

Year-End Report

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Fourth Quarter and Full Year Results 2005

- Net sales amounted to 138.4 MSEK (106.2) in the fourth quarter and to 430.4 MSEK (366.6) for the full year 2005.
- Operating profit amounted to -4.7 MSEK (0.6) in the fourth quarter and to -62.9 MSEK (-61.7) for the full year 2005.
- The net result for the fourth quarter amounted to 0.4 MSEK (-10.8) and to -39.9 MSEK (-74.7) for the full year 2005.
- Earnings per share in the fourth quarter amounted to 0.01 SEK (-0.19) and to -0.57 SEK (-1.29) for the full year 2005.
- The cash flow from the current business was positive in the fourth quarter.
- In June the business of the American company Argonaut was acquired and the integration has proceeded according to plan during the year.
- In October Separtis Holding AG, distributor of many of Biotage's products in Switzerland, Germany and Austria, was acquired.
- The new share issue completed in November was fully subscribed and provided the company approx. 48.3 MSEK before deduction of issue expenses.
- In January 2006 exclusive distribution, production and further development rights to Vapourtec's solvent evaporation system V-10 were acquired.

Amounts in MSEK	4th quarter 2005	4th quarter 2004	Full year 2005	Full year 2004
Net sales	138.4	106.2	430.4	366.6
Gross profit	79.2	62.8	230.0	218.1
Operating expenses	-83.9	-62.2	-293.0	-279.7
Operating result	-4.7	0.6	-62.9	-61.7
Profit/loss for the period	0.4	-10.8	-39.9	-74.7

In the fourth quarter the German company Separtis was acquired. This means that the acquired Argonaut products are now marketed by Biotage's own organization also in the important German and Swiss markets. Shortly after the turn of the year also the product rights to Vapourtec's solvent evaporation system for medicinal chemistry were acquired. With these acquisitions Discovery Chemistry now has a complete range of instruments, reagents and services marketed by its own organization in all major markets.

Biosystems had a successful fourth quarter with 11% sales growth compared to the same period last year, excluding the discontinued Corbett business. During the quarter another FDA registered product (ASR) was launched. PyroMark Fungi is a test for the identification of invasive fungal infections. The American Centers for Disease Control and Prevention (CDC) published data attracting great attention, showing a strong increase of drug resistance in influenza viruses. The study stressed the fact that this discovery could not have been made sufficiently fast without the use of Pyrosequencing's products. Also 454 Life Science, which has licensed the Pyrosequencing technology, has enjoyed great successes and reported strong sales in the fourth quarter.

Group financial position

Fourth quarter 2005

Sales per business area

MSEK	4th quarter 05	4th quarter 04
Discovery Chemistry	116.0	79.7
Biosystems	22.4	26.5
Group	138.4	106.2

Sales per geographic market, fourth quarter 2005

%	USA	Europe	Rest of the world
Discovery Chemistry	52	38	10
Biosystems	52	43	5
Group	52	39	9

In the fourth quarter 2005 Group net sales increased by 30 percent to 138.4 MSEK, compared to 106.2 MSEK the corresponding period last year. Fourth quarter sales 2005 include 41.1 MSEK from the acquired operations of Argonaut and Separtis.

The gross margin for the fourth quarter 2005 was 57 percent, compared to 59 percent the corresponding period last year. The gross margin has been negatively affected by the acquired Argonaut business, which has a lower gross margin than Biotage's other products.

Operating expenses amounted to a total of 83.9 MSEK in the fourth quarter 2005, compared to 62.2 MSEK the same period last year. The operating expenses in the acquired Argonaut and Separtis amounted to 13.8 MSEK. The operating expenses for the fourth quarter 2005 have been charged with approx. 4 MSEK relating to the write-down of patents, the write-down of inventories related to the discontinuation of the Corbett business and costs for staff reductions.

Net investments amounted to 5.6 MSEK in the fourth quarter. Of this sum 5.3 MSEK were capitalized development costs. The costs for amortization amounted to 9,8 MSEK, of which 2.4 MSEK were amortization of capitalized development costs.

