

Interim report

January - June 2014



August 14, 2014

Interim report for the period January – June 2014

Second quarter, April – June 2014

- Group net sales in the second quarter 2014 amounted to 120.4 MSEK (116.3), an increase by 3.5 percent. At comparable exchange rates sales increased by 3.3 percent compared to the corresponding quarter 2013.
- Operating profit for the quarter amounted to 13.5 MSEK (12.1).
- Result after tax for the period amounted to 15.4 MSEK (12.9).
- Earnings per share amounted to 0.24 SEK (0.19).
- The cash flow from operating activities amounted to 24.6 MSEK (7.1).
- Net cash at June 30 amounted to 61.8 MSEK, compared to 87.4 MSEK at March 31.
- Dividends to shareholders were paid to the amount of 38.8 MSEK (34.9).
- No own shares have been acquired under the repurchasing program decided at the 2014 Annual General Meeting. The previous holding of a total of 5,146, 883 own shares acquired under the previous repurchasing program have been cancelled according to the resolution of the 2014 AGM.

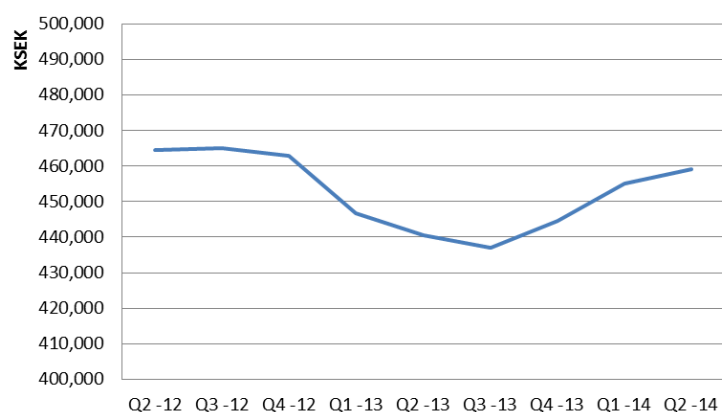
Six months, January – June 2014

- Group net sales in the first six months 2014 increased by 6.6 percent to 234.1 MSEK (219.6). Also at comparable exchange rates sales increased by 6.6 percent.
- Operating profit for the six month period amounted to 23.0 MSEK (18.1).
- Result after tax amounted to 23.5 MSEK (16.0).
- Earnings per share amounted to 0.36 SEK (0.23).
- The cash flow from operating activities amounted to 35.4 MSEK (22.3).
- Net cash at June 30 amounted to 61.8 MSEK, compared to 85.0 MSEK at December 31, 2013.

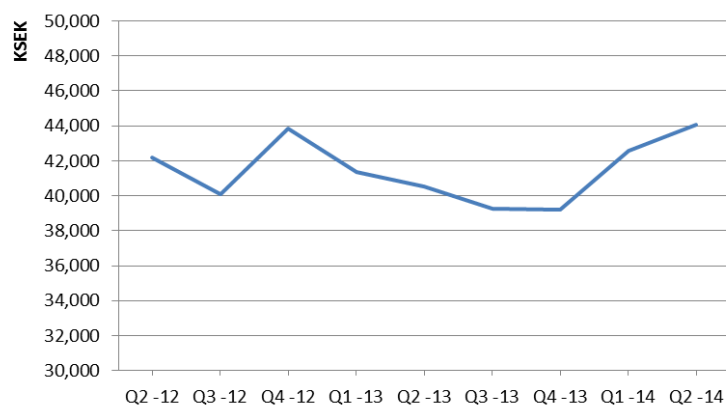
Group financial development in brief

Amounts in SEK millions	2 nd quarter Apr- Jun 2014	2 nd quarter Apr- Jun 2013	6 months Jan -Jun 2014	6 months Jan -Jun 2013	12 months Jan-Dec 2013
Net sales	120.4	116.3	234.1	219.6	444.6
Cost of sales	-54.7	-50.5	-106.7	-95.4	-195.1
Gross profit	65.7	65.9	127.4	124.1	249.6
Operating expenses	-52.1	-53.8	-104.3	-106.0	-210.4
Operating profit/loss	13.5	12.1	23.0	18.1	39.2
Financial items	2.4	1.0	2.8	-1.5	1.2
Profit/loss before tax	15.9	13.1	25.8	16.7	40.4
Tax expenses	-0.5	-0.2	-2.4	-0.7	1.0
Total profit/loss for the period	15.4	12.9	23.5	16.0	41.4
Gross profit margin	54.5%	56.6%	54.4%	56.5%	56.1%
Operating profit (EBIT) margin	11.3%	10.4%	9.8%	8.3%	8.8%

