



Biotage AB (publ)

Year end Report January - December 2021

Strong growth, both organic and acquired

October–December

- » Net sales amounted to SEK 341 (298) million, an increase of 14.5 percent and an organic* growth of 10.0 percent.
- » The operating profit amounted to SEK 61 (60) million, and adjusted to SEK 70 (60) million.
- » The operating margin was 18.0 percent (20.0), and adjusted was 20.7 percent (20.0).
- » EBITA* amounted to SEK 67 (62) million, and adjusted to SEK 76 (62) million.
- » EBITA margin* was 19.5 percent (20.9) and adjusted was 22.2 percent (20.9).
- » Profit after tax amounted to SEK 46 (44) million.
- » Earnings per share were SEK 0.69 (0.68) before and after dilution.
- » Cash flow from operations increased to SEK 104 (88) million.
- » Net cash* as of December 31 amounted to SEK 51 (157) million.
- » Maja Nilsson took office as Biotage's new CFO on October 1.
- » On October 20, Biotage acquired ATDBio, Ltd.

January–December

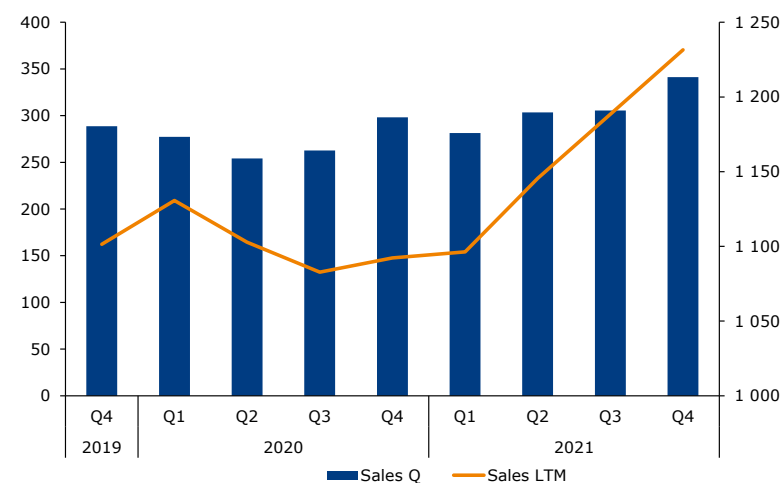
- » Net sales amounted to SEK 1,232 (1,092) million, an increase of 12.7 percent and an organic* growth of 17.5 percent.
- » The operating profit amounted to SEK 271 (206) million, and adjusted to SEK 283 (206) million.
- » The operating margin was 22.0 percent (18.9), and adjusted was 23.0 percent (18.9).
- » EBITA* amounted to SEK 284 (216) million, and adjusted to SEK 396 (216) million.
- » EBITA margin* was 23.1 percent (19.8), and adjusted was 24.0 percent (19.8).
- » Profit after tax amounted to SEK 205 (175) million.
- » Earnings per share were SEK 3.13 (2.69) before and after dilution.
- » Cash flow from operations increased to SEK 353 (279) million.
- » On October 1, Maja Nilsson succeeded Annette Colin as CFO
- » On October 20, Biotage acquired ATDBio, Ltd.
- » The Board of Directors intends to propose to the Annual General Meeting a dividend to the shareholders for 2021 of SEK 1.55 (1.50) per share, corresponding to 50 percent of the result after tax. According to the dividend policy Biotage shall distribute at least 50 percent of the net profit.

* Transaction costs and additional purchase consideration in operating expenses are excluded in the Adjusted measures. EBITA is operating profit plus acquisition-related amortization. See definitions on pages 21-22.

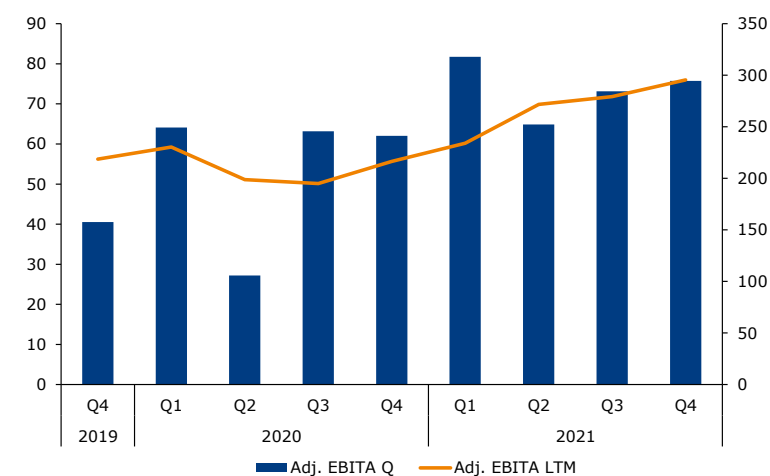
Financial overview

Amounts in SEK millions	Fourth quarter		Twelve-month period	
	Q4 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	341	298	1,232	1,092
Change, %	14.5%	3.3%	12.7%	-0.8%
of which:				
- Organic growth, %	10.0%	10.0%	17.5%	1.4%
- Currency effects, %	1.0%	-6.7%	-5.7%	-2.2%
- Acquisitions/divestments, %	3.4%	-	0.9%	0.0%
Gross profit	212	179	755	667
Gross margin, %	62.1%	59.9%	61.3%	61.0%
Operating profit (EBIT)	61	60	271	206
Operating margin (EBIT), %	18.0%	20.0%	22.0%	18.9%
Adjusted operating profit (EBIT)	70	60	283	206
Adjusted operating margin (EBIT), %	20.7%	20.0%	23.0%	18.9%
EBITA	67	62	284	216
EBITA margin, %	19.5%	20.9%	23.1%	19.8%
Adjusted EBITA	76	62	296	216
Adjusted EBITA margin, %	22.2%	20.9%	24.0%	19.8%
Profit for the period	46	44	205	175
Earnings per share, SEK	0.69	0.68	3.13	2.69
Cashflow from operating activities	104	88	353	279

