

Interim Report

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Interim report January – September 2005

- Sales in the third quarter 2005 amounted to 126.6 MSEK (84.5) and sales in the period January – September 2005 to 292.0 MSEK (260.4).
- The operating result for the third quarter amounted to -20.6 MSEK (-26.2) and the operating result for the nine month period to -58.3 MSEK (-62.3). Adjusted for non-recurring items the operating result for the third quarter amounted to -5.4 MSEK and the operating result for the period January – September to -43.1 MSEK.
- The net result for the third quarter amounted to -27.6 MSEK (-31.4) and the net result for the first nine months amounted to -40.3 MSEK (-63.9).
- Earnings per share for the third quarter amounted to -0.39 SEK (-0.54) and earnings per share for the period January - September to -0.61 SEK (-1.11).
- In the third quarter there was a positive cash-flow from the current business to the amount of 2 MSEK.
- An Extraordinary General Meeting in August decided to authorize the issue of new shares.
- A directed share issue in September brought the company approx. net 94 MSEK.
- In September it was decided to make a new share issue with preferential rights for the shareholders. The subscription period is in November. If the issue is fully subscribed, the company will gain approx. net 47 MSEK.

Amounts in MSEK	3rd quarter 2005	3rd quarter 2004	Jan-Sep 2005	Jan-Sep 2004	Full year 2004
Sales	126.6	84.5	292.0	260.4	366.7
Gross profit	56.9	51.7	150.8	155.2	218.1
Operating expenses	-77.5	-77.9	-209.1	-217.5	-279.8
Operating result	-20.6	-26.2	-58.3	-62.3	-61.7
Profit/loss for the period	-27.6	-31.4	-40.3	-63.9	-74.7

Discovery Chemistry sales increased in the third quarter compared to the same period last year and compared to the second quarter this year. Turnover, costs and cash-flow for the acquired Argonaut business developed as expected and the acquired business contributed a positive operating result and a positive cash-flow in the third quarter. The integration of Argonaut will be completed in the fourth quarter and a number of activities will lead to an expected improvement of the acquired products' gross margin in the fourth quarter.

Biosystems developed well during the quarter despite the discontinuance of the Corbett business. In 2005 several products for the identification of microorganisms and the identification of genetic changes related to cancer have been introduced. At mid-year the business area outsourced its production of reagents and consumables and this is expected to result in an improved gross margin the next quarter.

Group result and financial position

Third quarter 2005

Sales per business area

Amounts in MSEK	3rd quarter 2005	3rd quarter 2004
Discovery Chemistry	104.3	63.8
Biosystems	22.3	20.7
Group	126.6	84.5

Sales per geographic market

%	US	Europe	Rest of the world
Discovery Chemistry	47	38	15
Biosystems	50	37	13
Group	47	38	15

In the third quarter 2005 Group net sales increased by 50 percent to 126.6 MSEK, compared to 84.5 MSEK the corresponding period last year. Third quarter sales 2005 include 33.1 MSEK from the acquired Argonaut business.

The gross margin for the third quarter 2005 was 45 percent, compared to 61 percent the corresponding period last year. The Group's gross margin was influenced by non-recurring costs relating to the outsourcing of Biosystems' internal production, inventory write-down and an adjusted model for elimination of inter-company profits to the total amount of 15.2 MSEK. Of this sum, 8.4 MSEK was reported per business area and 6.8 MSEK refers to the adjusted model for elimination of inter-company profits reported under Other Operations in Income Statements by Segments. Excluding these non-recurring costs the gross margin was 57 percent.

Operating expenses amounted to a total of 77.5 MSEK in the third quarter of 2005, compared to 77.9 MSEK the corresponding period last year. The operating expenses in the acquired Argonaut amounted to 13.7 MSEK.

Investments amounted to 4.5 MSEK in the third quarter. Of this sum 1.5 MSEK were capitalized development costs. The costs for amortization amounted to 9.0 MSEK, of which 2.3 MSEK were amortization of capitalized development costs.

The operating result for the third quarter 2005 amounted to -20.6 MSEK, compared to -26.2 MSEK the corresponding period last year.

The Group's net financial income is negative, amounting to a total of -6.1 MSEK in the third quarter, compared to -5.2 MSEK the corresponding period last year. Unrealized exchange gains relating to long-term receivables from foreign subsidiaries have influenced the net financial income to the amount of -3.7 MSEK.