Net sales rolling 12 months



Operating profit (EBIT) rolling 12 months



Comments by CEO Torben Jörgensen

After a strong first quarter I am happy to see that Biotage continues to grow organically. The growth in the second quarter was 3.5 percent. Compared to last year, the growth for the six month period amounts to 6.6 percent at comparable exchange rates. Thus we have come closer to the long-term target of 8 percent average annual growth, an improvement largely attributable to our strengthened product portfolio.

Operating profit (EBIT) for the quarter improved by 12 percent to 13.5 MSEK. For the first six months of the year it amounts to 23.3 MSEK, a 27 percent improvement. We practically met our 10 percent EBIT margin target in the six month period and in the quarter we exceeded it by 1.3 percent.

In geographical terms America, China and Japan accounted for the greatest share of the growth during the first six months of the year. Sales in Europe remained largely unchanged. Here we did not manage to follow up the strong first quarter with an equally positive development in the second quarter, among other things due to delays in the sub-supplier chain for our peptide systems. These orders we bring with us into the next quarter. Also Japan had a stronger first quarter than the second one, largely because many customers placed their orders earlier due to the raised VAT coming into effect on April 1.

Our distributor sales have developed slowly in the quarter as well as in the six month period. In order to enable closer collaboration with distributors we are now dividing indirect sales in the rest of the world into EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific), with separate heads responsible for the respective areas.

Our single biggest product area, purification in organic chemistry, continues to develop well. Also the sales of our Sample Prep products in analytical chemistry are growing. Consumables sales in analytical chemistry is a strongly contributing cause to the healthy development in the US. We continue to develop the American and European markets through close collaborations with customers regarding method development for the use of our analytical consumables in pain control and clinical testing, among other things. During the quarter we closed several important supply agreements in this area. We are currently also performing beta tests of our automated sample prep system Extrahera. This system is planned for launch later this year and has the potential to further improve the sales of our consumables in analytical chemistry. In the product area Industrial Resins we have closed yet another agreement with a new customer, aiming at removing an unwanted substance from a food product.

The distribution of sales between systems (43 percent) and consumables and service (57 percent) remained unchanged from the preceding quarter. Our goal is that aftermarket products shall constitute at least 60 percent of the sales, as they generally make a higher contribution to the gross margin. The relatively high share of system sales thus affects the profitability negatively. The stronger British pound also affected the profitability negatively for our production in Cardiff, Wales. The gross margin amounted to 54.4 percent for the quarter and 55.1 percent on a rolling 12 month basis.

Group result, financial position and cash flow

Second quarter April - June 2014

Group net sales in the second quarter 2014 amounted to 120.4 MSEK (116.3), which is an increase by 3.5 percent. At comparable exchange rates sales increased by 3.3 percent compared to the corresponding quarter 2013. The Americas was the biggest market with 43 percent of the net sales. The EU contributed 34 percent, Japan 12 percent, China 5 percent and the rest of the world 6 percent of the net sales.

The Group's gross margin was 54.5 percent (56.6). System sales generally give a lower gross margin than sales of consumables and service. An increased share of systems in the Group's sales thus contributes to a lower gross margin compared to the same period last year.

The operating expenses amounted to 52.1 MSEK (53.8). The operating profit improved by 12 percent to 13.5 MSEK (12.1), corresponding to an operating margin of 11.3 percent (10.4). Net financial income amounted to 2.4 MSEK (1.0). The result after tax improved by 19 percent to 15.4 MSEK (12.9).

The cash flow from operating activities was 24.6 MSEK (7.1). A large part of the difference compared to the same period last year is attributable to changes in accounts receivable.

The investments amounted to 7.8 MSEK (11.7) and the amortizations to 8.1 MSEK (6.7). 5.9 MSEK (7.4) of the investments were capitalized development costs and 4.6 MSEK (3.6) of the amortizations were amortizations of capitalized development costs.