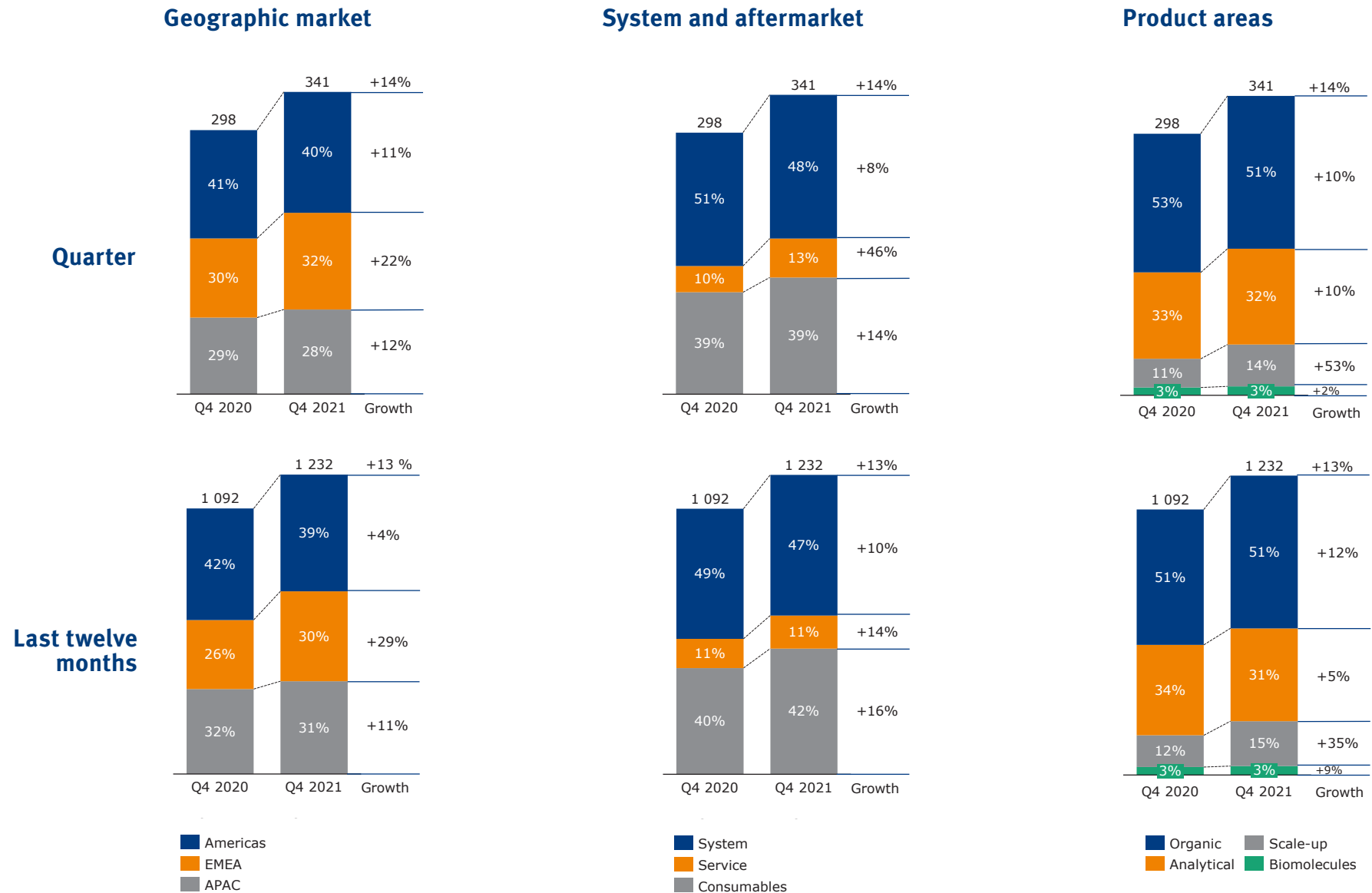
Net sales, SEK millions



Adjusted EBITA, SEK millions



Distribution of net sales



*See definitions on pp. 21-22

Message from the CEO

A strong end to the year

Biotage has managed to deal with the global challenges in the supply chain and ended 2021 with another sales record in the fourth quarter. At the same time, the integration of the newly acquired British company, ATDBio, got off to a quick start and reflects our strategic focus on finding key roles in attractive niche areas.

We once again broke the sales record in the fourth quarter, with sales exceeding SEK 341 million. Even when we exclude currency effects and the SEK 10 million brought in by ATDBio, we are showing double-digit organic growth figures for the quarter. Comparative figures are also being released for the first time, from a quarter when we began to gain an impact on our business with Scale-up solutions for lipid purification, which are part of the development and manufacture of COVID-19 vaccines.

In the wake of the pandemic, the global challenges in the supply chain continued during the quarter. They show no signs of slowing down and affect almost all industries, with high purchase prices for raw materials and freight costs, a general shortage of certain input products and long lead times. Biotage have also been affected, but with an incredibly strong effort, our organization has managed to deal with this in a fantastic way throughout the year and a challenging fourth quarter. We have kept to our delivery times, and, thanks to a good combination of products and markets as well as the large sales volume with positive currency effects, which counteract the impact from the supply chain, we succeeded in achieving one of our strongest quarters in a long time with a gross margin of 62.1 percent.

I am extremely proud of the steps Biotage has taken on its profitable growth journey in 2021. In total, we have grown organically by 17.5 percent, well above the financial target of 8 percent over three years. The operating margin, EBIT, was 22 percent for the year, which is fully in line with our strategy of achieving profitability in order to be able to invest in new, innovative products and segments.



However, if we look at the fourth quarter alone, the operating margin is slightly lower, which is explained by costs associated with the acquisition of ATDBio. In addition to the direct transaction costs that impact this quarter, there has also been an effect on our operating costs that we will have to live with some time. This is due to an expected additional consideration to the sellers. The acquisition-related costs correspond to 2.7 percentage points on the margin; the adjusted operating margin for the quarter is 20.7 percent, which is in line with our financial goal that the operating margin should amount to a minimum average of 20 percent over a three-year period. However, the acquisition of ATDBio is an investment in the future that brings us expertise and important platform solutions. We have succeeded in filling a gap that existed in our product offering, which would streamline our clients' workflows.

Combined with Biotage's capacity in both its production processes and ability to reach out to markets all over the world, ATDBio offers big potential for us to build on. The synthesis and purification of DNA and RNA-oligonucleotides is today a rapidly growing sector with applications in the development of new drugs, therapies, diagnostics – for example, the PCR testing we have become so familiar with recently – as well as DNA and RNA sequencing.

Following the acquisition, we applied the new Integration Playbook for the first time, as part of our efforts to improve and streamline the integration of acquired companies and get a quick return on the deal. Only two days after the agreement was signed, our effective and structured process was under way, and it has since proceeded according to plan.

During the fourth quarter, Biotage grew in all four product focus areas: Analytical Chemistry, Organic Chemistry, Scale-up, and Biomolecules. Scale-up accounted for particularly strong growth. In the reported figures, ATDBio accounted for two-thirds of the area's growth, while organic growth was mainly driven by the aforementioned lipid purification business. In the case of Biomolecules, we have not yet achieved full effect in the roll-out of our new product PhyPrep, which is expected to take off in 2022.

Both the Americas and International regions (which include EMEA and APAC) showed good growth. In particular, sales grew in EMEA, where the lipid purification business is concentrated. In the Americas, sales of consumables grew strongly in Analytical Chemistry, as normal sampling operations started during a quieter period of the pandemic. For APAC, it was primarily China that drove growth through a sharp increase in system sales in Organic Chemistry as a result of new investments by pharmaceutical and contract research companies.

An area where we are now strengthening our focus even more is sustainability. When global sustainability assessment company EcoVadis, which has audited and ranked tens of thousands of companies in sustainability, conducted an independent external audit of our sustainability work in 2021, we were given a "gold medal". This means that we rank among the top 5 percent of companies audited. We now want to sharpen up even more. Among other things, we decided to introduce new manufacturing processes in 2022 with the aim of further reducing the use of organic solvents at our production facility in Cardiff, where we also aim to reduce our carbon footprint with the help of solar panels.

In summary, we are now putting a very successful 2021 behind us, and I would like to thank all our employees who have put so much effort into getting us where we are today. I would also like to thank all our shareholders for their continued confidence, and I look forward to continuing the success in 2022 with new records.

Uppsala, February 11, 2022



Tomas Blomquist
President and CEO

Sales, earnings, cash flow and financial position

Net sales and earnings

Net sales for the quarter amounted to SEK 341 (298) million, an increase of 14.5 percent and organic growth of 10.0 percent. Americas was the largest market, with 40 (41) percent of net sales. EMEA accounted for 32 (30) percent and APAC for 28 (29) percent.

Net sales for the twelve-month period amounted to SEK 1,232 (1,092) million, an increase of 12.7 percent and organic growth of 17.5 percent.

The Group's gross margin for the quarter increased by 2.2 percentage points to 62.1 percent (59.9). The gross margin for the twelve-month period increased by 0.3 percentage points to 61.3 (61.0) percent. Sales were distributed as follows: system sales 47 (49) percent and aftermarket products (consumables and service) 53 (51) percent.

Operating expenses for the quarter amounted to SEK -150 (-119) million, an increase of SEK 31 million. Distribution costs increased by SEK 24 million to SEK -87 (-63) million. Some of the previously reported distribution costs in the US have been reclassified as administrative expenses. Figures for the comparative period have been restated. See also note 4. Administrative expenses increased by SEK 8 million to SEK -36 (-28) million. The increase is primarily due to transaction costs relating to the acquisition of ATDBio. Research and development expenses increased by SEK 11 million to SEK -29 (-18) million. Other operating items for the quarter were SEK 1 (-10) million and consist primarily of currency effects on operating liabilities and receivables.

Operating expenses for the twelve-month period amounted to SEK -483 (-461) million, an increase by SEK 22 million. Distribution costs increased by SEK 17 million to SEK -287 (-270) million. Administrative expenses increased by SEK 12 million to SEK -117 (-105) million. Research and development expenses increased

by SEK 19 million to SEK -91 (-72) million. Other operating items for the twelve-month period were SEK 11 (-13) million and consist primarily of currency effects on operating liabilities and receivables.

