



Biotage AB (publ)

Interim Report January - March 2023



HumanKind Unlimited

Solid core business

January – March

- » Net sales amounted to SEK 361 (386) million, an decrease of 6.4 percent and an organic* decrease of 12.8 percent.
- » Operating profit amounted to SEK 54 (96) million and adjusted* to SEK 71 (101) million.
- » The operating margin was 14.8 percent (24.9) and adjusted to 19.8 percent (26.3).
- » EBITA* amounted to SEK 61 (103) million. and adjusted to SEK 79 (108) million.
- » The EBITA margin* amounted to 16.9 percent (26.7) and adjusted to 21.8 percent (28.1).
- » Profit after tax amounted to SEK 43 (71) million.
- » Earnings per share were SEK 0.65 (1.08) before and after dilution.
- » Cash flow from operating activities decreased to SEK 11 (57) million.
- » Net cash* as of March 31 was SEK 188 (199) million.
- » On February 15, 2023 an agreement was announced to acquire Astrea Group Holdings Company Ltd. ("Astrea").
- » On March 9, it was announced that Lars Bäckman, Chief Legal Officer, will retire and leave Biotage in September 2023.

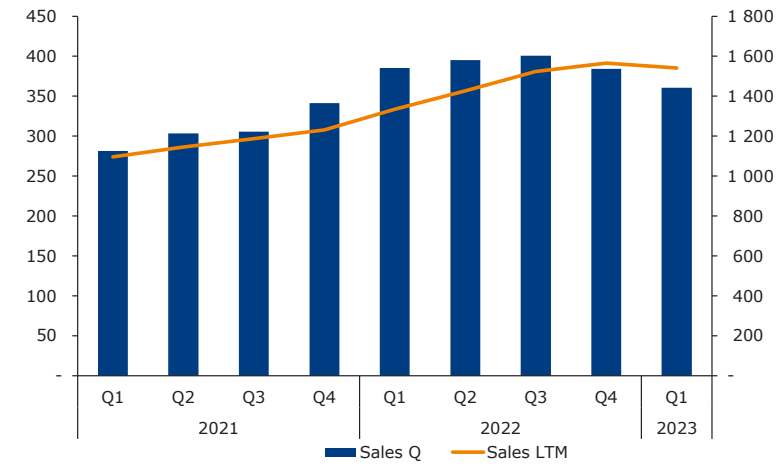
* See definitions on pages 16-17.



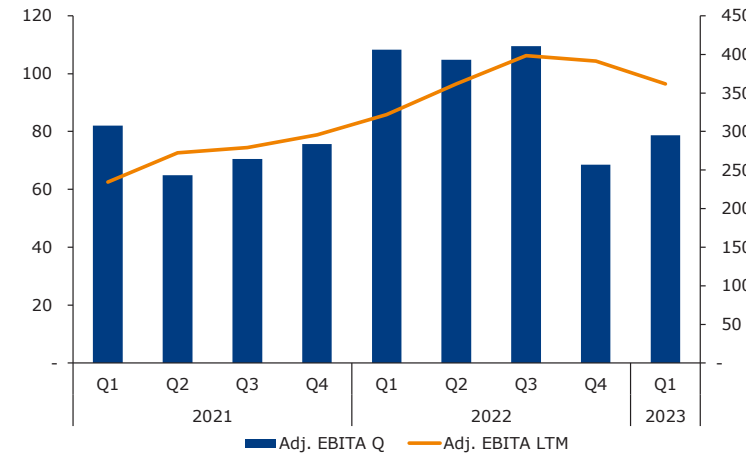
Financial overview

Amounts in SEK millions	First quarter		Full year
	Q1 2023	Q1 2022	Jan-Dec 2022
Net sales	361	386	1,566
Change. %	-6.4%	37.0%	27.1%
of which:			
- Organic growth. %	-12.8%	21.9%	11.4%
- Currency effects. %	6.4%	10.2%	12.7%
- Acquisitions/divestments. %	-	4.9%	3.1%
Gross profit	220	241	948
Gross margin. %	60.9%	62.5%	60.6%
Operating profit (EBIT)	54	96	327
Operating margin (EBIT). %	14.8%	24.9%	20.9%
Adjusted operating profit (EBIT)	71	101	362
Adjusted operating margin (EBIT). %	19.8%	26.3%	23.1%
EBITA	61	103	356
EBITA margin. %	16.9%	26.7%	22.7%
Adjusted EBITA	79	108	391
Adjusted EBITA margin. %	21.8%	28.1%	25.0%
Profit for the period	43	71	268
Earnings per share. SEK	0.65	1.08	4.04
Cashflow from operating activities	11	57	341

