Annual Report 2014

BioPorto®

BioPorto A/S CVR DK-17500317

About BioPorto

BioPorto is an in-vitro diagnostics company with a pipeline of highly specialised monoclonal antibodies and antibody-based diagnostic tests used in the treatment of critically ill patients. Our products are intended for in-vitro diagnostics, clinical research and basic research, and they are distributed in more than 80 countries through our own sales force as well as through distributors and OEM agreements.

In addition to an attractive and unique pipeline targeting areas such as pharmaceutical companies' development of new medicines, BioPorto's product portfolio consists of the proprietary The NGAL Test™. A diagnostic biomarker based on Neutrophil Gelatinase Associated Lipocalin (NGAL) as a marker to diagnose acute kidney injury much earlier than traditional markers are able to. The NGAL Test™ allows for initiating preventive treatment of acute kidney injury earlier than currently available markers, helping to reduce the risk of developing life-threatening kidney injury. Acute kidney injury is a known risk factor in connection with procedures such as kidney transplant and heart surgery and represents a growing problem that affects approximately 13 million worldwide each year, causing 4 million deaths.

Dedicated focus on sales

In 2014, BioPorto strengthened its commercial focus, implementing a sales strategy based on two primary sales streams aiming to achieve the company's growth potential. Our ELISA kits and antibody activities gradually become stronger as we add new, unique antibodies to the portfolio and optimise our sales channels. At the same time, we have launched a dedicated growth plan for The NGAL Test™ to boost sales in Europe and prepare a roll-out in the USA in 2016 after the expected FDA approval.

A solid capital base and a cost-efficient organisation dedicated to sales form the basis of our purposeful execution of BioPorto's growth strategy, which aims to substantially lift revenue and earnings and make the company cash flow-positive and profitable by 2016.

BioPorto Diagnostics Product overview

The NGAL Test™

Acute kidney injury

Diagnostic test for clinics, hospitals, GPs and laboratories

DIRECT SALES, DISTRIBUTORS, LICENSE AND OEM

NGAL ELISA kits

Toxic effect on kidneys (nephrotoxicity)

Basic research test for the biotech and pharmaceutical industries

DIRECT SALES AND DISTRIBUTORS

MBL ELISA kits

Immunodeficiency (MBL deficiency)

Diagnostic tests for hospitals and immunodeficiency centres

DIRECT SALES AND DISTRIBUTORS

Antibodies

Basic research within allergy, diabetes and infectious diseases amongst others

Basic research test for research institutions, the pharmaceutical industry and assay manufacturers

DIRECT SALES, OEM AND DISTRIBUTORS

Contents

Financial highlights

	2014 DKK thousand	2013 DKK thousand	2012 DKK thousand	2011 DKK thousand	2010 DKK thousand
Revenue	18.705	16,625	17,858	18,584	13,802
Operating profit/loss (EBIT)	(15.256)	(19,802)	(13,870)	(12,858)	(13,411)
Net financials	159	(2,071)	(2,080)	(1,980)	(796)
Operating profit/loss before tax	(15.097)	(21,873)	(15,950)	(14,838)	(14,207)
Profit/loss for the year	(12.926)	(21,873)	(14,700)	(14,838)	(14,207)
Non-current assets	1.456	528	470	572	763
Current assets	35,783	50,064	17,708	20,680	20,209
Aktiver i alt	37,239	50,592	18,178	21,252	20,973
Share capital	117,874	117,874	141,449	135,449	126,398
Equity	28,686	41,612	(1,150)	3,940	3,307
Non-current liabilities	87	105	0	12,186	11,924
Current liabilities	8,466	8,875	19,328	5,126	5,741
Total equity and liabilities	37,239	50,592	18,178	21,252	20,972
Cash flows from operating activities	(16,138)	(16,640)	(15,280)	(13,606)	(13,379)
Cash flows from investing activities, net	(1,199)	(33)	(87)	(30)	(207)
Of which investment in property, plant and equipment	(542)	(28)	(82)	(23)	(201)
Cash flows from financing activities	(18)	51,126	9,611	13,815	13,168
Total cash flows	(17,355)	34,453	(5,756)	179	(418)
Revenue growth	13%	-7%	-4%	35%	25%
Gross margin	71%	54%	62%	57%	61%
EBIT margin	-82%	-119%	-78%	-69%	-97%
Equity ratio (solvency)	77%	82%	-6%	19%	16%
Return on equity	-37%	-108%	-1054%	-410%	-152%
Average number of employees	24	25	25	25	23
Average number of shares (1,000)	117,874	79,137	45,308	43,084	42,133
Earnings per share (EPS). DKK	(0.11)	(0.28)	(0.24)	(0.26)	(0.25)
Net asset value per share. year-end. DKK	0.24	0.35	(0.02)	0.07	0.06
Share price. year-end. DKK	1.69	1.40	4.82	7.05	7.85

A definition of financial ratios is set out in note 1 to the consolidated financial statements.

To BioPorto's shareholders

Negative sales trends reversed through strategic execution

For BioPorto, 2014 was a landmark year in which we were fully dedicated to executing the growth strategy we implemented in ultimo 2013.

We have restructured our company introducing a far more sales-oriented corporate culture, and we began to see positive results already in 2014.

We increased our sales of ELISA kits and antibodies, and our focus on adding new products enabled us to better utilise the potential of our sales platform. We have entered into collaborative agreements with other test providers to strengthen market awareness of NGAL as a biomarker of acute kidney injury, and while growth fell slightly short of our expectations, we did increase our revenue from The NGAL Test™ for heart and kidney transplant centres.

On track to meet our 2016 profitability objective

The strategic execution in 2014 was the first important step towards meeting our objectives. Most importantly, we recorded revenue growth of 12.5% in 2014, reversing the negative revenue trend that BioPorto had experienced since 2011. The 2014 revenue of DKK 18.7 million is the highest in company history, and at the same time we reduced the loss by DKK 8.9 million relative to 2013.

However, there is still more work to be done and important measures that will require our full attention.

First of all, the market penetration of NGAL in Europe is not progressing as quickly as we had hoped. The lead times are long, but customer interest is underpinned by scientific evidence for NGAL as a biomarker of acute kidney injury. We need to translate this interest into a sharp increase in the number of routine users in 2015.

Secondly, in the first half of 2015 we intend to file for 510(k) clearance with The NGAL Test™ to the FDA in the USA. To ensure this registration process, the clinical study must be completed, data must be collected and registration made. We have established partnerships with leading hospitals in the USA who will help us in these endeavours. FDA approval of The NGAL Test™ will mark an important milestone for BioPorto enabling BioPorto to address the world's largest IVD market.

Thirdly, we are confident that our ELISA kits and antibody pipeline represent a huge growth potential. Consequently, we need to further escalate the positive trends and create a foundation for increasing the return on our platform.

The steps we have already taken and the coming year's strategy execution will combine to lift our revenue by 15-35% and further reduce our operating loss in 2015, which makes me confident that we are on track to meet out objective of being profitable and cash flow positive in 2016.

Peter Mørch Eriksen

CEO

Key events in 2014

Executing on our targeted sales strategy

BioPorto upgraded its sales organisation in 2014 in order to boost sales, partly of ELISA kits and antibodies, partly through targeted commercialisation of The NGAL Test™ towards specialist clinics, applications and territories.

Focus efforts in order to grow the number of routine users

In order to increase the number of European clinics that use The NGAL Test™ on a regular basis, in 2014 BioPorto specifically addressed the areas of transplant and heart surgery. By the end of the year, there were 13 European users, and so our target of 16-18 was not fully met. Our efforts in 2014 centred on the UK market, where BioPorto has worked closely with a local distributor to establish close direct relations with more than 20 specialist heart surgery units.

The limited knowledge of NGAL meant that our canvassing efforts in the UK took longer than expected. However, interest in our product has increased, and it is the general view among general practitioners that NGAL has a high clinical value as an early marker of acute kidney injury based on strong clinical evidence.

We expect to sign additional agreements with new routine users at the beginning of 2015, and that will contribute to accelerating our market penetration and generate further growth – also in the number of licensing and OEM agreements.

New strategy for agreements ensure mutual interest among NGAL players

In 2014, BioPorto signed a cross-licensing agreement with Abbott that give mutual access to the parties' respective NGAL-related IP rights on a non-exclusive basis. The agreements also cover sub-licenses to Phadia and Cincinnati Children's Hospital (CCH). At the same time, BioPorto reached a settlement with Phadia, which counters any future claim for compensation concerning Phadia's HNL/NGAL patent. The agreements had no impact on revenue in 2014 but will align the interests of the players, which is considered a key factor in terms of increasing awareness of NGAL as a biomarker of acute kidney injury.

Maintaining a strong IP position

In February 2014, the European Patent Office published intention to grant BioPorto's NGAL Exclusion and NGAL Former patent. In April 2014, the EPO decided to rule BioPorto's NGAL Cutoff patent invalid. The EPO is currently processing BioPorto's divisional NGAL cutoff patent application. BioPorto's NGAL Exclusion patent, NGAL Former patent, the divisional NGAL Cutoff patent application and the other NGAL patents are believed to offer BioPorto adequate protection of its IP rights.

Establishment of Advisory Board

In 2014, BioPorto established a European Advisory Board. The members of the board were selected on the basis of their scientific involvement either directly with NGAL or with related topics. BioPorto's Advisory Board held its first meeting in May 2014 to discuss the clinical use of NGAL as an early biomarker. The Advisory Board has subsequently prepared an article on the use of NGAL in clinical practice. The publication process of the article has been initiated.

External studies confirm superiority of NGAL and the leading position held by The NGAL Test™

The interest for NGAL from the scientific and clinical community is growing and results from scientific studies confirm the biomarker's potential and BioPorto's strategy. In 2014, BiomarkerBase™ documented that NGAL is the most frequently used biomarker in clinical cardiovascular studies, and a British study of acute kidney injury has concluded that NGAL measurements in plasma and urine diagnose acute kidney injury with great precision. At the beginning of 2015, a French study demonstrated that early measurement of NGAL may reduce post-operative risk of kidney injury. Finally, on the basis of a market analysis for the diagnosis of patients with acute kidney injury, Frost & Sullivan awarded BioPorto the Product Leadership Award for acute kidney injury diagnostics for its The NGAL Test™.

510(k) application in the USA progressing as planned

In the USA, BioPorto conducted sample collection at the three following sites ahead of study initiation and 510(k) submission for The NGAL Test™ in the US market:

- Massachusetts General Hospital - Boston, Massachusetts, United States
- Montefiore Medical Center - Bronx, New York, United States
- Methodist Hospital - Houston, Texas, United States

The application is expected to be filed with the US Food and Drug Administration (FDA) in the first half of 2015 with expected approval at the end of 2015. We will subsequently initiate the commercial launch of the product in the USA.