Operating profit for the quarter increased by SEK 1 million to SEK 61 (60) million and the operating margin (EBIT) decreased by 2.0 percentage points to 18.0 (20.0) percent. Operating profit for the twelve-month period increased to SEK 271 (206) million and the operating margin (EBIT) increased by 3.1 percentage points to 22.0 percent. In order to better follow Biotage's underlying profitability, adjusted operating profit is also reported, which is the operating profit adjusted for transaction costs and costs related to an additional purchase consideration relating to ATDBio, Ltd. Adjusted operating profit amounted to SEK 70 (60) million and the adjusted operating margin amounted to 20.7 percent (20.0) for the quarter. For the twelve-month period, the corresponding values were SEK 283 (206) million and 23.0 percent (18.9), respectively. See also Note 2 and Note 6.

Because of the acquisition of ATDBio and the amortization of surplus values that arise from acquisitions, Biotage will in the future also report the measure EBITA, earnings before amortization of acquisition-related surplus values, interest and tax, to show the effects of such amortization separately from operating profit. EBITA for the quarter amounted to SEK 67 (62) million and for the full-year period to SEK 284 (216) million. Adjusted EBITA amounted to SEK 76 (62) million for the quarter and SEK 296 (216) million for the full-year period.

Net financial items for the quarter amounted to SEK 4 (0) million, and consisted primarily of interest expenses, currency effects from long-term intra-Group balances, and revaluation of the additional consideration connected to the PhyNexus acquisition. Net financial items for the twelve-month period were SEK -2 (17) million. The change from the same period in the previous year, both with

regards to the quarter and to the twelve-month period, is partly due to negative currency effects, but mainly due to the value adjustment of the additional purchase consideration for the PhyNexus acquisition during the comparative period.

Profit after tax for the quarter increased by SEK 2 million to SEK 46 (44) million. Recognized tax expense increased to SEK -20 (-15) million. Profit after tax for the twelve-month period increased to SEK 205 (175) million. Recognized tax expense for the twelve-month period amounted to SEK -65 (-47) million. The increased tax expense is attributable to the increased profit before tax and non-recurring tax effects related to the acquisition of ATDBio, Ltd.

Cash flow

Cash flow from operating activities for the quarter increased by SEK 16 million to SEK 104 (88) million. Cash flow from operating activities for the twelve-month period increased by SEK 74 million to SEK 353 (279) million.

Investments for the quarter amounted to SEK 295 (20) million and for the twelve-month period SEK 341 (61) million, the largest part of which is the acquisition of ATDBio, Ltd.

Investments in property, plant and equipment were SEK 6 (8) million for the quarter, and SEK 23 (18) million for the twelve-month period, which is mainly related to investments in the UK production facility in Cardiff.

Investments in intangible assets were SEK 6 (12) million for the quarter and SEK 33 (43) million for the twelve-month period. Capitalized development expenses accounted for SEK 5 (8) million of the investments in intangible assets during the quarter and SEK 7 (6) million of amortization. The corresponding amount for the twelve-month period was SEK 30 (38) million of the investments and SEK 24 (22) million of amortization.

Total depreciation and amortization for the quarter was SEK 21 (16) million, with SEK 4 million directly attributable to property, plant and equipment and SEK 12 million to intangible assets. Depreciation and amortization for the twelve-month period amounted to SEK 75 (74) million, with SEK 12 million directly attributable to property, plant and equipment and SEK 40 million to intangible assets.

Balance sheet items

The Group's cash & cash equivalents on December 31 were SEK 311 (371) million. Interest-bearing liabilities relate to borrowings of SEK 150 (110) million under a credit facility arranged in 2018, lease liabilities of SEK 53 (52) million, an estimated additional consideration of SEK 46 (52) million for the acquisition of PhyNexus, Inc. and other financial liabilities of SEK 1 (0) million. The net cash position was SEK 61 (157) million.

The Group's total goodwill on December 31 amounted to SEK 741 (290) million. The large increase from the previous year is primarily related to the acquisition of ATDBio, Ltd., but also to exchange rate revaluations. Previous years' goodwill is attributable to the acquisitions of PhyNexus, Inc. in 2019, Horizon Technology, Inc. in 2018, MIP Technologies AB in 2010 and two product lines from Caliper Life Sciences, Inc. in the same year.

Capitalized development expenses amounted to SEK 128 (122) million and other intangible assets, mainly identified surplus values related to acquisitions, amounted to SEK 185 (129) million.

Equity amounted to SEK 1,362 (990) million on December 31. The change in equity for the quarter is mainly attributable to net profit of SEK 205 (175) million, currency effects of SEK 67 (-62) million on the translation of foreign subsidiaries, the new share issue at the time of the ATDBio, Ltd. acquisition, and dividend to the owners of the parent company, SEK 98 (-) million.

Balance sheet items in parentheses refer to figures on December 31, 2020.

Human resources

The Group had 497 employees (full-time equivalents) on December 31, compared with 463 on December 31, 2020.

Parent company

The Group's Parent Company, Biotage AB, has wholly-owned subsidiaries in Sweden, the US, the UK, 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 the Group and subsidiary levels.

The Parent Company's net sales for the quarter amounted to SEK 1 (0) million. Operating expenses were SEK -8 (-6) million. Operating loss was SEK -7 (-5) million. Net sales for the twelve-month period was SEK 4 (3) million with an operating loss of SEK -21 (-20) million.

The Parent Company's net financial items for the quarter amounted to SEK 30 (83) million and consisted mainly of dividends from subsidiaries, interest expenses and exchange gains on translation of intra-Group receivables and liabilities. Net financial items for the twelve-month period was SEK 47 (78) million. Profit after financial items for the quarter amounted to SEK 23 (78) million. Profit after financial items for the twelve-month period amounted to SEK 25 (58) million.

Recognized tax for the quarter amounted to SEK -6 (0) million, and for the twelve-month period SEK -4 (-12) million. Profit after tax amounted to SEK 22 (69) million for the quarter and SEK 26 (37) million for the twelve-month period.

Investments in intangible assets amounted to SEK 0 (0) million for the quarter and to SEK 1 (1) for the twelve-month period.

Cash and bank balances on December 31 were SEK 2 (1) million.

Significant events during the reporting period

Maja Nilsson took office as Biotage's new CFO on October 1.

On October 20, Biotage acquired ATDBio, Ltd. As part of this transaction, 781 991 new shares were issued. For further information, see Note 6.

Significant events after the end of the reporting period

No significant events have taken place since the end of the reported period.

Risks and uncertainties

As an international Group, Biotage is exposed to various risks that affect its ability to achieve defined targets. These include operational risks, such as the risk of competitive situations affecting price levels and sales volumes, and the risk of economic instability in the markets and areas where the Group operates. There are also financial risks, which include currency risks, interest rate risks and credit risks.

There has been no significant change in material risks or uncertainties during the period, apart from the factors related to the coronavirus pandemic described below. Other risks are unchanged from the section on Biotage's risks, uncertainties and risk management in the Company's 2020 annual report.

Coronavirus pandemic (COVID-19)

The continuing global spread of the coronavirus pandemic (COVID-19) and lack of availability of vaccines are of concern to the global community. Uncertainty about the duration and intensity of the virus outbreak continues to make its effects difficult to assess.

Biotage is taking action to meet the challenges and risks associated with the coronavirus pandemic, while also seeking to maintain the momentum of its business activities.

Use of modern communication technology has mitigated the impact of not being able to visit customers for sales and service. The reduction in travel has also brought cost savings and resulted in a lower environmental footprint. It is not inconceivable that these more positive effects may change how we use our resources in the long term.

The recovery continued during the fourth quarter. It is, however, still too early to determine at what point the situation will return to normal and this is also largely dependent on the course and impact of the virus.

Several Biotage customers are participating in research and development of coronavirus analyses, vaccines and treatment. This has enabled Biotage to maintain operations in a number of countries, despite extensive government restrictions. Biotage has also seen demand for parts of the product range increase

as a consequence of the coronavirus pandemic. Disruptions in the production chain have been significant, but have for the most part been successfully managed, although at high cost. This situation may obviously change, both in terms of availability of the necessary production resources and more severe disruptions to the transport chain if the coronavirus pandemic continues, which we have seen indications of during the quarter.

If the financial position of our customers weakens, this may also affect Biotage in terms of their ability to pay, which could lead not only to longer payment periods but also to eventual credit losses. Biotage has not been affected in this respect so far.

