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## **The board of directors' of Biotage AB (publ) report pursuant Chapter 18 Section 4 and Chapter 19 Section 22 the Swedish Companies Act**

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The Board of Directors has proposed that the 2017 Annual General Meeting resolves on a dividend of SEK 1.25 per share, which will result in an aggregate dividend of not more than SEK 80,893,058.75. No shares are held in treasury. Furthermore, the Board of Directors has proposed that the 2016 Annual General Meeting resolves to authorise the Board of Directors to decide on the acquisition and sale of the company's own shares on NASDAQ OMX Stockholm. Pursuant to the proposal, the company may purchase at the most so many shares that the company's holding of own shares after the purchase amounts to a maximum of one-tenth of all the shares in the company. With reference to these proposals, the Board of Directors is submitting this report in accordance with Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act.

Provided that the 2017 Annual General Meeting resolves in accordance with the Board of Directors' proposal regarding dividend, SEK 392,506,938.20 of the company's non-restricted equity will be brought forward. The company's restricted equity will amount to SEK 89,853,081.57. As of 31 December 2016, the company's non-restricted equity amounted to SEK 473,399,997. As of 31 December 2016, the group's total equity amounted to SEK 563,237,620. The company's equity/asset ratio was 88.6 % as of 31 December 2016 following deduction of the proposed dividend (98.0 % as of 31 December 2015). The group's equity/asset ratio was 78.5 % as of 31 December 2016 following deduction of the proposed dividend (79.2 % as of 31 December 2015).

Record date for dividend is proposed to be Tuesday, 2 May 2017. Payment of dividend is estimated to be effectuated by Euroclear Sweden AB on Friday 5 May 2017. The group's equity/assets ratio is satisfactory considering that the group's operations is expected to be profitable also going forward. The liquidity is also expected to be held at satisfactory level. The dividend is not considered to imply any risk for the company or the group to meet their long-term or short-term obligations or to affect the company's ability to carry out necessary investments in the group's business

The Board of Directors' assessment is that the company's and the group's equity, following dividend and a utilization in full of the authorization to repurchase own shares, will be large enough to fulfill the requirements of the scope and risks of the business conducted. Furthermore,

the Board of Directors believes that these measures are reasonable considering the company's and the group's need for consolidation, liquidity and other operating conditions. Neither the dividend nor the repurchase of own shares is considered to imply any risk for the company or the group to meet their long-term or short-term obligations. These measures are not assessed to affect the company's ability to carry out necessary investments in the group's business.

With reference to the above, it is the opinion of the Board of Directors that the proposed dividend and the proposal to authorize the Board of Directors to decide on the acquisition and sale of the company's own shares are in line with the duty of care provision set out in Chapter 17 Section 3 Paragraphs 2 and 3 of the Swedish Companies Act.

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Uppsala, March 2017

**Biotage AB (publ)**

*The Board of Directors*