Six months January - June 2014

Group net sales increased by 6.6 percent in the first six months of the year 2014 and amounted to 234.1 MSEK (219.6). Also at comparable exchange rates net sales increased by 6.6 percent. The Americas was the biggest market with 40 percent of the net sales. The EU contributed 35 percent, Japan 15 percent, China 5 percent and the rest of the world 5 percent of the net sales.

The Group's gross margin was 54.4 percent (56.5). The relatively high share of system sales affected the profitability in the period negatively. The strengthened British pound also affected the profitability negatively at the translation of costs for our production in Cardiff, Wales.

The operating expenses amounted to 104.3 MSEK (106.0). The operating profit improved by 27 percent and amounted to 23.0 MSEK (18.1) with an operating margin of 9.8 percent (8.3). Net financial income amounted to 2.8 MSEK (-1.5). The result after tax amounted to 23.5 MSEK (16.0), an increase by 47 percent.

The cash flow from operating activities was 35.4 MSEK (22.3). The investments amounted to 17.7 MSEK (21.2) and the amortizations to 15.7 MSEK (13.6). 13.0 MSEK (16.0) of the investments were capitalized development costs and 8.9 MSEK (7.6) of the amortizations were amortizations of capitalized development costs.

Balance sheet items

At June 30, 2014 the Group's cash and cash equivalents amounted to 66.9 MSEK compared to 92.3 MSEK at March 31 and 90.8 MSEK at December 31, 2013. The Group's interest-bearing liabilities amounted to 5.1 MSEK at the end of the reported period, compared to 5.0 MSEK at March 31 and 5.7 MSEK at December 31, 2013. Net cash at June 30 thus amounted to 61.8 MSEK, compared to 87.4 MSEK at March 31 and 85.0 MSEK at December 31, 2013. During the quarter dividends to the shareholders were paid to the amount of 38.8 MSEK.

The Group reports a total goodwill of 104.0 MSEK at June 30, the same amount as at March 31 as well as at December 31, 2013. The reported goodwill relates to the acquisitions of MIP Technologies AB and two product lines from Caliper Life Sciences Inc. in 2010.

Other intangible fixed assets amounted to 126.7 MSEK, compared to 126.9 MSEK at March 31 and 126.0 MSEK at December 31, 2013. Of this sum patents and license rights amounted to 34.9 MSEK, compared to 37.5 MSEK at December 31, 2013, and capitalized development costs to 91.8 MSEK, compared to 88.4 MSEK at December 31, 2013.

At June 30, the equity capital amounted to 464.7 MSEK, compared to 476.8 MSEK at December 31, 2013. The change in equity capital during the first six months is attributable to the net result, 23.5 MSEK, dividends to the shareholders, -38.8 MSEK, repurchasing of the company's own shares, -0.1 MSEK, and hedging and currency effects at the translation of foreign subsidiaries, 3.5 MSEK.

Repurchasing program

During the quarter no own shares were acquired under the repurchasing program decided at the 2014 Annual General Meeting. The 5,146,883 own shares acquired by Biotage under the previous repurchasing program have been cancelled according to the resolution by the 2014 AGM. Complete documentation from the AGM is available at www.biotage.com.

Patent dispute in the US

Biotage has, as previously reported, been sued for alleged patent infringement in the US. 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.

The US Patent and Trademark Office's Patent Trial and Appeal Board has declared all patent demands in US patents 7,138,061, 7,381,327 and 7,410,571 invalid. The decision has been appealed by the other party to the US Court of Appeals for the Federal Circuit. The appellation process is in progress.

The reexamination cases concerning US patents 8,066,875 and 7,381,327 are in progress at the US Patent and Trademark Office and there is nothing new to report from these two cases. Biotage's analysis indicates that the company has a strong position and that the other party lacks good cause for the alleged patent infringement.

Major events after the reported period

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

Human resources

The Group had 292 employees at June 30, 2014, compared to 292 at March 31 and 290 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.

The parent company's net income amounted to 0.6 MSEK (0.6) in the second quarter and to 1.2 MSEK (1.2) in the period January – June. The result after financial items was -2.5 MSEK (-2.7) in the second quarter and -6.6 MSEK (36.3) in the first six months. Results from holdings in group companies amounted to nil the first six months 2014. The comparative figure for the corresponding period 2013 was 45.3 MSEK and 153.6 MSEK for the full year 2013, mainly consisting of reversed write-downs of receivables from subsidiaries resulting from inter-company transfer of the production lines RapidTrace® and TurboVap®.