Biotage has a strong financial position, but if the pandemic's course is protracted, it may have an adverse effect on financially strong companies like Biotage. Biotage works actively to maintain good payment order for its trade receivables. However, it is still too early to draw any conclusions about credit losses and impairment due specifically to the coronavirus pandemic. The same applies to general impairment of other asset classes. No general impairment due to the coronavirus pandemic has been identified to date.

Biotage has not made any staff reductions or lay-offs as a result of the coronavirus pandemic. Biotage has also not participated in any support programs other than reduced employer contributions in Sweden, China, the UK and other countries.

Operations are expected to gradually return to normal, although this will be entirely dependent on how long-lasting the coronavirus pandemic is and in particular with respect to the omicron variant and other mutations.

Related-party transactions

There were no significant transactions during the period other than transactions between subsidiaries and remuneration of senior executives of the Group and Parent Company. The amounts are essentially the same as in the most recent annual report.

Forward-looking information

This report contains forward-looking information based on management's current expectations. Although management believes that the expectations reflected in this forward-looking information are reasonable, no assurance can be given that these expectations will prove to be correct. Actual future outcomes may consequently vary significantly from those contained in this forward-looking information due to factors such as changes to economic, market and competitive conditions, amended legal and regulatory requirements, other policy measures and exchange rate fluctuations.

Audit review

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

Biotage's financial targets

- » Average annual organic growth of 8% over a three-year period. Outcome: 9.2% on December 31, 2021.
- » Average annual operating margin (EBIT) of 20% over a three-year period. Outcome: 20.0% on December 31, 2021.

General information

Unless otherwise indicated in this interim report, the Group is referred to.

Figures in parentheses indicate the outcome for the corresponding period in the previous year, apart from balance sheet items where they refer to the value on December 31 of the previous year. Unless otherwise stated, amounts are presented in SEK millions.

Nomination committee

A nomination committee, consisting of members appointed by the three largest shareholders or shareholder groups and the Chairman of the Board has been

formed for Biotage AB in accordance with the principles adopted by the Annual General Meeting on April 28, 2021.

The tasks of the nomination committee shall be to prepare the election of Chairman and other board members, the election of chairman of the meeting, the election of auditors, the determination of fees and matters pertaining thereto.

The members of the nomination committee are:

- » Joachim Spetz, appointed by Swedbank Robur Fonder.
- » Sussi Kvart, appointed by Handelsbanken Fonder
- » Christoffer Geijer, appointed by SEB Investment Management
- » Torben Jørgensen, Chairman of the board, Biotage AB

Shareholders wishing to submit a proposal to the nomination committee can address Biotage's Chairman of the Board by e-mail: info@biotage.com. Proposals shall, in order to allow time for being taken into consideration by the election committee, be received no later than seven weeks before the AGM.

Calendar

All financial reports are published on www.biotage.com

Interim Report January-March 2022	April 28, 2022
Annual General Meeting 2022	April 28, 2022
The Annual Report for 2021 is planned to be published	week 14, 2022
Interim Report January-June 2022	July 19, 2022
Interim Report January-September 2022	November 2, 2022
Year-end Report 2022	February 15, 2023

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, February 11, 2022

Tomas Blomquist
President and CEO

For further information

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This information is information that Biotage AB (publ) is required to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act.

The information was submitted for publication, through the agency of the contact persons set out above, on February 11, 2022 at 08.00 CET.

Consolidated financial statements

Consolidated statement of comprehensive income

	10/01/2021 12/31/2021	10/01/2020 12/31/2020	01/01/2021 12/31/2021	01/01/2020 12/31/2020
SEK Millions				
Net sales	341	298	1,232	1,092
Cost of sales	-129	-119	-477	-426
Gross profit	212	179	755	667
Distribution costs	-87	-63	-287	-270
Administrative expenses	-36	-28	-117	-105
Research & development expenses	-29	-18	-91	-72
Other operating items	1	-10	11	-13
Total operating expenses	-150	-119	-483	-461
Operating profit	61	60	271	206
Net financial items	5	0	-2	17
Profit before tax	66	59	269	223
Income tax	-20	-15	-64	-47
Profit for the period	46	44	205	175

OTHER COMPREHENSIVE INCOME

Items that may be reclassified to profit or loss for the year:

Exchange differences from translation of foreign subsidiaries	33	-45	67	-62
Cash flow hedges	-	-0	-	-0
Total other comprehensive income	33	-44	67	-62
Total comprehensive income for the period	79	0	272	113
Profit for the period attributable to owners of the Parent	46	44	205	175
Total comprehensive income for the period attributable to owners of the Parent	79	0	272	113

	10/01/2021 12/31/2021	10/01/2020 12/31/2020	01/01/2021 12/31/2021	01/01/2020 12/31/2020
Average number of shares outstanding	65,821,884	65,201,784	65,356,809	65,201,784
Average number of shares outstanding after dilution due to outstanding share programs	66,022,262	65,222,418	65,466,377	65,208,522
Ordinary shares outstanding at the reporting date	65,991,775	65,201,784	65,991,775	65,201,784
Earnings per share for the period	0.69	0.68	3.13	2.69
Diluted earnings per share for the period	0.69	0.68	3.13	2.69

Consolidated statement of financial position

Amounts in SEK millions	12/31/2021	12/31/2020
ASSETS		
Non-current assets		
Goodwill	741	290
Capitalized development expenditure	128	122
Other intangible assets	185	129
Right-of-use assets	52	51
Property, plant and equipment	76	53
Financial assets	14	12
Deferred tax asset	22	26
Total non-current assets	1,218	683
Current assets		
Inventories	237	160
Trade receivables	180	194
Other receivables	46	26
Cash and cash equivalents	311	371
Total current assets	774	752
TOTAL ASSETS	1,992	1,434

Amounts in SEK millions	12/31/2021	12/31/2020
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	92	91
Reserves and other contributed capital	216	-57
Retained earnings	1,063	956
Total equity	1,371	990
Non-current liabilities		
Liabilities to credit institutions	150	110
Lease liabilities	30	31
Other interest-bearing liabilities	45	51
Deferred tax liability	73	33
Non-current provisions	10	3
Total non-current liabilities	307	227
Current liabilities		
Accounts receivables	56	51
Lease liabilities	23	21
Other financial liabilities	2	2
Other liabilities	229	135
Current provisions	3	8
Total current liabilities	313	217
TOTAL EQUITY AND LIABILITIES	1,992	1,434

Condensed consolidated statement of changes in equity

Amounts in SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Retained earnings	Total equity
OPENING BALANCE JANUARY 1, 2020	91	58	-55	0	781	876
Changes in equity between January 1 and December 31, 2020						
Total comprehensive income for the period	-	-	-62	-0	175	113
Total changes during the period, excluding transactions with owners of the Parent	-	-	-62	-0	175	113
Transactions with owners of the Parent						
New share issue	0	-	-	-	-	0
Share-based compensation		2				2
Share buy-back, Parent company	-	-	-	-	-0	-0
Closing balance December 31, 2020	91	60	-117	-0	956	990
CHANGES IN EQUITY BETWEEN JANUARY 1 AND DECEMBER 31, 2021						
Total comprehensive income for the period	-	-	67	-	205	272
Total changes during the period excluding transactions with owners of the Parent	-	-	67	-	205	272
Transactions with owners of the Parent						
New share issue	1	200	-	-	-	201
Dividend to shareholders of the Parent	-	-	-	-	-98	-98
Share-based compensation	-	7	-	-	-	7
Share buy-back, Parent company	-	-	-	-	-0	-0
Closing balance December 31, 2021	92	266	-49	-0	1,063	1,371