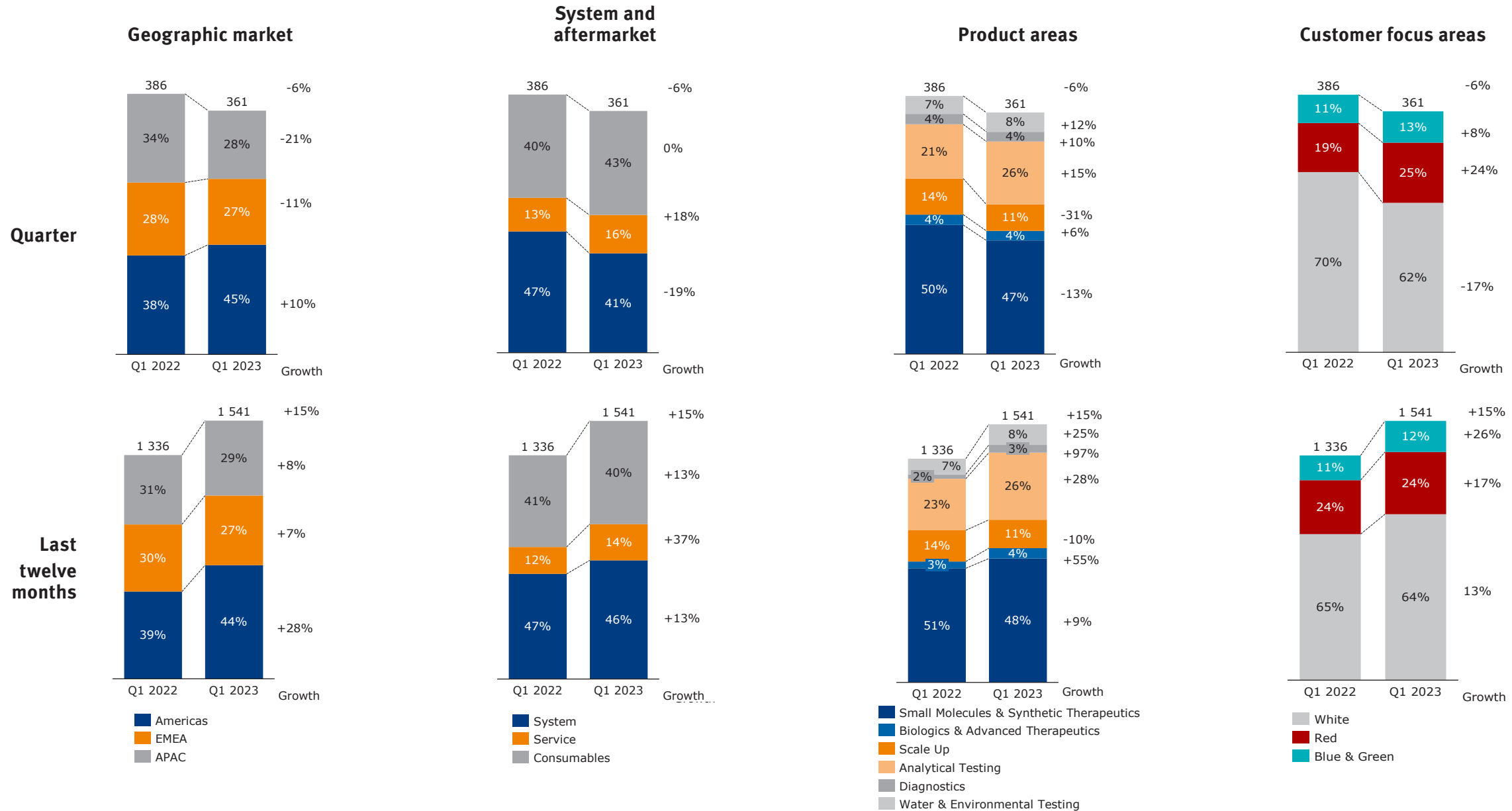
Net sales, SEK millions



Adjusted EBITA, SEK millions



Distribution of net sales



* See definitions on pp 16-17

Message from the CEO

Biotage's underlying business continues to perform well, even though the results for the first quarter of 2023 were not satisfactory. Sales to our largest contract manufacturing client in China continued to be weaker, but there were also other decelerating sales in China, as well as reduced sales within Scale Up, that were recorded.

Solid core business

March was the best month of the quarter, with record sales in the Americas. We also reported sequentially positive earnings growth, for example with an adjusted EBITA, OPEX and gross margin, which performed better than in the previous quarter. Our aftermarket business accounted for 59% of the sales, with the Service business developing well.

At the same time, there were positive aspects and many of our other business areas are doing and developing well. Like other companies, we were affected by the market's focus on cash flow and working capital. Developments indicate that many clients are postponing purchases until a later date.

Our European Scale Up business with lipid purification related to the production of mRNA vaccines against COVID-19 declined a lot, while we see a weaker CRO segment in the Chinese market. In general, customers have also been destocking and being cautious about capital purchases.

Of course, we take the deteriorating growth and profitability seriously. We are working on efficiency gains and allocating resources in the best possible way. At the same time, we want to avoid reacting prematurely. During the pandemic, we learned the value of finding a good balance in response. At Biotage, we base our work on the same principles as we did then – we look at how we should act to take care of our business, our clients, and our employees in the best possible way.

Together with our leadership in China, we are working hard to complement the weakened contract manufacturing market with an increased focus towards our other customer segments. Our largest contract manufacturing customer in China

still has a lower demand for our products, which is probably related to lost orders at their side with a connection to the previous large investments in China due to the COVID-19 pandemic.

The fact that individual imbalances in the market can hit our business hard proves our strategy to make sense, as it is entering new, attractive niches achieving a wider range of solutions for our customers. With acquisitions such as ATDBio and our successful integration of that business, Diagnostics experienced double-digit growth. We are targeting more markets and becoming less vulnerable. We are now working with the Astrea Bioseparations merger, which is subject to approval of the transaction at the Annual General Meeting on April 27. At the end of the second quarter, we will start our global chromatography collaboration, which will take both organizations to the next level.

Our global presence and diversified product portfolio are helping to mitigate the impact of the slowdown in China and the lipid purification business in EMEA. Americas and ASEAN showed double-digit growth during the quarter, and our business in Korea and the whole distribution business also grew rapidly during the first quarter.

Two of our three client-focused areas grew in this quarter. White Tech experienced a weaker quarter, while Red Tech and Blue & Green Tech reported growth.