Biotage reported a net loss of -27.6 MSEK, corresponding to -0.39 SEK per share, for the third quarter 2005, compared to a net loss of -31.4 MSEK, or -0.54 SEK per share, the corresponding period last year.

January – September 2005

Sales per business area

Amounts in MSEK	Jan-Sep 2005	Jan - Sep 2004
Discovery Chemistry	234.9	188.5
Biosystems	57.1	71.9
Group	292.0	260.4

Sales per geographic market

%	US	Europe	Rest of the world
Discovery Chemistry	50	34	16
Biosystems	59	33	8
Group	52	34	14

During the period January - September 2005 Group net sales increased by 12 percent to 292.0 MSEK, compared to 260.4 MSEK the corresponding period last year. The period's sales include 40.6 MSEK from the acquired Argonaut business.

The gross margin for the period January - September 2005 was 52 percent, compared to 59 percent the corresponding period last year. Excluding the above-mentioned non-recurring costs incurred during the third quarter the gross margin was 57 percent.

Operating expenses during the period January – September 2005 amounted to a total of 209.1 MSEK, compared to 217.5 MSEK the corresponding period last year. The operating expenses include costs related to the acquisition of Argonaut to the amount of 17.9 MSEK.

During the period January – September 2005 the company capitalized development costs amounting to 7.0 MSEK. The costs for amortization amounted to 7.8 MSEK.

The operating result for January – September 2005 amounted to -58.3 MSEK, compared to -62.3 MSEK the corresponding period last year.

The Group's net financial income is positive, amounting to a total of 18.9 MSEK for the period January – September 2005, compared to -1.5 MSEK the corresponding period last year. Unrealized exchange gains relating to long-term receivables from foreign subsidiaries have influenced the net financial income to the amount of 23.7 MSEK.

Biotage reported a net loss of -40.3 MSEK, corresponding to -0.61 SEK per share, for the period January - September 2005, compared to a net loss of -63.9 MSEK, or -1.11 SEK per share, the corresponding period last year.

Balance sheet items

At September 30, 2005 the Group's cash and securities totaled 135.1 MSEK, compared to 31.4 MSEK at December 31, 2004. At September 30, 2005 granted unutilized credits amounted to 12.0 MSEK, compared to 38.9 MSEK at December 31, 2004. The Group's interest-bearing liabilities amounted to 210.3 MSEK at September 30, 2005, compared to 54.2 MSEK at December 31, 2004.

At the balance sheet date the company had a total goodwill of 490.8 MSEK, attributable to the acquisitions of Personal Chemistry and Biotage LLC in 2003 and the acquisition of Argonaut in the second quarter of 2005. Goodwill attributable to the acquisition of Argonaut amounted to 88.1 MSEK at the balance sheet date.

Other intangible fixed assets in the form of patents and license rights amounted to 32.4 MSEK and capitalized development costs to 22.5 MSEK.

At the balance sheet date the equity capital amounted to 690.1 MSEK, compared to 563.8 MSEK at December 31 2004.

Acquisition of the business of Argonaut

At a special general meeting held on June 1, 2005, the shareholders in the American company Argonaut Technologies Inc. approved Biotage's bid to acquire parts of Argonaut's operations. The acquisition comprises 100% of the votes and capital in Argonaut Ltd, with operations in Cardiff, UK and a part of Argonaut's operations in the US. The acquisition in the US comprises the taking over of business and the related assets and liabilities. From June 3, 2005 the acquired business is part of Biotage AB.

In the preliminary acquisition analysis according to IFRS 3 as at June 3, 2005 the purchase price of 157.3 MSEK (21.1 MUSD), with additional purchase costs amounting to 10.6 MSEK making a preliminary acquisition cost of 167.9 MSEK, has been distributed as follows: acquired net assets 69.3 MSEK, identified intangible and tangible fixed assets, inventories, accounts receivable and other current liabilities 11.6 MSEK. Remaining preliminary goodwill then amounts to 87.0 MSEK. The estimated remaining goodwill refers to synergies, a strengthened market position and a complete and attractive product portfolio for the future. Through the acquisition Biotage is estimated to increase its annual sales by approx. 125 MSEK.

The acquisition means that Biotage's offering in medicinal chemistry is strengthened and that the company gets a complete product portfolio in microwave synthesis, purification systems and reagents, enabling faster and more efficient development of new drug candidates.

The first reporting of the real values to be assigned the identifiable assets and liabilities of the acquired business has only been provisionally established. A complete valuation will be made during the remainder of the fiscal year and be reported in connection with the full-year report for 2005. Intangible assets and goodwill have been valued to 98.6 MSEK. The amortization period for the intangible assets is six years.