Added sales achieved through strengthening of ELISA kits and antibody portfolio

In order to generate additional sales using the existing sales platform for the research-related activities, in 2014 BioPorto in-licensed new ELISA kits and antibodies, e.g. concerning immune deficiency, coagulation and diabetes. This was one of the drivers of the growth achieved in this segment. Furthermore, BioPorto has entered into new agreements for a number of already in-licensed antibodies, which means that, going forward, BioPorto will have exclusivity on sales of these antibodies.

Revenue growth of 12.5% and loss in line with expectations

Recording revenue of DKK 18.7 million in 2014, BioPorto delivered growth of 12.5%, thus reversing the negative revenue trend that had prevailed since 2011. Growth was consistent with the guidance range expressed in our annual report for 2013 and in line with the most recently announced forecast.

Revenue from The NGAL Test™ rose to DKK 2.4 million (2013: DKK 2.2 million). The disappointing growth was mainly ascribable to declining sales to license and OEM customers. Overall, revenue from the NGAL portfolio amounted to DKK 5.3 million (2013: DKK 5.6 million). Revenue from MBL ELISA kits were DKK 2.1 million (2013: DKK 1.8 million), while revenue from other products, including antibodies, and license income rose 23% to DKK 11.3 million.

The loss for the year amounted to DKK 12.9 million, against a loss of DKK 21.9 million last year. The improvement is in line with expectations.

At 1 January 2015, BioPorto had cash of DKK 25.4 million, which is considered sufficient to accomplish the concern's organic growth strategy.

Strategy, focus areas and objectives

Focused sales strategy paves the way for profitable operations and positive cash flows

BioPorto's strategy is based on a focused commercialisation of the company's diagnostics portfolio. After the company for years had been dedicated to development activities, in 2013 its new management realigned the strategy with a view to lifting revenue and creating a foundation for generating earnings within a few years. The capital base was secured in that connection, and the organisation has been adapted to the new strategic focus.

Management has since then dedicated its attention to implementing the strategy, focusing on the following main points:

- Increasing sales of the entire product catalogue to selected channels, segments and niches.
- Entering into partnerships concerning the proliferation of NGAL in the interests of all market players.
- Promoting clinical acceptance of NGAL through the newly established advisory board, initiation of studies and improved relations with established users and new users alike.

The purpose of the strategy is to generate revenue growth from an accelerated global roll-out of The NGAL Test™ and from increased sales of a highly specialised portfolio of ELISA kits and antibodies. These efforts are intended to make BioPorto profitable and cash flow positive in 2016.

Fokus på vækst i antal brugere og FDA godkendelse af The NGAL Test™

More attractive market conditions for NGAL

Market conditions for accelerating sales growth of The NGAL Test™ improved moderately in 2014. During the year, results from several studies were published, highlighting the clinical value of using NGAL as an early biomarker of acute kidney injury. The mounting clinical evidence for using NGAL contributes to increasing awareness of The NGAL Test™, including awareness of the benefits of the test relative to serum creatinine – the current standard marker of acute kidney injury.

In addition, the IP position has been further clarified as BioPorto has signed a cross-licensing agreement Abbott, under which the players will collaborate to promote the use of NGAL in the healthcare sector.

Routine users to pave the way for distribution and collaboration agreements

BioPorto's strategy for The NGAL Test™ builds on a gradual penetration of the market for critical medical procedures – heart surgery and kidney transplantation – for which the use of The NGAL Test™ and, by extension, an early diagnosis of acute kidney injury may make a huge difference in terms of the patient's state of health and further treatment cycle.

A key component of the strategy is to increase the number of routine European users in heart and kidney transplant centres. Our business volume and experience with the routine users will be used to increase the number of agreements with distributors and potential licensing and OEM partners. BioPorto intends to partner with instrument suppliers, who can relatively quickly bring products to market in specialised segments. Furthermore, we will resume relations with large diagnostics players in order to promote more general usage of The NGAL Test™ in intensive care units, which offer a huge potential.

US approval would substantially lift sales of The NGAL Test™

In Europe, where The NGAL Test™ is registered for diagnostic use, we will focus our sales efforts on the UK and Germany, as we believe these markets offer the greatest sales potential.

BioPorto is also preparing to register The NGAL Test™ in the US market. The collection of data and recruitment of patients for the required studies will be completed in early 2015, and we subsequently expect to file for 510(k) clearance with the FDA in the summer of 2015. BioPorto expects to receive the first instrument approvals by the end of 2015 and will then start to roll out the product in the USA. As the US market represents more than half of the combined global market for The NGAL Test™, commercialisation in the USA is considered a key strategic component towards realising the potential of the test.

Growing sales of specialised ELISA kits and antibodies

ELISA kits and antibodies represents a huge growth potential, and BioPorto intends to apply its targeted strategy and restructured sales organisation to capitalise on this potential.

Compared with the competition, BioPorto has fewer products in this part of its portfolio, but its products are highly specialised and unique. In order to increase sales of BioPorto's research products, we intend to optimise our current sales channels, a new webshop has been launched, and we will in-license new and unique antibodies and assays to consolidate the overall portfolio and gradually obtain added sales.

Strategic milestones

While our ongoing initiatives and optimisation efforts in Europe are expected to generate steady growth in sales of The NGAL Test™ in the years ahead, FDA approval and a subsequent product launch in the USA will become a key growth driver for The NGAL Test™ from 2016.

The initiatives already launched for our portfolio of ELISA kits and antibodies are expected to lift growth in the near term and thus to help finance operations and the roll-out of The NGAL Test™, until the penetration of NGAL reaches the anticipated levels.

The achievement of the above objectives is subject to BioPorto being able to restore sales growth of ELISA kits and antibodies, including the concern's ability to maintain access to a strong portfolio which can be enlarged to include new products on an ongoing basis. Another condition is the successful roll-out of The NGAL Test™ at the speed desired, which is subject to the adoption of this technology by the healthcare authorities, BioPorto's ability to attract and retain commercially-oriented staff and the adequacy of the present capital base for implementing the strategy.

Expectations of growth and earnings improvement in 2015

In 2015, the BioPorto management expects to increase the number of routine users of The NGAL Test™ to at least 25 clinics and hospitals in Europe. This will help us to enter into new licensing and OEM agreements, and combined with sales to our existing customers it is expected to increase revenue from assays in 2015. Similarly, our ongoing strengthening of the MBL ELISA kits and the antibody portfolio is expected to provide the setting for solid revenue growth from these products.

Our initiatives are expected to lead to total revenue of DKK 22-25 million in 2015, corresponding to a growth rate of 15-35%.

Combined with greater organisational efficiency, this revenue growth is expected to lead to an annual loss of DKK 8-10 million, which would mark a significant improvement on 2014. Operational result (EBIT) is realized with an expected loss of DKK 10 – 12 million – compared to a realized operational loss of DKK 15.3 million in 2014.

Strategic and financial targets for the period to 2016		2014 status
Refocus from development to sales	√	Restructuring implemented and sales strengthened
Reverse negative sales trend by commercialising diagnostics portfolio	√	Solid growth in antibodies – increase in sales of The NGAL Test™ but less than projected in 2014
Penetration of European niche markets and conclusion of new licensing and OEM agreements for The NGAL Test™	÷	Number of routine users increased from three to 13 and agreement signed with Abbott in 2014, but penetration delayed by limited awareness of NGAL as a marker
Ensure FDA approval and prepare US launch in 2016	√	Patient recruitment completed in 2014 – on-track with 510(k) filing in 2015
Strengthen the productportfolio of ELISA kits and antibodies and expand the customer base	√	In-licensing of new antibodies and increased sales to new customers in 2014
Double revenue relative to 2013 and ensure profitability and positive cash flow in 2016	√	Revenue growth of 12.5% in 2014 – operating loss significantly reduced

Our products and markets

BioPorto develops and markets in-vitro diagnostic (IVD) assays, which are important sources of information for medical professionals in diagnosing disorders, prescribing treatment and monitoring a patient's response to treatment. The products are also used to provide scientists with a better understanding of the causes of a specific disease and to develop new treatment regimes and medicine.

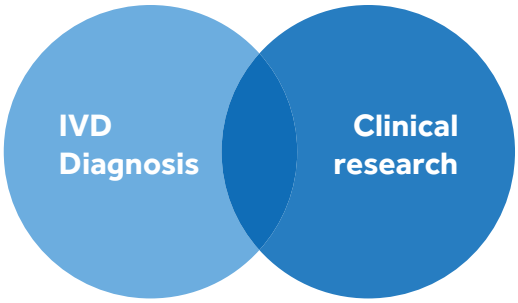
BioPorto aims to offer doctors and scientists new diagnostic biomarkers that address unmet medical needs in order to establish new standards in the treatment of life-threatening medical conditions, focusing on early diagnosis.

BioPorto's product pipeline consists of highly specialised and unique monoclonal antibodies and antibody-based diagnostic tests. Depending on the format and scope of use, the products are intended for diagnostics, clinical research and basic research.