Condensed consolidated statement of cash flows

Amounts in SEK millions	10/01/2021 12/31/2021	10/01/2020 12/31/2020	01/01/2021 12/31/2021	01/01/2020 12/31/2020
OPERATING ACTIVITIES				
Profit before tax	66	59	269	223
Adjustments for non-cash items	29	23	78	62
	95	82	347	285
Income tax paid	-2	-4	-16	-15
Cash flow from operating activities before changes in working capital	93	78	332	270
CASH FLOW FROM CHANGES IN WORKING CAPITAL				
Increase (-)/decrease (+) in inventories	-17	-0	-54	-5
Increase (-)/decrease (+) in operating receivables	6	-17	16	-9
Increase(+)/decrease (-) in operating liabilities	22	27	60	23
Cash flow from changes in working capital	11	9	21	9
Cash flow from operating activities	104	88	353	279
INVESTING ACTIVITIES				
Acquisition of intangible assets	-6	-12	-33	-43
Acquisition of property, plant and equipment	-6	-8	-23	-18
Acquisition of financial assets	-1	-	-2	-1
Acquisition of subsidiaries, net of cash	-282	-	-282	-
Cash flow from investing activities	-295	-20	-341	-61
FINANCING ACTIVITIES				
Dividend to shareholders	-	-	-98	-
Subscription of new loans	150	-	150	-
Repayment of borrowings	-5	-5	-134	-23
Cash flow from financing activities	145	-5	-82	-23
Cash flow for the reporting period	-47	62	-69	195
Cash and cash equivalents at beginning of period	359	316	371	186
Exchange differences	-1	-7	9	-10
Cash and cash equivalents at end of reporting period	311	371	311	371
Adjustments for non-cash items				
Depreciation and impairment	21	16	75	74
Translation differences	10	1	4	6
Value adjustment, additional consideration	-9	-0	-9	-25
Other items	7	5	9	8
Total	29	23	78	62

Condensed income statement, Parent Company

Amounts in SEK millions	10/01/2021 12/31/2021	10/01/2020 12/31/2020	01/01/2021 12/31/2021	01/01/2020 12/31/2020
Net sales	1	0	4	3
Administrative expenses	-5	-5	-21	-21
Research & development expenses	-1	-0	-3	-2
Other operating items	-2	-0	-1	-0
Operating expenses, net	-8	-6	-25	-23
Operating profit	-7	-5	-21	-20
Profit/loss from financial investments				
Interest income on receivables from group companies	2	-3	3	3
Profit/loss from investments in subsidiaries	0	-	9	-
Profit/loss from investments in associates	-	-9	-	-9
Other interest and similar income	14	-	22	-
Interest and similar expense	-15	-12	-16	-17
Group contributions received	29	101	29	101
Net financial items	30	83	47	78
Profit/loss after financial items	23	78	25	58
Appropriations	5	-9	5	-9
Income tax	-6	-0	-4	-12
Profit/loss for the reporting period	22	69	26	37
STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY				
Profit/loss for the reporting period	22	69	26	37
Other comprehensive income				
Items that may be reclassified to profit or loss for the year	-	-	-	-
Comprehensive income for the reporting period	22	69	26	37

Balance sheet, Parent Company

Amounts in SEK millions	12/31/2021	12/31/2020
ASSETS		
Non-current assets		
Intangible assets		
Patents and licenses	13	12
Total intangible assets	13	12
Financial assets		
Investments in Group companies	1,134	472
Receivables from Group companies	131	130
Other financial assets	10	10
Total financial assets	1,275	613
Total non-current assets	1,288	625
Current assets		
Current receivables		
Receivables from Group companies	1	174
Other receivables	8	1
Prepaid expenses and accrued income	2	2
Total current receivables	11	176
Cash and bank balances	2	1
Total current assets	13	178
Total assets	1,301	803

Amounts in SEK millions	12/31/2021	12/31/2020
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity		
Share capital	92	91
Total restricted equity	92	91
Unrestricted equity		
Other paid-in capital	258	58
Retained earnings	429	484
Profit/loss for the reporting period	26	37
Total unrestricted equity	713	579
Total equity	805	670
Untaxed reserves	3	9
Non-current liabilities		
Liabilities to credit institutions	150	110
Other non-current liabilities	56	-
Total non-current liabilities	206	110
Current liabilities		
Trade payables	3	1
Liabilities to Group companies	257	0
Current tax liabilities	11	6
Other current liabilities	5	0
Accruals and deferred income	11	6
Total current liabilities	286	14
Total equity and liabilities	1,301	803

Key figures and ratios

Amounts in SEK millions	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	341	305	303	281	298	263	254	277
Growth in net sales, %	14.5%	16.3%	19.4%	1.4%	3.3%	-7.1%	-9.9%	11.8%
Organic growth, %	10.0%	17.8%	32.1%	12.0%	10.0%	-2.7%	-12.1%	2.8%
Gross profit	212	183	182	177	179	161	154	173
Gross margin, %	62.1%	60.0%	60.0%	63.1%	59.9%	61.1%	60.6%	62.5%
Operating profit	61	68	63	79	60	61	24	61
Operating margin, %	18.0%	22.3%	20.6%	28.2%	20.0%	23.1%	9.6%	22.1%
Profit for the period	46	53	46	60	44	37	32	61
Profit margin, %	13.4%	17.4%	15.1%	21.3%	14.9%	14.2%	12.7%	22.1%
Total Assets	1,992	1,503	1,407	1,576	1,434	1,420	1,387	1,428
Net cash(+)/net debt(-), SEK millions	61	244	161	190	157	90	32	-28
Equity/Assets ratio, %	68.9%	72.5%	72.5%	68.7%	69.0%	69.6%	69.4%	67.1%
Cash flow from operating activities, SEK/share	1.57	1.37	1.41	1.04	1.34	1.13	0.87	0.93
Average number of employees	497	478	469	462	463	466	467	469
Return on equity, %	17.3%	19.6%	19.0%	17.1%	18.8%	16.1%	20.5%	22.5%
Return on capital employed, %	18.6%	25.2%	26.4%	23.2%	23.7%	21.6%	23.3%	23.8%
Return on total assets, %	15.4%	20.9%	22.0%	19.5%	20.0%	18.3%	19.9%	20.3%
Earnings, SEK/share	0.69	0.81	0.71	0.92	0.68	0.57	0.49	0.94
Earnings after dilution, SEK/share	0.69	0.81	0.70	0.92	0.68	0.57	0.49	0.94
Stock market price at end of period, SEK/share	262.0	239.4	202.6	154.0	139.0	177.3	139.3	99.7
Equity, SEK/share	20.83	16.71	15.64	16.60	15.18	15.17	14.76	14.70
Equity after dilution, SEK/share	20.77	16.68	15.62	16.59	15.18	15.17	14.76	14.70
Weighted average number of shares, thousands	65,822	65,202	65,202	65,202	65,202	65,202	65,202	65,202
Weighted average number of shares after dilution, thousands	66,022	65,323	65,267	65,230	65,222	65,208	65,202	65,202
Total number of shares outstanding at end of the period, thousands	65,992	65,202	65,202	65,202	65,202	65,202	65,202	65,202

See definitions in Note 2 and in the 2020 Annual Report, page 85.

Notes

Note 1 Accounting policies

Biotage's consolidated financial statements are based on International Financial Reporting Standards as adopted by the EU. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Group and the Parent Company have applied the same accounting policies and calculation methods in the interim report as in the most recent annual report. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in the notes and elsewhere in the interim report. Amended and new standards and interpretations from the IASB and IFRS Interpretations Committee that are effective for the 2021 fiscal year have not had any impact on the Group's financial reporting. Amendments to RFR2 that have come into force and are effective on or after January 1, 2021 have not had any material impact on the Parent Company's financial statements.

When preparing the interim reports for the Group and Parent Company, the same accounting policies and calculation methods have been used as in Biotage's 2020 annual report. The accounting policies are described on pages 52-64 of the annual report. For balance sheet items, figures in parentheses refer to the value at the end of the previous fiscal year, December 31, 2020. For income statement and cash flow items, figures in parentheses refer to the corresponding period in the previous year.

Fair value

Additional consideration

Biotage has a financial liability in connection with an additional consideration for an acquisition, which is measured at fair value through profit or loss. The additional consideration, attributable to the acquisition of PhyNexus Inc., is based on the agreed allocation of gross profit on related products during the period 2019 to 2023. The agreement with the sellers does not include a maximum amount.

The Company's best estimate of the fair value on December 31 is SEK 46 million. The fair value calculations are based on level 3 of the fair value hierarchy, which means that the fair value was determined on the basis of a valuation model using significant inputs that are unobservable. Measurement was based on expected future cash flows, discounted using a market interest rate.

If sales in the forecast period were to be 10 percent higher than estimated, this would mean a higher provision of 15 percent.