Biotage's integration of the acquired business proceeds according to plan.

Discovery Chemistry (Medicinal chemistry)

Amounts in MSEK	3rd quarter 2005	3rd quarter 2004	Jan-Sep 2005	Jan-Sep 2004
Sales	104.3	63.7	234.9	188.5
Operating result	-1.5	-10.6	-12.7	-18.4

In the third quarter the Discovery Chemistry business area had sales of 104.3 MSEK, 33.1 MSEK of which related to the acquired Argonaut business. Adjusted for this, sales amounted to 71.2 MSEK, a 12 percent increase compared to the same period last year. Sales in the period January 1 – September 30 amounted to 234.9 MSEK. Adjusted for the acquired business this is 3 percent higher than the same period last year.

The operating result for the third quarter amounted to -1.5 MSEK, compared to -10.6 MSEK the same period last year.

The gross margin was 54 percent for the third quarter, lower than the same quarter last year, when it was 64 percent. This is attributable to changes in the product mix and to the lower gross margin of the acquired Argonaut business.

The US continues to be the most important market for Discovery Systems, accounting for 47 percent of the sales. Europe contributed 38 percent and other markets 15 percent of the business area's third quarter sales.

The Argonaut business was acquired in the second quarter. The integration is in progress and actions are implemented to reduce the operative costs and to improve the gross margin of the acquired business. As of the fourth quarter the markets in Scandinavia, Germany, Switzerland and Austria have been converted from distributors to the company's own sales force through agreements with the Scandinavian distributor and the acquisition of Separtis AG.

Biotage received its single largest order ever in the third quarter. It comprised 31 instruments totaling approx. 15 MSEK. The customer is one of the world's biggest pharmaceutical companies. The instruments, which are a part of Argonaut's product line, will be used by chemists to develop drug development processes. The instruments enable the scientists to simulate various processes under different conditions and to go from laboratory scale to production scale. The ordered instruments will be installed at the customer's plants in the US and Europe during 2005. The instruments included in the order are Advantage Series® 2410 Personal Screening Synthesizers, Advantage Series® 3400 Multi-reactor Process Chemistry Workstations and Endeavor® Parallel Catalyst-screening Instruments.

During the quarter Biotage also received an order for a number of cGMP HPLC systems. One of the world's largest suppliers of peptides ordered a number of Kiloprep® 2000 HPLC systems, column modules and purification columns for a total of approx. 8.5 MSEK. These systems will be used to purify hundreds of kilograms of a new therapeutic peptide.

Biosystems (Genetic analysis)

Amounts in MSEK	3rd quarter 2005	3rd quarter 2004	Jan – Sep 2005	Jan - Sep 2004
Sales	22.3	20.7	57.1	71.9
Operating result	-8.8	-16.3	-30.6	-37.8

Biosystems' sales in the third quarter amounted to 22.3 MSEK, compared to 20.7 MSEK the third quarter last year. Excluding the discontinued Corbett operations, sales increased by more than 50 percent compared to the same period last year. Sales in the period January – September totaled 57.1 MSEK, compared to 71.9 MSEK the same period last year.

The operating result for the third quarter amounted to -8.8 MSEK, compared to -16.3 MSEK the same period last year.

The gross margin was 33 percent in the third quarter, compared to 54 percent the same quarter last year. The low margin is mainly attributable to the non-recurring costs described above. Excluding these costs the gross margin was 66 percent.

In the third quarter the US accounted for 50 percent of the sales, Europe for 37 percent and the rest of the world for 13 percent. Sales to the rest of the world include

deliveries of PyroMark ID systems to China, South Korea and Thailand, among other things.

The distribution agreement with Corbett was terminated in Europe at the end of 2004. On July 1, 2005 the sales of Corbett's products stopped also in the US.

Biosystems' focus on infectious diseases and cancer has created great interest within the clinical research community.

Biosystems' products are today leading in the field of products for identifying and typing antibiotics resistant bacteria. A big American customer active in this area bought three PyroMark ID systems and one PSQ HS 96 during the quarter and now has a total of nine systems.

Several customers use PyroMark ID systems to determine the degree of CpG methylation in cells. An abnormal increase or decrease in CpG methylation is common in connection with most types of cancer. The possibility to spot small amounts of cancer cells and small changes in the degree of methylation enables earlier detection of cancer tumors. Increased sales of Biosystems' products in this area can be expected.