The parent company's investments in intangible fixed assets amounted to 0.2 MSEK (0.2) in the second quarter and to 0.5 MSEK (0.3) the first six months.

The parent company's cash and bank balance amounted to 0.3 MSEK at June 30, compared to 30.8 MSEK at March 31 and 30.1 MSEK at December 31, 2013.

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. A detailed account of Biotage's risks and uncertainty factors and the handling of these can be found in the company's Annual Report for 2013. Readers wishing to study the Annual Report can download this from Biotage AB's website www.biotage.com or order it from Biotage AB, Box 8, SE-751 03 Uppsala or info@biotage.com.

Reports relating to 2014

The interim report for the third quarter 2014 will be issued on October 30, 2014.
The year-end report for 2014 will be issued on February 12, 2015.

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

Assurance

The Board of Directors and the President assure that the interim report gives a fair review of the operations of the Parent Company and the Group, their financial positions and results, and describes the significant risks and uncertainties that the Parent Company and the Group companies are facing.

Uppsala August 14, 2014

Ove Mattsson
Chairman

Torben Jörgensen
President and CEO

Nils-Olof Björk
Board Director

Thomas Eklund
Board Director

Peter Ehrenheim
Board Director

Karolina Lawitz
Board Director

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The information in this press release 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 08.30 on August 14, 2014.

About Biotage

Biotage offers efficient separation technologies from analysis to industrial scale and high quality solutions for analytical chemistry from research to commercial analysis laboratories. Biotage's products are used by government authorities, academic institutions, 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 445 MSEK in 2013. Biotage is listed on the NASDAQ OMX Stockholm stock exchange. Website: www.biotage.com

Financial reports in summary

Biotage AB (publ)

Interim report

2014-01-01 -- 2014-06-30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014-04-01	2013-04-01	2014-01-01	2013-01-01	2013-01-01
Amounts in SEK thousands	2014-06-30	2013-06-30	2014-06-30	2013-06-30	2013-12-31
Net sales	120,383	116,344	234,100	219,578	444,644
Cost of sales	-54,724	-50,489	-106,746	-95,434	-195,061
Gross profit	65,659	65,855	127,354	124,144	249,583
Distribution costs	-34,905	-34,641	-67,446	-68,019	-134,712
Administrative expenses	-10,929	-11,353	-22,839	-21,550	-42,687
Research and development costs	-9,055	-9,368	-17,576	-17,508	-33,483
Other operating income	2,779	1,572	3,519	1,077	494
Total operating expenses	-52,110	-53,789	-104,341	-106,001	-210,388
Operating profit/loss	13,549	12,066	23,013	18,143	39,196
Financial net income	2,384	1,007	2,835	-1,454	1,173
Profit/loss before income tax	15,933	13,073	25,848	16,689	40,369
Tax expenses	-539	-165	-2,388	-702	1,023
Total profit/loss for the period	15,394	12,908	23,460	15,988	41,392
Other comprehensive income					
Components that may be reclassified to net income:					
Translation differences related to non Swedish subsidiaries	3,336	4,782	3,722	2,804	-236
Cash flow hedges	197	-56	-308	-228	-52
Total other comprehensive income	3,533	4,726	3,413	2,576	-288
Total comprehensive income for the period	18,927	17,634	26,873	18,563	41,104

Biotage AB (publ)
Interim report
2014-01-01 -- 2014-06-30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continuing)

