

Year-end report

January - December 2010



February 10, 2011

Fourth quarter 2010

- Net sales increased by 17 percent to 116.1 MSEK (99.5). At comparable exchange rates sales increased by 23 percent and at comparable exchange rates excluding business acquired during the year net sales remained at the same level as last year.
- The operating result excluding amortization of goodwill amounted to 8.6 MSEK (3.6).
- A 15.0 MSEK (23.4) additional purchase payment was received from Qiagen for the Biosystems business area divested in 2008.
- Goodwill has been written down with the amount of 444,5 MSEK, mainly related to the acquisitions of Personal Chemistry and Biotage, due to an assessed substantial risk for a continued weak development of pharma industry sales.
- The result after tax excluding write-down of goodwill amounted to 19.7 MSEK (28.1).
- Earnings per share excluding write-down of goodwill amounted to 0.25 SEK (0.32). After write-down of goodwill earnings per share amounted to -5,33 SEK (0.32).
- Net cash at December 31, 2010 amounted to 172.7 MSEK.
- During the quarter 107,020 own shares were purchased. At the balance sheet date December 31 Biotage owned a total of 8,848,632 shares, acquired for 64.3 MSEK, i.e. an average share price of 7.27 SEK.
- The cash flow from operating activities amounted to 12.1 MSEK (18.4).

Full year 2010

- Net sales increased by 9 percent to 428.9 MSEK (394.1). At comparable exchange rates net sales increased by 16 percent and at comparable exchange rates excluding business acquired during the year net sales increased by 3 percent in the full year.
- The operating result excluding write-down of goodwill amounted to 25.7 MSEK (-10.1).
- The result after tax excluding write-down of goodwill amounted to 34.2 MSEK (13.5).
- Earnings per share excluding write-down of goodwill amounted to 0.41 SEK (0.15). After write-down of goodwill earnings per share amounted to -4,91 SEK (0.15).
- Dividends to shareholders were paid to the amount of 17.3 MSEK.
- The cash flow from operating activities amounted to 57.6 MSEK (36.2).
- MIP Technologies AB was acquired on April 30, 2010.
- The product lines RapidTrace® and TurboVap® and associated assets were acquired on May 25 2010 from Caliper Life Sciences, Inc.
- Proposed dividend: 0.25 SEK (0.20).

Group result development in brief

| Amounts in MSEK | 4 th quarter 2010 | 4 th quarter 2009 | Full year 2010 | Full year 2009 |
|---|----------------------|----------------------|-------------------|-------------------|
| Net sales | 116,1 | 99,5 | 428,9 | 394,1 |
| Cost of goods sold | -44,4 | -45,6 | -172,7 | -169,0 |
| Gross profit | 71,6 | 53,9 | 256,3 | 225,1 |
| Operating expenses | -507,5 | -50,3 | -675,0 | -235,2 |
| Operating profit/loss | -435,9 | 3,6 | -418,8 | -10,1 |
| Financial items | 0,2 | 0,7 | 0,2 | 1,1 |
| Profit/loss before tax | -435,7 | 4,2 | -418,5 | -9,0 |
| Tax expenses | -4,1 | 0,5 | -6,7 | -0,8 |
| Profit/loss after tax for continuing operations | -439,8 | 4,7 | -425,3 | -9,8 |
| Profit/loss after tax for discontinued operations | 15,0 | 23,4 | 15,0 | 23,3 |
| Total profit/loss for the period | -424,8 | 28,1 | -410,2 | 13,5 |

Comments by CEO Torben Jørgensen

The year has involved major changes for Biotage. In the second quarter two acquisitions were made in order to strengthen Biotage's product offering in existing and closely related market areas. These are now fully integrated in Biotage's product portfolio and sales force. Through these acquisitions the dependence on the pharma sector will gradually be reduced, and the work in related areas such as food, agriculture, forensics and environment is facilitated.

On April 30 MIP Technologies AB was acquired. The work now continues with the development of MIP Technologies' range of analytical products. MIP also runs a number of partnership projects, concerning the removal of impurities in food in production scale, among other things.

On May 25 the product lines RapidTrace® och TurboVap® and associated assets were acquired from Caliper Life Sciences, Inc. It is encouraging to note that sales of the acquired product lines have developed well, amounting to 18.0 MSEK in the fourth quarter. The acquisition has opened the door to thousands of existing customers for our consumables in the new target areas.

The sales development in the fourth quarter was satisfying and we achieved a 17 percent increase to 116.1 MSEK. At comparable exchange rates sales increased by 23 percent. However, the strengthening of the Swedish currency during the quarter has affected us negatively, as only a marginal part of the income is invoiced in SEK.

In the full year sales increased by 9 percent to 428.9 MSEK, and by 16 percent at comparable exchange rates.

We have received a 15.0 MSEK additional purchase payment from Qiagen for 2010 concerning the Biosystems business area divested in 2008. The sales of Biosystems products have developed positively as the result of Qiagen's heavily intensified marketing and sales efforts. So far Biotage has received a little more than 5.9 MUSD of the maximum of 7.0 MUSD that can be received as additional purchase payments up to and including 2012.

Despite the unfavorable exchange rate development, above all during the fourth quarter, the operating result, excluding additional purchase payments, amounted to 8.6 MSEK in the fourth quarter and to 25.7 MSEK in the full year.

Since the third quarter 2009 the company has repurchased own shares and at the reporting date owns 10 percent of the number of outstanding shares. The repurchasing authorization has thus been fully utilized. The Board has previously announced that it intends to propose to the next Annual General Meeting that the repurchased shares are canceled.

The acquisitions made in 2010 are now so well integrated in Biotage that the work with finding additional suitable candidates for acquisition or cooperation agreements can again be intensified.