IVD products

The NGALTest

MBL ELISA kit &
Human NGAL ELISA kit



Customers: Hopsitals, clinical institutions & research centers

RUO products

ANTIBODYSHOP®

Monoclonal antibodies &
Animal NGAL ELISA kits

Customers: Pharmaceutical & Biotech companies, Universities & CRO's

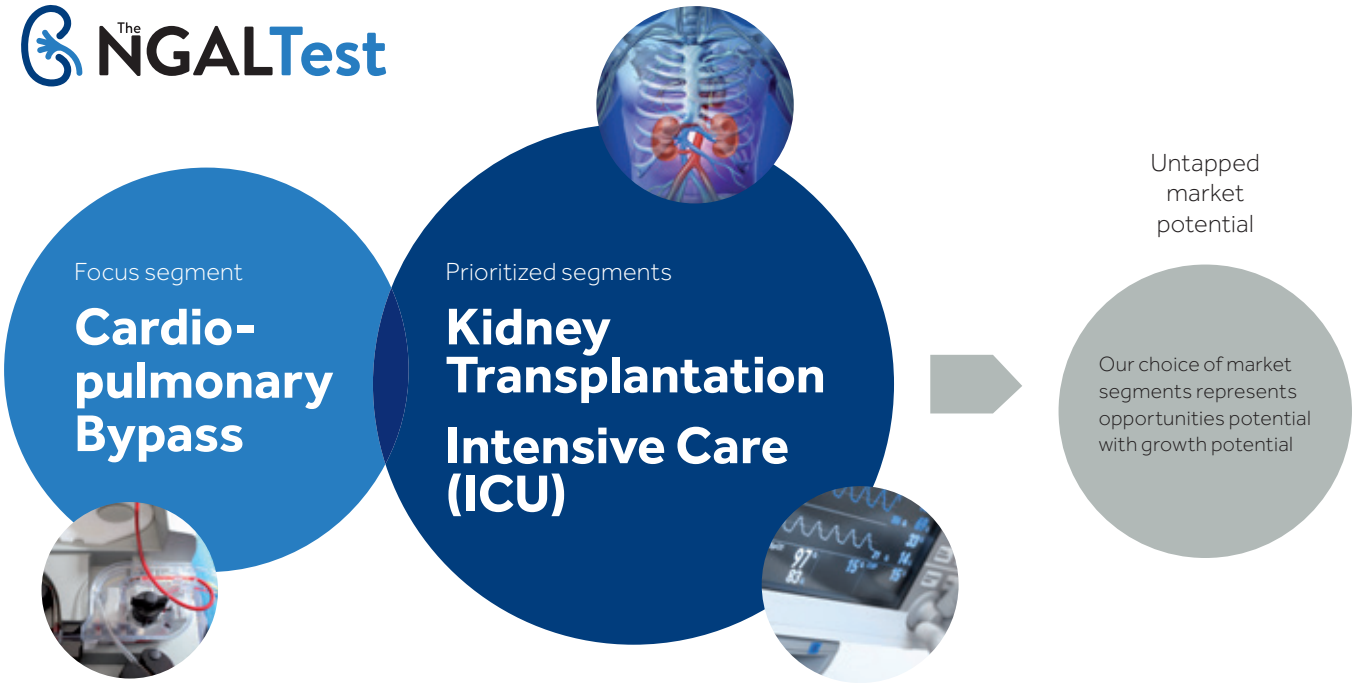
Product portfolio

The NGAL Test™

Every year, some 13 million people are affected by acute kidney injury, of whom about 4 million die. In spite of this statistic, developments in kidney-injury diagnostics have been dormant for the past fifty years. Currently available methods such as serum creatinine determination only signal kidney failure 24-72 hours after the injury has occurred. By contrast, NGAL rises to diagnostic levels within two hours of kidney injury, thus allowing the physician to make vital clinical decisions before the damage progresses to potentially fatal renal failure. The test makes it possible to remedy kidney injury, and cost-benefit analyses have also shown that implementing NGAL testing will contribute to reducing hospital costs involved in treating kidney injury patients.

The use of The NGAL Test™ as an early biomarker of acute kidney injury offers several benefits for patients, healthcare professionals and the healthcare system as such worldwide. These benefits include:

- Usage may save patient lives because healthcare professionals can more quickly make medical decisions that may help prevent the development of acute kidney injury in a patient.
- Usage may reduce the length of hospitalisation and reduce the risk of patients requiring dialysis. This would reduce hospital costs for treating renal dysfunction.
- Usage may improve patient quality of life by reducing the risk of developing acute kidney injury and subsequently potential fatal renal failure.



The NGAL Test™ is a particle-enhanced turbidimetric immunoassay designed for use on most clinical chemical analysers, which the vast majority of hospitals in the western world have in their central laboratories. The NGAL Test™ is relevant for several specialist areas in any hospital—including kidney, cardiology, anaesthesiology, urology, neurology and intensive care units.

The NGAL Test™ is able to measure NGAL in both urine and in plasma, while competing assays from Abbott Diagnostics and Alere measure NGAL in either urine or plasma, but not in both. Abbott Diagnostics markets its NGAL test on their Abbott Architect analyser, while Alere markets its NGAL test on Alere Triage Point of Care analysers. In this area, The NGAL Test™ differs notably from the competing tests in that The NGAL Test™ is approved for use on the major analysers from the principal players in the diagnostics industry.

BioPorto's strategy for The NGAL Test™ builds on penetrating three medical segments: Cardiac bypass surgery, kidney transplantation and intensive care units. The segments represent a large unexploited market potential that BioPorto intends to address through own sales channels and via local distributors.

NGAL ELISA kits

Another important use of NGAL is in the pharmaceutical industry (clinical trials), where NGAL is used in drug development for estimating a specific compound's adverse renal effects (nephrotoxicity). BioPorto provides NGAL ELISA kits for all five animal models used for drug discovery purposes and NGAL ELISA kits for human use.

BioPorto is the dominant market player in the NGAL ELISA kit segment and the only player to offer animal and human NGAL ELISA kits for the entire drug development process, in which focus is on the nephrotoxicity of the drug candidates.

MBL ELISA kit

Mannose-binding lectin (MBL) is an important molecule in the innate immune system that combats bacterial infections until a child's antibody production is fully functional. As much as 12% of the population in the western world suffer from full or partial MBL deficiency, which increases the risk of infection and may cause problems for organ transplant patients, patients with cystic fibrosis and persons suffering from other genetic immunodeficiencies.

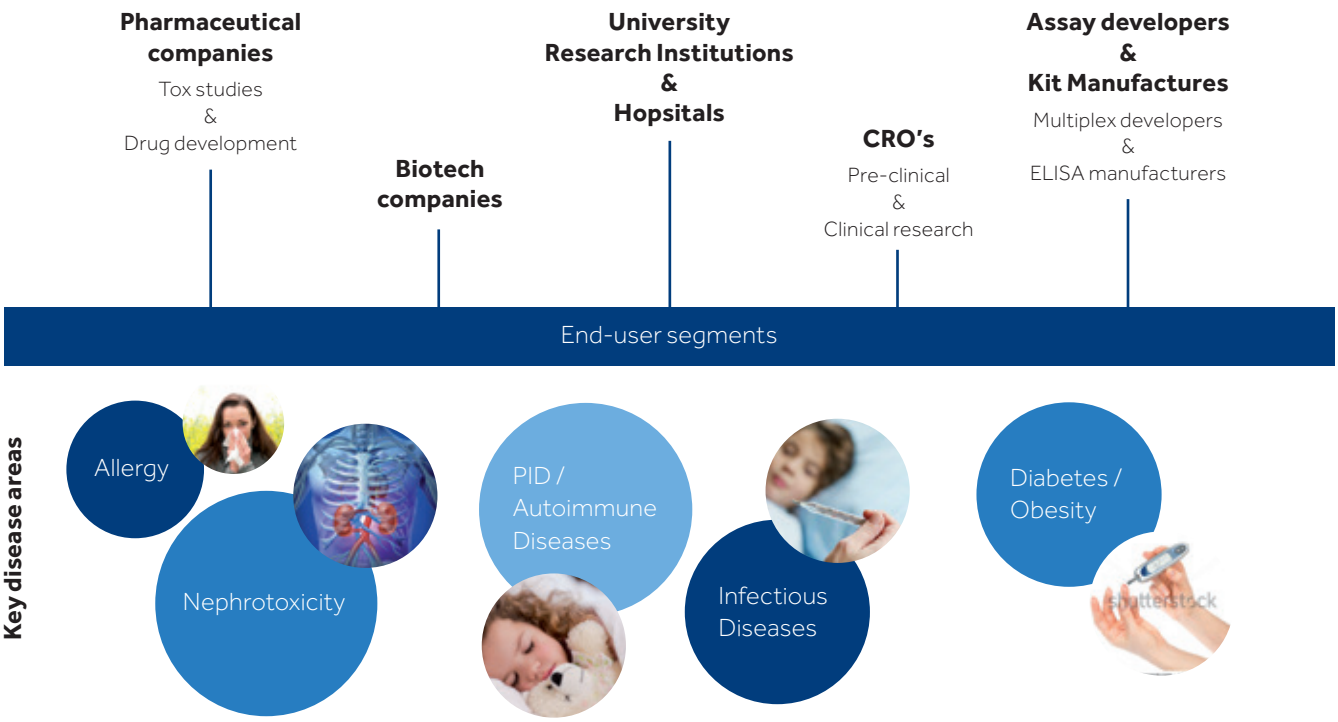
BioPorto's MBL ELISA kit is CE-labelled and was launched as an IVD marker outside the USA in 2002. The kit is based on the most widely used monoclonal MBL antibodies, which have been described in a wide range of scientific articles. BioPorto is the only vendor of this specific assay, and the MBL ELISA kit has been the "gold standard" for quantitative measurement of MBL levels since 2002.

Antibodies

AntibodyShop is the trademark for BioPorto's pipeline of antibodies. This unique and highly specific pipeline primarily comprises monoclonal antibodies (about 300 all told), spanning a number of different research disciplines such as microbiology, biomarkers, peptide hormones and plasma proteins. The pipeline is continuously expanded in order to grow the added sales potential from the existing sales platform.

Antibodies and research reagents are typically sold via large online providers, and BioPorto has signed long-term distribution agreements with some of the most influential distributors. Combined with our own webshop, we thus have a strong global distribution network with customers in Europe, the USA and Asia.

Key end user segments for ELISA kits and antibodies



One of the unique group of antibodies BioPorto offers is a pipeline of antibodies targeting peptide hormones, including GLP-1 (glucagon-like peptide-1), which is crucial to the development of a new generation of products for treating Type II diabetes and obesity.

The competitive environment for the different products in BioPorto's antibody pipeline varies significantly. There is only limited competition for certain research reagents, because similar products are unavailable or there are no alternative methods for conducting the analyses. Other antibodies and research reagents are typically sold by large online vendors, some of whom are among BioPorto's distributors.

Intellectual property rights

BioPorto patents	Status EU	Status USA	Status
NGAL Cutoff patent	Application filed	Application filed	Issued in Australia, Hong Kong, India, Japan, Singapore and South Korea. Application filed in Canada
NGAL Exclusion patent	Issued	Application filed	
NGAL Forms patent	Issued – opposition filed	Application filed	
NGAL Ratio patent	Issued	Issued	
NGAL Trauma patent	Issued	Application filed	

The Group's NGAL patents include five patent families covering the use of NGAL in connection with diagnostics of acute kidney injury and trauma assessment:

- The NGAL Cut-off patent, which describes the cut-off of 250 ng/mL or higher that can be used for diagnosing acute kidney injury.
- The NGAL Exclusion patent, which is complementary to the cut-off patent and concerns lower NGAL levels, which rule out an immediate risk of kidney injury.
- The NGAL Forms patent, which deals with an analysis of individual molecular forms of NGAL in urine and blood to increase the diagnostic specificity of diseases characterised by different increases in the levels of these forms, including acute kidney injury.
- The NGAL Ratio patent, which involves the use of a ratio between NGAL concentrations in urine and plasma for increasing the diagnostic specificity and sensitivity to acute kidney injury. The method complements the NGAL cut-off patent, but in certain clinical situations, it can also work independently as a more accurate alternative to the NGAL cut-off patent.
- The NGAL Trauma patent, which deals with NGAL analysis of plasma or urine to assess the severity of physical traumas.