In late September Biosystems launched its first FDA classified test, Analyte Specific Reagent, for the identification of Mycobacteria (MOTT). This product can be used by American CLIA laboratories together with Biosystems' FDA classified instruments PyroMark ID and "General Purpose Reagents" (Class 1 Exempt) for the diagnosis of patients with suspected mycobacterial infection. In the fourth quarter Biosystems plans to introduce a corresponding test for the identification of Fungi and fungal infections. Earlier this year Biosystems launched seven RUO (Research Use Only) tests in the areas of oncology and clinical genetics.

Human resources

At the end of the third quarter the corporate group had 330 employees, compared to 221 at the start of the year. The increase is almost totally due to the acquisition of Argonaut's business, when 121 employees were taken over.

Parent company

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

For the period January – September, 2005 the parent company reported income amounting to 7.1 MSEK (61.3). The result before appropriations and taxes was 30.2 MSEK (- 25.3). The decrease in the parent company's income is due to the transfer of Biotage AB's operations to the wholly-owned subsidiary Biotage Sweden AB on November 1, 2004. The result for the period January - September 2005 primarily consists of unrealized exchange gains relating to internal Group receivables.

Major third quarter events

Extraordinary General Meeting

At the Extraordinary General Meeting held in Biotage AB on August 30, 2005, the General Meeting resolved, in accordance with the proposal by the Board of Directors, to authorize the Board of Directors for the period up to the next annual shareholders

meeting to adopt decisions, on one or several occasions and with or without preferential rights for the shareholders, to issue a total maximum of 20,000,000 new ordinary shares, or convertible debentures corresponding to such number of ordinary shares, with or without deviation from the shareholders preferential rights, against payment in cash, through an issue in kind or through set-off, whereof not more than 10,000,000 new ordinary shares may be issued to others than the company's shareholders. Issues may be made in order to secure repayment of the debt financing attributable to the acquisition of Argonaut. In case of full exercise of the authorization, the dilution effect amounts to approximately 28 percent of the share capital and the votes.

New share issue

On September 7, 2005 the board of Biotage AB decided to increase the company's share capital by means of a new issue of 10 million shares. The shares are subscribed by Carnegie Investment Bank for resale to a limited number of institutional investors in Sweden and abroad. The decision was based on the authorization to the board by the Extraordinary General Meeting held on August 30, 2005.

By the new issue, the share capital was increased by 10 MSEK to SEK 80,442,108. The new shares correspond to approximately 12 percent of the capital and votes of Biotage following the issue. After deduction of costs, the new share issue brought the company new capital amounting to approximately 94 MSEK.

The motive for the issue and the deviation from the shareholders preemption rights is to promptly and efficiently refinance part of the debt financing, amounting to 140 MSEK, regarding the acquisition of Argonauts business.

Rights issue

On September 12, 2005 the board of Biotage AB resolved, based on the authorization to the board by the Extraordinary General Meeting held on August 30, 2005, to increase the company's share capital by not more than SEK 8,044,212 through an issue of not more than 8,044,212 new ordinary shares, or such higher amount or such higher number of shares that may come from exercise of warrants entitling to subscription of shares.

The issue is to be executed with preferential rights for the shareholders. The record day for receiving subscription rights is October 31, 2005. Each existing share shall entitle to 1 subscription right. 10 subscription rights shall entitle to subscription of 1 new share. Subscription of shares shall be made from November 3, 2005 and until November 23, 2005. Subscription of shares through preferential rights shall be made by payment of an issue price of SEK 6 per share.

The new issue increases the share capital to, in aggregate, not more than SEK 88,486,320 (provided that no exercise of warrants was executed prior to September 30, 2005). If the issue is fully subscribed, Biotage will gain capital amounting to approx. 46.8 MSEK after deduction of issue expenses.

The rights issue is executed to refinance the remaining debt financing regarding the acquisition of Argonauts business.

Major events after the end of the period

On October 6, Biotage acquired Separtis Holding AG, distributor for many Biotage products in Switzerland, Germany and Austria. The products concerned are consumables in the product range of the previously acquired Argonaut Technologies. The purchase price was 13 MSEK. Through the acquisition Biotage completed the consolidation of its distribution within the EU. In 2004 Separtis had a turnover of 14.6 MSEK, all revenue relating to Biotage-produced products. The acquisition is expected to give Biotage an annual revenue increase of 7.5 MSEK.

Next report

The full-year report for 2005 will be issued on February 9, 2006.