Biotage continues to have a strong financial position with net cash amounting to 173 MSEK at December 31. To this the 15 MSEK additional purchase payment from Qiagen should be added.

Biotage has a relatively large equity capital, but also a large goodwill item, mainly attributable to the acquisitions of Personal Chemistry and Biotage. In view of the weak development of the big pharma companies in recent years, the uncertainty concerning the development of sales to this customer group, especially of instruments, has grown. The Board has thus decided to regard the development in this area as more risky, and therefore to write down the company's goodwill by 444,5 MSEK.

Group result, financial position and cash flow

Fourth quarter 2010

Group net sales amounted to 116.1 MSEK, compared to 99.5 MSEK the fourth quarter 2009, a 17 percent increase. At comparable exchange rates sales increased by 23 percent.

The EU area was the biggest single market with 41 percent of the net sales. The US contributed 39 percent and the rest of the world 20 percent.

The Group's gross margin was 61.7 percent (54.1). The gross margin was positively influenced temporarily by among other an improved product mix with increased sales of high margin instruments.

The operating expenses amounted to 63.1 MSEK (50.3). The increased expenses are mainly related to business acquired during the year.

The operating result excluding write-down of goodwill amounted to 8.6 MSEK (3.6).

A result after tax excluding write-down of goodwill amounting to 19.7 MSEK (28.1) is reported.

The investments amounted to 12.8 MSEK (8.8). Of these sums 5.7 MSEK (4.3) were capitalized development costs.

Depreciation/amortization amounted to 10.3 MSEK (10.9). Of these sums 4.6 MSEK (4.3) were amortizations of capitalized development costs.

The cash flow from operating activities amounted to 12.1 MSEK (18.4).

Full year 2010

Group net sales amounted to 428.9 MSEK compared to 394.1 MSEK the same period 2009, a 9 percent increase. At comparable exchange rates sales increased by 16 percent.

The US contributed 39 percent of the sales, the EU area 37 percent and the rest of the world 24 percent.

The Group's gross margin was 59.7 percent (57.1). The changes in the gross margin are mainly attributable to an improved product mix with increased sales of high margin instruments.

The operating expenses amounted to 230.6 MSEK (235.2).

The operating profit excluding amortization of goodwill amounted to 25.7 MSEK (-10.1).

A result after tax excluding amortization of goodwill amounting to 34.2 MSEK (13.5) is reported.

The investments amounted to 176.2 MSEK (40.0). Of these sums 19.1 MSEK (22.1) were capitalized development costs. Of the investments 144.1 MSEK related to acquired companies and product lines.

Depreciation/amortization amounted to 34.9 MSEK (35.3). Of these sums 18.4 MSEK (16.7) were amortization of capitalized development costs.

The cash flow from operating activities amounted to 57.6 MSEK (36.2).

Balance sheet items

At December 31, 2010 the Group's cash, securities and short term investments totaled 179.6 MSEK, compared to 364.9 MSEK at December 31, 2009. The Group's interest-bearing liabilities amounted to 6.8 MSEK compared to 37.7 MSEK at December 31, 2009.

The Group reports a total goodwill of 104,8 MSEK (473.7) at December 31. This year's change is attributable to the acquisitions of MIP Technologies and Caliper's product lines, 103.2 MSEK, to write-down of goodwill, -444,5 MSEK, and effects of exchange rate changes, -27.6 MSEK.

Other intangible fixed assets in the form of patents and license rights amounted to 50.6 MSEK (12.0) and capitalized development costs to 57.5 MSEK (49.9).

At December 31 the equity capital amounted to 567,9 MSEK, compared to 1,089.0 MSEK at December 31, 2009. The reduced equity capital is attributable to this year's result, -410,2 MSEK, repurchasing of the company's own shares, -54.2 MSEK, dividends to shareholders, -17.3 MSEK and effects of exchange rate changes, -39.4 MSEK.

Divested business

The result after tax for divested business amounted to 15.0 MSEK (23.4) in the fourth quarter and to 15.0 MSEK (23.3) in the full year 2010. In 2010 this relates to the additional purchase payment from Qiagen. Also in 2009 this was the main factor.

Major events

Additional purchase payment for the Biosystems business area

In the fourth quarter 2008 Qiagen acquired the assets and some liability in the Biosystems business area and Biotage's shares in Corbett (17.5 percent) for an initial purchase sum of 53 MUSD. Provided that certain sales targets were achieved, the right was also obtained to receive additional purchase payment totaling a maximum of 7 MUSD, to be paid to Biotage during the period from Qiagen's taking possession up to and including December 31, 2012. In the fourth quarter 2008 Biotage achieved the target for the first additional purchase payment of 500 KUSD. For the operating year 2009 Biotage received an additional 3,239 KUSD, and for the operating year 2010 an additional 2,206 KUSD.

In total Biotage has thus received 5,945 KUSD, which means that a maximum of another 1,055 KUSD can be received up to and including 2012.

Decision to repurchase own shares

At the Annual General Meeting held on April 27, 2009 the board was authorized, up until the next AGM at the longest, to decide on the acquisition and sale of the company's shares, so that Biotage's total holding of own shares amounts to a maximum of 10 percent of the total number of the company's shares. The purpose of the buy-back program was to enable the board to adjust and improve the capital structure and thereby create increased shareholder value. Repurchases of shares have been made at the Nasdaq OMX Stockholm exchange at a price within the price interval at the time recorded. In the fourth quarter 2010 107,020 shares were repurchased for a total value of 766 KSEK. The average share price at repurchase was 7.16 SEK.

No shares have been resold and at December 31, 2010 the company owned 8,848,632 own shares, acquired for a total sum of 64.3 MSEK. The average share price was 7.27 SEK. The repurchasing authorization has thus been fully utilized. The Board has previously announced that it intends to propose to the next Annual General Meeting that the repurchased shares are canceled.

