

Year-end report

January - December 2014



February 12, 2015

Year-end report for 2014

Fourth quarter October - December 2014

- Group net sales in the fourth quarter 2014 amounted to 137.8 MSEK (121.6), an increase by 13.3 percent compared to the corresponding period last year. At comparable exchange rates sales increased by 3.2 percent.
- Operating profit amounted to 13.7 MSEK (13.4). Compared to the corresponding quarter last year operating profit was charged with 3.9 MSEK higher costs for R&D and 3.7 MSEK higher sales costs relating to variable remunerations and strategic initiatives in the USA.
- The result after tax amounted to 16.7 MSEK (18.5).
- Earnings per share amounted to 0.26 SEK (0.28).
- The cash flow from operating activities amounted to 29.0 MSEK (21.1).
- Net cash at December 31 amounted to 95.0 MSEK compared to 72.9 MSEK at September 30.

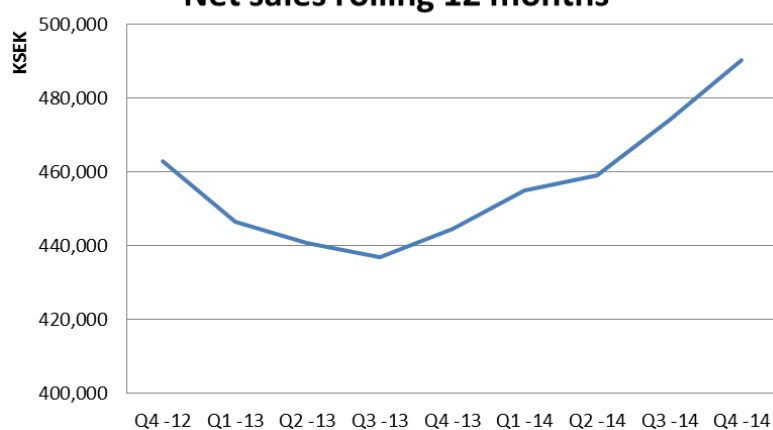
Full year January - December 2014

- Group net sales in 2014 amounted to 490.4 MSEK (444.6), a 10.3 percent increase compared to last year. At comparable exchange rates sales increased by 5.5 percent.
- Operating profit increased by 26 percent to 49.3 MSEK (39.2).
- The result after tax amounted to 51.1 MSEK (41.4), an increase by 23 percent.
- Earnings per share amounted to 0.79 SEK (0.61).
- The cash flow from remaining operating activities amounted to 80.9 MSEK (56.8).
- Net cash at December 31 amounted to 95.0 MSEK, compared to 85.0 MSEK at December 31, 2013.
- Dividends to shareholders were paid in May 2014 to the amount of 38.8 MSEK (34.9).
- Dividends for 2014 are proposed to amount to 0.75 SEK (0.60) per share. According to the dividend policy established by the board Biotage should distribute at least 50 per cent of the net profit.
- Biotage had no holding of own shares at the end of the reported period. No shares were acquired under the repurchasing program decided at the 2014 Annual General Meeting. The previous holding of 5,146,883 own shares, acquired under the previous repurchasing program, were canceled in May 2014 in accordance with the resolution of the AGM.