Licensing access to BioPorto's IP rights

In 2011, BioPorto entered into a non-exclusive licensing agreement with Instrumentation Laboratory concerning access to BioPorto's NGAL IP rights.

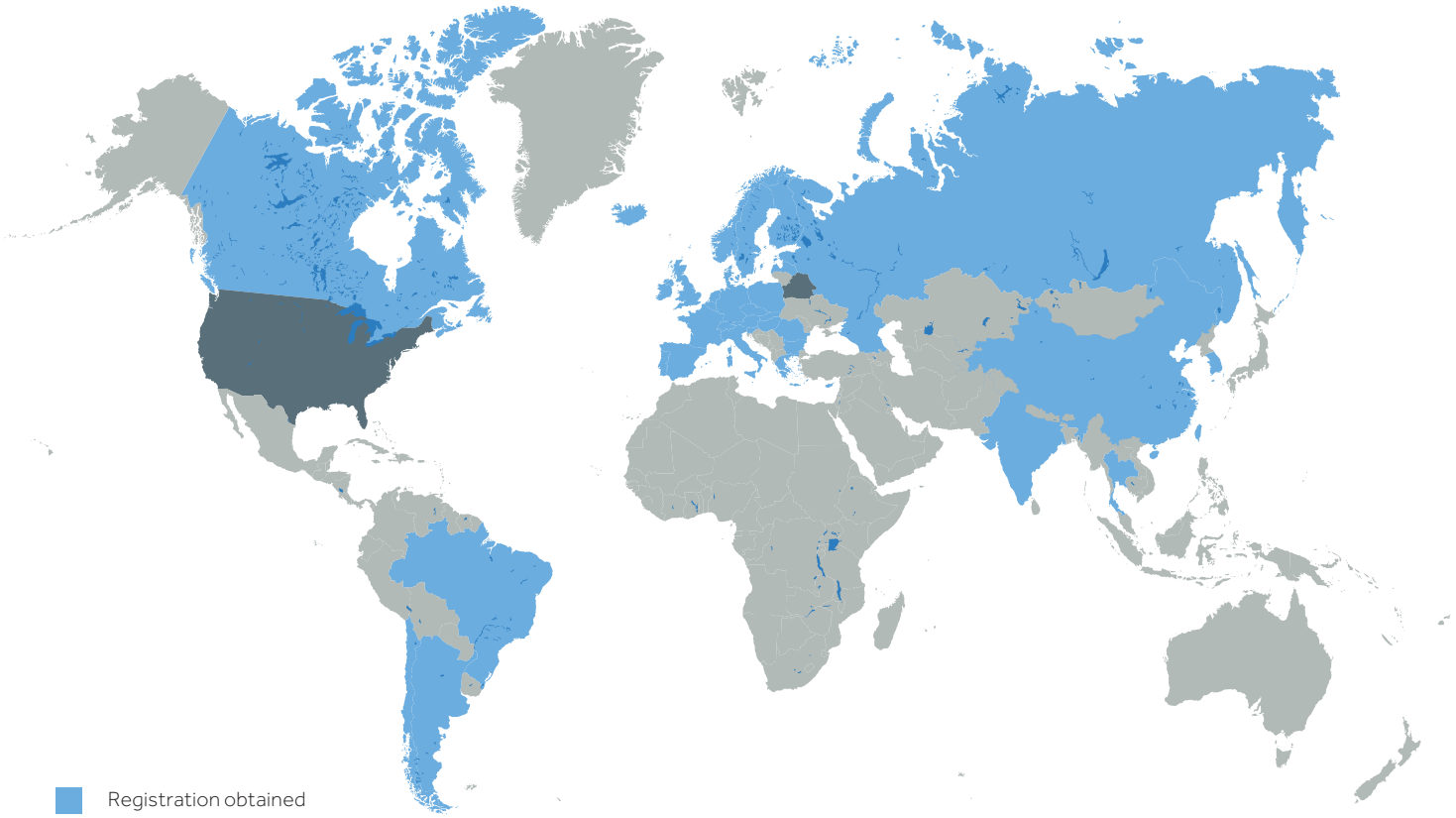
In 2014, BioPorto signed a licensing agreement with Abbott concerning a cross license for both parties' respective IP rights within the NGAL area. All licenses are granted on a non-exclusive basis and cover all NGAL-related IP rights controlled directly or indirectly by the parties—including sub-licenses granted by Phadia and Cincinnati Children's Hospital.

Other parties' NGAL rights

In 2010, BioPorto filed an opposition with the EPO against Cincinnati Children's Hospital's (CCH's) patent EP1766395. The patent covers the diagnosing of renal tubular cell injury by detecting NGAL in serum, plasma or whole blood. Oral proceedings were held on 25 September 2013, when the EPO ruled in favour of BioPorto, stating that the patent should be limited to apply to serum only, as specified in CCH's original patent application. Measurements of NGAL in plasma or urine are significantly more accurate than in serum, which is why BioPorto does not recommend serum measurements. The limitation of CCH's serum patent does not affect BioPorto's market access and is not expected to be of significant commercial value. The CCH has appealed the decision to the Board of Appeal, which has still not rendered its decision.

Registration

In order for a diagnostic product to be marketed, it must undergo a registration process with the health authorities in each individual country. The NGAL Test™ has qualified for registration in a number of European countries and in Brazil, Canada, India and China. The USA accounts for roughly half of the total IVD market, and substantial resources are therefore devoted to obtaining approval of The NGAL Test™ from the US Federal Drug Administration (FDA). The FDA has requested that a clinical registration trial be carried out in the USA to verify the use of the test in a US setting. BioPorto has entered into agreements with contract research organisations and three hospitals in the USA which will help conduct the clinical trial. Sample collection and patient enrolment have commenced, and the study is expected to be completed in 2015 with a subsequent 510(k) scheduled for submission in mid-2015.



Reimbursement

Diagnostic assays are often eligible for financial reimbursement via public healthcare systems or private health insurance. The NGAL Test™ can be marketed and sold without qualifying for such reimbursement, but reimbursement is an incentive for the implementation if an immunoassay is to become a widely-used routine marker. However, a significant hurdle in respect of qualifying for reimbursement is that the use of NGAL remains limited, and the economic benefits of implementing the test are therefore currently undocumented. As part of ongoing and future trials, BioPorto will also work to ensure that financial data are collected for conducting cost-benefit analyses. Similarly, the preparation of clinical guidelines for the use of NGAL is a contributory factor in terms of qualifying for reimbursement.

Financial review

Growth and financial performance in line with guidance

BioPorto generated revenue of DKK 18.7 million in 2014, equivalent to a year-on-year growth rate of 12.5%. Revenue was in line with the most recent guidance but at the lower end of the original range. This was due to a timing difference with respect to the conclusion of licensing and OEM agreements for The NGAL Test™, which will now take place in 2015.

The Group recorded a loss after tax of DKK 12.9 million, which was also in line with expectations.

BioPorto had a cash outflow from operating activities in 2014 of DKK 16.1 million against DKK 16.6 million in 2013, as a result of which the Group's cash at 31 December 2014 amounted to DKK 25.4 million.

	Guidance expressed in 2013 annual report	Updated guidance, Q3 2014	Realised in 2014
Revenue	DKK 19 -23m	Approx. DKK 19m	DKK 18.7m
Profit/loss after tax	Loss of DKK 10 -14m	Loss of about DKK 14m	Loss of DKK 12.9m

Figure 1: Growth in revenue, inc. licences (DKK mio)

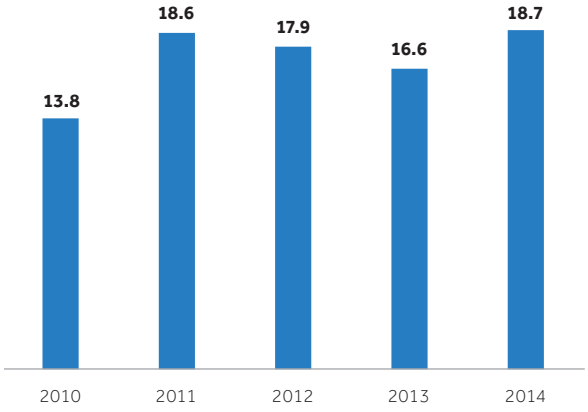


Figure 2: Loss of profits, EBIT (DKK mio.

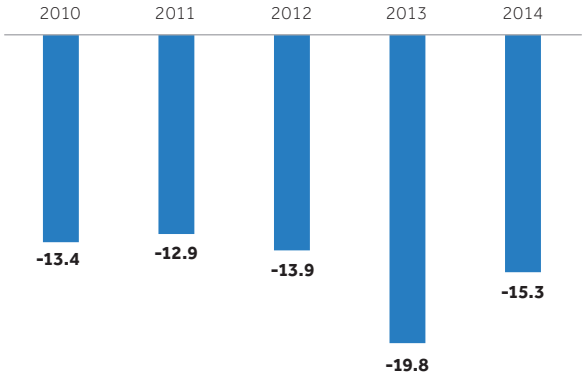
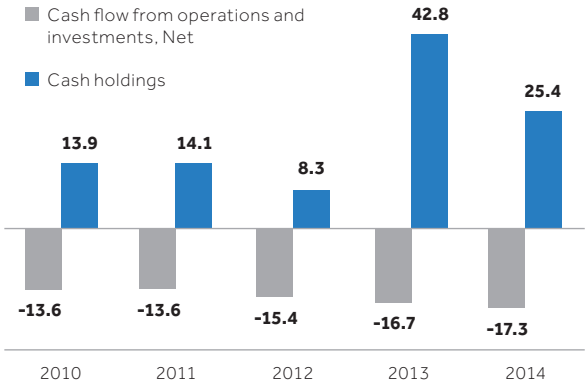


Figure 3: Cash flows and Group cash (DKK mio.)

