group contribution received	-	-	-	-	151,959
Financial net income	-11,595	-177	-231	377	195,893
Profit before income tax	-17,063	-5,414	-12,087	-10,652	171,532
Tax expenses	-	-4,471	-5,912	-10,891	-27,711
Total profit for the period	-17,063	-9,886	-17,999	-21,544	143,821
STATEMENT OF COMPREHENSIVE INCOME PARENT COMP.					
Total profit for the period	-17,063	-9,886	-17,999	-21,544	143,821
Other comprehensive income:					
Components that may be reclassified to net income:					
Translation differences related to	-	-	-	-	-
Total comprehensive income	-17,063	-9,886	-17,999	-21,544	143,821

Balance sheet, parent company

Amounts in SEK thousands	6/30/2020	12/31/2019
ASSETS		
Non-current assets		
Intangible assets		
Patents and licenses	12,548	11,808
	12,548	11,808
Financial assets		
Investments in group companies	472,103	472,103
Receivables from group companies	144,180	145,369
Shares in associated companies	19,284	19,284
Deferred tax asset	-	5,912
	635,567	642,669
Total non-current assets	648,115	654,476
Current assets		
Current receivables		
Receivables from group companies	79,433	93,970
Other receivables	969	981
Prepaid expenses and accrued income	1,485	1,195
	81,887	96,146
Cash and cash equivalents	1,162	619
Total current assets	83,049	96,766
TOTAL ASSETS	731,164	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 for the year	-17,999	143,821
	522,323	540,322
Total equity	612,953	630,952
Longterm liabilities		
Liabilities to credit institutions	110,000	110,000
	110,000	110,000
Current liabilities		
Trade payables	699	1,598
Liabilities to group companies	1,122	229
Other current liabilities	579	229
Accrued expenses and prepaid income	5,810	8,234
	8,210	10,290
TOTAL EQUITY, PROVISIONS AND LIABILITIES	731,164	751,242

Notes

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 from 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. In the second quarter 2020 corporate management identified that there will be a delay of the launch of a new model of the instrument, which will cause a delay of sales. This significantly affects the value of the additional purchase sum as this is fixed in time to 2023.

During the second quarter 2020 0.9 MSEK was paid relating to additional purchase sum based on 2019. For the financial year 2020 which is settled in 2021 the additional purchase sum is estimated to amount to 1.4 MSEK. The company's best estimate of fair value as of June 30, 2020 amounts to 58.5 MSEK. 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 on expected future cash flows discounted at market rate.

The fair value valuation of the additional purchase sum represents a value adjustment of 26.7 MSEK that is recognized in the Groups' income statement as financial income, as the liability is a financial liability and Biotage considers the liability to be of financial nature.

10 percent higher sales than projected during the prognosis period would mean a 15 percent higher provision.

Corporate management monitors goodwill for the Group as a whole and the Group consists of a single operating segment. As described in the 2019 Annual Report, PhyNexus Inc.'s operations have been integrated in the Group's other operations during last year to such an extent that it is no longer possible to identify cash flows from the initially acquired asset. PhyNexus is thus not separately tested for impairment. Such an impairment test would, according to the best estimate, not have resulted in any impairment as the cash flows identified in connection with the acquisition have only been delayed in time.

Financial debt measured at fair value	6/30/2020	12/31/2019
Additional purchase sum, long-term part	57.1	67.9
Additional purchase sum, short-term part	1.4	17.0
Total	58.5	84.9

Opening balance	January 1, 2020	84.9
Value adjustment		-26.7
Translation difference		1.2
Paid during the year		-0.9
Closing balance	June 30, 2020	58.5

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.

Organic growth and growth in comparable exchange rates

As a 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. The Group's income is also affected by acquisitions. In order for stakeholders and corporate management to be able to understand the organic growth and analyze the sales development cleared of currency effects and acquisitions the company reports the sales development in relation to the comparative period at constant exchange rates and adjusted for acquisitions. The current period's sales in the respective currencies are recalculated according to the exchange rates used in the reporting of the comparative period and adjusted for acquisitions. The organic growth in percent is the ratio of organic growth and reported sales in the comparative period. The definition of the metrics for organic growth and growth in comparable exchange rates has been clarified in this report. The calculation is nevertheless the same as previously.

Sales change in %	Second quarter				6 months			
	4/1/2020		4/1/2019		1/1/2020		1/1/2019	
	6/30/2020		6/30/2019		6/30/2020		6/30/2019	
	KSEK	%	KSEK	%	KSEK	%	KSEK	%
Reported sales in the comparison period	282,099		236,071		530,116		444,118	
Reported sales in the period	254,229		282,099		531,565		530,116	
Reported Change	-27,870	-9.9	46,028	19.5	1,449	0.3	85,998	19.4
Reported sales, excluding acquisitions	254,229		273,324		531,185		514,954	
Change related to acquisitions	-	-	8,775	3.7	380	0.1	15,162	3.4
Reported sales at comparables rates, excluding acquisitions	248,007		249,763		516,445		475,971	
Change related to currency effects	6,222	2.2	23,561	10.0	14,740	2.8	38,983	8.8
Reported sales at comparables rates, excluding acquisitions	248,007		249,763		516,445		475,971	
Organic growth	-34,092	-12.1	13,692	5.8	-13,671	-2.6	31,853	7.2