When it comes to individual product areas, we see that in Red Tech, sales experienced double-digit growth figures in Diagnostics driven by our oligonucleotide business and Analytical Testing. Blue & Green Tech also reported double-digit growth figures in Water & Environmental Testing. In the White Tech areas Small Molecules & Synthetic Therapeutics and Scale Up sales declined, but continued to grow in Biologics & Advanced Therapeutics. If we disregard lipid purification, our underlying Scale-Up business also remained strong.

In keeping with our strategy, our work on digitalization took another step forward with the introduction of new software solutions for Biotage® Selekt, our world-leading platform for purification of small molecules. The solutions have been developed in cooperation with our customers and enable remote control

and interconnection of several systems. This makes it possible to streamline workflows in the laboratories that are used to develop new pharmaceuticals.

Another important focus for us is sustainability, and we received confirmation that our efforts are delivering results – we saw a shift from Medium Risk to Low Risk in Morningstar Sustainalytics' global ESG Risk Ratings. Fortunately, our efforts to be an employer that offers equal opportunities is also bearing fruit, which is made clear by the results of the 2022 Swedish salary survey. Our equality index rose from 97.3 to 101.0, while the Swedish average is 95.8.

Going forward, we aim to strengthen our position in drug development in attractive niches and modalities with higher volumes, growth, and gross margins. We want to strengthen our recurring sales and product lines used in the commercial phase. From this perspective, I look to the future with more confidence than ever, as we hope to soon be able to welcome our new colleagues from Astrea Bioseparations.

Uppsala, April 27, 2023



Tomas Blomquist
President and CEO



Sales, earnings, cash flow and financial position

Net sales and earnings

Net sales for the quarter amounted to SEK 361 (386) million, an decrease of 6.4 percent and an organic decrease of 12.8 percent. Americas was the largest market, with 45 (38) percent of net sales. EMEA accounted for 27 (28) percent and APAC for 28 (34) percent. Sales were distributed as follows: system sales 41 (47) percent and aftermarket products (consumables and service) 59 (53) percent.

The Group's gross margin for the quarter decreased by 1.6 percentage points to 60.9 percent (62.5). Gross margin was negatively affected, among other things by weakened sales attributable to decreased covid-19 related sale within the Scale up business.

Operating expenses for the quarter amounted to SEK -166 (-145) million, an increase of SEK 21 million. Distribution costs increased by SEK 4 million to SEK -95 (-91) million. Administrative expenses increased by SEK 13 million to SEK -44 (-31) million, where the increase is mainly explained by transaction cost, SEK 13 million, in relation to the acquisition of Astrea. See further in Note 5. Research and development expenses increased by SEK 3 million to SEK -28 (-25) million. Other operating items for the quarter were SEK 1 (2) million and mainly consist of currency effects on operating liabilities and receivables.

Operating profit for the quarter decreased by SEK 42 million to SEK 54 (96) million and the operating margin (EBIT) decreased by 10.1 percentage points to 14.8 (24.9) percent. Adjusted operating profit, operating profit adjusted for transaction costs and costs related to an additional purchase consideration relating to ATDBio, Ltd., amounted to SEK 71 (101) million and the adjusted operating margin amounted to 19.8 percent (26.3) for the quarter.

EBITA for the quarter amounted to SEK 61 (103) million. Adjusted EBITA amounted to SEK 79 (108) million for the quarter. See also Note 2.

Net financial items for the quarter amounted to SEK 2 (-4) million, a re-evaluation of additional consideration relating to the PhyNexus, Inc. acquisition had a

positive effect amounted to SEK 6 million. Otherwise Net financial items consist of interest expenses and currency effects from long-term intra-Group balances.

Profit after tax for the quarter decreased by SEK 28 million to SEK 43 (71) million. Recognized tax expense amounts to SEK -13 (-21) million.

Cash flow

Cash flow from operating activities for the quarter decreased by SEK 46 million to SEK 11 (57) million, which is mainly explained by cash outflows related to tax paid.

Investments for the quarter amounted to SEK 19 (14) million. Investments in property, plant and equipment were SEK 5 (7) million for the quarter, mostly related to investments into production facilities in UK. Investments in intangible assets were SEK 14 (7) million for the quarter. Capitalized development expenses accounted for SEK 13 (6) million of the investments in intangible assets during the quarter.

Total depreciation and amortization for the quarter was SEK 26 (23) million, with SEK 4 (3) million directly attributable to property, plant and equipment; SEK 7 (6) million to amortization on rights-of-use assets and SEK 15 (14) million to intangible, whereas capitalized development expenses accounted for SEK 7 (5) million.

Balance sheet items

The Group's cash & cash equivalents on March 31 were SEK 426 (441) million. Interest-bearing liabilities relate to borrowings of SEK 150 (150) million under a credit facility, lease liabilities of SEK 69 (67) million, an estimated additional consideration of SEK 16 (22) million for the acquisition of PhyNexus, Inc. and other financial liabilities of SEK 3 (3) million. The net cash position was SEK 188 (199) million.

The Group's total goodwill on March 31 amounted to SEK 801 (794) million, and is the result of acquisitions from 2010 onwards. The change is wholly attributable to exchange rate differences.

Capitalized development expenses amounted to SEK 143 (136) million and other intangible assets, mainly identified surplus values related to acquisitions, amounted to SEK 165 (172) million.

Equity amounted to SEK 1,689 (1,637) million on March 31. The change in equity for the quarter is mainly attributable to net profit of SEK 43 million and currency effects of SEK 6 million on the translation of foreign subsidiaries.

Human resources

The Group had 516 employees (full-time equivalents) on March 31, compared with 496 one year earlier, and 517 on December 31, 2022.