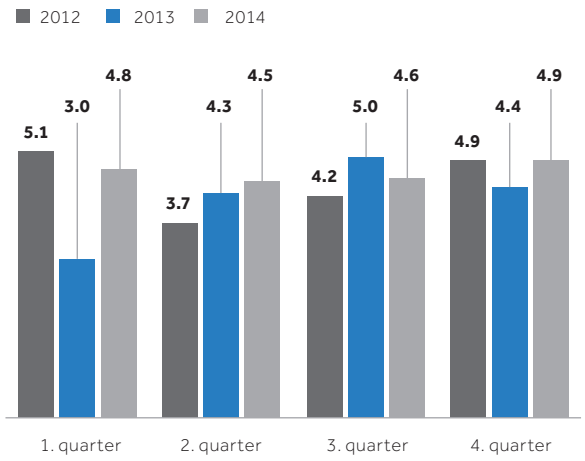


Income statement

Revenue

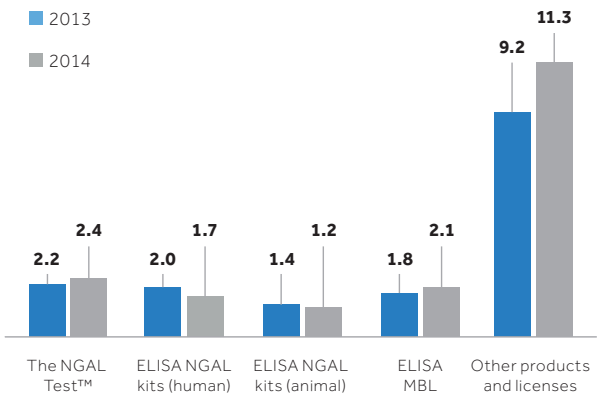
BioPorto generated revenue of DKK 4.9 million in Q4 2014, against DKK 4.4 million in the year-earlier period. Revenue in Q4 was weaker than originally anticipated because negotiations on new licensing and OEM agreements for The NGAL Test™ in Europe were not finalised, and will continue into 2015.

Figure 4: Revenue growth (DKK mio.)



For the full-year 2014, revenue amounted to DKK 18.7 million, which was an increase of 12.5% on 2013. Our focused new sales strategy has thus restored revenue growth after consistent setbacks since 2011.

Figure 5: Revenue growth broken down by product category (DKK mio.)



Revenue from the NGAL product range was DKK 5.3 million, against DKK 5.6 million in 2013. Of this amount, revenue from The NGAL Test™ amounted to DKK 2.4 million, up from DKK 2.2 million the year before. Sales of the other products and licenses rose by 23% to DKK 11.3 million in 2014 owing to the new and efficient sales platform and a broader portfolio due to the in-licensing of antibodies.

BioPorto recorded a revenue increase of 25% in Europe and 8% in North America – the two principal markets which combined accounted for 88% of revenue.

Figure 6: Geographic break down, 2013

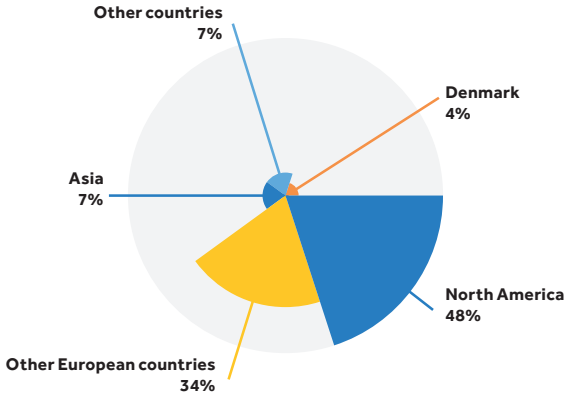
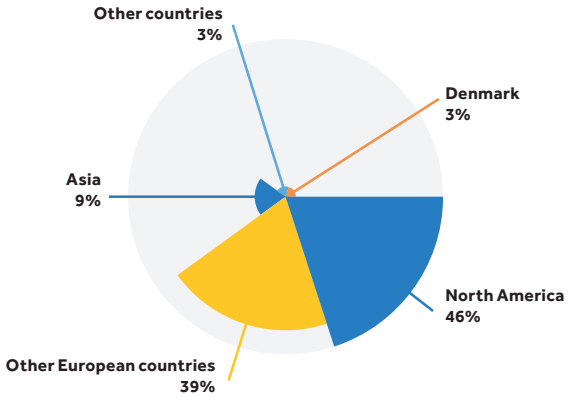


Figure 7: Geographic break down, 2014



Gross profit/loss

Production costs amounted to DKK 5.5 million in 2014, which translates into a gross margin of 70.6%, against 54.4% in 2013.

Operating costs and operating results

Capacity costs totalled DKK 28.5 million, which was on the same level as in 2013. As expected, sales and marketing costs rose from DKK 6.0 million to DKK 9.4 million in 2014 because of the scaled up sales organisation. Research and development costs fell to DKK 8.6 million from DKK

10.2 million in 2013. Administrative expenses fell by DKK 2.2 million to DKK 10.4 million owing to efficiency improvements.

This brought the operating loss (EBIT) to DKK 15.3 million in total, which was an improvement of DKK 4.5 million compared with 2013.

Financial income and expenses

Net financials were an income of DKK 0.2 million in 2014, against an expense of DKK 2.1 million in 2013 when the company incurred sizeable interest payments on debt, which was repaid in Q3 2013.

Profit/loss for the year

BioPorto generated a pre-tax loss of DKK 15.1 million in 2014, which was an improvement of DKK 6.8 million relative to 2013. The loss for the year after tax was DKK 12.9 million against a loss of DKK 21.9 million in 2013.

Balance sheet

At 31 December 2014, BioPorto had total assets of DKK 37.2 million, against DKK 50.6 million last year.

Assets

After limited investments, non-current assets amounted to DKK 1.5 million at 31 December 2014.

Inventories amounted to DKK 4.0 million at year-end 2014 (2013: DKK 3.6 million).

Trade receivables at 31 December 2014 were DKK 3.3 million (2013: DKK 2.6 million), emulating the revenue increase.

Equity

At 31 December 2014, equity amounted to DKK 28.7 million, against DKK 41.6 million in 2013. The decline was attributable to the loss incurred in the financial year.

Liabilities

BioPorto's total liabilities amounted to DKK 8.6 million at 31 December 2014 against DKK 9.0 million at 31 December 2013. The liabilities primarily consisted of short-term trade payables, provisions for salary and holiday pay obligations and other payable expenses. BioPorto had no bank debt at the balance sheet date.

Cash flow statement

BioPorto generated a cash outflow of DKK 16.1 million in 2014 (2013: outflow of DKK 16.6 million). Net investments during the year amounted to DKK 1.2 million.

Cash and capital resources

At 31 December 2014, BioPorto's cash holdings amounted to DKK 25.4 million. BioPorto thus has strong cash resources that are sufficient to support its organic growth strategy, which longer-term is expected to strengthen the equity by way of increasing operating income and positive cash flows.

Capital structure

Management regularly assesses whether the Group's capital structure property serves the interests of the Group and the shareholders. The overarching goal is to secure a capital structure that underpins long-term financial growth while maximising returns to the Group's stakeholders by optimising the debt/equity ratio.

Events after the balance sheet date

The Board of Directors and the Management Board are not aware of any events occurring after the balance sheet date which could have an impact on the Group's financial position.

Risk factors and risk management

BioPorto carries out development and sales activities in the area of diagnostics. Through its activities, the Group is exposed to a number of risks that could significantly affect its operations in the event these risks are not correctly assessed and managed. BioPorto's policy is to identify and mitigate risks deriving from the Group's operations and to establish adequate insurance coverage. BioPorto has established risk management as a formalised process for the purpose of generating a close correlation between the Group's ongoing objectives and activities and the individual risk elements of the Group's sphere of activity. In connection with the new corporate strategy, Management has specifically addressed risks relating to new objectives.

Commercial and developmental risks

BioPorto is exposed to commercial risks, including market size, competing products, market penetration, the ability to forge alliances, and the possibility of obtaining patent protection.

BioPorto seeks to manage these commercial risks by continuously monitoring and assessing market conditions and patent positions. The success of new diagnostic products and methods relies on acceptance of our products in research environments and subsequently by the healthcare system. BioPorto expends significant resources on generating awareness of new biomarkers, supporting clinical trials and establishing partnerships with a view to commercialising the products. BioPorto's competitive strength is also ensured by continuously obtaining, enlarging and upholding patent rights within the established areas of focus.

Key short-term risks include:

» Any revised requirements from the FDA during the application process could mean that FDA approval of the submission of The NGAL Test™ may not be obtained in 2015 as otherwise planned. This would significantly delay the US product launch.

» That the company fails to establish the required number of routine users of The NGAL Test™, which would represent a barrier to concluding OEM and licensing agreements.

» That competing technologies and/or IP uncertainties adversely affect the market launch of NGAL.

HR risks

BioPorto relies on its ability to attract and retain skilled employees in order to create new product opportunities, maintain the Group's competitive strength and ensure growth and results. BioPorto offers its employees opportunities for professional development, remuneration and incentive schemes at market levels, but also makes an active effort to create a positive working environment where everyone is respected for their contribution.

Production risks and quality risks

BioPorto actively works to establish alternative manufacturing options for the Group's ELISA kits for the purpose of enhancing reliability of supply. BioPorto's quality assurance system is compliant with ISO13485:2012. This includes procedures for all product-related processes, supplier audits, optimisation plans and periodic management reviews.

Currency risks and other financial risks

As the group exports its products to a number of different markets, it is exposed to fluctuating exchange rates, especially for EUR and USD. Revenue is still so modest that financial instruments are not used to hedge these risks. The Group's credit risk is associated with bank deposits and the subsidiary's receivables. Cash is deposited with the company's bank and with another major Danish bank. The customers' financial situation and ability to pay are known by the company, and the credit risk for each receivable is considered to be modest. Prepayment of deliveries may be required of new customers. Otherwise, the Group does not use any form of hedges against credit risk.

Internal controls and risk management in relation to the financial reporting process

The primary responsibility for the Group's risk management and internal controls in relation to the financial reporting process rests with the Board of Directors and the Management Board. BioPorto's policy is to identify and mitigate risks deriving from the Group's operations and to establish sufficient insurance coverage. The Group's control and risk management systems may provide reasonable, but not absolute, assurance that misappropriation of assets, losses and/or significant errors and omissions in the financial reporting are avoided.

Management believes that all significant elements of risk have been identified and addressed. The Board of Directors has discussed the need for an internal audit function and finds that, with only 24 employees, the company does not need such a function, nor is it possible in practice.

