

# Interim report

## January - March 2016

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April 28, 2016

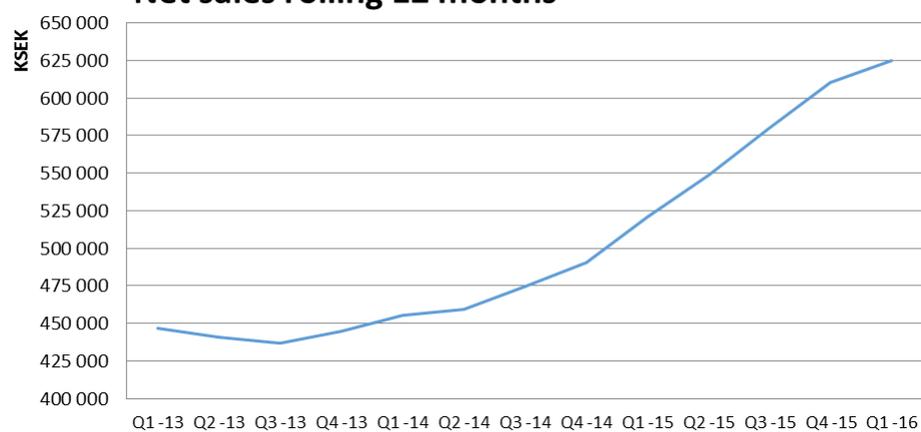
### First quarter January – March 2016

- Group net sales in the first quarter 2016 amounted to 158.9 MSEK (144.2), an increase by 10.2 percent compared to the corresponding quarter last year. At comparable exchange rates sales increased by 9.3 percent.
- Operating profit for the quarter increased to 23.6 MSEK (18.0).
- Result after tax for the period increased to 22.9 MSEK (18.6).
- Earnings per share amounted to 0.35 SEK (0.29).
- The cash flow from operating activities improved to 36.9 MSEK (23.8).
- Net cash at March 31 amounted to 163.5 MSEK (115.7), compared to 134.9 MSEK at the start of the year.
- At the end of the reported period Biotage had no holding of own shares. No shares were acquired under the repurchasing program decided at the 2015 Annual General Meeting.

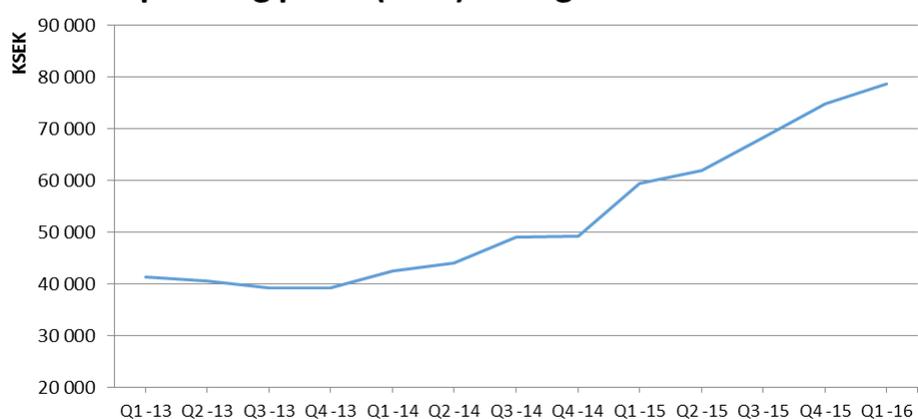
## Group result development in brief

Amounts in SEK millions	1 <sup>th</sup> quarter	1 <sup>th</sup> quarter	12 months
	Jan-Mar	Jan-Mar	Jan-Dec
	2016	2015	2015
Net sales	158.9	144.2	610.5
Cost of sales	-68.2	-64.2	-268.0
Gross profit	90.7	80.0	342.6
Operating expenses	-67.1	-62.0	-267.8
Operating profit/loss (EBIT)	23.6	18.0	74.8
Financial items	0.3	1.9	1.4
Profit/loss before tax	23.9	19.9	76.2
Tax expenses	-1.0	-1.3	-2.9
<b>Total profit/loss for the period</b>	<b>22.9</b>	<b>18.6</b>	<b>73.3</b>
Gross profit margin	57.1%	55.5%	56.1%
Operating profit margin (EBIT)	14.8%	12.5%	12.2%