Patent dispute in the US

Biotage has, as previously announced, together with the wholly owned subsidiaries Biotage GB Ltd and Biotage LLC, been sued for patent infringement in the US. The lawsuit has been filed by Scientific Plastic Products, Inc. and concerns Biotage's sales of the SNAP product line in the US. The legal process is ongoing and there is currently no reason to reappraise the initial analysis of Biotage's actual position.

Biotage has filed an application to the US Patent and Trademark Office applying for re-examination of all patent demands in the patents concerned. At the same time Biotage submitted a request that the infringement case in the court should be declared resting awaiting the outcome of the re-examination proceedings. The court has granted Biotage's request. There are no fixed time frames for when decisions in these cases can be expected from the US Patent and Trademark Office, but it is estimated that decisions will be announced during this year. Biotage continues to believe that the other party lacks support for the alleged patent infringement.

Human resources

At December 31, 2010 the Group 272 employees, compared to 245 at the start of the year. The increase is mainly attributable to the acquisition of MIP Technologies AB in Lund and the employees taken over in connection with the Caliper acquisition.

Parent company

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

In the fourth quarter the parent company's net income amounted to 1.5 MSEK (1.5). In the full year 2010 the net income amounted to 6.2 MSEK (6.1).

Profit after financial items in the fourth quarter amounted to -289,6 MSEK (24.2). In the full year 2010 profit after financial items amounted to -297,9 MSEK (43.1). The results for both the fourth quarter and the full year 2010, includes write downs on shares and receivables in subsidiaries amounted to 306,0 MSEK.

The parent company's investments in intangible fixed assets during the fourth quarter amounted to 9.8 MSEK (0.1). In the full year 2010 the investments in intangible fixed assets totaled 138.1 MSEK (0.9).

At December 31, 2010 the parent company's cash and bank balance and short-term investments amounted to 106.6 MSEK, compared to 330.0 MSEK at December 31, 2009.

Risks and uncertainties

As an international Group, Biotage is exposed to various risks that affect the possibilities to achieve the established targets. There are operational risks, such as the risk that competitive situations affect price levels and sales volumes, and the risk that the economic development in the markets and segments where the Group operates is not stable. There are also financial risks, such as currency risks, interest risks and credit risks.

No major changes in significant risks or uncertainty factors have occurred during the period. A detailed account of Biotage's risks, uncertainty factors and the handling of these can be found in the company's Annual Report for 2009.

Readers wishing to study the risks and uncertainties reported in the 2009 Annual Report can download this report from Biotage AB's website www.biotage.com or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala or info@biotage.com.

Reports in 2011

The interim report for the first quarter 2011 will be issued in connection with the Annual General Meeting on April 27, 2011. The 2010 Annual Report will be distributed in week 14 and be available at the company's website www.biotage.com.

The interim report for the second quarter 2011 will be issued on August 17, 2011
The interim report for the third quarter 2011 will be issued on October 26, 2011
The year-end report for 2011 will be issued on February 9, 2012.

This report has not been subject to special review by the company's auditor.

Uppsala February 10, 2011

Torben Jörgensen
President and CEO

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The information in this press release is of the kind that Biotage AB (publ) is required to make public according to the Financial Instruments Trading Act. The information was released for publication at 8.30 on February 10, 2011.

About Biotage

Biotage offers solutions, knowledge and experience in the areas of analytical chemistry and medicinal chemistry. The customers include the world's largest pharmaceutical and biotech companies, and leading academic institutes. The company is headquartered in Uppsala and has subsidiaries in the US, UK and Japan. Biotage has 272 employees and had sales of 428.9 MSEK in 2010. Biotage is listed on the NASDAQ OMX Nordic Stockholm stock exchange. Website: www.biotage.com

Biotage AB (publ)**Year end report****2010-01-01 -- 2010-12-31****STATEMENTS OF COMPREHENSIVE INCOME**

| Amounts in KSEK | 4 th quarter 2010 | 4 th quarter 2009 | Full year 2010 | Full year 2009 |
|---|------------------------------|------------------------------|---------------------------|---------------------------|
| Net sales | 116 093 | 99 519 | 428 926 | 394 123 |
| Cost of sales | -44 447 | -45 647 | -172 662 | -169 025 |
| Gross profit | 71 646 | 53 872 | 256 263 | 225 098 |
| Distribution costs | -39 437 | -31 670 | -145 275 | -132 297 |
| Administrative expenses | -12 390 | -15 629 | -45 949 | -61 020 |
| Research and development costs | -10 470 | -9 611 | -39 662 | -34 130 |
| Other operating items | -445 218 | 3 445 | -444 138 | 10 219 |
| Restructuring costs | - | 3 162 | - | -17 993 |
| Operating expenses | -507 515 | -50 304 | -675 024 | -235 221 |
| Operating profit/loss | -435 869 | 3 568 | -418 760 | -10 123 |
| Financial net income | 186 | 680 | 236 | 1 124 |
| Profit/loss before income tax | -435 683 | 4 248 | -418 524 | -8 999 |
| Tax expenses | -4 093 | 454 | -6 729 | -818 |
| Profit/loss after tax for continuing operations | -439 776 | 4 702 | -425 252 | -9 817 |
| Profit/loss after tax for discontinued operations | 15 010 | 23 361 | 15 010 | 23 295 |
| Total profit/loss for the period | -424 766 | 28 063 | -410 243 | 13 478 |
| Other comprehensive income | | | | |
| Translation differences related to non Swedish subsidiaries | 2 833 | 9 557 | -39 298 | -22 467 |
| Change in hedging reserve | - | -1 741 | - | 1 042 |
| Total other comprehensive income | 2 833 | 7 816 | -39 298 | -21 425 |
| Total comprehensive income for the period | -421 933 | 35 879 | -449 541 | -7 948 |