	2014-04-01	2013-04-01	2014-01-01	2013-01-01	2013-01-01
	2014-06-30	2013-06-30	2014-06-30	2013-06-30	2013-12-31
Attributable to parent company's shareholders:					
Total profit/loss for the period	15,394	12,908	23,460	15,988	41,392
Attributable to parent company's shareholders:					
Total comprehensive income for the period	18,927	17,634	26,873	18,563	41,104
Average shares outstanding (*)	64,714,447	68,627,987	64,714,447	68,627,987	67,375,712
Average shares outstanding after dilution (*)	64,714,447	68,627,987	64,714,447	68,627,987	67,375,712
Shares outstanding at end of reporting period (*)	64,714,447	69,861,330	64,714,447	69,861,330	69,861,330
Total profit/loss for the period per share SEK	0.24	0.19	0.36	0.23	0.61
Total profit/loss for the period per share SEK after dilution	0.24	0.19	0.36	0.23	0.61
Earnings per share relates to:					
Continuing operations	0.24	0.19	0.36	0.23	0.61
Total comprehensive income for the period per share SEK	0.29	0.26	0.42	0.27	0.61
Total comprehensive income for the period per share after dilution SEK	0.29	0.26	0.42	0.27	0.61
(*) Of the numbers of shares outstanding are repurchased as per end of reporting period	0	3,670,029	0	3,670,029	5,137,609
Average numbers of shares outstanding are reported excluding numbers shares repurchased.					

Quarterly summary 2013 and 2014	2014	2014	2013	2013	2013	2013
Amounts in KSEK	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	120,383	113,717	121,649	103,418	116,344	103,234
Cost of sales	-54,724	-52,022	-54,776	-44,851	-50,489	-44,945
Gross profit	65,659	61,695	66,872	58,567	65,855	58,288
Gross margin	54.5%	54.3%	55.0%	56.6%	56.6%	56.5%
Operating expenses	-52,110	-52,231	-53,430	-50,957	-53,789	-52,211
Operating profit/loss	13,549	9,464	13,443	7,610	12,066	6,077
Finansnetto	2,384	451	3,058	-431	1,007	-2,461
Profit/loss before income tax	15,933	9,916	16,501	7,179	13,073	3,616
Tax expenses	-539	-1,850	1,985	-260	-165	-537
Total profit/loss for the period	15,394	8,066	18,486	6,919	12,908	3,079

Biotage AB (publ)
Interim report
2014-01-01 -- 2014-06-30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousands	2014-06-30	2013-12-31
ASSETS		
Non-Current assets		
Property, plant and equipment	44,009	41,608
Goodwill	104,023	104,023
Other intangible assets	126,719	125,964
Financial assets	2,067	1,224
Deferred tax asset	44,914	44,914
Total non-current assets	321,732	317,732
Current assets		
Inventories	96,568	85,887
Trade and other receivables	101,388	97,860
Cash and cash equivalents	66,912	90,769
Total current assets	264,867	274,515
TOTAL ASSETS	586,599	592,247
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	89,954	89,423
Other paid-in capital	4,993	4,993
Reserves	-104,677	-108,090
Retained earnings	474,455	490,447
Total equity	464,725	476,774
Non-current liabilities		
Liabilities to credit institutions	4,617	5,293
Other financial liabilities	14,755	19,194
Deferred tax liability	1,961	1,835
Non-current provisions	1,236	1,202
Total non-current liabilities	22,568	27,523
Current liabilities		
Trade and others liabilities	90,524	81,767
Other financial liabilities	6,542	3,217
Tax liabilities	791	1,307
Liabilities to credit institutions	474	444
Current provisions	975	1,214
Total current liabilities	99,306	87,950
TOTAL EQUITY AND LIABILITIES	586,599	592,247

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Share capital	Other paid-in capital	Accumulated translation reserve	Hedging reserve	Retained earnings	Total equity
Opening balance January 1, 2013	89,372	4,993	-108,029	228	544,267	530,829
Changes in equity in the period of January 1 -June 30, 2013						
Total comprehensive income	-	-	2,804	-228	15,987	18,563
Total non-owners changes	-	-	2,804	-228	15,987	18,563
Transactions with equity holders of the company						
Cancellation of treasury shares (*)	-4,141	-	-	-	4,141	0
Increase of share capital without the issue of new shares, bonus issue (*)	4,192	-	-	-	-4,192	0
Dividend to shareholders of the parent company	-	-	-	-	-34,931	-34,931
Share buy-back by parent company (*)	-	-	-	-	-45,538	-45,538
Closing balance June 30, 2013	89,423	4,993	-105,225	0	479,734	468,925
Changes in equity in the period of July 1, - December 31, 2013						
Total comprehensive income	-	-	-3,041	176	25,405	22,540
Total non-owners changes	-	-	-3,041	176	25,405	22,540
Transactions with equity holders of the company						
Share buy-back by parent company (*)	-	-	-	-	-14,692	-14,692
Closing balance December 31, 2013	89,423	4,993	-108,266	176	490,447	476,774
Changes in equity in the period of January 1 - March 31, 2014						
Total comprehensive income	-	-	386	-506	8,066	7,946
Total non-owners changes	0	0	386	-506	8,066	7,946
Transactions with equity holders of the company						
Share buy-back by parent company (*)	-	-	-	-	-93	-93
Closing balance March 31, 2014	89,423	4,993	-107,880	-330	498,421	484,627
Changes in equity in the period of April 1, - June 30, 2014						
Total comprehensive income	-	-	3,336	198	15,393	18,926
Total non-owners changes	-	-	3,336	198	15,393	18,926
Transactions with equity holders of the company						
Cancellation of treasury shares (*)	-6,588	-	-	-	6,588	0
Increase of share capital without the issue of new shares, bonus issue (*)	7,119	-	-	-	-7,119	0
Dividend to shareholders of the parent company	-	-	-	-	-38,829	-38,829
Closing balance June 30, 2014	89,954	4,993	-104,544	-132	474,455	464,725