### Net sales rolling 12 months



### Operating profit (EBIT) rolling 12 months



## Comments by CEO Torben Jörgensen

Biotage starts the year with a strong first quarter with good organic growth. Sales increase by more than 10 percent compared to the same period last year and by 9.3 percent at comparable exchange rates. Operating profit (EBIT) increased by no less than 31 percent. The operating margin (EBIT) is 14.8 percent and on a rolling 12 month basis it amounts to 12.9 percent. Strong sales due to a high market presence and an attractive product range together with lower production costs drive the improved results.

During the quarter we launched an updated evaporation system, Biotage®V-10 Touch, with considerably improved functionality and increased user friendliness. The market has responded positively to the launch. All our strategic product areas, above all Purification and Sample Prep, show double digit sales increases in percent. In Organic Chemistry the sales of our purification system Isolera™ contribute to the positive development. Our Flash products continue to be successful, not least in the Asian market. The company's sales of Sample Prep products in Analytical Chemistry show continued growth in the important American market. We now also see that the sales of these products are increasing in the European market. We had a good quarter also in the product area Industrial Products, which also has double digit growth.

An increased number of sales staff in the primary markets, after a period of relatively large vacancies, is a major contributing factor to the sales increase. The establishment of direct sales in China has proved to be a successful initiative, resulting in a 46 percent growth compared to the same period last year. Japan shows a 24 percent growth in the period. Also Europe and North America had a strong quarter. Distributor sales continue to be below our expectations. The work to find better solutions continues, which will mean a larger proportion of direct sales.

The gross margin for the period is 57.1 percent and clearly marks a step in the right direction towards our strategic goal of 60 percent. The weakening of the GBP together with efficiency improvements and growing volumes at the production unit in Cardiff, Wales contribute to the significant improvement. Good cost control and a systematic effort to reduce working capital are also important contributing factors to the improved profitability and the strong cash flow. Biotage ends the quarter with close to 30 MSEK more in liquid resources than at the end of 2015.

The relative shares of system sales and aftermarket products (consumables and service) are 44 and 56 percent, respectively, in the quarter. We are a bit away from our strategic 40/60 goal. Compared to the last quarter 2015 the relation has improved by three percentages, however. The shift towards aftermarket products contributes to the positive development of the gross margin. After a number of successful system launches we are focusing on increasing the sales consumables in general, but especially for the new systems.

## Group result, financial position and cash flow

### First quarter January – March 2016

Group net sales in the first quarter 2016 amounted to 158.9 MSEK (144.2), which is an increase by 10.2 percent (26.8). At comparable exchange rates sales increased by 9.3 percent (6.1) compared to the corresponding quarter last year. The Americas was the biggest single market with 43 (45) percent of the net sales. The EU area contributed 30 (31) percent, Japan 16 (14) percent, China 7 (5) percent, EMEA 2 (2) percent and APAC 2 (2) percent. Together EMEA and APAC, previously called "rest of the world" contributed 4 (4) percent of the net sales.

The Group's gross margin improved to 57.1 percent (55.5), compared to 56.1 percent for the full year 2015. The ongoing work with improving the efficiency of the production in Cardiff contributes to the improved profitability, as does the distribution of sales between different sales channels and the product mix. The distribution of sales between systems and aftermarket products was 44 and 56 percent, respectively, in the quarter, compared to 45 and 55 percent, respectively, in the full year 2015. Aftermarket products (consumables and service) generally give a higher gross profit contribution than systems. Furthermore the exchange rates for USD as well as GBP in relation to SEK have been favorable for the gross margin of Biotage during the period.

The operating expenses amounted to 67.1 MSEK (62.0), of this sum 42.4 MSEK (41.5) was selling expenses. Research and development costs amounted to 12.0 MSEK (12.9) and the administration costs to 13.4 MSEK (11.8). Other operating items, amounting to 0.5 MSEK (4.2), primarily consists of exchange rate effects on operations related debts and receivables.