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continuing)

| | 4 th quarter 2010 | 4 th quarter 2009 | Full year 2010 | Full year 2009 |
|---|------------------------------|------------------------------|---------------------------|---------------------------|
| Attributable to parent company's shareholders: | | | | |
| Total profit/loss for the period | -424 766 | 28 063 | -410 243 | 13 478 |
| Total comprehensive income for the period | -421 933 | 35 879 | -449 541 | -7 948 |
| Average shares outstanding | 79 659 128 | 87 649 029 | 83 527 613 | 88 262 934 |
| Average shares outstanding after dilution | 79 659 128 | 87 649 029 | 83 527 613 | 88 262 934 |
| Shares outstanding at end of reporting period (*) | 88 486 320 | 88 486 320 | 88 486 320 | 88 486 320 |
| Total profit/loss for the period per share SEK | -5,33 kr | 0,32 kr | -4,91 kr | 0,15 kr |
| Total profit/loss for the period per share SEK after dilution | -5,33 kr | 0,32 kr | -4,91 kr | 0,15 kr |
| Total comprehensive income for the period per share SEK | -5,30 kr | 0,41 kr | -5,38 kr | -0,09 kr |
| Total comprehensive income for the period per share after dilution SEK | -5,30 kr | 0,41 kr | -5,38 kr | -0,09 kr |
| (*) Of the numbers of shares outstanding are repurchased as per end of reporting period | 8 848 632 | 1 578 109 | 8 848 632 | 1 578 109 |

| Quarterly summary 2010 and 2009 | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Amounts in KSEK | Q 4 | Q 3 | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| Net Sales | 116 093 | 109 467 | 103 502 | 99 863 | 99 519 | 90 602 | 104 411 | 99 591 |
| Cost of sales | -44 447 | -44 531 | -42 704 | -40 982 | -45 647 | -39 426 | -41 002 | -42 951 |
| Gross profit | 71 646 | 64 937 | 60 799 | 58 881 | 53 872 | 51 176 | 63 410 | 56 641 |
| Gross margin | 61,7% | 59,3% | 58,7% | 59,0% | 54,1% | 56,5% | 60,7% | 56,9% |
| Operating expenses | -507 515 | -60 094 | -53 166 | -54 248 | -50 304 | -49 154 | -57 435 | -78 328 |
| Operating profit/loss | -435 869 | 4 843 | 7 633 | 4 633 | 3 568 | 2 022 | 5 975 | -21 687 |
| Financial net income | 186 | 347 | 102 | -399 | 680 | -253 | 379 | 317 |
| Profit/loss before income tax | -435 683 | 5 190 | 7 734 | 4 235 | 4 248 | 1 769 | 6 354 | -21 370 |
| Tax expenses | -4 093 | -508 | -1 104 | -1 023 | 454 | -385 | -610 | -277 |
| Profit/loss after tax for continuing operations | -439 776 | 4 682 | 6 630 | 3 211 | 4 702 | 1 384 | 5 744 | -21 647 |
| Profit/loss after tax for discontinued operations | 15 010 | - | - | - | 23 361 | -152 | -263 | 349 |
| Total profit/loss for the period | -424 766 | 4 682 | 6 630 | 3 211 | 28 063 | 1 232 | 5 480 | -21 298 |

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Amounts in SEK thousands | 2010-12-31 | 2009-12-31 |
|--|-------------------|-------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 35 330 | 41 915 |
| Goodwill (note 1) | 104 791 | 473 661 |
| Other intangible assets | 108 064 | 61 970 |
| Financial assets | 2 670 | 2 293 |
| Deferred tax asset | 39 436 | 42 570 |
| Total non-current assets | 290 291 | 622 409 |
| Current assets | | |
| Inventories | 97 976 | 80 288 |
| Trade and other receivables | 125 587 | 121 228 |
| Cash cash equivalents and short time deposits | 179 573 | 364 902 |
| Total current assets | 403 135 | 566 417 |
| Total assets for continuing operations | 693 427 | 1 188 827 |
| Non-current assets held for sale | - | 38 563 |
| TOTAL ASSETS | 693 427 | 1 227 390 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves attributable to equity holders of the parent company | | |
| Share capital | 88 486 | 88 486 |
| Other paid-in capital | 4 993 | 4 993 |
| Reserves | -104 644 | -65 345 |
| Retained earnings | 579 112 | 1 060 893 |
| Total equity | 567 948 | 1 089 027 |
| Non-current liabilities | | |
| Liabilities to credit institutions | 6 401 | 7 615 |
| Non-current provisions | 31 433 | 2 913 |
| Total non-current liabilities | 37 834 | 10 528 |
| Current liabilities | | |
| Trade and others liabilities | 82 180 | 92 615 |
| Tax liabilities | 2 636 | 1 746 |
| Liabilities to credit institutions | 436 | 915 |
| Current provisions | 2 393 | 3 356 |
| Total current liabilities | 87 645 | 98 632 |
| Total equity and liabilities for continuing operations | 693 427 | 1 198 187 |
| Liabilities attributable to non-current assets held for sale | - | 29 203 |
| TOTAL EQUITY AND LIABILITIES | 693 427 | 1 227 390 |