The operating result for the fourth quarter 2005 amounted to -4.7 MSEK, compared to 0.6 MSEK the same period last year.

The Group's net financial income is positive, amounting to a total of 7.0 MSEK for the fourth quarter, compared to -11.2 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 6.8 MSEK.

Biotage reported a result after tax of 0.4 MSEK, corresponding to 0.01 SEK per share, for the fourth quarter 2005, compared to a result after tax of –10.8 MSEK, or –0.19 SEK per share, the corresponding period last year.

Full year 2005

Sales per business area

<u>MSEK</u>	<u>Full year 05</u>	<u>Full year 04</u>
Discovery Chemistry	350.9	268.2
Biosystems	79.5	98.4
Group	430.4	366.6

Sales per geographic market, full year 2005

<u>%</u>	<u>USA</u>	<u>Europe</u>	<u>Rest of the world</u>
Discovery Chemistry	51	35	14
Biosystems	57	36	7
Group	52	36	12

In 2005 the Group's net sales increased by 17 percent to 430.4 MSEK, compared to 366.6 MSEK the corresponding period last year. Net sales 2005 include 81.7 MSEK from the acquired operations of Argonaut and Separtis.

The gross margin for 2005 was 53 percent, compared to 59 percent for the corresponding period last year. The gross margin has been negatively affected by the acquired Argonaut business, which has a lower gross margin than Biotage's other products. In the third quarter the gross margin was negatively affected by non-recurring costs totaling 15.2 MSEK.

Operating expenses amounted to a total of 293.0 MSEK in 2005, compared to 279.7 MSEK last year. The operating expenses include costs from the acquired operations of Argonaut and Separtis amounting to 31.6 MSEK.

The investments in 2005 amounted to 22.5 MSEK. Of this sum 12.4 MSEK were capitalized development costs. The costs for amortization amounted to 35.8 MSEK, of which 10.2 MSEK were amortization of capitalized development costs.

The operating result for 2005 amounted to –62.9 MSEK, compared to –61.7 MSEK the same period last year.

The Group's net financial income is positive, amounting to a total of 25.9 MSEK for the full year 2005, compared to –12.7 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 total amount of 30.5 MSEK.

Biotage reported a result after tax of –39.9 MSEK, corresponding to –0.57 SEK per share, for 2005, compared to a result after tax of –74.7 MSEK, or –1.29 SEK per share, the corresponding period last year.

Balance sheet items

At December 31, 2005 the Group's cash and securities totaled 52.8 MSEK, compared to 31.4 MSEK at December 31 2004. At December 31, 2005 granted unutilized credits amounted to 37.9 MSEK, compared to 38.9 MSEK at December 31, 2004. The Group's interest-bearing liabilities amounted to 92.2 MSEK at December 31, 2005, compared to 54.2 MSEK at December 31, 2004.

At the balance sheet date the company had a total goodwill of 503.5 MSEK, attributable to the acquisitions of Personal Chemistry and Biotage LLC in 2003, and the acquisitions of Argonaut in the second quarter 2005 and Separtis in the fourth quarter 2005. Goodwill relating to the acquisition of Argonaut amounted to 90.9 MSEK and goodwill relating to the acquisition of Separtis to 4.5 MSEK at the balance sheet date. The company has established an impairment test as at the end of the accounting period. This calculation shows that no write-down of goodwill is necessary.

Other intangible fixed assets in the form of patents and license rights amounted to 32.6 MSEK (21.0) and capitalized development costs to 25.6 MSEK (22.9).

At the balance sheet date the equity capital amounted to 738.3 MSEK, compared to 563.8 MSEK at December 31 2004. Four new share issues in 2005 have provided the parent company 200.1 MSEK after deduction of issue expenses. IFRS reporting rules for outstanding option programs directed to employees of the Group have brought an increase of the equity capital amounting to 1.3 MSEK. In addition, the Group's equity capital has increased with 12.9 MSEK due to exchange rate changes. The year's result after tax – 39.9 MSEK has been deducted from the equity capital.

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 the Biotage Group.