Operating profit increased by 31 percent (90) to 23.6 MSEK (18.0), corresponding to an operating margin (EBIT) of 14.8 percent (12.5). Net financial income amounted to 0.3 MSEK (1.9). The result after tax increased by 23 percent to 22.9 MSEK (18.6).

The cash flow from operating activities was 36.9 MSEK (23.8). The investments amounted to 7.1 MSEK (5.4) and the amortizations to 9.2 MSEK (9.7). 6.5 MSEK (4.0) of the investments were capitalized development costs and 4.9 MSEK (5.8) of the amortizations were amortizations of capitalized development costs.

### Balance sheet items

At March 31, 2016 the Group's cash and securities amounted to 163.5 MSEK (121.0), compared to 134.9 MSEK at the start of the year. The Group's interest-bearing liabilities amounted to 0.0 MSEK (5.1) at the end of the reported period. Net cash at March 31, 2016 thus amounted to 163.5 MSEK (115.7), compared to 134.9 MSEK at the start of the year.

The Group reports a total goodwill of 104.0 MSEK (104.0) at March 31, 2016, the same amount as at December 31, 2015. The reported goodwill is related to the acquisitions of MIP Technologies AB and two product lines from Caliper Life Sciences Inc. in 2010. Other intangible fixed assets amounted to 114.3 MSEK (122.0), compared to 115.2 at the start of the year. Of this sum patents and license rights amounted to 28.3 MSEK (32.3), compared to 29.2 MSEK at December 31, 2015, and capitalized development

costs to 86.1 MSEK (89.7), compared to 86.0 MSEK at December 31, 2015. The inventories amounted to 91.7 MSEK (110.6), compared to 97.2 MSEK at the start of the year.

At March 31, 2016 the equity capital amounted to 564.2 MSEK (530.6), compared to 546.7 at the start of the year. The change in equity capital during the period is attributable to the net result, 22.9 MSEK (18.6), and hedging and currency effects at the translation of foreign subsidiaries, -5.3 MSEK (9.4).

### **Repurchasing program**

During the quarter no own shares were acquired under the repurchasing program resolved at the 2015 Annual General Meeting. Complete documentation from the 2015 AGM is available at [www.biotage.com](http://www.biotage.com).

### **Patent dispute in the US**

Biotage has as previously reported been sued for alleged patent infringement in the US by Scientific Plastic Products, Inc. ("SPP"). These complaints are declared resting by the court awaiting the results of reexamination cases of the validity of the patents by the US Patent and Trademark Office (USPTO).

The company's analysis indicates that Biotage has a strong position and that the other party lacks good cause for the alleged patent infringement. Thus no reserves have been booked due to the conflict.

### **Major events after the reported period**

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

### **Human resources**

The Group had 302 (284) employees at March 31, 2016 and 293 at the start of the year.

### **Parent company**

The Group's parent company, Biotage AB, has wholly owned subsidiaries in Sweden, the United States, United Kingdom, Germany, France, Italy, Japan and China. The parent company is responsible for group management, strategic business development and administrative functions at group level and towards subsidiaries.

In the first quarter 2016 the parent company's net income amounted to 0.6 MSEK (0.7). The operating costs amounted to 5.8 MSEK (4.6) and the operating result was -5.3 MSEK (-3.9). The parent company's net financial income in the first quarter was 4.4 MSEK (0.3). Of this sum -0.6 MSEK (-0.2) was net interest expense from receivables and liabilities to group companies and 2.8 MSEK (-) was result from participation in Group companies. The parent company's result after financial items for the period amounted to -0.9 MSEK (-3.5). The investments in intangible fixed assets during the quarter amounted to 0.4 MSEK (0.1). The parent company's cash and bank balance amounted to 0.8 MSEK (1.9) at March 31 and to 0.8 MSEK at the start of the year.