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CONSOLIDATED STATEMENT OF CASH FLOWS

| Amounts in SEK thousands | 4 th quarter 2010 | 4 th quarter 2009 | Full year 2010 | Full year 2009 |
|--|------------------------------|------------------------------|---------------------------|---------------------------|
| Operating activities | | | | |
| Profit/loss after financial items | -435 683 | 4 248 | -418 524 | -8 999 |
| Adjustments for non-cash items | 460 250 | -3 326 | 487 207 | 34 470 |
| | 24 567 | 922 | 68 683 | 25 471 |
| Income tax paid | -4 416 | 454 | -7 052 | -818 |
| Cash flow from operating activities before changes in working capital | 20 151 | 1 376 | 61 631 | 24 653 |
| Cash flow from changes in working capital: | | | | |
| Increase (-)/ decrease (+) in inventories | 4 020 | 14 580 | -10 543 | 18 623 |
| Increase (-)/ decrease (+) in trade receivables | -9 173 | -3 540 | -3 248 | -1 863 |
| Increase (-)/ decrease (+) in other current receivables | -1 428 | -19 277 | 2 676 | -1 791 |
| Increase (+)/ decrease (-) in other liabilities | -1 511 | 25 480 | -16 282 | 269 |
| Cash flow from operating activities - continuing operations | 12 059 | 18 618 | 34 234 | 39 892 |
| Cash flow from operating activities - discontinued operations | - | -189 | 23 361 | -3 644 |
| Cash flow from operating activities | 12 059 | 18 430 | 57 595 | 36 248 |
| Investing activities | | | | |
| Acquisition of intangible assets | -7 104 | -4 345 | -21 109 | -23 042 |
| Acquisition of property, plant and equipment | -5 698 | -3 979 | -10 333 | -16 257 |
| Acquisition of financial assets | -39 | -493 | -678 | -659 |
| Acquisitions of companies and product lines (note 2) | - | - | -144 116 | - |
| Sale of property and other non current assets | 0 | - | 39 884 | - |
| Sale of financial assets | 39 | - | 183 | - |
| Cash flow from investing activities - continuing operations | -12 801 | -8 817 | -136 169 | -39 958 |
| Cash flow from investing activities - discontinued operations | - | - | - | - |
| Cash flow from investing activities | -12 801 | -8 817 | -136 169 | -39 958 |
| Financing activities | | | | |
| Dividend to shareholders | - | - | -17 303 | -17 697 |
| Buy-back of shares | -766 | -9 021 | -54 235 | -10 120 |
| New borrowing | - | - | - | - |
| Repayment of loans | -535 | -11 337 | -31 402 | -6 669 |
| Cash flow from financing activities - continuing operations | -1 302 | -20 358 | -102 941 | -34 486 |
| Cash flow from financing activities - discontinued operations | - | - | - | - |
| Cash flow from financing activities | -1 302 | -20 358 | -102 941 | -34 486 |
| Cash flow for the period | -2 044 | -10 745 | -181 515 | -38 197 |
| Cash and liquid assets at beginning of period | 182 348 | 374 459 | 364 902 | 404 991 |
| Exchange differences in liquid assets | -731 | 1 189 | -3 814 | -1 892 |
| Cash and liquid assets at end of period | 179 573 | 364 902 | 179 573 | 364 902 |
| Additional information: | | | | |
| <i>Adjustments for non-cash items</i> | | | | |
| Depreciations and impairments | 458 822 | 10 877 | 483 441 | 35 332 |
| Other items | 1 428 | -14 202 | 3 766 | -862 |
| Total | 460 250 | -3 326 | 487 207 | 34 470 |
| Interest received | 693 | 1 045 | 1 028 | 3 367 |
| Interest paid | -507 | -365 | -791 | -2 243 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Amounts in SEK thousands | Share capital | Other paid-in capital | Accumulated translation reserve | Hedging-reserve | Retained earnings | Total equity |
|---|---------------|-----------------------|---------------------------------|-----------------|-------------------|------------------|
| Opening balance January 1, 2009 | 88 486 | 847 173 | -42 878 | -1 042 | 233 053 | 1 124 792 |
| Changes in equity in the period of January 1 - September 30, 2009 | | | | | | |
| Total comprehensive income | - | - | -32 024 | 2 783 | -14 585 | -43 827 |
| Total non-owners changes | 0 | 0 | -32 024 | 2 783 | -14 585 | -43 827 |
| Transactions with equity holders of the company | | | | | | |
| Dividend to shareholders of the parent company | | | | | -17 697 | -17 697 |
| Share buy-back by parent company (*) | | | | | -1 100 | -1 100 |
| Distribution as adopted by EGM registered with the Swedish Companies Registration Office on february 11, 2009 | - | -842 180 | | | 842 180 | 0 |
| Closing balance September 30, 2009 | 88 486 | 4 993 | -74 902 | 1 741 | 1 041 851 | 1 062 169 |
| Changes in equity in the period of October 1 - December 31, 2009 | | | | | | |
| Total comprehensive income | - | - | 9 557 | -1 741 | 28 063 | 35 879 |
| Total non-owners changes | 0 | 0 | 9 557 | -1 741 | 28 063 | 35 879 |
| Transactions with equity holders of the company | | | | | | |
| Share buy-back by parent company (*) | | | | | -9 021 | -9 021 |
| Closing balance December 31, 2009 | 88 486 | 4 993 | -65 345 | 0 | 1 060 893 | 1 089 027 |
| Changes in equity in the period of January 1 - September 30, 2010 | | | | | | |
| Total comprehensive income | - | - | -42 131 | - | 14 523 | -27 608 |
| Total non-owners changes | 0 | 0 | -42 131 | 0 | 14 523 | -27 608 |
| Transactions with equity holders of the company | | | | | | |
| Dividend to shareholders of the parent company | | | | | -17 303 | -17 303 |
| Share buy-back by parent company (*) | | | | | -53 469 | -53 469 |
| Closing balance September 30, 2010 | 88 486 | 4 993 | -107 477 | 0 | 1 004 645 | 990 647 |
| Changes in equity in the period of October 1 - December 31, 2010 | | | | | | |
| Total comprehensive income | - | - | 2 833 | | -424 766 | -421 933 |
| Total non-owners changes | 0 | 0 | 2 833 | 0 | -424 766 | -421 933 |
| Transactions with equity holders of the company | | | | | | |
| Share buy-back by parent company (*) | | | | | -766 | -766 |
| Closing balance December 31, 2010 | 88 486 | 4 993 | -104 644 | 0 | 579 112 | 567 948 |