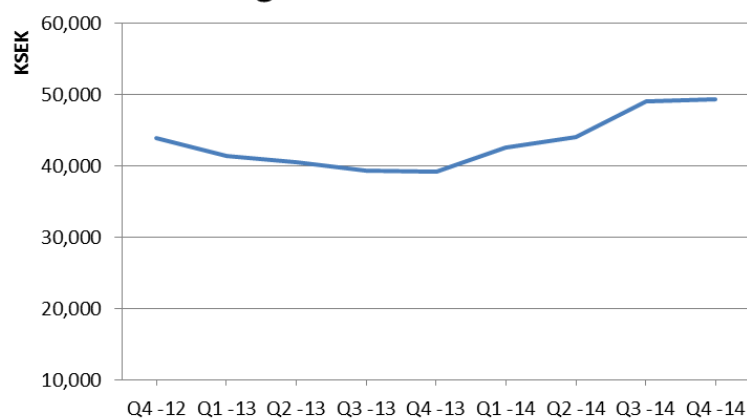
Group result development in brief

Amounts in SEK millions	4 th quarter Oct-Dec 2014	4 th quarter Oct-Dec 2013	12 months Jan -Dec 2014	12 months Jan-Dec 2013
Net sales	137.8	121.6	490.4	444.6
Cost of sales	-62.8	-54.8	-223.5	-195.1
Gross profit	74.9	66.9	266.9	249.6
Operating expenses	-61.2	-53.4	-217.6	-210.4
Operating profit/loss	13.7	13.4	49.3	39.2
Financial items	3.6	3.1	5.5	1.2
Profit/loss before tax	17.3	16.5	54.9	40.4
Tax expenses	-0.6	2.0	-3.7	1.0
Total profit/loss for the period	16.7	18.5	51.1	41.4
<i>Gross profit margin</i>	<i>54.4%</i>	<i>55.0%</i>	<i>54.4%</i>	<i>56.1%</i>
<i>Operating profit margin</i>	<i>10.0%</i>	<i>11.1%</i>	<i>10.1%</i>	<i>8.8%</i>

Net sales rolling 12 months



Operating profit (EBIT) rolling 12 months



Comments by CEO Torben Jörgensen

Biotage ended the year with a sales increase of 13.3 percent in the quarter compared to the corresponding period last year. In the full year we achieved 10.3 percent growth. In contrast to last year we were helped by the currency development in 2014. At comparable exchange rates we grew by 3.2 percent in the quarter and by 5.5 percent in the full year. I am satisfied that we are growing at the same time as we are improving our profit margin. We meet our financial goal of an average operating margin (EBIT) of 10 percent in the fourth quarter as well as in the full year. The good result, a positive cash flow from the operations amounting to over 80 MSEK and a healthy liquidity enables us to give dividends of 0.75 SEK per share, which the board proposes to the Annual General Meeting.

The USA continued to provide the largest growth both in the quarter and the full year. Our business in China is developing in the right direction and we show growth in the quarter as well as for the full year. Europe has had a tough year and did not achieve the growth we expected. The operations in Japan are affected by Japan's general economic difficulties. Thanks to a very strong first quarter the result for 2014 in Japan is only slightly lower than last year. Biotage's distributor sales decreased somewhat. We have, however, taken relatively extensive measures in 2014 in order to address the weakening indirect sales. We have already seen that an increased focus within EMEA (Europe, Middle East, India and Africa) has resulted in increased sales. In APAC (Asia Pacific) more remains to be done before we can evaluate the effects.

We have good momentum in analytical chemistry with our Sample Prep products, especially in the important American market. In organic chemistry our single biggest product area, purification, continues to show the largest growth. Together Sample Prep and purification represent more than 70 percent of Biotage's sales and show, excluding currency effects, an 8 percent growth in the year. We can also see that we during the year have moved our position forward with our Industrial Resins products. The product area peptide synthesis, on the other hand, has not lived up to our expectations and we are planning dedicated efforts within the sales organization in order to increase the sales.

During the quarter we carried out a big and important product launch of the new technology platform Extrahera™. Extrahera is an automated system for sample preparation and analysis based on Supported Liquid Extraction (SLE) and Solid Phase Extraction (SPE) methods in plate as well as column format. The launch has been well received in the market and we have great belief in this product in its own right, but also in that it will contribute to increased consumable sales.

The gross margin amounts to 54.4 percent for the quarter as well as the twelve month period. We see a largely unchanged relation between the sales of systems and aftermarket products (consumables and service); 44 (43) and 56 (57) percent, respectively, in 2014.

All in all 2014 was a year with many causes for rejoicing and some challenges, not least the varying conditions we have seen in different markets where we operate. We start the new year with a good order book and a continuing favorable currency situation. I look forward to 2015 with confidence.

Group result, financial position and cash flow

Fourth quarter October - December 2014

Group net sales increased by 13.3 percent to 137.8 MSEK, compared to 121.6 MSEK the corresponding period 2013. At comparable exchange rates sales increased by 3.2 percent. The Americas was the biggest market with 42 (36) percent of the net sales. The EU area contributed 36 (40) percent, Japan 10 (13) percent, China 6 (4) percent and the rest of the world 6 (7) percent of the net sales.

The Group's gross margin was 54.4 percent (55.0). Biotage's products are priced in local currency in the major markets. The currency development, above all of USD and EUR, has contributed positively to the sales proceeds also in the fourth quarter. The Group's production costs in GBP and USD are also increasing, however, as these currencies are strengthened compared to SEK. A relatively high share of systems in the Group's turnover contributes to a lower gross margin, as systems give a lower gross margin contribution than aftermarket products (consumables and service).