	12/31/2021	12/31/2020
Additional consideration, non-current portion	44	50
Additional consideration, current portion	2	2
Total	46	52

Opening value, January 1, 2021	52
Value adjustment	-9
Translation differences	4
Settled during the year	-1
Closing balance, December 31, 2021	46

Other financial assets

Biotage has a financial asset in the form of shares in Chreto ApS, reported as financial assets at fair value. The holding has been allocated to level 2 of the fair value hierarchy on the basis that issue prices during the fourth quarter of 2021 are observable market data. At December 31, the holding was measured at the last known transaction price, which is the same price as on the previous reporting date.

A fair value calculation based on discounted future cash flows, for which the most significant input is a discount rate that reflects the counterparty's credit risk, is not expected to differ significantly from the carrying amount of other financial assets and current financial liabilities measured at amortized cost. Consequently, the carrying amounts of these financial assets and liabilities are considered to represent a good approximation of the fair values. Further information about financial assets and liabilities and their classification can be found in note 19 of the 2020 Annual Report.

Performance share program

In accordance with a resolution of the AGM, Biotage has adopted long-term incentive programs in the form of performance-based share programs ("LTIP 2020" and "LTIP 2021") for employees of the Biotage Group. Both LTIP 2020 and LTIP 2021 include the CEO, senior executives and other key personnel, meaning that a maximum of 18 individuals within the Biotage Group will be eligible to participate. For further information on LTIP 2020, see the 2020 Annual Report.

Changes in number of performance shares:

Number of performance shares	LTIP 2020	LTIP 2021
Opening balance January 1, 2021	151 599	-
Allotted performance shares	-	151 599
Cancelled performance shares	-23 780	-
Closing balance December 31, 2021	127 819	151 599

Terms of LTIP 2021

Allotment of performance shares requires that the participant remains in his/her employment for three years from the allotment date. In addition to the requirement for the participant's continued employment, the final number of performance shares that each participant is entitled to receive is settled based on the following performance terms:

Performance term 1: 50 percent of the performance shares if the total return of the company's ordinary share amounts to or exceeds 64.3 percent in the period June 2021 – May 2024, however, at least 26 percent is required for the allotment to take place. Total return refers to return to shareholders in the form of price increase and reinvestment of any dividends during the vesting period.

Performance term 2: 25 percent of the performance shares if the average operating margin amounts to or exceeds 20 percent in 2021-2023 (calendar years), however, at least 17 percent is required for allotment to take place.

Performance term 3: 25 percent of the performance shares if the average organic sales growth amounts to or exceeds 11 percent in 2021-2023 (calendar years), however, at least 7 percent is required for allotment to take place. For further information on the rights, see the Annex to the General Meeting Protocol at the company's website.

The rights related to Performance term 1 are valued according to the Monte Carlo model with an expected volatility of 37.5 percent and an interest rate of -0.23 percent. This gives a value of SEK 69.77. The rights related to Performance terms 2 and 3 are valued on the basis of the current share price less forecast dividend during the vesting period. This gives a value of SEK 178.37.

Scope and costs of LTIP 2020 and LTIP 2021

Nine participants, including the CEO, have been awarded a total of 127,819 rights to performance shares under the LTIP 2020 program. All senior executives are included in the program. Eleven participants, including the CEO, have been awarded a total of 151,599 rights to performance shares under the LTIP 2021 program. Both programs are reported in accordance with IFRS 2, which means that the rights are measured on the grant date at the fair value of allotted equity instruments.

The cost of LTIP 2020 for the quarter amounted to SEK 2 million, including social security contributions. The estimated maximum total cost of LTIP 2020 is SEK 24 million. The cost of LTIP 2021 for the quarter amounted to SEK 2 million, including social security contributions. The estimated maximum total cost of LTIP 2021 is SEK 30 million.

Effects on key figures and dilution

In order to secure the allotment of ordinary shares in Biotage to participants in LTIP 2020, Biotage issued and repurchased 243,313 C shares in 2020. Further information about the terms and conditions of the Class C shares can be found in the appendix to the minutes of the 2020 AGM on the Biotage website. There has been a corresponding issue and repurchase of 243,313 Class C shares during the fourth quarter 2021 to secure the allotment to participants in LTIP 2021.

On maximum allotment of performance shares under LTIP 2020, 127,819 ordinary shares will be allotted to participants and 40,161 ordinary shares will be used to cover any social security contributions associated with the program. This will have a dilutive effect of about 0.24 percent of the number of ordinary shares in the Company. On maximum allotment of performance shares under LTIP 2021, 196,183 ordinary shares will be allotted to participants and 47,130 ordinary shares will be used to cover any social security contributions associated with the program. This will have a dilutive effect of about 0.37 percent of the number of ordinary shares in the Company.

The average number of shares after dilution is affected by the estimated allotment of shares as of December 31. However, this does not have any material effect on earnings per share before and after dividends.

Note 2 Key figures and performance measures

A list of definitions of key figures and performance measures reported in the consolidated financial statements can be found on page 85 of the 2020 Annual Report.

Alternative performance measures

In this report, Biotage presents information used by management to assess the Group's performance. Some of the financial measures presented are not defined under IFRS. The Company believes that these measures provide useful additional information to investors and Company management and contribute to the evaluation of relevant trends and the Company's performance. As not all companies calculate performance measures in the same way, the measures are not always comparable with those used by other companies. These performance measures should therefore not be considered a substitute for measures defined under IFRS. ESMA's guidelines on alternative performance measures are applied and include enhanced disclosure requirements for performance measures not defined under IFRS. Explanations of the financial measures that Biotage considers relevant are provided below.

Net cash/debt

Information on the Group's net cash/debt, defined as cash less liabilities to credit institutions, is reported in order to enable stakeholders and management to monitor and analyze the Group's financial strength.

	12/31/2021	12/31/2020
Kassa	311	371
Skulder till kreditinstitut	-150	-110
Leasingrelaterade skulder	-53	-52
Övriga räntebärande skulder	-47	-52
Nettokassa/skuld	61	157

Profit measurements and adjusted profit measurements

In this report, Biotage uses the performance measure EBIT (Earnings Before Interest and Taxes) as an alternative term for operating profit. EBIT margin is an alternative term for the operating margin, which is calculated as operating profit divided by net sales. Operating profit is calculated as net sales less cost of sales and operating expenses. EBITA is calculated as earnings before amortization of acquisition-related surplus values, interest and tax. EBITA margin is EBITA divided by net sales.

To make it easier for the reader to form an opinion about underlying operations adjusted for non-recurring items related to acquisitions, Biotage also reports adjusted profit measures in the form of adjusted EBIT and adjusted EBITA. The performance measures, how they relate to each other and the effect of adjustments are shown in the table below.

	10/01/2021 12/31/2021	10/01/2020 12/31/2020	01/01/2021 12/31/2021	01/01/2020 12/31/2020
EBITA				
Operating profit	61	60	271	206
Adjustment items:				
Amortization of acquisition-related surplus values	5	2	12	10
EBITA	67	62	284	216

	2021-10-01 2021-12-31	2020-10-01 2020-12-31	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Adjusted EBIT				
EBIT	61	60	271	206
Adjustment additional consideration	4	-	4	-
Adjustment transaction costs	5	-	8	-
Adjusted EBIT	70	60	283	206

	10/01/2021 12/31/2021	10/01/2020 12/31/2020	01/01/2021 12/31/2021	01/01/2020 12/31/2020
Adjusted EBITA				
EBITA	67	62	284	216
Adjustment additional consideration	4	-	4	-
Adjustment transaction costs	5	-	8	-
Adjusted EBITA	76	62	296	216

Organic growth and growth at comparable exchange rates

As most of the Group's net sales are settled in currencies other than the reporting currency, SEK, the amount recognized is affected by exchange rate changes between periods to a relatively large extent. The Group's revenue is also affected by acquisitions. To enable stakeholders and management to obtain a clear picture of organic growth and analyze the sales trend excluding currency effects and acquisitions, the Company reports sales growth for the current and comparative period at constant exchange rates and adjusted for acquisitions. The current period's sales in each currency are translated at the exchange rates that were used in the financial statements for the comparative period and adjusted for acquisitions. Organic growth as a percentage is the ratio of organic growth and reported net sales for the comparative period.