In the acquisition analysis according to IFRS 3 the purchase price was 157.3 MSEK (21.1 MUSD) and the estimated supplementary purchase price 7.2 MSEK, with additional purchase costs amounting to 10.4 MSEK, making a total preliminary acquisition cost of 174.9 MSEK. The acquisition cost has been distributed with 84.7 MSEK relating to acquired net assets such as identified intangible and tangible fixed assets, inventories, accounts receivable and other current liabilities. Remaining preliminary goodwill then amounts to 90.2 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 has meant that Biotage's offering in medicinal chemistry has been strengthened and that the company now has a complete product portfolio in microwave synthesis, purification systems and reagents, enabling faster and more efficient development of new drug candidates.

The acquired operations have been fully integrated in business area Discovery Chemistry. Appendix 1 to this report contains a more comprehensive acquisition analysis for Argonaut.

Discovery Chemistry (Medicinal chemistry)

Amounts in MSEK	4th quarter 2005	4th quarter 2004	Full year 2005	Full year 2004
Sales	116.0	79.7	350.9	268.2
Operating result	4.6	7.2	-8.1	-11.2

In the fourth quarter business area Discovery Chemistry had sales amounting to 116.0 MSEK. Of this sum 41.1 MSEK related to the acquired operations of Argonaut and Separtis. Adjusted for this, sales amounted to 74.9 MSEK, a 6 percent decrease compared to the same period last year. For the full year 2005 sales amounted to 350.9 MSEK, which adjusted for the acquired business is at the same level as last year's sales.

The operating result for the fourth quarter amounted to 4.6 MSEK, compared to 7.2 MSEK the same period last year.

In the fourth quarter the gross margin was 56 percent, which is lower than the corresponding quarter last year, when it was 59 percent. The gross margin has been negatively affected by the acquired Argonaut business, which has a lower gross margin than Biotage's other products

The US continues to be Discovery Chemistry's most important market, accounting for 52 percent of the sales. Europe contributed 38 percent and the rest of the world 10 percent of the business area's fourth quarter sales.

In the fourth quarter SP 4 EXP was launched. This is a purification system with four purification columns and a new expanded fraction bed. This enables the purification of a larger number of samples without taking up more space in the laboratory. The new system has clear competitive advantages.

In January 2006 the rights to Vapourtec's solvent evaporation system V-10 were acquired. This gives Biotage a product which is used together with existing synthesis and purification systems. V-10 is a unique product, as it is automated and can evaporate solutions up to 40 times faster than competing products. So far V-10 has been marketed only in the UK, but Biotage is now launching the product internationally.

Biosystems (Genetic analysis)

Amounts in MSEK	4th quarter 2005	4th quarter 2004	Full year 2005	Full year 2004
Sales	22.4	26.5	79.5	98.4
Operating result	-4.2	-10.2	-34.8	-48.0

Biosystems' fourth quarter sales amounted to 22.4 MSEK, compared to 26.5 MSEK the same quarter last year. Sales, excluding the discontinued Corbett business, increased by 11 percent during the quarter, compared to the same period last year. Sales in the full year 2005 amounted to 79.5 MSEK, compared to 98.4 MSEK last year. Excluding the discontinued Corbett business sales were on the same level as last year.

The operating result for the fourth quarter amounted to –4.2 MSEK, compared to –10.2 MSEK the same period last year.

The gross margin in the fourth quarter was 65 percent, compared to 59 percent the same quarter last year. The improved gross margin is mainly attributable to the outsourcing of Biotage's internal production.

In the fourth quarter the US accounted for 52 percent of the sales, Europe for 43 percent and the rest of the world for 5 percent. Sales to the rest of the world included deliveries of PyroMark ID systems to Hong Kong and Singapore.

In late 2004 a cooperation agreement was signed with leading scientists in the areas of oncology research and microbiology. In 2005 these cooperations resulted in a number of tests comprising of optimized PCR and sequence primers for Pyrosequencing analysis of specific genes, e.g. MGMT, MLH1 and K-RAS. Most of these so-called PyroMark™ tests are aimed at the research market. A second group, "Analyte Specific Reagents" (ASRs), can be used as components in diagnostic tests.