## Risks and uncertainties

As an international Group, Biotage is exposed to various risks that affect the possibilities to achieve the established targets. There are operational risks, such as the risk that competitive situations affect price levels and sales volumes, and the risk that the economic development in the markets and segments where the Group operates is not stable. There are also financial risks, such as currency risks, interest risks and credit risks. No major changes in significant risks or uncertainty factors have occurred during the period. Our assessment thus remains unchanged compared to the description of the company's risks, uncertainty factors and the handling of these in the company's Annual Report for 2015. Readers wishing to study the Annual Report can download this from the company's website [www.biotage.com](http://www.biotage.com) or order it from Biotage AB, Box 8, SE-751 03 Uppsala or [info@biotage.com](mailto:info@biotage.com).

## Coming reports relating to 2016

The interim report for the second quarter 2016 will be issued on August 11, 2016.  
The interim report for the third quarter 2016 will be issued on November 10, 2016.  
The year-end report for 2016 will be issued on February 9, 2017.

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

Uppsala April 28, 2016

Torben Jörgensen  
President and CEO

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*The information is of the kind that Biotage AB (publ) is required to make public according to the Financial Instruments Trading Act. The information was released for publication at 15.00 on April 28, 2016.*

### **About Biotage**

*Biotage offers efficient separation technologies from analysis to industrial scale and high quality solutions for analytical chemistry from research to commercial analysis laboratories. The company's products are used by government authorities, academic institutions, pharmaceutical and food companies, among others. The company is headquartered in Uppsala and has offices in the US, UK, China and Japan. Biotage has approx. 290 employees and had sales of 611 MSEK in 2015. Biotage is listed on the NASDAQ OMX Stockholm stock exchange. Website: [www.biotage.com](http://www.biotage.com)*

**Biotage AB (publ)**

**Interim report**

**2016-01-01 -- 2016-03-31**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY**

	<b>2016-01-01</b>	<b>2015-01-01</b>	<b>2015-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2016-03-31</b>	<b>2015-03-31</b>	<b>2015-12-31</b>
Net sales	158,875	144,175	610,534
Cost of sales	-68,208	-64,196	-267,967
<b>Gross profit</b>	<b>90,666</b>	<b>79,978</b>	<b>342,568</b>
Distribution costs	-42,190	-41,496	-169,447
Administrative expenses	-13,449	-11,813	-52,159
Research and development costs	-11,968	-12,898	-49,528
Other operating income	515	4,180	3,353
Total operating expenses	-67,092	-62,026	-267,781
<b>Operating profit/loss</b>	<b>23,574</b>	<b>17,952</b>	<b>74,787</b>
Financial net income	343	1,944	1,403
<b>Profit/loss before income tax</b>	<b>23,917</b>	<b>19,896</b>	<b>76,190</b>
Tax expenses	-1,044	-1,292	-2,935
<b>Total profit/loss for the period</b>	<b>22,872</b>	<b>18,604</b>	<b>73,255</b>
<b>Other comprehensive income</b>			
Components that may be reclassified to net income:			
Translation differences related to non Swedish subsidiaries	-5,330	9,527	5,718
Cash flow hedges	-14	-143	70
<b>Total other comprehensive income</b>	<b>-5,344</b>	<b>9,384</b>	<b>5,788</b>
<b>Total comprehensive income for the period</b>	<b>17,528</b>	<b>27,988</b>	<b>79,043</b>

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**Interim report**  
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY (Continuing)**

	<b>2016-01-01</b>	<b>2015-01-01</b>	<b>2015-01-01</b>
	<b>2016-03-31</b>	<b>2015-03-31</b>	<b>2015-12-31</b>
Attributable to parent company's shareholders:			
Total profit/loss for the period	22,872	18,604	73,255
Attributable to parent company's shareholders:			
Total comprehensive income for the period	17,528	27,988	79,043
Average shares outstanding	64,714,447	64,714,447	64,714,447
Shares outstanding at end of reporting period	64,714,447	64,714,447	64,714,447
Total profit/loss for the period per share SEK	0.35	0.29	1.13
Total profit/loss for the period per share SEK after dilution	0.35	0.29	1.13
Earnings per share relates to:			
Continuing operations	0.35	0.29	1.13
Total comprehensive income for the period per share SEK	0.27	0.43	1.22
Total comprehensive income for the period per share after dilution SEK	0.27	0.43	1.22