(*): Share buy-back

At the annual general meeting held on April 27, 2009 the Board was granted a mandate to purchase and transfer the Company's own shares before the next annual meeting, provided Biotage's total holding of its own shares does not exceed ten percent of the total number of shares. At the Annual General Meeting held on April 29, 2010 this authorization became renewed until the next Annual General Meeting in 2011. The company used this mandate to purchase a total of 8 848 632 shares between September 2009 and December 31, 2010 at an average purchase price of SEK 7.27. The number of repurchased shares corresponds to 10,0 percent of the number of issued shares. None repurchased shares have been sold. Thus, the Board's authorization to repurchase its shares are fully utilized.

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INCOME STATEMENT, PARENT

| Amounts in SEK thousands | 4 th quarter 2010 | 4 th quarter 2009 | Full year 2010 | Full year 2009 |
|---|------------------------------|------------------------------|---------------------------|---------------------------|
| Net sales | 1 513 | 1 535 | 6 183 | 6 126 |
| Administrative expenses | -4 988 | -4 499 | -17 800 | -19 652 |
| Research and development costs | -272 | -806 | -2 215 | -2 709 |
| Other operating items | 14 534 | 24 913 | 9 590 | 28 102 |
| <i>Operating expenses</i> | 9 273 | 19 609 | -10 425 | 5 742 |
| Operating profit/loss | 10 786 | 21 144 | -4 242 | 11 867 |
| Profit/loss from financial investments: | | | | |
| Interest income from receivables from group companies | 5 789 | 2 934 | 14 343 | 15 226 |
| Interest expense from liabilities to group companies | -461 | -486 | -1 868 | -1 910 |
| Result from participations in group companies | -306 041 | - | -306 700 | 15 000 |
| Other interest and similar income | 304 | 713 | 1 006 | 3 009 |
| Interest and similar expense | - | -118 | -456 | -138 |
| Financial net income | -300 409 | 3 042 | -293 675 | 31 187 |
| Profit/loss before income tax | -289 623 | 24 186 | -297 917 | 43 054 |
| Tax expenses | -3 134 | - | -3 134 | - |
| Total profit/loss for the period | -292 757 | 24 186 | -301 051 | 43 054 |

STATEMENT OF COMPREHENSIVE INCOME. PARENT

| | | | | |
|---|-----------------|---------------|-----------------|---------------|
| Total profit/loss for the period | -292 757 | 24 186 | -301 051 | 43 054 |
| Translation differences related to non Swedish subsidiaries | 2 747 | 4 965 | -23 024 | -21 644 |
| Total comprehensive income, parent | -290 010 | 29 151 | -324 075 | 21 410 |

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BALANCE SHEET, PARENT

| Amounts in SEK thousands | 2010-12-31 | 2009-12-31 |
|---|-------------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| <i>Intangible assets</i> | | |
| Patents and licenses | 5 574 | 6 196 |
| <i>Financial assets</i> | | |
| Investments in group companies | 413 833 | 557 090 |
| Receivables from group companies | 133 026 | 179 583 |
| Deferred tax asset | 39 436 | 42 570 |
| | 586 295 | 779 243 |
| Total non-current assets | 591 869 | 785 439 |
| Current assets | | |
| <i>Current receivables</i> | | |
| Trade receivables | - | - |
| Receivables from group companies | 87 788 | 62 565 |
| Other receivables | 808 | 2 054 |
| Prepaid expenses and accrued income | 16 695 | 25 463 |
| | 105 291 | 90 082 |
| Cash, cash equivalents and short time deposits | 106 619 | 330 038 |
| Total current assets | 211 910 | 420 120 |
| TOTAL ASSETS | 803 779 | 1 205 559 |
| EQUITY, PROVISIONS AND LIABILITIES | | |
| Equity | | |
| <i>Restricted equity</i> | | |
| Share capital | 88 486 | 88 486 |
| | 88 486 | 88 486 |
| <i>Unrestricted equity</i> | | |
| Fair value reserve | -46 928 | -23 904 |
| Retained earnings | 833 833 | 847 526 |
| Profit/loss for the period reported | -301 051 | 43 054 |
| | 485 854 | 866 676 |
| Total equity | 574 341 | 955 164 |
| Provisions | 28 799 | - |
| Current liabilities | | |
| Trade payables | 714 | 1 067 |
| Liabilities to group companies | 195 051 | 245 827 |
| Other current liabilities | 397 | 390 |
| Accrued expenses and prepaid income | 4 476 | 3 111 |
| | 200 639 | 250 395 |
| TOTAL EQUITY, PROVISIONS AND LIABILITIES | 803 779 | 1 205 559 |

Accounting principles

Biotage's Group reporting is based on International Financial Reporting Standards as adopted by the EU. The Group's interim report is prepared in accordance with IAS 34 Interim Reporting, and the Swedish Accounting Act. The parent company's interim report is prepared in accordance with the Swedish Accounting Act and The Swedish Financial Reporting Board's recommendation RFR 2.3 Reporting for legal entities.