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

Net cash/debt	6/30/2020	12/31/2019
Cash	260.7	185.9
Liabilities to credit institutions	-109.6	-109.6
Lease liabilities	-59.5	-59.3
Other interest-bearing liabilities	-59.5	-86.2
Net cash/debt	32.1	-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	6/30/2020			6/30/2019		
	7/1/2019	1/1/2020	Rolling 12 months	7/1/2018	1/31/2019	Rolling 12 months
	12/31/2019	6/30/2020	months	12/31/2018	6/30/2019	months
Net sales	571.3	531.6	1,102.8	466.8	530.1	996.9
Operating profit	102.2	85.9	188.1	80.9	105.9	186.8
Net sales increase %			10.6%			23.0%

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 June 30, 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

There has been no significant change during the reporting period beyond what was stated in the 2019 Annual Report. There are no contingent liabilities of a material nature for the Group.

Note 4 Composition of income

Composition of income

	Second quarter		6 months	
	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun
Net sales - distribution between products and services:				
Products	230,148	255,269	480,991	479,807
Services	22,637	24,643	47,118	46,640
Other sales revenue	1,444	2,187	3,456	3,669
Total sales revenue	254,229	282,099	531,565	530,116

Revenue by sales channel

	Second quarter		6 months	
	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun
Direct sales through own sales channel	238,323	267,235	499,182	502,294
Sales through distributors	15,906	14,864	32,383	27,822
Total sales revenue	254,229	282,099	531,565	530,116

Point in time of transfer of goods and services

	Second quarter		6 months	
	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun
Goods transferred at a point in time	231,592	257,455	484,447	483,476
Services transferred at a point in time	3,999	6,714	9,488	12,060
Service contracts and other services transferred over a period of time	18,638	17,929	37,630	34,580
Total sales revenue	254,229	282,099	531,565	530,116

Revenue by system and aftermarket

	Second quarter		6 months	
	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun
System	125,397	147,882	247,133	260,464
Aftermarket	128,832	134,217	284,432	269,653
Total sales revenue	254,229	282,099	531,565	530,116

Revenue by geographical market and product area during the quarter

	Americas		EMEA		APAC		Total	
	2020 Q2	2019 Q2	2020 Q2	2019 Q2	2020 Q2	2019 Q2	2020 Q2	2019 Q2
Organic Chemistry	32,281	45,740	27,500	31,894	65,781	60,821	125,562	138,455
Analytical Chemistry	44,519	56,092	22,099	25,889	17,104	16,091	83,721	98,072
Scale-Up*	18,382	19,591	11,820	9,990	8,609	7,215	38,812	36,797
Biomolecules	3,228	6,193	1,422	2,122	1,483	460	6,133	8,775
Total sales revenue	98,410	127,616	62,841	69,896	92,977	84,587	254,229	282,099

*previously called Industrial Products

Revenue by geographical market and product area YTD

	Americas		EMEA		APAC		Total	
	2020 Jan-Jun	2019 Jan-Jun	2020 Jan-Jun	2019 Jan-Jun	2020 Jan-Jun	2019 Jan-Jun	2020 Jan-Jun	2019 Jan-Jun
Organic Chemistry	70,122	78,582	57,978	60,538	125,435	116,967	253,535	256,087
Analytical Chemistry	105,244	103,532	46,045	49,775	30,971	31,101	182,259	184,408
Scale-Up*	45,430	33,479	21,092	24,599	13,593	16,381	80,115	74,459
Biomolecules	9,233	11,474	3,745	3,126	2,678	562	15,655	15,162
Total sales revenue	230,029	227,067	128,860	138,039	172,677	165,010	531,565	530,116

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

Individual disclosed sales amounts may deviate from prior quarterly reports, due to changes in product or customer classifications

Glossary

CMO

Contract manufacturing organization.

CRO

Contract research organization.

Evaporation

Accelerated evaporation of a liquid.

Flash chromatography

A method of separating the substances included in a reaction mixture. Depending on their physical characteristics, the substances move at different speeds through a solid phase with the help of a flow of solvents.

LLE (Liquid Liquid Extraction)

A method of separating compounds based on their relative solubility in two different immiscible liquids, usually water and an organic solvent. This is an extraction of a substance from one liquid phase into another liquid phase.

Microwave synthesis

A synthesis where microwave energy is used to speed up the reaction.

MIP

Molecularly imprinted polymers.

Reagent

A substance that is added during synthesis to restructure the starting material into the desired product.

Purification

Involves the synthesized compound being isolated from impurities.

Purification column

The physical unit where the medium needed to carry out flash chromatography is packaged. The sample that is to be purified in the column is then applied and purification is carried out as the solvent flows through the column.

SLE (Supported Liquid Extraction)

A product and method representing an efficient alternative to traditional LLE that has higher recovery rates and lends itself well to automation. The extraction of a substance is performed by the sample first being absorbed onto a solid support and then eluted off using an organic solvent.

SPE (Solid Phase Extraction)

A method for separating substances according to how much they prefer a solid phase to a liquid phase. The same principle applies as for flash chromatography, although on a smaller scale.

Synthesis

Involves creating a new substance by combining (synthesizing) several different substances.

Work-up

A process that removes various substances that may have been added to speed up or create reactions.

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