	07/01/2021- 12/31/2021		10/01/2020 - 12/31/2020		01/01/2021- 12/31/2021		01/01/2020- 12/31/2020	
	SEK millions	%	SEK millions	%	SEK millions	%	SEK millions	%
Net sales recognized in the comparative period	298		289		1 092		1 101	
Net sales recognized in the period	341		298		1 232		1 092	
Recognized change	43	14,5	10	3,3	139	12,7	-9	-0,8
Net sales for the period, excl. acquisitions	331		298		1 221		1 092	
Change attributable to acquisitions	10	3,4	-	-	10,3	0,9	0	0,0
Net sales for the period at comparative period's exchange rates, excl. acquisitions	328		318		1 283		1 117	
Change attributable to currency	3	1,0	-19	-6,7	-62	-5,7	-25	-2,2
Net sales for the period at comparative period's exchange rates, excl. acquisitions	328		318		1 283		1 117	
Organic growth	30	10,0	29	10,0	191	17,5	16	1,4

Graphs of net sales and operating result

Biotage has chosen to report graphs of the net sales and the operating result on a last twelve months (LTM) basis as corporate management also follows the development over time on a LTM basis and believes that this provides supplementary information to the calendar-based interim data otherwise given in the report. For the fourth quarter, LTM data is the same as the full year data.

Note 3 Pledged assets and contingent liabilities

In connection with the acquisition of ATDBio, Ltd., there has been an agreement on an additional purchase price of GBP 5 million, which may be due provided that certain conditions are met. The terms mean that the additional purchase price is expensed over time, and owed to the extent that they are earned. The excess part, SEK 57 million on December 31, is a contingent liability. See also Note 6 Business acquisitions.

Note 4 Changes in estimates and assessments

A review of the classification of costs by function has resulted in a major reallocation of costs, primarily for the US subsidiary. Costs that were considered to be related to distribution costs in previous years are now classified as administrative expenses. In order to aid readers in comparing periods, the costs for the comparative period are categorized in the consolidated income statement according to the principle that applies from 2021. The change from previously reported figures is shown in the tables below. Comprehensive income for the period has not been affected.

Quarter	Previously reported	Change	Reported
Amounts in SEK millions	10/01/2020 12/31/2020		10/01/2020 12/31/2020
Net sales	298	-	298
Cost of sales	-119	-	-119
Gross profit	179	-	179
Distribution costs	-71	8	-63
Administrative expenses	-20	-8	-28
Research & development expenses	-18	-	-18
Other operating items	-10	-	-10
Total operating expenses	-119	-	-119
Operating profit	60	-	60
Net financial items	-1		-1
Profit before tax	59	-	59
Income tax	-15		-15
Profit for the period	44	-	44

January - December 2020	Previously reported	Change	Reported
Amounts in SEK millions	01/01/2020 12/31/2020		01/01/2020 12/31/2020
Net sales	1,092	-	1,092
Cost of sales	-426	-	-426
Gross profit	667	-	667
Distribution costs	-300	30	-270
Administrative expenses	-76	-30	-105
Research & development expenses	-72	-	-72
Other operating items	-13	-	-13
Total operating expenses	-461	-	-461
Operating profit	206	-	206
Net financial items	17	-	17
Profit before tax	223	-	223
Income tax	-47	-	-47
Profit for the period	175	-	175

Note 5 Composition of income

As a result of changes in customer or product classifications, individual sales information may differ from that disclosed in previous interim reports.

Distribution between products and services	2021 Q4	2020 Q4	2021 Jan-Dec	2020 Jan-Dec
Products	301	272	1,112	990
Services	37	24	111	95
Other sales revenue	2	2	9	7
Total sales revenue	341	298	1,232	1,092

Revenue by sales channel	2021 Q4	2020 Q4	2021 Jan-Dec	2020 Jan-Dec
Direct sales through own sales channels	323	281	1,176	1,026
Sales through distributors	18	17	56	66
Total sales revenue	341	298	1,232	1,092

Point in time of transfer of goods and services	2021 Q4	2020 Q4	2021 Jan-Dec	2020 Jan-Dec
Goods transferred at a point in time	301	267	1,112	990
Services transferred at a point in time	20	13	45	28
Service contracts and other services transferred over a period of time	20	18	74	74
Total sales revenue	341	298	1,232	1,092

Revenue by systems and aftermarket products	2021 Q4	2020 Q4	2021 Jan-Dec	2020 Jan-Dec
Systems	164	151	583	531
Services	44	30	136	119
Consumables	133	117	513	443
Total sales revenue	341	298	1,232	1,092

Distribution by geographical markets and product areas for the quarter

	Americas		EMEA		APAC		Total	
	2021 Q4	2020 Q4	2021 Q4	2020 Q4	2021 Q4	2020 Q4	2021 Q4	2020 Q4
Organic Chemistry	54	52	48	41	72	64	174	158
Analytical Chemistry	59	53	31	29	18	16	109	99
Scale-Up	16	9	28	18	5	5	49	32
Biomolecules	7	7	2	2	1	1	10	10
Total	135	122	110	90	96	86	341	298

Distribution by geographical markets and product areas for the twelve-month period

	Americas		EMEA		APAC		Total	
	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Organic Chemistry	189	168	155	133	278	252	622	553
Analytical Chemistry	213	206	103	101	70	60	386	367
Scale-Up	54	67	106	47	26	24	186	137
Biomolecules	25	22	8	8	4	4	38	34
Total	481	463	372	288	379	340	1,232	1,092

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

Note 6 Business Acquisitions

After the end of the reporting period on October 20, 2021, Biotage AB acquired 100% of the share capital of ATDBio Ltd (ATDBio).

The acquisition of ATDBio means that Biotage is providing important platform solutions for the synthesis and purification of DNA and RNA-oligonucleotides. This technology is used for applications in the development of new drugs, molecular diagnostics (such as PCR testing), therapies based on nucleic acids and the new generation technology for DNA and RNA sequencing. The acquisition of the UK company is expected to significantly broaden and strengthen Biotage as a leading supplier of tools and services in the life sciences and impact tech sectors. ATDBio was founded in 2005 by Professor Tom Brown Sr, a recognized expert in nucleic acid chemistry.

ATDBio's expertise in highly complex DNA and RNA production will give Biotage access to this market, as well as expertise in the rapidly growing DNA and RNA-oligonucleotide sectors. It is a market currently driven by the demand for high quality DNA and RNA molecules as well as other oligonucleotide analogues in light of the coronavirus pandemic, plus the potential for other nucleic acid-based therapies, vaccines and molecular diagnostics.

Preliminary information about the acquisition price, acquired net assets and goodwill is shown below.

Preliminary acquisition price:

Cash and cash equivalents	426
Assumption of liabilities	7
Ordinary shares issued	201
Total acquisition price	634

The fair value of the 781,991 ordinary shares issued as part of the purchase price for ATDBio, SEK 201 million, is based on the share price for Biotage AB on October 20, 2021, of SEK 256.6 per share.

The final purchase price will be determined after a customary review and adjustment, but is not expected to deviate materially from the previous preliminary purchase price. All adjustments to the preliminary purchase price will consist of

cash and cash equivalents, and is expected to be done during the first quarter 2022.

The fair value of acquired assets and liabilities is estimated to SEK 634 million, and is presented in the table below:

Machinery and equipment	7
Intangible assets: Technology	22
Intangible assets: Customer relations	36
Inventory	2
Accounts receivables	10
Other operating assets	6
Cash and cash equivalents	152
Accounts payables	-1
Other operating liabilities	-2
Short-term debt	-3
Deferred taxes	-16
Identifiable net assets	213
Goodwill	421
Acquired net assets	634

Goodwill is attributable to the employees and the high profitability of the acquired business. No part of reported goodwill is expected to be tax deductible.

Transaction costs related to the acquisition have been expensed on an ongoing basis, and have been charged to the quarter's profit of SEK 5 M (0) and are included in administrative expenses in the income statement.

The acquisition impacted the Groups cash flow as follows:

Cash and cash equivalents	-426
Transaction expenses	-8
Cash and cash equivalents in the acquired business	152
Net cash flow effect	-282

The acquired business contributed revenues of SEK 10 million and a net profit of SEK 1 million for the period from October 20 to December 31. If the acquisition had been completed on January 1, 2021, the consolidated pro forma for revenues and earnings as of December 31, 2021 shows SEK 1,291 million and SEK 205 million, respectively. These amounts have been calculated using the subsidiary's results with adjustment for differences in accounting principles between the Group and the subsidiary, and the additional depreciation that would have arisen provided that the adjustment to fair value for intangible fixed assets had been applied from 1 January 2021, together with attributable tax effects.