Parent company

The Group's Parent Company, Biotage AB, has wholly-owned subsidiaries in Sweden, the US, the UK, Germany, France, Italy, Switzerland, Japan, China, South Korea, India and Singapore. The Parent Company is responsible for Group management, strategic business development and administrative functions at the Group and subsidiary levels.

The Parent Company's net sales for the quarter amounted to SEK 2 (2) million. Operating expenses were SEK -7 (-8) million. Operating loss was SEK -5 (-6) million.

The Parent Company's net financial items for the quarter amounted to SEK -4 (2) million and consisted mainly of interest expenses and exchange differences on translation of intra-Group receivables and liabilities.

Recognized tax for the quarter amounted to SEK 2 (1) million. Profit after tax amounted to SEK -7 (-3) million.

Investments in intangible assets amounted to SEK 0 (0) million for the quarter.

Cash and bank balances on March 31 were SEK 15 (3) million.

Significant events during the reporting period

On February 15, 2023 an agreement was announced to acquire Astrea. See also note 5.

On March 9, it was announced that Lars Bäckman, Chief Legal Officer, will retire. Lars is a part of Group Management as Senior Executive and he will leave Biotage in September 2023.

Significant events after the end of the reporting period

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

Risks and uncertainties

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

No significant change in material risks and uncertainties has taken place during the period compared to the section on Biotage's risks, uncertainties and risk management in the Company's 2022 annual report.

Related-party transactions

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

Forward-looking information

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

conditions, amended legal and regulatory requirements, other policy measures and exchange rate fluctuations.

Audit review

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

Biotage's financial targets

- » Average annual organic growth of 12 % over a three-year period. Outcome: 8.1 % on March 31, 2023.
- » Average annual EBITA margin of 25 % over a three-year period. Outcome: 21.5 % on March 31, 2023.

General information

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

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

Calendar

All financial reports are published on www.biotage.com

Annual General Meeting 2022	April 27, 2023
Interim Report January-June 2023	July 17, 2023
Interim Report January-September 2023	October 25, 2023
Year-end Report 2023	February 15, 2024

The interim report for Biotage AB (publ) has been issued by the Company's President and CEO Tomas Blomquist after authorization by the Board of Directors.

Uppsala, April 27, 2023

Tomas Blomquist
President and CEO

For further information

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

The information was submitted for publication, through the agency of the contact persons set out above, on April 27, 2023 at 14.00 CET.

Consolidated financial statements

Consolidated statement of comprehensive income

SEK Millions	1/1/2023 3/31/2023	1/1/2022 3/31/2022	1/1/2022 12/31/2022
Net sales	361	386	1,566
Cost of sales	-141	-145	-618
Gross profit	220	241	948
Distribution costs	-95	-91	-379
Administrative expenses	-44	-31	-150
Research & development expenses	-28	-25	-109
Other operating items	1	2	17
Total operating expenses	-166	-145	-621
Operating profit	54	96	327
Net financial items	2	-4	21
Profit before tax	56	92	348
Income tax	-13	-21	-80
Profit for the period	43	71	268
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss for the year:			
Exchange differences from translation of foreign subsidiaries	6	10	84
Total other comprehensive income	6	10	84
Total comprehensive income for the period	49	81	352
Profit for the period attributable to owners of the Parent	43	71	268
Total comprehensive income for the period attributable to owners of the Parent	49	81	352
Average number of shares outstanding	65,983,775	65,983,775	65,983,775
Average number of shares outstanding after dilution due to outstanding share programs	66,180,790	66,184,670	66,184,324
Ordinary shares outstanding at the reporting date	65,983,775	65,983,775	65,983,775
Earnings per share for the period	0.65	1.08	4.06
Diluted earnings per share for the period	0.65	1.08	4.04

Consolidated statement of financial position

Amounts in SEK millions	3/31/2023	12/31/2022
ASSETS		
Non-current assets		
Goodwill	801	794
Capitalized development expenditure	143	136
Other intangible assets	165	172
Right-of-use assets	68	66
Property, plant and equipment	98	96
Financial assets	20	21
Deferred tax asset	34	23
Total non-current assets	1,328	1,308
Current assets		
Inventories	302	305
Trade receivables	229	223
Other receivables	77	62
Cash and cash equivalents	426	441
Total current assets	1,034	1,031
TOTAL ASSETS	2,362	2,339

Amounts in SEK millions	3/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	93	93
Reserves and other contributed capital	322	315
Retained earnings	1,273	1,229
Total equity	1,688	1,637
Non-current liabilities		
Liabilities to credit institutions	150	150
Lease liabilities	46	42
Other interest-bearing liabilities	11	17
Deferred tax liability	86	71
Non-current provisions	3	5
Total non-current liabilities	297	285
Current liabilities		
Accounts payables	64	57
Lease liabilities	23	25
Other financial liabilities	8	8
Other liabilities	278	325
Current provisions	4	3
Total current liabilities	377	417
TOTAL EQUITY AND LIABILITIES	2,362	2,339

Condensed consolidated statement of changes in equity

Amounts in SEK millions	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total equity
OPENING BALANCE JANUARY 1, 2022	92	266	-50	1,063	1,371
Changes in equity between January 1 and December 31, 2022					
Total comprehensive income for the period	-	-	84	268	352
Total changes during the period, excluding transactions with owners of the Parent	-	-	84	268	352
Transactions with owners of the Parent					
New share issue	1	-	-	-	1
Dividend to shareholders of the Parent	-	-	-	-102	-102
Share-based compensation	-	15	-	-	15
Share buy-back, Parent company	-	-	-	-0	-0
Closing balance December 31, 2022	93	281	34	1,229	1,637
CHANGES IN EQUITY BETWEEN JANUARY 1 AND MARCH 31, 2023					
Total comprehensive income for the period	-	-	6	43	49
Total changes during the period excluding transactions with owners of the Parent	-	-	6	43	49
Transactions with owners of the Parent					
Share-based compensation	-	1	-	-	1
Closing balance March 31, 2023	93	282	40	1,273	1,688