The revised IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements are applied for acquisitions and transactions carried out January 1, 2010 or later. The changes in these standards among other things mean that transactions with minority holders, where the controlling interest remains, shall be reported as transactions between the owners (as equity). Furthermore, the rules for reporting of conditional purchase payments have been changed, so that the acquisition value of a business acquisition is reported at one point in time. Subsequent adjustments of the acquisition value are reflected in the income statement. Costs related to acquisitions must not be included in the acquisition value of a business acquisition, but are reported as a cost item in the income statement. The approach in the reporting of gradual acquisitions has been changed, which means that at the time of the transaction (when controlling interest is obtained) the actual value is calculated according to the previously owned share. The acquisition cost thus consists of the actual value of the previously owned share plus the purchase sum for the newly acquired share. Any change in the value of the previously owned share is reported as a profit or loss in the income statement.

The changes in RFR 2 Reporting for legal entities that have come into effect and apply to the reporting year 2010 has meant changed formats for the parent company. The parent company's income and expenses, previously reported against equity and not concerning transactions with the owners, are now presented in a report of the total result directly after the parent company's income statement. In the parent company's report of changes in equity items in the total result are presented separate from transactions with the owners.

In all other respects the same accounting principles and calculation methods were applied in the preparation of the Group's and the parent company's interim report as in the preparation of Biotage's Annual Report for 2009. These are described on pp. 38-49 in the Annual Report.

Readers wishing to study the accounting principles presented in the 2009 Annual Report can download this report from Biotage AB's website www.biotage.com or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala, Sweden, or info@biotage.com.

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NOTES AND SUPPLEMENTARY DISCLOSURES

Note 1:

Goodwill on the Group balance sheet

KSEK

Opening balance at January 1, 2010

473 661

| | | |
|--|--|----------------|
| Change in value due to exchange rate changes January - March 2010 | | -3 804 |
| Opening balance at the start of the reported period, April 1, 2010 | | <u>469 857</u> |

Change in value due to acquisitions as follows:

| | | |
|---------------------------------------|---------------|--------|
| MIP Technologies AB (shares) | 21 876 | |
| Caliper Life Sciences (product lines) | <u>67 974</u> | 89 850 |

| | | |
|--|--|---------------|
| Change in value due to exchange rate changes April - June 2010 | | <u>15 781</u> |
|--|--|---------------|

| | | |
|--|--|---------|
| Balance carried forward at June 30, 2010 | | 575 488 |
|--|--|---------|

Change in value due to acquisitions as follows
and due to revised opening balance sheet at the day of taking possession:

| | | |
|-----------------------|-------------|--------|
| MIP Technologies AB | 13 799 | |
| Caliper Life Sciences | <u>-441</u> | 13 358 |

| | | |
|--|--|----------------|
| Change in value due to exchange rate changes July - September 2010 | | <u>-40 526</u> |
|--|--|----------------|

| | | |
|---|--|---------|
| Balance carried forward at September 30, 2010 | | 548 320 |
|---|--|---------|

Change in value due to acquisitions as follows
and due to revised opening balance sheet at the day of taking possession:

| | | |
|-----------------------|------------|-----|
| MIP Technologies AB | 0 | |
| Caliper Life Sciences | <u>-22</u> | -22 |

| | | |
|--|--|------------|
| Amortization of goodwill in the annual accounts December 31 2010 | | -444 460 |
| Change in value due to exchange rate changes October - December 2010 | | <u>953</u> |

Balance carried forward at December 31, 2010

104 791

Summary:

| | | |
|---|-----------------|-----------------|
| The year's change in reported value of the Group's goodwill | | -368 870 |
| Explained by: | | |
| Acquisition of product lines from Caliper Life Science | 67 511 | |
| Acquisition of all shares in MIP Technologies AB | 35 675 | |
| Effects of changed exchange rates | -27 596 | |
| Amortization of goodwill | <u>-444 460</u> | |
| Total change in 2010 | | <u>-368 870</u> |

Note 2:**Supplementary disclosures according to IFRS 3 concerning business acquisitions during the reported period**

In the second quarter 2010 the Group acquired all shares in the Swedish company MIP Technologies AB and two product lines from the American company Caliper Life Sciences Inc.

Below the information reported in the interim report is complemented by financial information that acquiring companies are required to submit according to IFRS 3 Business Combinations. The sums are confirmed regarding acquisition cost in terms of assessed additional purchase payment, values of assets taken over, liability and contingent liability.

1. Comprehensive information

| | MIP Technologies AB | Caliper Life sciences product lines | Total |
|--|------------------------|---|---------|
| | KSEK | KSEK | KSEK |
| Parent company's cash payments | 16 000 | 108 815 | 124 815 |
| Cash payments by subsidiaries | -130 | 19 431 | 19 301 |
| Group cash payments | 15 870 | 128 246 | 144 116 |
| Expected additional purchase payments | 28 799 | - | 28 799 |
| The Group's acquisition expenditure | 44 669 | 128 246 | 172 915 |
| Assets taken over, excluding liquid assets | 13 626 | 22 845 | 36 472 |
| Liabilities and contingent liability | -4 633 | -3 559 | -8 191 |
| Net assets taken over | 8 994 | 19 287 | 28 280 |
| Surplus on consolidation distributed as follows: | | | |
| Goodwill on consolidation | 35 675 | 108 959 | 144 635 |
| Intangible fixed assets | - | 67 511 | 103 186 |
| Tangible fixed assets | - | 41 426 | 41 426 |
| Inventory | - | 155 | 155 |
| Total surplus on consolidation | - | -132 | -132 |
| | 35 675 | 108 959 | 144 635 |

| | |
|--|-------|
| Costs directly attributable to the acquisitions have been charged to the operating result for the third quarter 2010 | 0 |
| operating result for the second quarter 2010 (from the day of taking possession, see below) | 2 009 |
| operating result for the first quarter 2010 (0 as possession was taken in the second quarter 2010) | 0 |