In the fourth quarter PyroMark Fungi, a test for the identification of invasive fungal infections, was launched. At the beginning of the year also a new generation of Pyrosequencing reagents, Pyro Gold, was introduced.

Customer focus will increasingly shift from academic research to medical institutes, service laboratories and pharmaceutical companies. The new reagents are expected to contribute to a generally improved sales development of kits and reagents, as an increasing number of the customers are commercially based.

A new instrument platform, PyroMark ID, was launched in the spring together with a new software, Identifire, in order to offer a complete solution for microbiological studies (identification and antibiotics resistance).

In the fourth quarter beta testing of Biosystems' new software for CpG methylation analysis was started together with key customers in Europe and the US. The goal is to launch the new software in March 2006.

Human resources

At the end of 2005 the Group had 330 employees, compared to 221 at the start of the year. The increase is almost totally due to the acquisition of the Argonaut operations, 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, Switzerland and Japan. The parent company is responsible for strategic business development, central marketing and administrative functions at Group level.

For 2005 the parent company reported income amounting to 9.4 MSEK (70.1) and the result before appropriations and taxes was 37.6 MSEK (–29.4). 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 2005 primarily consists of interest income and unrealized exchange gains relating to

internal Group receivables. Liquid funds at the end of the period amounted to 16,4 MSEK (19,4).

Major fourth quarter events

In October Biotage acquired Separtis Holding AG, distributor of many Biotage products in Switzerland, Germany and Austria. The products concerned are consumables in the Argonaut product range. 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 products. The acquisition is expected to give Biotage an annual revenue increase of 7.5 MSEK.

The acquisition analysis according to IFRS 3 reports a cash purchase price of 7.0 MSEK, an estimated supplementary purchase price of 6.1 MSEK, and purchase costs amounting to 0.8 MSEK, making a total acquisition cost of 13.9 MSEK. The acquisition cost has been distributed with 9.4 MSEK relating to acquired net assets and 4.5 MSEK relating to goodwill.

Appendix 1 to this report contains a more comprehensive acquisition analysis for Separtis.

Biotage AB issued new shares with preferential rights for the company's shareholders. The new share issue was completed on November 23, 2005. It was fully subscribed and provided the company approx. 48.3 MSEK before deduction of issue expenses. By the new issue, the number of shares increased by 8,044,212 to a total of 88,486,320 shares. The new shares are traded on the O-list of the Stockholm stock exchange from December 19, 2005. Carnegie Investment Bank was Biotage's financial advisor in connection with the new share issue. The rights issue was executed to refinance the remaining debt financing regarding the acquisition of Argonauts business.

Major events after the end of the period

On January 10, 2006 Biotage acquired the exclusive distribution, production and further development rights to Vapourtec's solvent evaporation system V-10. After several years in development, the V-10 was launched in the summer of 2005. The agreement also provides for Vapourtec to deliver further developments and line extensions in 2006.

The purchase price consists of an up-front payment and partial payments related to the sales development. The total purchase price cannot exceed 2,3 MGBP. Sales of the product will start this quarter and are expected to reach 5-10 MUSD in 2007.

Today evaporation is a time-consuming process in chemistry and drug development. Vapourtec's V-10 substantially reduces the time demanded and will be a valuable addition to Biotage's product line.

Annual General Meeting and dividends

The Annual General Meeting will be held in Uppsala on April 27, 2006. Notice for the meeting will be available on the company's web site. Biotage's Annual Report will be distributed to the shareholders well in advance of the meeting.

The company's board of directors will propose to the Annual General Meeting that no dividends are paid for the financial year 2005.

Financial reports in 2006

The interim report for the first quarter 2006 will be issued on April 27.

The interim report for the second quarter 2006 will be issued on August 8.

The interim report for the third quarter 2006 will be issued on October 25.