Condensed consolidated statement of cash flows

Amounts in SEK millions	1/1/2023 3/31/2023	1/1/2022 3/31/2022	1/1/2022 12/31/2022
OPERATING ACTIVITIES			
Profit before tax	56	92	348
Adjustments for non-cash items	23	28	84
	79	120	432
Income tax paid	-39	-15	-52
Cash flow from operating activities before changes in working capital	40	105	380
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/decrease (+) in inventories	4	-4	-45
Increase (-)/decrease (+) in operating receivables	-22	-22	-45
Increase(+)/decrease (-) in operating liabilities	-11	-21	51
Cash flow from changes in working capital	-29	-48	-39
CASH FLOW FROM OPERATING ACTIVITIES	11	57	341
INVESTING ACTIVITIES			
Acquisition of intangible assets	-14	-7	-35
Acquisition of property, plant and equipment	-5	-7	-35
Acquisition/disposal of financial assets	1	-1	-2
Acquisition of subsidiaries, net of cash	-	-	-12
Cash flow from investing activities	-19	-14	-84
FINANCING ACTIVITIES			
Dividend to shareholders	-	-	-102
Subscription of new loans	-	-	150
Repayment of borrowings	-7	-6	-180
Cash flow from financing activities	-7	-6	-133
Cash flow for the reporting period	-16	37	124
Cash and cash equivalents at beginning of period	441	311	311
Exchange differences	0	2	7
Cash and cash equivalents at end of reporting period	425	349	441
Adjustments for non-cash items			
Depreciation and impairment	26	23	102
Translation differences	1	2	4
Value adjustment, additional consideration	-6	-9	-28
Other items	2	12	7
Total	23	28	84

Condensed income statement, Parent Company

Amounts in SEK millions	1/1/2023	1/1/2022	1/1/2022
	3/31/2023	3/31/2022	12/31/2022
Net sales	2	2	6
Administrative expenses	-6	-7	-30
Research & development expenses	-1	-1	-3
Other operating items	-0	-	0
Operating expenses, net	-7	-8	-33
Operating profit	-5	-6	-27
Profit/loss from financial investments			
Interest income on receivables from group companies	-	-	3
Profit/loss from investments in subsidiaries	-	-	338
Other interest and similar income	2	16	51
Interest and similar expense	-6	-14	-27
Group contributions received	-	-	36
Net financial items	-4	2	401
Profit/loss after financial items	-9	-4	374
Appropriations	-	-	2
Income tax	2	1	-7
Profit/loss for the reporting period	-7	-3	369
STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY			
Profit/loss for the reporting period	-7	-3	369
Other comprehensive income			
Items that may be reclassified to profit or loss for the year	-	-	-
Comprehensive income for the reporting period	-7	-3	369

Balance sheet, Parent Company

Amounts in SEK millions	3/31/2023	12/31/2022
ASSETS		
Non-current assets		
Intangible assets		
Patents and licenses	13	13
Total intangible assets	13	13
Financial assets		
Investments in Group companies	1,141	1,141
Receivables from Group companies	12	12
Other financial assets	15	15
Total financial assets	1,168	1,168
Total non-current assets	1,181	1,181
Current assets		
Current receivables		
Receivables from Group companies	96	125
Other receivables	6	5
Prepaid expenses and accrued income	24	17
Total current receivables	126	147
Cash and bank balances	15	3
Total current assets	141	150
Total assets	1,322	1,331

Amounts in SEK millions	3/31/2023	12/31/2022
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity		
Share capital	93	93
Total restricted equity	93	93
Unrestricted equity		
Other paid-in capital	258	258
Retained earnings	738	368
Profit/loss for the reporting period	-7	369
Total unrestricted equity	989	995
Total equity	1,082	1,088
Untaxed reserves	1	1
Non-current liabilities		
Liabilities to credit institutions	150	150
Other non-current liabilities	61	59
Total non-current liabilities	211	209
Current liabilities		
Trade payables	14	3
Current tax liabilities	-	4
Other current liabilities	2	-
Accruals and deferred income	12	26
Total current liabilities	28	33
Total equity and liabilities	1,322	1,331