The Group's internal controls and risk management in relation to the financial reporting process is available on the company's website http://www.bioporto.com/Files/Files/Investor/Company-Documents/Risk_Management.pdf, in accordance with Danish law

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Corporate governance

In its management process, BioPorto is focused on investor relations, and the Board of Directors gives priority to exercising sound corporate governance, which is defined on the basis of the company's articles of association, values and policies as well as relevant legislation and NASDAQ OMX Copenhagen A/S' "Rules for Issuers of Shares".

Corporate governance recommendations

BioPorto is subject to the recommendations prepared by the Committee on Corporate Governance, which are available at www.corporatgovernance.dk.

The Board of Directors regularly assesses how the recommendations may contribute to strengthening the management of BioPorto and ensure maximum value creation for the company's shareholders. Once a year, the Board of Directors reviews the recommendations, evaluating BioPorto's degree of compliance. The Board of Directors believes that BioPorto complies with all of the recommendations of the Committee.

A report on the company's compliance with the corporate governance recommendations is available at the company's website: http://www.bioporto.com/Files/Files/Investor/Company-Documents/2014-Corporate-Governance-English.pdf, in accordance with Danish law.

Work of the Board of Directors and the Management Board

The Board of Directors defines BioPorto's objectives, policies and areas of activity. Furthermore, the Board makes decisions in all unusual matters or matters with far-reaching implications. In addition, the Board of Directors approves, monitors, evaluates and revises the Management Board's business strategy and action plans.

The Board also ensures that BioPorto is being properly managed as required by the articles of association, other guidelines, policies and applicable rules and regulations. The Board of Directors defines guidelines for the distribution of responsibilities between the Board of Directors and the Management Board, but does not participate in the day-to-day management of the company.

The duties of the Board of Directors are described in the rules of procedure for the Board of Directors and the Management Board. The Board held nine board meetings in 2014, including one lengthy strategy meeting and two conference calls. Seven meetings are planned for 2015 in accordance with the Board's annual schedule, which obviously can be changed at any time to allow for additional meetings, if the need arises.

The Board of Directors appoints the company's Management Board and defines the working conditions and assignments to be undertaken by the Management Board. BioPorto's Management Board is responsible towards the Board of Directors for ensuring that the day-to-day operations are conducted in a commercially and legally responsible manner.

The chairman of the Board is responsible for evaluating the Board of Directors and the Management Board every year. The evaluation also includes the collaboration with the Management Board and the composition and special qualifications of the Board of Directors, and it must produce an assessment of the results achieved during the year, which are subsequently presented and discussed at a board meeting.

Composition of the Board of Directors

The general meeting, which is BioPorto's supreme authority, elects between three and seven members to the Board of Directors. The Board of Directors elects a chairman and a vice chairman and currently consists of three members elected by the shareholders.

The members elected by the shareholders hold office for terms of one year at a time. Only persons who have not attained the age of 70 at the time of election are eligible for election to the Board of Directors.

The members of the Board are nominated and stand for election on the basis of their specific qualifications and experience of relevance to BioPorto. Thus, the Board is composed with a view to ensuring an optimum combination of professional industry experience in general, in research and development, in IP rights and conclusion of contracts, in sales and marketing, as well as in finance and economics. All current board members are considered independent. Each board member's special qualifications can be seen on the company's website: http://www.bioporto.com/About-Us/Board-of-directors.aspx.

Board committees

BioPorto's Board of Directors has set up a remuneration committee, a nomination committee and an audit committee. The vice chairman of the Board of Directors is chairman of the audit committee and possesses the necessary professional qualifications and experience. A review of the terms of reference of the board committees and their composition is available on the company's website http://www.bioporto.com/Files/Files/Investor/Company-Documents/Board-committees-2014.pdf.

Amendments to the articles of association

The shareholders adopt any amendments to the articles of association and make any other decisions based on a simple majority of votes unless a special majority or representation is stipulated by the Danish Companies Act or the company's articles of association.

Remuneration policy

The basic fee paid to board members is fixed at a level assessed as being competitive and reasonable compared to the industry in general and the company's current situation. Members of the Board receive a fixed annual fee, with the chairman and vice chairman being eligible for

a higher fee as directed by the shareholders. If committees are set up or if board members are asked to perform special tasks for the Board, the Board may recommend to the general meeting that an additional fee be paid for such duties. The Board may recommend to the general meeting that alternates also receive a fee. Each year, the general meeting approves the remuneration to the board members and any remuneration to alternates for the current financial year in connection with the approval of the annual report.

The members of the Board of Directors do not participate in the company's share option programmes.

The annual directors' fees amounted to DKK 100,000 in 2014, with the vice chairman receiving 3.5 times the basic fee (DKK 350,000) and the chairman receiving 5 times the basic fee (DKK 500,000).

The remuneration of the Management Board is fixed at a level assessed as being competitive and reasonable compared to the industry in general and the company's current situation. Members of the Management Board do not receive any remuneration for directorships held in BioPorto A/S' subsidiary.

The remuneration consists of a fixed salary, pension scheme, annual bonus and participation in share option programmes. The Board of Directors believes that a combination of fixed and performance-based pay to the Management Board helps ensure that the Management Board is given an incentive to create shareholder value through remuneration that is partly incentive-based.

The annual bonus may not exceed an amount corresponding to 100% of the fixed salary. In extraordinary circumstances, the annual bonus may amount to 200% of the fixed salary if the Board of Directors finds that to be appropriate. Retention bonuses, loyalty bonuses or the like may also be applied. Any payment of bonus depends on whether the conditions and targets defined in the bonus agreement have been fully or partly met. These may be personal targets related to the performance of the individual member of the Management Board, the performance of BioPorto A/S or the occurrence of a specific event.

In 2014, the Management Board consisted of two persons, the company's CEO and CFO, both of whom are employed on a contractual basis. In 2014, the Management Board received salaries of DKK 4.5 million, inclusive of pension (defined contribution scheme) and bonus. From 31 January 2015, BioPorto's Management Board consists exclusively of the company's CEO. The company has not assumed any obligation to disburse severance pay to members of the Management Board at the time of severance of service. The employment relationship can be terminated by the company giving 12 months' notice to the end of a month.

No special severance terms have been agreed in case of a change of control.

BioPorto's remuneration policy is available on the company's website http://bioporto.com/Files/Files/Investor/Company-Documents/Remuneration-policy.pdf.

Diversity

The company pursues a policy of providing equal opportunities for both sexes. For a number of years, the company has had and currently still has an equal number of men and women in managerial positions, demonstrating compliance with this policy in practice. The company also seeks diversity in the composition of the Board with a reasonable age composition, in terms of nationalities and an equal gender distribution. BioPorto has defined a target that, by 2018 , at least two members of the Board of Directors must belong to the under-represented gender. The target is in accordance with the Danish Financial Statement Act § 99b. However, this target must not rank prior to the other competency requirements in the nomination of board candidates. The Board of Directors currently consists of three male members.

Social responsibility

BioPorto is aware of its corporate social responsibility and endeavours to improve social and environmental conditions. BioPorto has signed up to the UN Global Compact, and the latest Communication on Progress, which also constitutes the Group's report on corporate social responsibility, is available on the company's website http://bioporto.com/Files/Files/Investor/Company-Documents/COP-for-2014-English.pdf. In accordance with the Danish Financial Statement Act § 99a.

Investor relations

tion it communicates is both technically correct and understandable to laypersons. All stakeholders should have easy and equal access to important information about BioPorto's development. This means, among other things, that relevant information is published in company announcements via NASDAQ OMX Copenhagen A/S and is subsequently made available on the Group's website www.bioporto.com.

Other published information, including general company and investor presentations, is made available on the website. The investor section of the website also includes an e-mail service where shareholders and others can subscribe to receive news by e-mail immediately after the publication of company announcements, press releases and other news.

To ensure efficient and expedient communication with our shareholders, BioPorto encourages its shareholders to have their shares registered in the company's register of shareholders and to participate in general meetings. The IR Department is also responsible for ensuring that information from the Group's IR stakeholders is passed on to the Management.

For more investor information about BioPorto please see the company's website www.bioporto.com.

The BioPorto share

ISIN code, share capital and share price performance

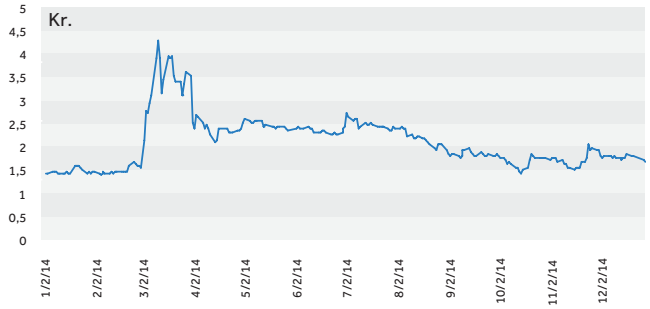
The share capital of BioPorto amounts to DKK 117,874,210 nominal value, divided into 117,874,210 shares with a nominal value of DKK 1 each, equivalent to 117,874,210 votes.

BioPorto A/S' shares are listed on NASDAQ OMX Copenhagen A/S under the symbol "BIOPOR". The ISIN code is DK0011048619.

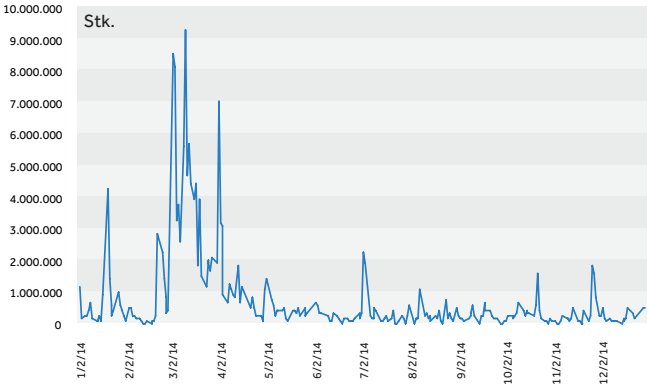
BioPorto's market capitalisation at the end of 2014 was DKK 199 million (30 December 2013: DKK 165 million). The price of the BioPorto share closed at DKK 1.69 on 30 December 2014 and thus appreciated by 20.7% during the financial year. Total turnover in the share in 2014 was DKK 508.7 million, corresponding to an average daily turnover of DKK 2.1 million.

The chart does not reflect the capital increase.

Closing price



Total volume



Ownership

At 31 December 2014, BioPorto had 4,654 registered shareholders, who held a total of 84.13% of the share capital.