2. MIP Technologies AB.

Date of acquisition April 30, 2010
 Type of acquisition Company shares
 Acquired share 100 percent

Total acquisition cost KSEK 44 799
 whereof expected
 additional purchase payment KSEK 28 799

| Acquisition analysis | According to the company's balance sheet April 30, 2010 | Biotage's funds contribution | Expected additional purchase payment | Total acquisition cost | Adjustments according to IFRS 3 | Opening balance on the Group's balance sheet April 30, 2010 |
|---|--|------------------------------------|---|------------------------------|---------------------------------------|---|
| | KSEK | KSEK | KSEK | KSEK | KSEK | KSEK |
| Parent company's cash payment | 2 885 | 13 115 | | 16 000 | | 16 000 |
| Liquid assets in the company | | -130 | | -130 | | -130 |
| Sub-total in the Group's cash-flow report Sep 30, 2010 | 2 885 | 12 985 | 0 | 15 870 | 0 | 15 870 |
| Additional purchase payment | | | 28 799 | 28 799 | | 28 799 |
| Total Group acquisition cost | 2 885 | 12 985 | 28 799 | 44 669 | 0 | 44 669 |

Assets

| | | | | | | |
|---------------------------|--------|-----|---|--------|--------|--------|
| Intangible fixed assets | 8 870 | | | 8 870 | | 8 870 |
| Goodwill on consolidation | | | | 0 | 35 675 | 35 675 |
| Tangible fixed assets | 1 231 | | | 1 231 | | 1 231 |
| Inventory | 1 573 | | | 1 573 | | 1 573 |
| Current receivables | 1 922 | 31 | | 1 953 | | 1 953 |
| Liquid assets | | 130 | | 130 | | 130 |
| Total assets | 13 595 | 161 | 0 | 13 756 | 35 675 | 49 432 |

Equity and liabilities

| | | | | | | |
|------------------------------|--------|---------|---|--------|--------|--------|
| Long-term liabilities | 11 201 | -10 035 | | 1 166 | | 1 166 |
| Provisions | | | | 0 | 28 799 | 28 799 |
| Current liabilities | 5 845 | -2 378 | | 3 466 | | 3 466 |
| Equity | -3 451 | 12 574 | 0 | 9 124 | 6 876 | 16 000 |
| Total equity and liabilities | 13 595 | 161 | 0 | 13 756 | 35 675 | 49 432 |

3. Caliper Life Sciences Inc.

| | | | |
|--|------|--|---------------|
| Date of acquisition | | May 25, 2010 | |
| Type of acquisition | | Two product lines and their net assets | |
| Acquired share | | 100 percent | |
| Total acquisition cost | KSEK | 128 246 | (KUSD 16 500) |
| whereof expected additional purchase sum | KSEK | 0 | |

| Acquisition analysis | Balance sheet items taken over May 25, 2010 | Adjustments according to IFRS 3 | Opening balance on the Group's balance sheet May 25, 2010 |
|---------------------------------------|---|---------------------------------------|---|
| | KSEK | KSEK | KSEK |
| Parent company's cash payment | 108 815 | | 108 815 |
| Subsidiary Biotage LLC's cash payment | 19 431 | | 19 431 |
| Total Group acquisition cost | 128 246 | 0 | 128 246 |

Assets

| | | | |
|---------------------------|--------|---------|---------|
| Intangible fixed assets | | 41 426 | 41 426 |
| Goodwill on consolidation | | 67 511 | 67 511 |
| Tangible fixed assets | | 155 | 155 |
| Inventory | 10 263 | -132 | 10 131 |
| Current receivables | 12 582 | | 12 582 |
| Total assets | 22 845 | 108 959 | 131 805 |

Equity and liabilities

| | | | |
|------------------------------|--------|---------|---------|
| Provisions | 1 839 | | 1 839 |
| Current liabilities | 1 719 | | 1 719 |
| Net assets | 19 287 | 108 959 | 128 246 |
| Total equity and liabilities | 22 845 | 108 959 | 131 805 |

4. The acquired units' effect on the reported result in the interim report

The operating result reported below has not been charged with common costs for sales & marketing and administration. The acquired businesses' specific costs for sales and administration are however included in the operating costs reported below

The period from the date of taking possession to June 30, 2010

| | MIP Technologies AB | Caliper Life sciences product lines | Total |
|--------------------|------------------------|---|--------|
| | KSEK | KSEK | KSEK |
| Net sales | 2 211 | 6 296 | 8 507 |
| Operating expenses | -4 348 | -4 756 | -9 104 |
| Operating result | -2 137 | 1 540 | -597 |

The period July 1 - Sep 30, 2010

| | MIP Technologies AB | Caliper Life sciences product lines | Total |
|--------------------|------------------------|---|---------|
| | KSEK | KSEK | KSEK |
| Net sales | 1 821 | 17 358 | 19 179 |
| Operating expenses | -4 000 | -8 360 | -12 360 |
| Operating result | -2 179 | 8 998 | 6 819 |

The period Oct 1 - Dec 31, 2010

| | MIP Technologies AB | Caliper Life sciences product lines | Total |
|--------------------|------------------------|---|---------|
| | KSEK | KSEK | KSEK |
| Net sales | 3 175 | 18 031 | 21 206 |
| Operating expenses | -3 374 | -9 681 | -13 055 |
| Operating result | -200 | 8 350 | 8 150 |

The period from the date of taking possession to Dec 31, 2010

| | MIP Technologies AB | Caliper Life sciences product lines | Total |
|--------------------|------------------------|---|---------|
| | KSEK | KSEK | KSEK |
| Net sales | 7 207 | 41 685 | 48 892 |
| Operating expenses | -11 722 | -22 797 | -34 519 |
| Operating result | -4 515 | 18 888 | 14 373 |