Key figures and ratios

Amounts in SEK millions	2023	2022				2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	361	384	401	395	386	341	305	303	281
Growth in net sales, %	-6.4%	12.6%	31.2%	30.3%	37.0%	14.5%	16.3%	19.4%	1.4%
Organic growth, %	-12.8%	-0.8%	12.2%	14.4%	21.9%	10.0%	17.8%	32.1%	12.0%
Gross profit	220	227	241	240	241	212	183	182	177
Gross margin, %	60.9%	59.1%	60.1%	60.6%	62.5%	62.1%	60.0%	60.0%	63.1
Operating profit	54	41	97	93	96	61	68	63	79
Operating margin, %	14.8%	10.8%	24.2%	23.4%	24.9%	18.0%	22.3%	20.6%	28.2%
Profit for the period	43	74	65	57	71	46	53	46	60
Profit margin, %	11.9%	19.2%	16.2%	14.5%	18.4%	13.4%	17.4%	15.1%	21.3%
Total Assets	2,362	2,339	2,306	2,158	2,056	1,992	1,503	1,407	1,576
Net cash(+)/net debt(-), SEK millions	188	199	135	67	103	61	244	161	190
Equity/Assets ratio, %	71.5%	70.0%	69.3%	68.6%	70.8%	68.9%	72.5%	72.5%	68.7%
Cash flow from operating activities, SEK/share	0.16	1.49	1.47	1.25	0.86	1.57	1.37	1.41	1.04
Average number of employees	516	517	510	493	496	497	478	469	462
Return on equity, %	15.2%	17.8%	17.8%	18.2%	17.0%	17.3%	19.6%	19.0%	17.1
Return on capital employed, %	25.4%	26.0%	28.6%	28.1%	23.2%	23.0%	25.2%	26.4%	23.2
Return on total assets, %	18.1%	21.0%	22.9%	22.6%	19.3%	18.9%	20.9%	22.0%	19.5
Earnings, SEK/share	0.65	1.12	0.99	0.87	1.08	0.69	0.81	0.71	0.92
Earnings after dilution, SEK/share	0.65	1.11	0.98	0.87	1.08	0.69	0.81	0.70	0.92
Stock market price at end of period, SEK/share	132.2	185.5	166.8	181	220.2	262.0	239.4	202.6	154.0
Equity, SEK/share	25.58	24.81	24.23	22.44	22.05	20.83	16.71	15.64	16.60
Equity after dilution, SEK/share	25.52	24.73	24.16	22.39	21.98	20.77	16.68	15.62	16.59
Weighted average number of shares, thousands	65,984	65,984	65,984	65,984	65,984	65,822	65,202	65,202	65,202
Weighted average number of shares after dilution, thousands	66,181	66,200	66,195	66,158	66,185	66,015	65,345	65,267	65,230
Total number of shares outstanding at end of the period, thousands	65,984	65,984	65,984	65,984	65,984	65,984	65,202	65,202	65,202

See definitions in Note 2 and in the 2022 Annual Report, pp 105-107

Notes

NOTE 1 Accounting policies

Biotage's consolidated financial statements are based on International Financial Reporting Standards as adopted by the EU. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Group and the Parent Company have applied the same accounting policies and calculation methods in the interim report as in the most recent annual report. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in the notes and elsewhere in the interim report. Amended and new standards and interpretations from the IASB and IFRS Interpretations Committee that are effective for the 2023 fiscal year have not had any impact on the Group's financial reporting. Amendments to RFR2 that have come into force and are effective on or after January 1, 2023 have not had any material impact on the Parent Company's financial statements.

When preparing the interim reports for the Group and Parent Company, the same accounting policies and calculation methods have been used as in Biotage's 2022 annual report. The accounting policies are described on pages 65-79 of the annual report. For balance sheet items, figures in parentheses refer to the value at the end of the previous fiscal year, December 31, 2022. For income statement and cash flow items, figures in parentheses refer to the corresponding period in the previous year.

Fair value

Additional consideration

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

The company's best assessment of fair value on the closing date is shown in the table below. The fair value calculations are based on level 3 of the fair value hierarchy, which means that the fair value was determined on the basis of a valuation model using significant inputs that are unobservable. Valuation was based on expected future cash flows, discounted using a market interest rate.

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

	3/31/2023	12/31/2022
Additional consideration, non-current portion	9	15
Additional consideration, current portion	7	7
Total	16	22

Opening value, January 1, 2022	22
Value adjustment	-6
Translation differences	-
Settled during the year	-
Closing balance, March 31, 2022	16

Other financial assets

Biotage has a financial asset in the form of shares in Chreto ApS, reported as financial assets at fair value. The holding has been allocated to level 2 of the fair value hierarchy on the basis that issue prices during the fourth quarter of 2022 are observable market data. At March 31, the shares were valued at the last known transaction price, which is the same price as on the December 31, 2022.

A fair value calculation based on discounted future cash flows, for which the most significant input is a discount rate that reflects the counterparty's credit risk, is not expected to differ significantly from the carrying amount of other financial assets and current financial liabilities measured at amortized cost. Consequently, the carrying amounts of these financial assets and liabilities are considered to represent a good approximation of the fair values. Further information about financial assets and liabilities and their classification can be found in Note 20 and 21 of the 2022 Annual Report.

Performance share program

In accordance with a resolution of the AGM, Biotage has adopted long-term incentive programs in the form of performance-based share programs ("LTIP 2020", "LTIP 2021" and "LTIP 2022") for employees of the Biotage Group. All programs include the CEO, senior executives and other key personnel, meaning that a maximum of 18 individuals within the Biotage Group will be eligible to participate. For further information about the programs, see the 2022 Annual Report.

Changes in number of performance shares:

Number of performance shares	LTIP 2020	LTIP 2021	LTIP 2022
Opening balance January 1, 2023	127,819	151,599	168,926
Allotted performance shares	-	-	-
Cancelled performance shares	-	-	-
Closing balance March 31, 2023	127,819	151,599	168,926

Scope and costs of the LTIP programmes

Nine participants, including the CEO, have been awarded a total of 127,819 rights to performance shares under the LTIP 2020 program. Eleven participants, including the CEO, have been awarded a total of 151,599 rights to performance shares under the LTIP 2021 program. 13 participants, including the CEO, have been awarded a total of 168,926 rights to performance shares under the LTIP 2022 program. All senior executives are included in the program. All programs are reported in accordance with IFRS 2, which means that the rights are measured on the grant date at the fair value of allotted equity instruments.