*) Repurchased shares, cancellation of repurchased shares and bonus issue.

The Annual General Meeting 2013 resolved to authorize the Board to carry out a repurchasing program comprising a maximum of 10 percent of the company's outstanding shares. At the time of the AGM held on April 28, 2014, the company had repurchased 5,146,883 shares to an average share price of 9.07 SEK.

In accordance with the proposal of the Board, the AGM 2014 resolved that the repurchased shares should be cancelled. The share capital therefore decreased by 6,588 KSEK. At the same time, it was decided that the share capital should be increased by 7,119 KSEK through a bonus issue where the issue sum was transferred from the parent company's non-restricted reserves.

After realization of the AGM's decisions the registered share capital is 89,953,082 SEK and the number of shares outstanding 64,714,447.

The AGM 2014 also resolved to authorize the Board to continue to let the company repurchase shares up until the AGM 2015, 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 June 30, 2014, the company holds no repurchased shares.

Biotage AB (publ)
Interim report
2014-01-01 -- 2014-06-30

CONSOLIDATED STATEMENT OF CASH FLOWS

	2014-04-01	2013-04-01	2014-01-01	2013-01-01	2013-01-01
Amounts in SEK thousands	2014-06-30	2013-06-30	2014-06-30	2013-06-30	2013-12-31
Operating activities					
Profit/loss before income tax	15,933	13,073	25,848	16,689	40,369
Adjustments for non-cash items	10,593	10,153	19,448	22,398	32,460
	26,525	23,226	45,296	39,087	72,829
Income tax paid	564	-1,279	-1,916	-2,774	-4,319
Cash flow from operating activities					
before changes in working capital	27,089	21,947	43,381	36,313	68,510
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	-7,290	-4,778	-10,681	-6,671	-2,755
Increase (-)/ decrease (+) in trade receivables	4,494	-12,822	-3,407	-11,987	-9,507
Increase (-)/ decrease (+) in other current receivables	-681	2,214	-2,099	4,083	8,099
Increase (+)/ decrease (-) in other liabilities	995	513	8,231	567	-7,592
Cash flow from operating activities	24,607	7,074	35,425	22,305	56,757
Investing activities					
Acquisition of intangible assets	-6,258	-8,141	-12,961	-16,885	-32,513
Acquisition of property, plant and equipment	-1,545	-2,651	-4,777	-3,895	-8,815
Acquisition of financial assets	-	-979	-	-978	-144
Cash flow from investing activities	-7,803	-11,771	-17,738	-21,758	-41,472
Financing activities					
Dividend to shareholders	-38,829	-34,931	-38,829	-34,931	-34,931
Buy-back of shares	0	-31,930	-93	-45,538	-60,230
Loan raised	1,241	0	1,241	-	-
Repayment of loans	-3,372	795	-3,526	609	66
Cash flow from financial activities	-40,961	-66,066	-41,207	-79,860	-95,095
Cash flow for the period	-24,156	-70,763	-23,520	-79,313	-79,810
Cash and cash equivalents opening balance	92,346	159,090	90,769	170,917	170,917
Exchange differences in liquid assets	0	300	-337	-2,977	-337
Cash and equivalents closing balance	68,189	88,627	66,911	88,627	90,769
Additional information:					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	8,605	7,707	16,250	14,695	30,609
Other items	1,987	2,446	3,198	7,703	1,851
Total	10,593	10,153	19,448	22,398	32,460
Interest received	129	445	166	649	1,084
Interest paid	-37	-268	-147	-317	-437