Uppsala February 9, 2006

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. In 2005 operations and products were acquired from the American company Argonaut, further strengthening the medicinal chemistry product range. The customers include the world's top 30 pharmaceutical companies, the world's top 20 biotech companies, and leading academic institutes. The company is headquartered in Uppsala and has offices in the U.S., Japan, UK, Germany and several other European countries. Biotage has 330 employees and had sales of 430 MSEK in 2005. 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	2005-10-01	2004-10-01	2005-01-01	2004-01-01
Amounts in KSEK	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Net sales	138 370	106 243	430 369	366 646
Cost of goods sold	-59 148	-43 424	-200 348	-148 596
Gross profit	79 222	62 819	230 047	218 053
Selling expenses	-49 720	-38 757	-174 890	-165 176
Administrative expenses	-15 335	-4 056	-54 939	-39 679
Research and development costs	-17 495	-19 415	-66 842	-76 506
Other operating income and expenses	-1 369	8	3 674	1 613
Operating expenses	-83 919	-62 220	-292 997	-279 747
Operating loss	-4 697	600	-62 949	-61 694
Financial income net	7 005	-11 230	25 860	-12 749
Profit/loss after financial items	2 308	-10 630	-37 090	-74 442
Tax expense*	-1 866	-161	-2 802	-216
Profit/loss for the period	442	-10 791	-39 892	-74 659
Part relating to the parent company's shareholders	442	-10 791	-39 892	-74 659
Weighted average shares outstanding	80 961 089	58 103 954	69 794 972	57 870 069
Weighted average shares outstanding after dilution	81 289 961	58 432 645	70 191 525	58 387 498
Common shares outstanding	88 486 320	64 042 108	88 486 320	64 042 108
Common shares outstanding after dilution	88 905 485	64 447 589	88 905 485	64 447 589
Profit/loss per share	0,01	-0.19	-0,57	-1.29
Profit/loss per share	0,01	-0.19**	-0,57**	-1.29**

*) The reported tax expenses are attributable to tax on profit in foreign subsidiaries

**) 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	
	2005-12-31	2004-12-31
ASSETS		
Capitalized expenditure for development	25 561	22 789
Other intangible assets	32 604	20 999
Goodwill	503 510	373 592
Tangible assets	113 424	88 894
Financial assets	46 945	47 173
Total fixed assets	722 044	553 447
Inventory	92 695	74 965
Accounts receivable	92 814	66 232
Other current assets	14 390	10 060
Liquid funds	52 795	31 397
Total current assets	252 695	182 654
TOTAL ASSETS	974 738	736 101
EQUITY AND LIABILITIES		
Total equity	738 252	563 842
Provisions	9 731	8 803
Long term liabilities	55 429	34 668
Accounts payable - trade	40 979	47 548
Liabilities to credit institutions	41 973	19 509
Other current liabilities	88 374	61 731
Total current liabilities	171 326	128 788
TOTAL EQUITY AND LIABILITIES	974 738	736 101

CASH FLOW STATEMENT

Amounts in KSEK	Group			
	2005-10-01 2005-12-31	2004-10-01 2004-12-31	2005-01-01 2005-12-31	2004-01-01 2004-12-31
Cash flow from operating activities	3 023	12 096	-20 692	-31 832
Changes in working capital	7 160	-9 497	-1 001	-66 054
Cash flow from investment activities	-5 630	-1 635	-22 526	-20 420
Company acquisitions	-18 187	-	-167 881	-
Cash flow from financial activities	-68 734	18 309	232 412	75 372
Cash flow during period	-82 368	19 273	20 312	-42 934
Cash and liquid assets beginning of period	135 074	12 336	31 397	74 900
Exchange differences in liquid assets	89	-212	1 086	-569
Cash and liquid assets end of period	52 795	31 397	52 795	31 397

CHANGES IN EQUITY

Amounts in KSEK	Group	
	2005	2004
Balance brought forward January 1	563 842	609 255
New share issue	200 127	50 162
Change due to outstanding option programs directed to employees of the Group	1 259	598
Exchange rate differences	12 914	- 21 513
Net loss for the period	-39 892	-74 659
Balance carried forward December 31	738 252	563 842