The operating expenses amounted to 61.2 MSEK (53.4). Research and development costs increased by 3.9 MSEK as a result of lower capitalization of development costs. Increased sales costs by 3.7 MSEK reflect the strategic investments being made, among other things in new recruitments in order to increase our presence on the US market, and a higher degree of goal achievement for variable remunerations. Other operating items 1.7 MSEK (0.3) mainly consists of currency effects on operating liabilities and receivables. Other operating items also contains a 13.5 MSEK write-down of goodwill and the cancellation of a reserve relating to additional purchase payment to the amount of 13.5 MSEK. Both these items relate to MIP Technologies AB and are further described under Balance sheet items below.

The operating profit amounted to 13.7 MSEK (13.4) with an operating margin of 10.0 percent (11.1). Net financial income amounted to 3.6 MSEK (3.1). The result after tax amounted to 16.7 MSEK (18.5).

The investments amounted to 7.7 MSEK (9.3) and the amortizations to 8.8 MSEK (6.6). 4.5 MSEK (7.6) of the investments were capitalized development costs and 4.9 MSEK (4.0) of the amortizations were amortizations of capitalized development costs. The cash flow from operating activities amounted to 29.0 MSEK (21.1).

Full year January - December 2014

Group net sales increased by 10.3 percent to 490.4 MSEK (444.6). At comparable exchange rates net sales increased by 5.5 percent in 2014. The Americas was the biggest market with 41 (39) percent of the net sales. The EU area contributed 35 (36) percent, Japan 13 (15) percent, China 5 (4) percent and the rest of the world 6 (6) percent of the net sales.

The Group's gross margin amounted to 54.4 percent (56.1). The system sales' relatively high share of the turnover had a negative effect on the gross margin during all of 2014. Approximately 50 percent of the Group's sales are invoiced in USD, so the strengthening of USD in relation to SEK during the year has had a positive effect on the reported sales. At the same time the Group's costs for the manufacturing that is outsourced in the USA

have increased as a result of the currency development. The strengthened GBP has also contributed negatively at the translation to SEK of production costs in Cardiff, Wales.

The operating expenses amounted to 217.6 MSEK (210.4). All functions contribute to the cost increase. However, the major explanatory factors are costs for new recruitments relating to sales force initiatives, a higher degree of goal achievement for variable remunerations and reduced capitalization of costs for development projects.

The operating profit increased by 10.1 MSEK, corresponding to a 26 percent improvement, to 49.3 MSEK (39.2) with an operating margin of 10.1 percent (8.8). Net financial income amounted to 5.5 MSEK (1.2). The result after tax increased by 9.7 MSEK, corresponding to 23 percent, to 51.1 MSEK (41.4).

The investments amounted to 32.2 MSEK (41.5) and the amortizations to 31.9 MSEK (27.6). 21.7 MSEK (29.5) of the investments were capitalized development costs and 18.6 MSEK (16.0) of the amortizations were amortizations of capitalized development costs. The cash flow from operating activities increased to 80.9 MSEK (56.8).

Balance sheet items

At December 31, 2014 the Group's cash and securities amounted to 100.0 MSEK compared to 90.8 MSEK at December 31, 2013. The Group's interest-bearing liabilities amounted to 5.0 MSEK at the end of the reported period, compared to 5.7 MSEK at December 31, 2013. Net cash at December 31, 2014 thus amounted to 95.0 MSEK, compared to 85.0 at December 31, 2013.

The Group reports a total goodwill of 90.5 MSEK at December 31, 2014, compared to 104.0 MSEK 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. This year's change in reported value is due to write-down of goodwill relating to the part of operations of MIP Technologies AB that entitles the previous owners of the company to certain additional purchase sums up to and including the fiscal year 2015. Considering that the sales of bulk products during the duration of the additional purchase sum agreement have been lower than previous estimations and assessments, a write-down requirement of a total of 13.5 MSEK has been identified.

Other intangible fixed assets amounted to 124.8 MSEK, compared to 126.0 MSEK at December 31, 2013. Of this sum patents and license rights amounted to 33.3 MSEK, compared to 37.5 MSEK at December 31, 2013, and capitalized development costs to 91.5 MSEK, compared to 88.4 MSEK at December 31, 2013. The increase in capitalized development costs is mainly attributable to the development of Extrahera, which was launched in October.