Re-evaluation of assumption in LTIP 2020 in the first quarter resulted in a cost-reduction amounted to SEK 0.3 million, including social security contributions. The estimated maximum total cost of LTIP 2020 amounts to SEK 15 million. Re-evaluation of LTIP 2021 reduced the costs in the first quarter with SEK 1.3 million, including social security contributions. The estimated maximum total cost of LTIP 2021 amounts to SEK 17 million. Re-evaluation of LTIP 2022 reduced the cost with SEK 0.8 million, including social security contributions. The estimated maximum total cost of LTIP 2022 amounts to SEK 15 million.

Effects on key figures and dilution

In order to secure the allotment of ordinary shares in Biotage to participants in LTIP 2020, 2021 and 2022, Biotage issued and repurchased C shares. Further information about the terms and conditions of the Class C shares can be found in the appendix to the minutes of the respective AGM on the Biotage website.

On maximum allotment of performance shares under LTIP 2020, 127,819 ordinary shares will be allotted to participants and 40,161 ordinary shares will be used to cover any social security contributions associated with the program. This will have a dilutive effect of about 0.26 percent of the number of ordinary shares in the Company. On maximum allotment of performance shares under LTIP 2021, 151,599 ordinary shares will be allotted to participants and 47,130 ordinary shares will be used to cover any social security contributions associated with the program. This will have a dilutive effect of about 0.30 percent of the number of ordinary shares in the Company. On maximum allotment of performance shares under LTIP 2022, 196,183 ordinary shares will be allotted to participants and 47,130 ordinary shares will be used to cover any social security contributions associated with the program. This will have a dilutive effect of about 0.37 percent of the number of

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

NOTE 2 Key figures and performance measures

A list of definitions of key figures and performance measures reported in the consolidated financial statements can be found in Note 32 of the 2022 Annual Report.

Alternative performance measures

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

Net cash/debt

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

	3/31/2023	12/31/2022
Cash and cash equivalents	426	441
Liabilities to credit institutions	-150	-150
Lease-related liabilities	-69	-67
Others	-19	-25
Net cash (+) /net liabilities (-)	188	199

Profit measurements and adjusted profit measurements

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

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

	1/1/2023 3/31/2023	1/1/2022 3/31/2022	1/1/2022 12/31/2022
EBITA			
Operating profit	54	96	327
Adjustment: Amortization of acquisition-related surplus values	7	7	29
EBITA	61	103	356

	1/1/2023 3/31/2023	1/1/2022 3/31/2022	1/1/2022 12/31/2022
Adjusted EBIT			
EBIT	54	96	271
Adjustment additional consideration	5	5	21
Adjustment transaction costs	13	-	15

	1/1/2023 3/31/2023	1/1/2022 3/31/2022	1/1/2022 12/31/2022
Adjusted EBIT	71	101	362
Adjusted EBITA			
EBITA	61	103	356
Adjustment additional consideration	5	5	21
Adjustment transaction costs	13	-	15
Adjusted EBITA	79	108	391

Organic growth and growth at comparable exchange rates

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

	1/1/2023 3/31/2023		1/1/2022 3/31/2022	
	SEK millions	%	SEK millions	%
Net sales recognized in the comparative period	386		281	
Net sales recognized in the period	361		386	
Recognized change	-25	-6.4	104	37.0
Net sales for the period, excl. acquisitions	361		372	
Change attributable to acquisitions	-	-	14	4.9
Net sales for the period at comparative period's exchange rates, excl. acquisitions	336		343	
Change attributable to currency	25	6.4	29	10.2
Net sales for the period at comparative period's exchange rates, excl. acquisitions	336		343	
Organic growth	-49	-12.8	62	21.9

Graphs of net sales and operating result

Biotage has chosen to report graphs of the net sales and adjusted EBITA on a last twelve months (LTM) basis as corporate management also follows the development over time on a LTM basis and believes that this provides supplementary information to the calendar-based interim data otherwise given in the report.

	3/31/2023			3/31/2022		
	1/1/2023 3/31/2023	4/1/2022 12/31/2022	LTM	1/1/2022 3/31/2022	4/1/2021 12/31/2021	LTM
Net sales	361	1,180	1,541	386	951	1,337
Adjusted EBITA	79	283	362	108	214	322
Growth, %			15.3%			22.0%

NOTE 3 Pledged assets and contingent liabilities

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

NOTE 4 Composition of income

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

Distribution between products and services	Q1 2023	Q1 2022
Products	309	342
Services	49	41
Other sales revenue	3	3
Total sales revenue	361	386

Revenue by sales channel	Q1 2023	Q1 2022
Direct sales through own sales channels	344	373
Sales through distributors	17	13
Total sales revenue	361	386

Point in time of transfer of goods and services	Q1 2023	Q1 2022
Goods transferred at a point in time	309	342
Services transferred at a point in time	28	24
Service contracts and other services transferred over a period of time	24	20
Total sales revenue	361	386

Revenue by systems and aftermarket products	Q1 2023	Q1 2022
System	147	180
Service	57	48
Consumables	157	157
Total sales revenue	361	386

Revenue by customer focus area	Q1 2023	Q1 2022
White	225	270
Red	91	73
Blue & Green	45	42
Total sales revenue	361	386

Distribution by geographical markets and product areas for the quarter

	Americas		EMEA		APAC		Total	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Small Molecules & Synthetic Therapeutics	62	61	37	37	72	97	170	195
Biologics & Advanced Therapeutics	13	12	2	1	0	1	15	14
Scale Up	16	15	16	32	5	8	38	55
Analytical Testing	50	41	27	25	17	16	94	82
Diagnostics	2	1	8	9	5	5	15	14
Water & Environmental Testing	20	18	6	5	3	3	29	26
Summa	163	148	96	108	102	130	361	386

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

NOTE 5 Business Acquisitions

On February 15, 2023, Biotage entered into an agreement to acquire 100 percent of the shares and votes in Astrea Group Holdings Company Ltd. ("Astrea") from Gamma Biosciences Newco Limited and from certain minority shareholders the shares in Nanopareil, LLC ("Nanopareil"), a subsidiary of Astrea, that were not already owned by Astrea. The acquisition is subject to the approval of the Annual General Meeting on April 27, 2023.