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

Uppsala October 19, 2005

Jeff Bork
President and CEO

About Biotage

Biotage is a global company active in life science research with strong technologies, a broad range of operations and a long-term view of the market. The company offers solutions, knowledge and experience in the areas of genetic analysis and medicinal chemistry. The customers include the world's top 30 pharma companies, the world's top 20 biotech companies, and leading academic institutes. The company is headquartered in Uppsala and has subsidiaries in the U.S., Japan, UK and several other European countries. Biotage has 330 employees and had pro-forma sales of approx. 500 MSEK in 2004. Biotage is listed on the Stockholm stock exchange. Website: www.biotage.com

Certain statements in this press release are forward-looking. These may be identified by the use of forward looking words or phrases such as "believe," "expect," "intend," and "should," among others. These forward-looking statements are based on Biotage's current expectations. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements. In order to comply with the terms of the safe harbor, Biotage notes that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the microwave synthesis and flash purification in the drug discovery market, DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for Biotage's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors.

INCOME STATEMENTS

Group	2005-07-01	2004-07-01	2005-01-01	2004-01-01	2004-01-01
Amounts in KSEK	2005-09-30	2004-09-30	2005-09-30	2004-09-30	2004-12-31
Net sales	126 591	84 469	292 026	260 406	366 649
Cost of goods sold	-69 661	-32 771	-141 201	-105 172	-148 596
Gross profit	56 929	51 698	150 826	155 234	218 053
Selling expenses	-45 822	-42 740	-125 171	-126 419	-165 176
Administrative expenses	-14 891	-10 945	-39 604	-35 623	-39 678
Research and development costs	-17 834	-19 776	-49 347	-57 091	-76 505
Other operating income	-230	-1 021	8 284	7 097	11 535
Other operating expenses	1 287	-3 443	-3 242	-5 492	-9 922
Operating expenses	-77 490	-77 925	-209 078	-217 528	-279 747
Operating loss	-20 561	-26 227	-58 253	-62 294	-61 694
Financial income net	-6 080	-5 183	18 855	-1 519	-12 749
Profit/loss after financial items	-26 641	-31 410	-39 398	-63 813	-74 443
Tax expense	-921	-23	-936	-55	-216
Profit/loss for the period	-27 563	-31 433	-40 334	-63 868	-74 659
Weighted average shares outstanding	70 134 581	57 792 108	66 072 932	57 792 108	57 870 069
Weighted average shares outstanding after dilution	70 437 371	58 105 494	66 441 849	58 308 880	58 397 498
Common shares outstanding	80 442 108	57 792 108	80 442 108	57 792 108	64 042 108
Profit/loss per share	-0.39	-0.54	-0.61	-1.11	-1.29
Profit/loss per share*	-0.39	-0.54	-0.61	-1.11	-1.29

*) As the earnings per share would decrease the loss per share when considering dilution, as a result of shares outstanding, the earnings per share have only been calculated without consideration of dilution

BALANCE SHEETS

Amounts in KSEK	Group	
	2005-09-30	2004-12-31
ASSETS		
Capitalized expenditure for development	22 492	22 789
Patents and license rights	32 354	20 999
Goodwill	490 757	373 592
Tangible assets	115 685	88 894
Financial assets	47 307	47 173
Total fixed assets	708 594	553 447
Inventory	100 145	74 965
Accounts receivable	95 849	66 232
Other current assets	12 978	10 060
Liquid funds	135 074	31 397
Total current assets	344 046	182 654
TOTAL ASSETS	1 052 640	736 101
EQUITY AND LIABILITIES		
Restricted equity	1 526 408	1 330 523
Non-restricted equity	-836 307	-766 681
Total equity	690 102	563 842
Provisions	11 640	8 803
Long term liabilities	39 160	34 668
Accounts payable - trade	39 247	47 548
Liabilities to credit institutions	171 108	19 509
Other current liabilities	101 348	61 731
Total current liabilities	311 739	128 788
Total liabilities	362 539	172 259
TOTAL EQUITY AND LIABILITIES	1 052 640	736 101

CASH FLOW STATEMENT

Amounts in KSEK	Group			
	2005-01-07 2005-09-30	2004-01-07 2004-09-30	2005-01-01 2005-09-30	2004-01-01 2004-09-30
Cash flow from operating activities	2 000	-15 881	-23 716	-43 929
Changes in working capital	-1 123	-42 302	-8 161	-56 557
Cash flow from investmnet activities	-4 437	-469	-16 896	-18 785
Company acquisitions	-81	0	-149 693	-
Cash flow from financial activities	123 674	56 523	301 146	57 063
Cash flow during period	120 033	-2 129	102 680	-62 208
Cash and liquid assets beginning of period	15 157	15 630	31 397	74 900
Exchange differences in liquid assets	-116	-1 166	997	-357
Cash and liquid assets end of period	135 074	12 335	135 074	12 335