The inventories amounted 108.4 MSEK compared to 85.9 MSEK at December 31, 2013. The increase is explained by a strategic decision to increase the finished goods inventory of some consumables above all in the USA in order to meet the customers' delivery demands, the launch of new products and currency effects.

Other financial liabilities amounted to 5.2 MSEK (19.2). The decrease is mainly explained by 13.5 MSEK in reduced reserve for additional purchase sums concerning the subsidiary MIP Technologies AB. The additional purchase sum that will be paid in 2015 is based on the outcome the fiscal year 2014 and calculated to amount to 1.9 MSEK. For the fiscal

year 2015, which is the last period for which an additional purchase sum may be paid and which will be settled in 2016, the additional purchase sum is calculated to amount to 3.8 MSEK, which is also the company's best assessment of fair value at December 31, 2014. As the fair value of expected future payments of additional purchase sums at December 31, 2014 is less than the previously reported sum, the difference amounting to 13.5 MSEK has been cancelled and reported on the 2014 profit and loss statement.

At December 31, 2014 the equity capital amounted to 502.6 MSEK, compared to 476.8 MSEK at December 31, 2013. The change in equity capital during the year is attributable to the net result 51.1 MSEK, dividends to shareholder -38.8 MSEK, repurchasing of own shares -0,1 MSEK, and cash flow hedges and currency effects at the translation of foreign subsidiaries 13.7 MSEK.

Repurchasing program

During the quarter no own shares were acquired under the repurchasing program decided at the 2014 Annual General Meeting. The total of 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 was appealed by the other party to the US Court of Appeals for the Federal Circuit, which on September 10, 2014 ruled that all patent claims are invalid. The reexamination cases concerning US patents 8,066,875 and 8,070,957 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 293 (290) employees at December 31, 2014 and 291 at September 30, 2014.

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 fourth quarter 2014 and to 2.5 MSEK (2.4) in the full year 2014. Other operating items, amounting to 13.2 MSEK (-0.1), includes a positive effect of 13.5 MSEK relating to a cancelled reserve for additional purchase sums, see under Balance sheet items above. The parent company's net financial income was 80.9 MSEK (148.2) in the fourth quarter and 65.7 MSEK (195.2) in the full year.

Result from shares in affiliated companies amounts to 40.2 MSEK (110.8) for the fourth quarter and 24.6 MSEK (153.6) for the full year. The amount for the full year 2014 includes -15.6 MSEK referring to a write-down of receivables from subsidiaries and dividends from subsidiaries amounting to 53.7 MSEK. The higher comparative figures for last year mainly depend on the reversal of the write-down of receivables from subsidiaries resulting from inter-company transfer of the product lines RapidTrace® and TurboVap® in 2013.

The result after financial items for the fourth quarter amounted to 75.8 MSEK (145.0). For the full year the result after financial items was 47.1 MSEK (178.6), 160.3 MSEK in the comparative year's result being reversed write-downs of receivables from subsidiaries.

The investments in intangible fixed assets amounted to 0.3 MSEK (0.6) in the quarter and 1.0 MSEK (1.4) in the full year. The cash and bank balance at December 31 was 1.0 MSEK (30.1). This year's change is mainly attributable to dividends to shareholders, changes in group balance and the period's result.

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 and 2015

The interim report for the first quarter 2015 will be issued on April 28, 2015.
The Annual General Meeting will be held on April 28, 2015.
The interim report for the second quarter 2015 will be issued on August 13, 2015.
The interim report for the third quarter 2015 will be issued on October 30, 2015.
The year-end report for 2015 will be issued on February 11, 2016.

The Annual Report for 2014 is planned to be published in week 14 2015.

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

Uppsala February 12, 2015

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 08.30 on February 12, 2015.