INCOME STATEMENTS BY SEGMENTS

Amounts in KSEK	2005-10-01—2005-12-31				2004-10-01—2004-12-31			
	Biosystems	Discovery Chemistry	Other operations	Total	Biosystems	Discovery Chemistry	Other operations	Total
Net Sales	22 407	115 964	0	138 370	26 496	79 747	0	106 243
Cost of goods sold	-7 902	-51 246	0	-59 148	-11 001	-32 423	0	-43 424
Gross profit	14 504	64 718	0	79 222	15 495	47 324	0	62 819
Gross margin	64,7%	55,8%		57,3%	58,5%	59,3%		59,1%
Operating expenses	-18 707	-60 099	-5 114	-83 919	-25 726	-40 077	3 584	-62 220
Operating loss	-4 202	4 619	-5 114	-4 697	-10 232	7 247	3 584	600
Financial income net	0	0	7 005	7 005	0	0	-11 230	-11 230
Profit/loss after financial items	-4 202	4 619	1 891	2 308	-10 232	7 247	-7 646	-10 630
Tax expense	0	0	-1 866	-1 866	0	0	-161	-161
Profit/loss for the period	-4 202	4 619	25	442	-10 232	7 247	-7 807	-10 791

INCOME STATEMENTS BY SEGMENTS

Amounts in KSEK	2005-01-01—2005-12-31				2004-01-01—2004-12-31			
	Biosystems	Discovery Chemistry	Other operations	Total	Biosystems	Discovery Chemistry	Other operations	Total
Net Sales	79 511	350 885	0	430 369	98 436	268 213	0	366 649
Costs of goods sold	-39 697	-153 846	-6 805	-202 348	-40 868	-107 727	0	-148 596
Gross profit	39 814	197 039	-6 805	230 047	57 567	160 486	0	218 053
Gross margin	50,1%	56,2%		53,5%	58,5%	59,8%		59,5%
Operating expenses	-74 662	-205 136	-13 199	-292 997	-105 560	-171 637	-2 551	-279 747
Operating loss	-34 848	-8 097	-20 004	-62 949	-47 992	-11 151	-2 551	-61 694
Financial income net	0	0	25 860	25 860	0	0	-12 749	-12 749
Profit/loss after financial items	-34 848	-8 097	5 856	-37 090	-47 992	-11 151	-15 299	-74 443
Tax expense	0	0	-2 802	-2 802	0	0	-216	-216
Profit/loss for the period	-34 848	-8 097	3 053	-39 892	-47 992	-11 151	-15 516	-74 659

Accounting principles

Interim Reporting. From January 1, 2005 the consolidated accounts are prepared according to EU approved International Financial Reporting Standards (IFRS).

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 December 31, 2004, and their effect on the result. 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, Sweden. The interim report has otherwise been prepared according to the accounting principles and methods of calculation described in the 2004 annual report.

Audit report

Introduction

We have performed a review of Biotage AB's interim report for the period January – December 2005. The responsibility for truly and fairly preparing and presenting this interim financial information in accordance with IAS 34 rests with the board of directors and the president. Our responsibility is to state an opinion regarding this interim financial information based on our review.

The purpose and scope of the review

We have performed our review in accordance with Standard for Reviewing SÖG 2410, Reviewing of interim financial information by the company's elected accountants, published by the Swedish Institute of Authorized Public Accountants (FAR). Performing a review consists of asking questions, primarily from persons responsible for financial and reporting issues, conducting analytical auditing and performing other general audit steps.

A review has another purpose and is considerably smaller in scope compared to the purpose and scope of an audit according to the Auditing Standard in Sweden (RS) and generally accepted accounting principles. The audit steps performed in connection with a review do not enable us to gain such a degree of certainty that we can become aware of all important circumstances that might have been identified if an audit had been performed. A stated opinion based on a review has thus not the degree of certainty that a stated opinion based on an audit has.

Opinion

Based on our review, no circumstances have been disclosed that would give us reason to think that the attached interim financial information does not in all essentials give a true and fair representation of the company's financial position on December 31, 2005, and of its financial result and cash flow for the twelve-month period ending on this date, in accordance with IAS 34.

Stockholm February 9, 2006

Deloitte AB
Lars-Gunnar Nilsson
Authorized Public Accountant