<b>Quarterly summary 2015 and 2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
<b>Amounts in KSEK</b>	<b>kv 1</b>	<b>kv 4</b>	<b>kv 3</b>	<b>kv 2</b>	<b>kv 1</b>
Net Sales	158,875	168,548	149,697	148,115	144,175
Cost of sales	-68,208	-74,241	-65,865	-63,665	-64,196
Gross profit	<b>90,666</b>	<b>94,307</b>	<b>83,832</b>	<b>84,450</b>	<b>79,978</b>
Gross margin	57.1%	56.0%	56.0%	57.0%	55.5%
Operating expenses	-67,092	-74,153	-64,856	-66,746	-62,026
Operating profit/loss	<b>23,574</b>	<b>20,154</b>	<b>18,976</b>	<b>17,704</b>	<b>17,952</b>
Finansnetto	343	-744	549	-346	1,944
Profit/loss before income tax	<b>23,917</b>	<b>19,411</b>	<b>19,525</b>	<b>17,358</b>	<b>19,896</b>
Tax expenses	-1,044	1,310	-1,252	-1,701	-1,292
<b>Total profit/loss for the period</b>	<b>22,872</b>	<b>20,721</b>	<b>18,273</b>	<b>15,658</b>	<b>18,604</b>

**Biotage AB (publ)**  
**Interim report**  
**2016-01-01 -- 2016-03-31**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY**

<b>Amounts in SEK thousands</b>	<b>2016-03-31</b>	<b>2015-12-31</b>
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	41,567	44,719
Goodwill*	104,023	104,023
Other intangible assets	114,347	115,170
Financial assets	805	692
Deferred tax asset	47,626	47,626
<b>Total non-current assets</b>	<b>308,368</b>	<b>312,228</b>
<b>Current assets</b>		
Inventories	91,673	97,182
Trade and other receivables	121,322	124,536
Cash and cash equivalents	163,479	134,885
<b>Total current assets</b>	<b>376,473</b>	<b>356,604</b>
<b>TOTAL ASSETS</b>	<b>684,841</b>	<b>668,832</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to equity holders of the parent company</b>		
Share capital	89,953	89,953
Reserves	-93,960	-88,616
Retained earnings*	568,193	545,320
<b>Total equity</b>	<b>564,186</b>	<b>546,656</b>
<b>Non-current liabilities</b>		
Other financial liabilities	974	1,075
Deferred tax liability	1,839	1,948
Non-current provisions	1,483	1,468
<b>Total non-current liabilities</b>	<b>4,297</b>	<b>4,491</b>
<b>Current liabilities</b>		
Trade and others liabilities	110,189	109,698
Other financial liabilities	3,423	3,698
Tax liabilities	388	2,317
Current provisions	2,359	1,970
<b>Total current liabilities</b>	<b>116,359</b>	<b>117,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>684,841</b>	<b>668,832</b>

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
<b>Opening balance January 1, 2015</b>	<b>89,953</b>	<b>4,993</b>	<b>-94,404</b>	<b>-</b>	<b>515,607</b>	<b>516,150</b>
<b>Changes in equity in the period of January 1 -december 31, 2015</b>						
Total comprehensive income	-	-	5,718	70	73,255	79,044
<b>Total non-owners changes</b>	<b>-</b>	<b>-</b>	<b>5,718</b>	<b>70</b>	<b>73,255</b>	<b>79,044</b>
<b>Transactions with equity holders of the company</b>						
Dividend to shareholders of the parent company	-	-	-	-	-48,536	-48,536
Share buy-back by parent company *	-	-4,993	-	-	4,993	-
<b>Closing balance December 31, 2015</b>	<b>89,953</b>	<b>-</b>	<b>-88,687</b>	<b>70</b>	<b>545,320</b>	<b>546,657</b>
<b>Changes in equity in the period of January 1, - March 31, 2016</b>						
Total comprehensive income	-	-	-5,330	-14	22,872	17,528
<b>Total non-owners changes</b>	<b>-</b>	<b>-</b>	<b>-5,330</b>	<b>-14</b>	<b>22,872</b>	<b>17,528</b>
<b>Transactions with equity holders of the company</b>						
	-	-	-	-	-	-
<b>Closing balance March 31, 2016</b>	<b>89,953</b>	<b>-</b>	<b>-94,017</b>	<b>57</b>	<b>568,193</b>	<b>564,186</b>

\*<sup>1</sup>) Repurchased shares, cancellation of repurchased shares and bonus issue

The 2015 Annual General Meeting resolved to authorize the Board to continue to let the company repurchase shares up until the AGM 2016, so that the company's holding of own shares amounts to a maximum of 10 percent of the number of registered shares. At the balance sheet date March 31, 2016, the company held no repurchased shares.