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 490 MSEK in 2014. Biotage is listed on the NASDAQ OMX Stockholm stock exchange. Website: www.biotage.com

Financial reports summary

Biotage AB (publ)

Year end report

2014-01-01 -- 2014-12-31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousands	2014-10-01	2013-10-01	2014-01-01	2013-01-01
	2014-12-31	2013-12-31	2014-12-31	2013-12-31
Net sales	137,757	121,649	490,381	444,644
Cost of sales	-62,848	-54,776	-223,462	-195,061
Gross profit	74,909	66,872	266,919	249,583
Distribution costs	-37,425	-33,702	-139,201	-134,712
Administrative expenses	-13,760	-12,196	-47,650	-42,687
Research and development costs	-11,672	-7,822	-38,450	-33,483
Other operating income	1,658	290	7,695	494
Total operating expenses	-61,200	-53,430	-217,606	-210,388
Operating profit/loss	13,709	13,442	49,313	39,196
Financial net income	3,577	3,058	5,548	1,173
Profit/loss before income tax	17,286	16,501	54,861	40,369
Tax expenses	-633	1,985	-3,749	1,023
Total profit/loss for the period	16,653	18,486	51,112	41,392
Other comprehensive income				
Components that may be reclassified to net income:				
Translation differences related to non Swedish subsidiaries	4,948	2,469	13,861	-236
Cash flow hedges	287	176	-176	-52
Total other comprehensive income	5,236	2,645	13,685	-288
Total comprehensive income for the period	21,889	21,130	64,797	41,104

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continuing)

	2014-10-01	2013-10-01	2014-01-01	2013-01-01
	2014-12-31	2013-12-31	2014-12-31	2013-12-31
Attributable to parent company's shareholders:				
Total profit/loss for the period	16,653	18,486	51,112	41,392
Attributable to parent company's shareholders:				
Total comprehensive income for the period	21,889	21,130	64,797	41,104
Average shares outstanding (*)	64,714,447	65,084,859	64,714,447	67,375,712
Average shares outstanding after dilution (*)	64,714,447	65,084,859	64,714,447	67,375,712
Shares outstanding at end of reporting period (*)	64,714,447	69,861,330	64,714,447	69,861,330
Total profit/loss for the period per share SEK	0.26	0.28	0.79	0.61
Total profit/loss for the period per share SEK after dilution	0.26	0.28	0.79	0.61
Earnings per share relates to:				
Continuing operations	0.26	0.28	0.79	0.61
Total comprehensive income for the period per share SEK	0.34	0.32	1.00	0.60
Total comprehensive income for the period per share after dilution SEK	0.34	0.32	1.00	0.60
(*) Of the numbers of shares outstanding are repurchased as per end of reporting period	-	5,137,609	-	5,137,609
Average numbers of shares outstanding are reported excluding numbers shares repurchased.				

Quarterly summary 2013 and 2014	2014	2014	2014	2014	2013	2013	2013	2013
Amounts in KSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	137,757	118,525	120,383	113,717	121,649	103,418	116,344	103,234
Cost of sales	-62,848	-53,868	-54,724	-52,022	-54,776	-44,851	-50,489	-44,945
Gross profit	74,909	64,656	65,659	61,695	66,872	58,567	65,855	58,288
Gross margin	54.4%	54.6%	54.5%	54.3%	55.0%	56.6%	56.6%	56.5%
Operating expenses	-61,200	-52,065	-52,110	-52,231	-53,430	-50,957	-53,789	-52,211
Operating profit/loss	13,709	12,591	13,549	9,464	13,443	7,610	12,066	6,077
Finansnetto	3,577	-865	2,384	451	3,058	-431	1,007	-2,461
Profit/loss before income tax	17,286	11,727	15,933	9,916	16,501	7,179	13,073	3,616
Tax expenses	-633	-728	-539	-1,850	1,985	-260	-165	-537
Total profit/loss for the period	16,653	10,998	15,394	8,066	18,486	6,919	12,908	3,079