Biotage AB (publ)
Interim report
2014-01-01 -- 2014-06-30

INCOME STATEMENT, PARENT

	2014-04-01	2013-04-01	2014-01-01	2013-01-01	2013-01-01
Amounts in SEK thousands	2014-06-30	2013-06-30	2014-06-30	2013-06-30	2013-12-31
Net sales	619	600	1,225	1,197	2,405
Administrative expenses	-4,398	-5,067	-9,393	-9,152	-17,170
Research and development costs	-396	-602	-806	-1,090	-1,699
Other operating items	-48	104	-39	30	-148
<i>Operating expenses</i>	-4,842	-5,565	-10,238	-10,212	-19,016
Operating profit/loss	-4,223	-4,965	-9,012	-9,015	-16,611
Profit/loss from financial investments:					
Interest income from receivables from group companies	1,036	-40,961	2,055	5,120	7,424
Interest expense from liabilities to group companies	-905	-727	-1,729	-1,413	-2,927
Result from participations in group companies	0	43,532	0	42,817	153,633
Other interest and similar income	111	264	139	547	915
Other interest and similar income	1,518	117	1,918	-1,728	251
Group contribution received	-	-	-	-	35,954
Financial net income	1,759	2,226	2,383	45,343	195,249
Profit/loss before income tax	-2,464	-2,739	-6,630	36,328	178,638
Tax expenses	-	-	-	-	3,181
Total profit/loss for the period	-2,464	-2,739	-6,630	36,328	181,819

STATEMENT OF COMPREHENSIVE INCOME, PARENT

Total profit/loss for the period	-2,464	-2,739	-6,630	36,328	181,819
Other comprehensive income:					
Translation differences related to non Swedish subsidiaries	-	687	0	687	687
Total comprehensive income, parent	-2,464	-2,052	-6,630	37,015	182,506

Biotage AB (publ)
Interim report
2014-01-01 -- 2014-06-30

BALANCE SHEET, PARENT

Amounts in SEK thousands	2014-06-30	2013-12-31
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Patents and licenses	8,116	7,986
<i>Financial assets</i>		
Investments in group companies	481,628	481,628
Receivables from group companies	32,750	36,529
Deferred tax asset	44,914	44,914
	559,292	563,071
Total non-current assets	567,408	571,057
Current assets		
<i>Current receivables</i>		
Receivables from group companies	39,661	46,266
Other receivables	584	474
Prepaid expenses and accrued income	573	1,297
	40,817	48,037
Cash and cash equivalents	311	30,112
Total current assets	41,128	78,149
TOTAL ASSETS	608,535	649,206
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	89,953	89,423
	89,953	89,423
<i>Unrestricted equity</i>		
Fair value reserve	-66,055	-66,055
Retained earnings	496,284	353,918
Profit/loss for the year	-6,630	181,819
	423,600	469,682
Total equity	513,553	559,104
Provisions	12,801	19,194
Current liabilities		
Other financial liabilities	6,410	3,217
Trade payables	292	824
Liabilities to group companies	72,307	63,556
Other current liabilities	509	106
Accrued expenses and prepaid income	2,663	3,205
	82,181	70,908
TOTAL EQUITY, PROVISIONS AND LIABILITIES	608,535	649,206
Pledged assets	22,500	22,500
Contingent liabilities	-	-

Accounting principles

Biotage's Group reporting 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 2014 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 until the end of 2015. The agreement with the sellers does not stipulate a maximum sum, as there is considerable uncertainty about the future outcome. 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.

Financial debt measured at fair value	2014-06-30	2013-06-30
Additional purchase sum, long-term part	12,801	20,385
Additional purchase sum, short-term part	6,410	2,026
Total	19,211	22,411

The change in financial debt in 2014 is presented below:

Opening value January 1, 2014	22,411
Profit/loss reported as result	0
Adjusted during the year	- 3,199
Value carried forward June 30, 2014	19,211

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 Biotage's Annual Report for 2013. These are described on pp. 36-43 in the Annual Report.