Additional consideration

Under certain conditions, additional compensation as described below may be paid to the sellers of ATDBio. The conditions stipulate that certain named key persons be employed by the Group for a period of 1.5–3 years, that a consulting relationship continue, and that the named key persons do not breach certain commitments in accordance with the purchase agreement.

Due to the rules on conditional payments to employees or selling shareholders in IFRS 3 Business Acquisitions, this additional remuneration is not reported as part of the acquisition price, but as a separate payment that is expensed when earned. The reason that the agreement has been designed in this way is the great value that lies in the transfer of expertise from the sellers to Biotage.

Possible undiscounted amounts due under the agreement are either GBP 5 million, corresponding to SEK 61 million as of December 31, 2021, provided that all conditions are met, or SEK 0, in the event that any of the conditions are breached.

The cost is reported over the duration of the conditions, three years from the date of acquisition, as the terms and conditions are met. The reported amount is calculated at present value, so that the cost is divided between operating cost and financing cost.

This is Biotage

Biotage, a global impact tech company, provides innovative solutions that streamline drug development, analytical testing, and water and environmental analyses. We help solve societal issues on a local and global level by working systematically, conscientiously, and sustainably.

We develop and sell global market-leading platform solutions for chemical separation and synthesis of new therapeutic substances. Our products are used in areas such as drug discovery and development, analytical testing and water and environmental testing.

One thing all our products have in common is that they help solve challenging issues facing society. Our customers span a broad range of market segments including pharmaceutical, biotech, contract research and contract manufacturers as well as clinical, forensic and academic laboratories in addition to organizations focused on food safety, clean water and environmental sustainability. Our wide selection of effective, highquality, user-friendly solutions helps our customers streamline their workflows and reduce their environmental impact. We're constantly working on reducing the need for solvents and consumables when customers use our products.

We are proud to contribute to sustainable science in order to make the world a healthier, greener, and cleaner place for humanity, promoting the concept of *HumanKind Unlimited*.

Biotage is headquartered in Uppsala in Sweden and employs approx. 485 people worldwide. The Group had sales of 1,092 MSEK in 2020 and our products are sold in more than 70 countries. Biotage's share (BIOT) is listed in the Mid Cap segment on the NASDAQ Stockholm

Website: www.biotage.com

This is where we're located

Biotage has 13 office locations in seven different countries. Our own sales organization encompasses 18 countries in North America, Europe, and Asia while our distribution network covers numerous additional countries in South America, Europe, Africa, the Middle East, and Asia. Altogether, we have a presence in 70 countries worldwide.



Our customers

The analytical chemist

The analytical chemist wants to know how much of a particular substance there is in a sample. This could be a water sample for an environmental survey, a blood sample for a patient assessment, or a strand of hair for a police investigation.

A chemical analysis is ultimately run on the sample, often through chromatography and mass spectrometry. However, since analytical instruments are incredibly sensitive, the sample absolutely needs to be as pure as possible. This is why Biotage develops sample preparation products that remove sample impurities and concentrate the substance our customers wish to analyze.



The organic chemist

The organic chemist creates new carbon-based molecules through chemical reactions. The end product is typically the active substance of a new drug. The first step is performing a theoretical analysis of the molecule you want to produce prior to the start of the reaction phase or synthesis. Organic reactions almost always produce by-products that need to be purified in the ensuing step. Finally, the solvent must be removed so only the pure substance remains.

Biotage has developed instruments and accessories for all three steps in organic chemistry.



The process chemist

Organic chemists work with laboratory-scale production of small quantities of substances to test the suitability of various candidates for new drugs. When a candidate looks promising, it must be produced on a larger scale in order to be tested in the next phase. While this workflow shares some things in common with organic chemistry, it looks a little different. In particular, scale-up or process chemistry involves a different set of decision-makers. For this reason, Biotage's process chemistry products are organized into a separate product areas.



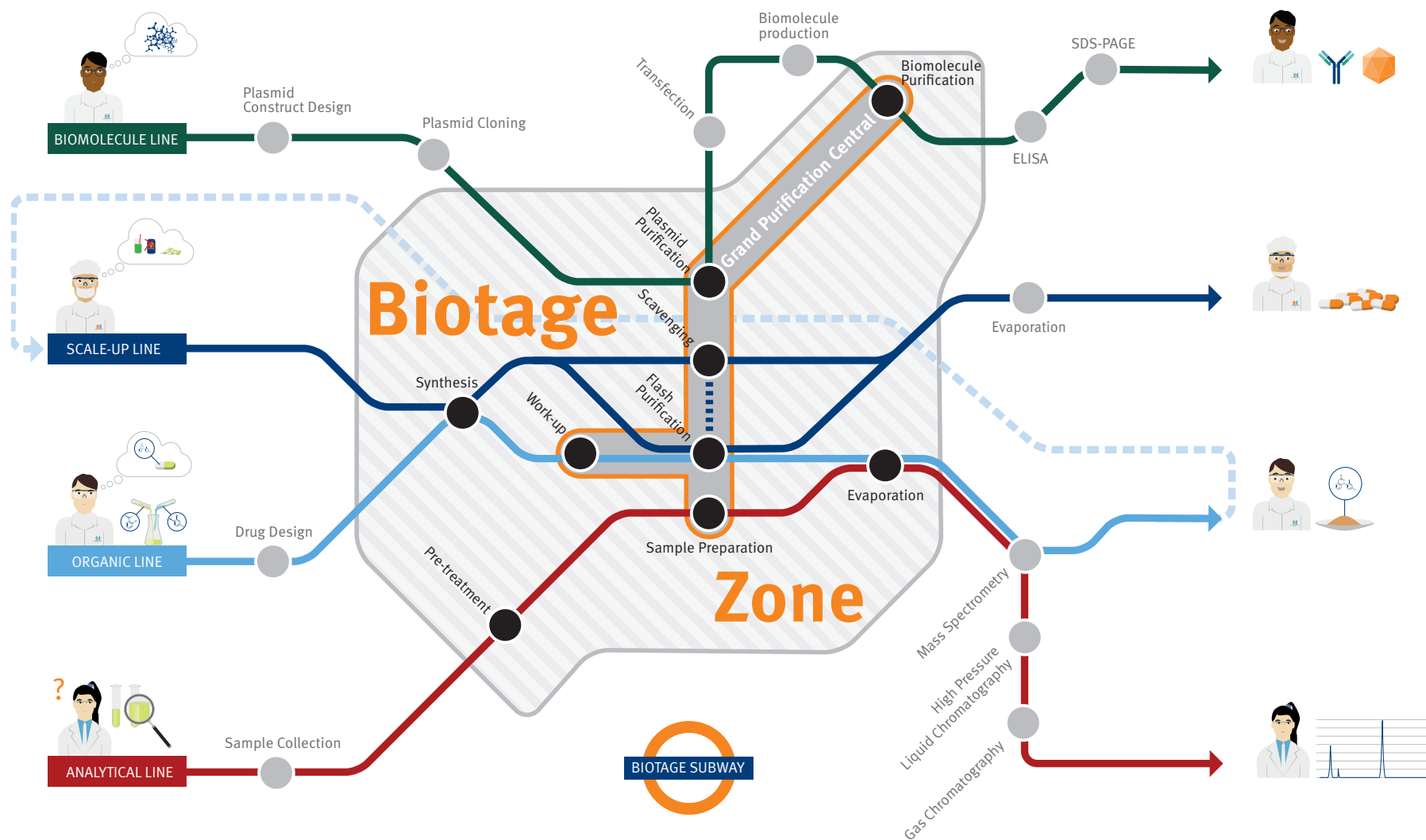
The biomedical scientist

Biological medicines are a special type of substance with a biological origin whose structure is similar to chemicals in our own bodies. Examples include various antibodies and hormones.

The workflow involves living cells that produce short strands of DNA, so-called plasmids, which are then used to manufacture protein-based drugs. Biotage's products in this area are used to purify plasmids as well as proteins from bacterial cultures.



Our offer





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