The following shareholders had announced that they hold 5% or more of the company's shares/voting rights:

Media-Invest Danmark A/S, Copenhagen	11.60%
Jan Leth Christensen, through the companies in which he has control:	7.13%
EG Kapital ApS, Vedbæk	
Jano Div ApS, Copenhagen	
Ejendomsselskabet Jano ApS, Copenhagen	

Warrant programme

In order to create an incentive for the current employees to remain with and actively work for the company and also to be able to attract new employees, the Board of Directors established a warrant programme in 2011. At the end of the financial year, a total of 244,500 warrants remained outstanding, which amounted to 0.2% of the current nominal share capital.

Dividend policy

BioPorto pursues the policy that shareholders should receive a return on their investment in the form of share appreciation driven by the Group's progress. As a result of the Group's need for capital to implement new strategic initiatives and ensure the basis for higher sales, no dividend is expected to be paid in 2015. In the long term and as the company becomes profitable, the company wishes to be able to provide shareholders with direct returns in the form of dividends and/or share buybacks in addition to share price appreciation.

Equity analysts and investor meetings

BioPorto maintains ongoing contact with investors and equity analysts and organise regular presentations and meetings to discuss its strategy and risks.

BioPorto generally organises investor meetings after the release of its annual report, half-year report and quarterly announcements.

General meetings

The Annual General Meeting of BioPorto A/S will be held on 10 April 2015 at 3:00 pm at the company's address at Tuborg Havnevej 15, ground floor, DK-2900 Hellerup, Denmark.

No.	Release date	Description	Category
1	21-02-2014	BioPorto receives intention to grant for NGAL exclusion patent in Europe	Company announcement
2	01-03-2014	Settlement between BioPorto and Phadia in patent case	Company announcement
3	01-03-2014	BioPorto enters intellectual property license agreement with Abbott	Company announcement
4	19-03-2014	Notice to convene Annual General Meeting	Notice convening general meeting
5	19-03-2014	BioPorto annual report 2013	Annual report
6	25-03-2014	Insider's dealings	Insiders' dealings
7	31-03-2014	Announcement from major shareholder	Major shareholder announcements
8	01-04-2014	EPO rules BioPorto's NGAL cutoff-patent invalid	Company announcement
9	09-04-2014	Announcement from major shareholder regarding the AGM on April 9, 2014	Major shareholder announcements
10	10-04-2014	Development of Annual General Meeting	Minutes of general meeting
11	06-05-2014	Interim Financial Report for Q1 2014 for the BioPorto Group	Quarterly report
12	30-06-2014	BioPorto maintains its assessment of the IP situation regarding NGAL and continue with the divisional application	Company announcement
13	08-08-2014	Interim Financial Report for the first half of 2014 for the BioPorto Group	Quarterly report
14	07-11-2014	Interim Financial Report for Q3 2014 for the BioPorto Group	Quarterly report
15	02-12-2014	Financial calendar 2015	Financial calendar

Financial calendar 2015

18-02-2015	Quiet period prior to the annual report begins
26-02-2015	*Deadline for shareholder proposals for the Annual General Meeting*
18-03-2015	Annual report for 2014
10-04-2015	*Annual General Meeting*
21-04-2015	Quiet period prior to the Interim report - 9 months 2015 begins
05-05-2015	*Interim report - 3 months 2015*
24-07-2015	Quiet period prior to the Interim report - 9 months 2015 begins
07-08-2015	*Interim report - 6 months 2015*
23-10-2015	Quiet period prior to the Interim report - 9 months 2015 begins
06-11-2015	*Interim report - 9 months 2015*

Board of Directors and Management Board

The members of the company's Board of Directors and Management Board own securities in BioPorto A/S and hold directorships in other companies as set out below. Directorships in wholly-owned subsidiaries are not included.

Board members	Directorships in other companies
 **Thomas Magnussen (M) (1953)** Chairman Joined the Board of Directors in 2013	Chairman of the board of QuantumWise A/S and Zylinc. Managing Director of Therazone ApS
 **Torben A. Nielsen (M) (1960)** Vice Chairman Joined the Board of Directors in 2013	Managing Director of Arnth Advice and co-owner of Linde og Partners Kapitalrådgivning A/S
 **Roar Bjørk Seeger (M) (1964)** Joined the Board of Directors in 2013	Chairman of the board of Modstrøm Danmark A/S. Member of the board of Aktant Technology Denmark A/S, Aktant Technology and BRS Holding Int. ApS. Managing Director of BRS Holding Int. ApS and Seeger. Managing Director of Lion & Dolphin A/S and Jiawei Photovoltaic Lighting in EMEA

Management Board	Directorships in other companies
 **Peter Mørch Eriksen (M) (1960)** CEO of BioPorto A/S since 2013	Chairman of the board of Medtech Innovation Consortium. Member of the board of Nervex A/S Managing Director of PME Consult ApS and PME Holding ApS

Holding of shares

	31/12/2013	Bought	Sold	31/12/2014
Board of Directors				
Thomas Magnussen	-	-	-	-
Torben A. Nielsen	75,000		-	75,000
Roar Bjørk Seeger	11,533		-	11,533
Management Board				
Peter Mørch Eriksen	69,239		-	69,239

Scientific Advisory Board

In 2014, BioPorto established a European Advisory Board. The members of the board were selected on the basis of their scientific involvement either directly with NGAL or with related topics. BioPorto's Advisory Board held its first meeting in May 2014. The purpose of the meeting was an in-depth discussion about the clinical use of NGAL as an early biomarker. As a result of the discussion, the members intended to prepare an article on the use of NGAL in the clinical practice. The publication process of the article has been initiated. BioPorto's Scientific Advisory Board consist of the following members:

Prof. Dr.med **Jean-Louis Vincent**, Erasme, Belgium (chairman)

Assoc. Prof., Dr.med **Andrew Lewington**, St James's University Hospital, Leeds, United Kingdom

Director Dr.med **Claudio Ronco**, San Bortolo Hospital, Vicenza, Italy

Prof. Dr.med **Laurent Jacob**, Saint-Louis Hospital, Paris, France

Prof. Dr.med **Michael Haase**, Otto-von-Guericke University, Magdeburg, Germany

Dr. med, Ph.D., **Hilde RH De Geus**, Erasmus University Medical Center Rotterdam, the Netherlands

Company details

Bankers

Nordea Bank Danmark A/S
Strandgade 3
DK-0900 Copenhagen C
Denmark

Lawyers

Gorrissen Federspiel
H. C. Andersens Boulevard 12
DK-1553 Copenhagen V
Denmark

Independent auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Statement by the management

The Board of Directors and the Management Board have today discussed and approved the annual report of BioPorto A/S for the financial year 1 January – 31 December 2014.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the parent company, BioPorto A/S, are presented in accordance with the Danish Financial Statements Act. In addition, the annual report is presented in accordance with additional Danish disclosure requirements for annual reports of listed companies.

In our opinion, the accounting policies are appropriate, and the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position as at 31 December 2014 and of the results of the Group's and the parent company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2014.

In our opinion, the management's review includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, the results for the year and of the financial position, together with a description of the principal risks and uncertainties that the Group and the parent company face.

We recommend the annual report for approval at the annual general meeting

Hellerup, 18 March 2015

Management Board:

Peter Mørch Eriksen

CEO

Bestyrelse:

Thomas Magnussen

Chairman

Torben A. Nielsen

Vice Chairman

Roar Bjørk Seeger

Independent auditors' report

To the Shareholders of BioPorto A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BioPorto A/S for the financial year 1 January to 31 December 2014, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or er-ror.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2014 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2014 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2014 in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Hellerup, 18 March 2015

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Torben Jensen
State-authorised public accountant

Allan Knudsen
State-authorised public accountant

Statement of comprehensive income

		2014 DKK thousand	2013 DKK thousand
3	Revenue	18,705	16,625
4,6	Production costs	(5,508)	(7,582)
	Gross profit/loss	**13,197**	**9,043**
4,6	Sales and marketing costs	(9,396)	(5,968)
4,6	Research and development costs	(8,616)	(10,212)
4,6,7	Administrative expenses	(10,441)	(12,665)
	Profit/loss before financial items (EBIT)	**(15,256)**	**(19,802)**
8	Financial income	288	100
8	Financial expenses	(129)	(2,171)
	Profit/loss before tax	**(15,097)**	**(21,873)**
9	Total income taxes	2,171	0
	Profit/loss for the year/comprehensive income	**(12,926)**	**(21,873)**
		DKK	DKK
10	Profit/loss / comprehensive income per share (EPS & DEPS)	(0.11)	(0.28)

Balance sheet

	ASSETS	2014 31. december DKK thousand	2013 31. december DKK thousand
	Non-current assets		
	Property, plant and equipment and intangible assets		
11	Fixtures and fittings, tools and equipment	612	275
11	Rights and software	199	0
	Total property, plant and equipment and intangible assets	**811**	**275**
	Financial assets		
	Deposits	645	253
	Total financial assets	**645**	**253**
	Total non-current assets	**1,456**	**528**
	Current assets		
12,19	Inventories	4,004	3,629
13,17,19	Trade receivables	3,310	2,583
	Income tax receivable	2,171	0
13,17,19	Other receivables	851	1,050
	Total inventories and receivables	**10,336**	**7,262**
	Cash	25,447	42,802
	Total current assets	**35,783**	**50,064**
	TOTAL ASSETS	**37,239**	**50,592**

Balance sheet

	EQUITY AND LIABILITIES	2014 31. december DKK thousand	2013 31. december DKK thousand
	Equity		
14	Share capital	117,874	117,874
	Other reserves	0	0
	Share-based payments	648	1,666
15	Treasury shares	(0)	0
	Retained earnings	(89,836)	(77,928)
	Total equity	**28,686**	**41,612**
	Liabilities		
	Non-current liabilities		
17	Lease obligation	87	105
	Non-current liabilities	**87**	**105**
	Current liabilities		
16,17	Current portion of non-current liabilities	18	18
17,19	Trade payables	1,199	961
17,19	Other payables	7,249	7,896
	Current liabilities	**8,466**	**8,875**
	Total liabilities	**8,553**	**8,980**
	TOTAL EQUITY AND LIABILITIES	**37,239**	**50,592**

Statement of changes in equity

	Share capital	Treasury shares	Share premium	Share-based	Other reserves	Retained earnings	Total
	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand
Equity at 1 January 2014	117,874	0	0	1,666	0	(77,928)	**41,612**
Profit/loss for the year/ comprehensive income	0	0	0	0	0	(12,926)	**(12,926)**
Transferred to Retained earnings	0	0	0	(1,018)	0	1,018	**0**
Equity at 31 December 2014	**117,874**	**0**	**0**	**648**	**0**	**(89,836)**	**28,686**

	Share capital	Treasury shares	Share premium	Share-based payments	Other reserves	Retained earnings	Total
	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand
Equity at 1 January 2013	141,449	(44)	0	2,844	2,036	(147,435)	**(1,150)**
Adjustment of profit/loss for 2013*						(1,250)	**(1,250)**
Adjusted equity at 1 January 2013						(20,623)	**(20,623)**
Profit/loss for the year/ comprehensive income						(21,873)	**(21,873)**
Reduction of share capital	(94,299)	0	0	0	0	94,299	**0**
Issue	70,724	0	0	0	0	0	**70,724**
Issue costs	0	0	0	0	0	(6,089)	**(6,089)**
Transferred to Retained earnings	0	44	0	(1,178)	(2,036)	3,170	**0**
Equity at 31 December 2013	117,874	0	0	1,666	0	(77,928)	**41,612**

* See note 23.