**Biotage AB (publ)**  
**Interim report**  
**2016-01-01 -- 2016-03-31**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>2016-01-01</b>	<b>2015-01-01</b>	<b>2015-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2016-03-31</b>	<b>2015-03-31</b>	<b>2015-12-31</b>
<b>Operating activities</b>			
Profit/loss before income tax	23,917	19,896	76,190
Adjustments for non-cash items	9,053	15,718	45,921
	<b>32,970</b>	<b>35,615</b>	<b>122,111</b>
Income tax paid	-2,836	-870	-1,638
<b>Cash flow from operating activities before changes in working capital</b>	<b>30,134</b>	<b>34,745</b>	<b>120,473</b>
Cash flow from changes in working capital:			
Increase (-)/ decrease (+) in inventories	2,881	-2,269	11,196
Increase (-)/ decrease (+) in operating receivables	2,420	-13,897	-23,298
Increase (+)/ decrease (-) in operating liabilities	1,417	5,229	11,708
<b>Cash flow from operating activities</b>	<b>36,852</b>	<b>23,808</b>	<b>120,078</b>
<b>Investing activities</b>			
Acquisition of intangible assets	-7,121	-4,399	-21,195
Acquisition of property, plant and equipment	-1,046	-974	-10,834
Acquisition of financial assets	-99	-211	-96
Sale of financial assets	-	-	261
<b>Cash flow from investing activities</b>	<b>-8,266</b>	<b>-5,584</b>	<b>-31,865</b>
<b>Financing activities</b>			
Dividend to shareholders	-	-	-48,536
Repayment of loans	-101	-400	-6,698
<b>Cash flow from financial activities</b>	<b>-101</b>	<b>-400</b>	<b>-55,234</b>
<b>Cash flow for the period</b>	<b>28,485</b>	<b>17,824</b>	<b>32,980</b>
Cash and cash equivalents opening balance	134,885	100,045	100,045
Exchange differences in liquid assets	109	2,938	1,861
<b>Cash and equivalents closing balance</b>	<b>163,479</b>	<b>120,806</b>	<b>134,885</b>
<b>Additional information:</b>			
<i>Adjustments for non-cash items</i>			
Depreciations and impairments	10,687	9,678	40,679
Other items	-1,633	6,040	5,242
Total	9,053	15,718	45,921

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**INCOME STATEMENT, PARENT IN SUMMARY**

	<b>2016-01-01</b>	<b>2015-01-01</b>	<b>2015-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2016-03-31</b>	<b>2015-03-31</b>	<b>2015-12-31</b>
Net sales	565	686	2,720
Administrative expenses	-5,188	-3,847	-17,034
Research and development costs	-571	-698	-2,470
Other operating items	-67	-19	172
Operating expenses	-5,826	-4,564	-19,332
<b>Operating profit/loss</b>	<b>-5,262</b>	<b>-3,879</b>	<b>-16,612</b>
<b>Profit/loss from financial investments:</b>			
Interest income from receivables from group companies	-	-	138
Interest expense from liabilities to group companies	-611	-153	-1,293
Result from participations in group companies	2,793	-	45,063
Other interest and similar income	2,217	2	2
Other interest and similar income	0	485	-72
Group contribution received	-	-	39,127
Financial net income	4,400	334	82,966
<b>Profit/loss before income tax</b>	<b>-862</b>	<b>-3,545</b>	<b>66,354</b>
Tax expenses	-	-	761
<b>Total profit/loss for the period</b>	<b>-862</b>	<b>-3,545</b>	<b>67,115</b>