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousands	2014-12-31	2013-12-31
ASSETS		
Non-Current assets		
Property, plant and equipment	43,057	41,608
Goodwill	90,523	104,023
Other intangible assets	124,822	125,964
Financial assets	808	1,224
Deferred tax asset	44,765	44,914
Total non-current assets	303,974	317,732
Current assets		
Inventories	108,379	85,887
Trade and other receivables	106,612	97,860
Cash and cash equivalents	100,045	90,769
Total current assets	315,036	274,515
TOTAL ASSETS	619,010	592,247
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	89,953	89,423
Other paid-in capital	4,993	4,993
Reserves	-94,404	-108,090
Retained earnings	502,108	490,447
Total equity	502,650	476,774
Non-current liabilities		
Liabilities to credit institutions	4,537	5,293
Other financial liabilities	5,072	19,194
Deferred tax liability	2,465	1,835
Non-current provisions	1,369	1,202
Total non-current liabilities	13,444	27,523
Current liabilities		
Trade and others liabilities	98,457	81,767
Other financial liabilities	1,900	3,217
Tax liabilities	848	1,307
Liabilities to credit institutions	502	444
Current provisions	1,210	1,214
Total current liabilities	102,916	87,950
TOTAL EQUITY AND LIABILITIES	619,010	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 -September 30, 2013						
Total comprehensive income	-	-	-2,705	-228	22,906	19,973
Total non-owners changes	-	-	-2,705	-228	22,906	19,973
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 (*)	-	-	-	-	-52,837	-52,837
Closing balance September 30, 2013	89,423	4,993	-110,734	0	479,355	463,037
Changes in equity in the period of October 1, - December 31, 2013						
Total comprehensive income	-	-	2,469	176	18,486	21,131
Total non-owners changes	-	-	2,469	176	18,486	21,131
Transactions with equity holders of the company						
Share buy-back by parent company (*)	-	-	-	-	-7,394	-7,394
Closing balance December 31, 2013	89,423	4,993	-108,265	176	490,447	476,774
Changes in equity in the period of January 1 - September 30, 2014						
Total comprehensive income	-	-	8,913	-463	34,458	42,907
Total non-owners changes	0	0	8,913	-463	34,458	42,907
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
Share buy-back by parent company (*)	-	-	-	-	-93	-93
Closing balance September 30, 2014	89,953	4,993	-99,352	-287	485,455	480,761
Changes in equity in the period of October 1, - December 31, 2014						
Total comprehensive income	-	-	4,949	287	16,653	21,889
Total non-owners changes	-	-	4,949	287	16,653	21,889
Transactions with equity holders of the company						
Share buy-back by parent company (*)	-	-	-	-	-	-
Closing balance December 31, 2014	89,953	4,993	-94,404	0	502,108	502,650

*¹) 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 Annual General Meeting of April 28, 2014 the company had in accordance with the authorization repurchased 5,146,883 shares at an average share price of 9.07 SEK.

In accordance with the proposal of the Board, the Annual General Meeting 2014 resolved that the repurchased shares should be cancelled. The company's share capital therefore decreased by 6,588 KSEK. At the same time it was decided that the company's 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 89,953,081 SEK and the number of outstanding shares 64,714,447.

The Annual General Meeting also resolved to authorize the Board to continue to let the company repurchase shares up until the Annual General Meeting 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 December 31, 2014, the company held no repurchased shares.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	2014-10-01	2013-10-01	2014-01-01	2013-01-01
Amounts in SEK thousands	2014-12-31	2013-12-31	2014-12-31	2013-12-31
Operating activities				
Profit/loss before income tax	17,286	16,501	54,861	40,369
Adjustments for non-cash items	13,825	6,063	45,154	32,460
	31,111	22,564	100,016	72,829
Income tax paid	-2,144	619	-4,631	-4,319
Cash flow from operating activities before changes in working capital	28,967	23,183	95,384	68,510
Cash flow from changes in working capital:				
Increase (-)/ decrease (+) in inventories	-5,253	2,480	-22,492	-2,755
Increase (-)/ decrease (+) in trade receivables	-5,219	-8,984	-9,702	-9,507
Increase (-)/ decrease (+) in other current receivables	4,416	-606	1,916	8,099
Increase (+)/ decrease (-) in other liabilities	6,080	5,048	15,800	-7,592
Cash flow from operating activities	28,992	21,121	80,906	56,757
Investing activities				
Acquisition of intangible assets	-5,108	-8,885	-23,410	-32,513
Acquisition of property, plant and equipment	-2,637	-452	-8,767	-8,815
Acquisition of financial assets	-	-	-	-144
Cash flow from investing activities	-7,745	-9,337	-32,177	-41,472
Financing activities				
Dividend to shareholders	-	-	-38,829	-34,931
Buy-back of shares	-	-7,394	-93	-60,230
Loan raised	315	-	1,391	-
Repayment of loans	-191	-113	-3,894	66
Cash flow from financial activities	124	-7,507	-41,425	-95,095
Cash flow for the period	21,371	4,276	7,304	-79,810
Cash and cash equivalents opening balance	77,992	86,231	90,769	170,917
Exchange differences in liquid assets	682	262	1,972	-337
Cash and equivalents closing balance	100,045	90,769	100,045	90,769
Additional information:				
<i>Adjustments for non-cash items</i>				
Depreciations and impairments	9,919	9,597	33,869	30,609
Other items	3,905	-3,534	11,285	1,851
Total	13,825	6,063	45,154	32,460
Interest received	18	216	128	1,084
Interest paid	-248	-55	-292	-437