CHANGES IN EQUITY

Amounts in KSEK	Group	
	2005	2004
Balance brought forward January 1	563 842	609 255
New share issue	154 586	5 132
IFRS changes	944	449
Exchange rate differences	11 063	- 12 741
Net loss for the period	-40 334	-63 868
Balance carried forward September 30	690 102	538 227

INCOME STATEMENTS BY SEGMENTS

Amounts in KSEK	2005-07-01—2005-09-30				2004-07-01—2004-09-30			
	Biosystems	Discovery Chemistry	Other operations	Total	Biosystems	Discovery Chemistry	Other operations	Total
Net Sales	22 323	104 267	0	126 590	20 723	63 746	0	84 469
Cost of goods sold	-14 914	-47 941	-6 805	-69 661	-9 527	-23 244	0	-32 771
Gross profit	7 409	56 326	-6 805	56 929	11 196	40 502	0	51 698
Gross margin	33.2%	54.0%		45.0%	54.0%	63.5%		61.2%
Operating expenses	-16 196	-57 823	-3 472	-77 490	-27 543	-51 068	686	-77 925
Operating loss	-8 787	-1 497	-10 277	-20 561	-16 347	-10 566	686	-13 413
Financial income net	0	0	-6 080	-6 080	0	0	-5 183	-5 183
Profit/loss after financial items	-8 787	-1 497	16 457	-26 641	-16 347	-10 566	-4 497	-31 410
Tax expense	0	0	-921	-921	0	0	-23	-23
Profit/loss for the period	-8 787	-1 497	-17 278	-27 563	-16 347	-10 566	-4 520	-31 433

INCOME STATEMENTS BY SEGMENTS

Amounts in KSEK	2005-01-01—2005-09-30				2004-01-01—2004-09-30			
	Biosystems	Discovery Chemistry	Other operations	Total	Biosystems	Discovery Chemistry	Other operations	Total
Net Sales	57 104	234 921	0	292 026	71 940	188 466	0	260 406
Costs of goods sold	-31 795	-102 600	-6 805	-141 200	-29 867	-75 304	0	-105 172
Gross profit	25 310	132 321	-6 805	150 826	42 073	113 161	0	155 234
Gross margin	44.3%	56.3%		51.6%	58.5%	60.0%		59.6%
Operating expenses	-55 955	-145 038	-8 085	-209 079	-79 833	-131 560	-6 135	-217 528
Operating loss	-30 645	-12 717	-14 891	-58 253	-37 760	-18 399	-6 135	-62 294
Financial income net	0	0	18 855	18 855	0	0	-1 519	-1 519
Profit/loss after financial items	-30 645	-12 717	3 964	-39 398	-37 760	-18 399	-7 654	-63 813
Tax expense	0	0	-936	-936	0	0	-55	-55
Profit/loss for the period	-30 645	-12 717	3 028	-40 334	-37 760	-18 399	-7 709	-63 868

Accounting principles

This interim report for the corporate group has been prepared in accordance with the Swedish Accounting Act and IAS 34 Interim Reporting. From January 1, 2005 the consolidated accounts are prepared according to EU approved International Financial Reporting Standards (IFRS).

The accounting principles applied in this interim report are described in the Annual Report 2004, pp. 28-30 and 40-41. As described there, IFRS is applied from 2005 and the comparative figures for 2004 have been recalculated according to the new principles. The effects of the recalculation on the equity capital at the start of the year are described in this interim report.

In an Appendix to this interim report the most important differences between the accounting principles are described, together with their effects on the Biotage Group's IFRS balance brought forward as of January 1, 2004 and their effect on the result, as the Group's result is calculated according to IFRS and not according to generally accepted accounting principles in Sweden. This appendix and summaries of the effects of the transition to IFRS on the income statement and balance sheet of the comparative year are available at the company's website www.biotage.se and can also be ordered from the company, Biotage AB, Kungsgatan 76, SE-753 18 Uppsala.

The IFRS rules are subject to continuous revision and approval by the European Union. This means that changes and elucidations from the normative body may be published in 2005 that may influence the final consolidated accounts for the year.