**STATEMENT OF COMPREHENSIVE INCOME PARENT**

Total profit/loss for the period	-862	-3,545	67,115
<b>Other comprehensive income:</b>			
Components that may be reclassified to net income:			
Translation differences related to non Swedish subsidiaries	-	-	-
<b>Total comprehensive income, parent</b>	<b>-862</b>	<b>-3,545</b>	<b>67,115</b>

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**2016-01-01 -- 2016-03-31**

**BALANCE SHEET, PARENT**

Amounts in SEK thousands	2016-03-31	2015-12-31
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Intangible assets</i>		
Patents and licenses	8,573	8,386
<i>Financial assets</i>		
Investments in group companies	481,463	468,128
Receivables from group companies	-	11,241
Deferred tax asset	38,271	38,271
	<b>519,735</b>	<b>517,641</b>
<b>Total non-current assets</b>	<b>528,308</b>	<b>526,026</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Receivables from group companies	108,006	59,945
Other receivables	439	584
Prepaid expenses and accrued income	984	1,070
	<b>109,429</b>	<b>61,599</b>
Cash and cash equivalents	<b>776</b>	<b>813</b>
<b>Total current assets</b>	<b>110,205</b>	<b>62,412</b>
<b>TOTAL ASSETS</b>	<b>638,513</b>	<b>588,438</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	89,953	89,953
	<b>89,953</b>	<b>89,953</b>
<i>Unrestricted equity</i>		
Fair value reserve	-66,055	-66,055
Retained earnings	554,595	487,480
Profit/loss for the year	-862	67,114
	<b>487,678</b>	<b>488,540</b>
<b>Total equity</b>	<b>577,631</b>	<b>578,493</b>
<b>Current liabilities</b>		
Other financial liabilities	3,423	3,423
Trade payables	730	499
Liabilities to group companies	51,107	643
Other current liabilities	821	123
Accrued expenses and prepaid income	4,800	5,257
	<b>60,881</b>	<b>9,944</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>638,513</b>	<b>588,438</b>
Pledged assets	22,500	22,500
Contingent liabilities	-	-

## Accounting principles

The Group reporting of Biotage is based on International Financial Reporting Standards as adopted by the EU. The Group's interim report is prepared in accordance with IAS 34 *Interim Reporting* and the Swedish Accounting Act. The parent company's interim report is prepared in accordance with the Swedish Accounting Act and The Swedish Financial Reporting Board's recommendation RFR 2 *Reporting for Legal Entities*. The Group and the parent company have applied the same accounting principles and calculation methods in the interim report as in the latest annual report. Revised and new standards and interpretations from IASB and IFRS Interpretations Committee which have come into effect and apply to the fiscal year 2016 have not had any effect on the Group's financial reporting.

### Fair value

Biotage has a financial debt concerning additional purchase sums in connection with acquired operations which has been measured as fair value allocated to the result. The additional purchase sums, relating to the acquisition of MIP Technologies AB, are based on the distribution of gross profit applying to certain areas and may be paid up to and including 2015. The agreement with the sellers does not stipulate a maximum sum, as there has been considerable uncertainty about the future outcome. The additional purchase sum to be paid in 2016 is calculated on the outcome of the fiscal year 2015 and was preliminarily calculated to amount to 3.4 MSEK at the year-end closing 2015. Calculations of fair value are based on level 3 in the fair value hierarchy, which means that fair value has been established according to a valuation model where essential inputs are based on unobservable data. The measurement has been made based on expected future cash flows.

<b>Financial debt measured at fair value</b>	<b>2016-03-31</b>	<b>2015-12-31</b>
Additional purchase sum, long-term part	-	-
Additional purchase sum, short-term part	3,423	3,423
Total	3,423	3,423

The change in financial debt in 2016 is presented below:

<b>Opening value January 1, 2016</b>	<b>3,423</b>
Adjusted during the year	-
<b>Value carried forward December 31, 2015</b>	<b>3,423</b>

Other financial assets and financial debts are measured according to accrued acquisition value and the value reported for these is considered to be a good approximation of fair value.

In the preparation of the Group's and the parent company's interim reports, the same accounting principles and calculation methods were in all other respects applied as in the preparation of the Annual Report for 2015. These are described on pp. 38-46 in the Annual Report.