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INCOMESTATEMENT, PARENT

	2014-10-01	2013-10-01	2014-01-01	2013-01-01
Amounts in SEK thousands	2014-12-31	2013-12-31	2014-12-31	2013-12-31
Net sales	643	607	2,502	2,405
Administrative expenses	-4,806	-3,386	-18,437	-17,170
Research and development costs	-783	-278	-2,398	-1,699
Other operating items	13,326	-104	13,245	-148
<i>Operating expenses</i>	<i>7,737</i>	<i>-3,768</i>	<i>-7,590</i>	<i>-19,016</i>
Operating profit/loss	8,380	-3,162	-5,088	-16,611
Profit/loss from financial investments:				
Interest income from receivables from group companies	315	-311	2,383	7,424
Interest expense from liabilities to group companies	-950	-778	-3,614	-2,927
Result from participations in group companies	40,203	110,816	24,624	153,633
Other interest and similar income	9	161	110	915
Other interest and similar income	830	2,329	1,708	251
Group contribution received	27,011	35,954	27,011	35,954
Financial net income	<u>67,418</u>	<u>148,172</u>	<u>52,223</u>	<u>195,249</u>
Profit/loss before income tax	75,798	145,010	47,135	178,638
Tax expenses	<u>-149</u>	<u>3,181</u>	<u>-149</u>	<u>3,181</u>
Total profit/loss for the period	75,649	148,191	46,986	181,819

STATEMENT OF COMPREHENSIVE INCOME, PARENT

Total profit/loss for the period	75,649	148,191	46,986	181,819
Other comprehensive income:				
Components that may be reclassified to net income:				
Translation differences related to non Swedish subsidiaries	-	1,114	0	687
Total comprehensive income, parent	75,649	149,306	46,986	182,506

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BALANCE SHEET, PARENT

Amounts in SEK thousands	2014-12-31	2013-12-31
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Patents and licenses	8,224	7,986
<i>Financial assets</i>		
Investments in group companies	468,128	481,628
Receivables from group companies	14,763	36,529
Deferred tax asset	44,765	44,914
	527,657	563,071
Total non-current assets	535,881	571,057
Current assets		
<i>Current receivables</i>		
Receivables from group companies	61,791	46,266
Other receivables	498	474
Prepaid expenses and accrued income	964	1,297
	63,254	48,037
Cash and cash equivalents	974	30,112
Total current assets	64,227	78,149
TOTAL ASSETS	600,108	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	46,986	181,819
	477,216	469,682
Total equity	567,169	559,104
Provisions		
	3,850	19,194
Current liabilities		
Other financial liabilities	1,900	3,217
Trade payables	769	824
Liabilities to group companies	21,391	63,556
Other current liabilities	778	106
Accrued expenses and prepaid income	4,251	3,205
	29,089	70,908
TOTAL EQUITY, PROVISIONS AND LIABILITIES	600,108	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 has been considerable uncertainty about the future outcome. The additional purchase sum that will be paid in 2015 is based on the outcome the fiscal year 2014 and calculated to amount to 1.9 MSEK. For the fiscal year 2015, which is the last period for which an additional purchase sum may be paid and which will be settled in 2016, the additional purchase sum is calculated to amount to 3.8 MSEK, which is also the company's best assessment of fair value at December 31, 2014. As the fair value of the additional purchase sum at December 31 is less than the previously reported sum, the difference amounting to 13.5 MSEK has been reported on the 2014 profit and loss statement. 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	2014-12-31	2013-12-31
Additional purchase sum, long-term part	3,850	19,194
Additional purchase sum, short-term part	1,900	3,217
Total	5,750	22,411

The change in financial debt in 2014 is presented below:

Opening value January 1, 2014	22,411
Cancelled reserve reported as result	-13,462
Adjusted during the year	- 3,199
Value carried forward December 31, 2014	5,750

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.