Astrea supports drug developers and manufacturers worldwide to bring high-purity biopharmaceuticals and advanced therapies to the global markets. Astrea supplies chromatography resins, absorbents and columns as well as nanofiber-based purification technologies for biomanufacturing. Astrea has over 150 employees worldwide with production sites in Cambridge, UK, Isle of Man, Boston, USA, and Joliette, Canada.

Strategically, the acquisition extends Biotage's chromatography franchise into the higher-growth and larger bioprocessing segment, while also increasing exposure to biologics and advanced therapies customers. Astrea also strengthens Biotage's financial profile through its attractive organic growth rate, higher gross margins and significant exposure to recurring consumables-based revenues. In addition, the acquisition brings a rich, near-term pipeline of new product launches across chromatography resins, nanofiber-based membranes and columns.

The preliminary total purchase price for the acquisition of Astrea and Nanopareil (on a cash and debt free basis) to be paid when the transaction is completed on June 1, 2023, is USD 215 million and will be paid in the form of 13,954,103 new ordinary shares in Biotage (number of shares to be determined based on an agreed share price of SEK 160 per share and adjustments for cash and debt in connection with completion of the transaction). The final purchase price recognized will be based on the closing share price. Any closing adjustments of the purchase price will be settled in cash. The total purchase price (including closing costs) will be calculated in connection when the transaction is completed. This is expected to happen in Q2 2023.

An allocation of the purchase price between identifiable net assets and goodwill has not been possible to perform, given that the transaction is expected to be completed on June, 1, 2023. The acquisition is expected to generate a significant amount of goodwill.

Transaction costs of SEK 13 million related to the acquisition are included in the administration costs in the first quarter. Per 31 December 2022 the transactions costs amounted to SEK 15 million.

Additional purchase price

Subject to certain conditions, an additional cash consideration totaling USD 45 million may be paid to the sellers of Astrea and Nanopareil. Payment of this additional consideration is contingent upon Astrea and Nanopareil achieving certain revenue and gross profit goals in period 2023-2025.

The closing additional consideration will be calculated in Q2 2023.

The maximum undiscounted amount is USD 45 million or 465 MSEK, based on a USD/SEK exchange rate of 10.342 on February 14, 2023.

This is Biotage

Biotage, a global impact tech company, provides innovative solutions that streamline drug development and manufacturing, alongside enhanced analytical, water and environmental analysis.

All our offerings help solve societal issues on local and global level by working systematically, conscientiously, and sustainably. Our wide selection of effective, high-quality solutions plays a key role in streamlining our customers' workflows while helping them reduce their environmental impact. Biotage is constantly working on reducing the need for solvents and rationalizing the use of consumables.

Our customers span a broad spectrum of market segments ranging from pharmaceuticals, biotechnology, diagnostics, contract research and contract production for clinical, forensic and academic laboratories, and organizations focused on food safety, clean water and environmental sustainability.

We are proud to contribute to sustainable science in order to make the world a healthier, greener, and cleaner place for humanity - a goal that is summarized by our motto **"HumanKind Unlimited"**.

Biotage is headquartered in Uppsala in Sweden and employs over 500 people worldwide. The Group had sales of 1,566 MSEK in 2022 and our products are sold in more than 80 countries. Biotage's share (BIOT) is listed in the Large Cap segment on the NASDAQ Stockholm

Website: www.biotage.com

This is where we're located

Biotage has 13 office locations in eight different countries. Five of these have research and development activities and five have manufacturing. Our own sales organization encompasses over 15 countries in North America, Europe, and Asia while our distribution network reaches countless additional countries in South America, Europe, Africa, the Middle East, and Asia. All in all, our products have a presence in over 80 countries.

Biotage Headquarter

Uppsala, Sweden

Biotage USA

San Jose, CA
Charlotte, NC
Salem, NH

Biotage UK

Cardiff, Wales
Southampton, England
Oxford, England

Biotage Singapore

Biotage India

New Delhi, India

Biotage Korea

Seoul, South Korea

Biotage Japan

Tokyo, Japan
Osaka, Japan

Biotage China

Shanghai, China



Customer excellence

Biotage's mission is to help our customers make the world a healthier, greener and cleaner place. To achieve this we provide them with a wide set of solutions ranging from tools and services for drug and diagnostics discovery and development to products, methods and applications for analytical, clinical, environmental and food testing. All this is in line with our ethos – HumanKind Unlimited.

Our portfolio of solutions is very wide and so is our customer base. They span a wide range of activities – including the pharmaceutical and diagnostic industry, biotech, contract research and manufacturing as well as clinical, forensic and academic laboratories; in addition to organizations focused on food safety, clean water and environmental sustainability. To better meet the needs of each customer group we have divided them into three focus areas: **White Tech**, **Red Tech** and **Blue & Green Tech**.



White Tech
Pharma – CRO/CMO –
Academia
**Drug Discovery and
Development**



Red Tech
Diagnostics – Clinical –
Forensic & Doping
**Diagnostics &
Analytical Testing**



Blue & Green Tech
Environmental – Food –
Agriculture
**Water & Environmental
Testing**

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