Cash flow statement

		2014 DKK thousand	2013 DKK thousand
	Profit/loss before financial items	(15,256)	(19,802)
	Amortisation, depreciation and impairment losses	270	107
	Cash generated from operations before working capital	**(14,986)**	**(19,695)**
19	Changes in working capital	(1,312)	4,692
	Cash generated from operations	**(16,298)**	**(15,003)**
	Financial income, received	272	100
	Financial expenses, paid	(112)	(1,737)
	Tax refund	0	0
	Cash flows from operating activities	**(16,138)**	**(16,640)**
	Purchase of operating equipment	(542)	(28)
	Purchase of software	(265)	0
	Purchase of financial assets	(392)	(5)
	Cash flows from investing activities	**(1,199)**	**(33)**
	Repayment of loans and credit facilities	0	(5,500)
20	Capital increases	0	56,636
	Reduction of lease obligation	(18)	(10)
	Cash flows from financing activities	**(18)**	**51,126**
	Net cash flow from operating, investing and financing activities	**(17,355)**	**34,453**
	Cash and cash equivalents at 1 January	42,802	8,349
	Cash and cash equivalents at 31 December	**25,447**	**42,802**

List of notes to the financial statements

Note 1

Accounting policies

The financial statements of the BioPorto Group are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of accounting class D (listed) enterprises, cf. the Danish Statutory Order on Adoption of IFRS issued in pursuance of the Danish Financial Statements Act.

The financial statements are presented in Danish kroner (DKK), which is considered the primary currency of the Group's activities and the functional currency of the parent company as well as of the subsidiary.

The financial statements are prepared on the basis of the historical cost convention, with the exception of share-based remuneration, which is measured at fair value.

The accounting policies for the Group are otherwise as described in the following.

Implementation of new and amended standards and interpretations

The financial statements for 2014 are presented in accordance with the new and amended Standards (IFRS/IAS) and the new Interpretations (IFRIC) that apply to financial years beginning on or after 1 January 2014.

The standards and interpretations in question are as follows; only relevant standards are mentioned:

- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosures of Interests in Other Entities"
- Amendments to IAS 36 "Impairment of Assets"
- IAS 32 "Financial Instruments – Presentation""

The implementation of the new and amended standards and interpretations in the consolidated financial statements for 2014 has not resulted in changes to accounting policies and has not affected the reported figures and disclosures in the current or earlier periods, but it may affect the accounting treatment of future transactions or agreements.

Standards and interpretations not yet in force.

At the date of publication of this annual report, there are a number of additional new or amended standards, including IFRS 15 "Revenue from Contracts with Customers" and interpretations which have not yet entered into force and which are therefore not included in these financial statements. The effect of the new and amended standards and interpretations are currently being assessed, but Management does not expect that they will have any material impact on the consolidated financial statements for the coming years.

Consolidated financial statements

The consolidated financial statements comprise the parent company BioPorto A/S and subsidiaries in which BioPorto A/S has control over the company's financial and operating policies so as to obtain returns or other benefits from its activities. Control is obtained when the Company directly or indirectly holds more than 50 % of the voting rights in the subsidiary or controls the subsidiary in some other way. Companies in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or controlling more than 20%, but less than 50%, of the voting rights. In assessing whether BioPorto A/S exercises control or significant influence, potential voting rights exercisable at the balance sheet date are taken into account.

The consolidated financial statements have been prepared consolidating the financial statements of the parent company and the individual subsidiaries using the Group's accounting policies, eliminating intra-group income and expenses, intra-group shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share of the company. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Conversion of foreign currency

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions in currencies other than the functional currency are considered foreign-currency transactions.

Note 1

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates ruling at the transaction date. Exchange differences arising between the exchange rate ruling at the transaction date and the exchange rate ruling at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currencies are translated to the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rate applying at the balance sheet date and the exchange rate at the time when the receivable or payable arose or was recorded in the most recent annual report is recognised in the income statement under financial income or expenses.

Incentive programmes

The company has granted warrants to the Management Board and the employees. Share-based incentive schemes in which employees can only opt to subscribe new shares in the parent company (equity-based schemes) are measured at the equity instruments' fair value at the grant date and recognised in the income statement when the employees obtain the right to subscribe for the new shares, which is the date of grant. The balancing item is recognised directly in equity as a separate reserve until exercis.

Leasing

Leases in which the company retains all significant risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the asset's fair value and the present value of the lease payments, calculated using the interest implicit in the lease as the discount factor, or an approximate value. Assets held under finance leases are depreciated and written down for impairment according to the same accounting policy as the company's other long-term assets. The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is charged to the income statement over the term of the lease.

All other leases are considered operating leases. Payments in connection with operating leases are recognised in the income statement over the terms of the leases.

Segment information

The segmentation reflects the primary use of the company's products across the product groups. The company distinguishes between the following segments:

a. The NGAL Test™
b. ELISA Human NGAL
c. ELISA Animal NGAL
d. ELISA MBL
e. Other products and licenses

The segments are measured primarily in terms of revenue as distribution, sales and marketing, research and development and administration concern all segments. There are no intra-segment balances.

As in previous years, information is provided on the breakdown of revenue into geographical areas.

There are no non-current assets or investments outside Denmark..

Note 1

Income statement and statement of comprehensive income

Revenue

Revenue from the sale of finished goods is recognised in the income statement if delivery and transfer of risk to the buyer have taken place before year-end and if the income can be reliably measured and is expected to be received.

Revenue from development and collaboration contracts is recognised in the income statement if the general recognition criteria are met.

This is considered to be the case when:

- delivery has taken place before the end of the year;
- a binding sales agreement has been made;
- the selling price has been determined; and
- payment has been received or may reasonably be expected to be received

Revenue is recognised excluding VAT and net of discounts related to sales.

Production costs

Production costs comprise costs incurred to generate the revenue, including direct and indirect costs for raw materials and consumables, wages and salaries, freight and packaging material, royalties, rent and leasing and depreciation of production equipment.

Sales and marketing costs

Sales and marketing costs include costs incurred for the marketing of goods sold during the year and for sales campaigns, etc. during the year. This includes costs related to sales staff, advertising, exhibitions and depreciation and amortisation.

Research and development costs

Research and development costs include wages and salaries, laboratory materials, patent costs, rent, leasing and other costs relating to the Group's research and development activities.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses and depreciation.

Financial income and expenses

Financial income and expenses include interest, capital gains and losses and impairment on debt, securities and transactions in foreign currencies, amortisation of financial assets and liabilities, and additions and remunerations under the Danish tax on-account tax scheme, etc.

Income tax

Income tax comprises current tax and changes in deferred tax for the year. The tax expense relating to the results for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised in equity.

To the extent the Group benefits from a deduction in the determination of taxable income due to share-based remuneration, the tax effect of such programmes is included in income tax. Any tax deduction exceeding the accounting cost is recognised directly in equity.

Note 1

Balance sheet

Intangible assets

Development projects

In accordance with IAS 38 Intangible Assets, intangible assets arising from development projects must be recognised in the balance sheet when the development project is clearly defined and identifiable, when the technical feasibility has been demonstrated and adequate resources to complete the development work and market or use the project have been documented and the company management has declared its intention to manufacture and market or use the product.

Finally, it must be adequately demonstrated that the future income from the development project will exceed the costs of production and development and costs used to sell and administer the product. Development costs concerning individual projects are only capitalised if there is adequate documentation that the future income from the individual projects will exceed not only the production, selling and administrative expenses, but also the actual development costs relating to the product.

Property, plant and equipment

Other plant, operating equipment and fixtures and fittings are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use.

Assets are depreciated on a straight line basis over their estimated useful lives based on the following assessment of the expected lives of the assets:

Other fixtures and fittings, tools and equipment	3–5 years

The basis of depreciation is cost less expected residual value at the end of the useful life. The cost of a total asset is split into smaller parts that are depreciated separately if such components have different useful lives. Depreciation methods, useful lives and residual values are reassessed annually.

Depreciation is recognised in the income statement under production costs, research and development, sales and marketing costs and administrative expenses, respectively, to the extent that depreciation is not reflected in the cost of inventories as production overheads.

Impairment of assets

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised in the foreseeable future.

The carrying amounts of other non-current assets are tested annually to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use.

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement as production costs, sales and distribution costs or administrative expenses.

Impairment of assets is reversed to the extent changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The cost of raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and production overheads. Production overheads comprise indirect material and labour costs as well as costs of maintenance and depreciation of the machinery and equipment used in the manufacturing process as well as costs of production administration and management.

The net realisable value of inventories is calculated as the selling price less costs of conversion and costs incurred to execute the sale and is determined having regard to marketability, obsolescence and expected losses.

Note 1

Receivables

Receivables are measured at the lower of amortised cost and net realisable value, which typically corresponds to the nominal value less provisions for bad debts.

A provision account is used to reduce the carrying amount of trade receivables, the value of which are impaired due to risk of loss. Impairment losses on receivables are calculated on the basis of an individual assessment of receivables.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years. Prepayments are measured at cost.

Equity

Treasury shares

Cost and selling prices of treasury shares as well as dividends are recognised directly in equity. A capital reduction effected by the cancellation of treasury shares will lower the share capital by an amount equal to the nominal value of the shares.

Warrants

Proceeds received from the exercise of warrants are taken directly to equity.

Financial liabilities

Tax payable and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amount and tax base of assets and liabilities. However, no deferred tax is recognised on temporary differences regarding non-deductible goodwill or other items for which temporary differences, with the exception of acquisitions, have arisen at the acquisition date without affecting either the profit/loss for the year or the taxable income. If the tax base may be calculated according to several sets of tax regulations, deferred tax is measured in accordance with the regulations that apply to the use of the asset or settlement of the liability as planned by the management.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity or jurisdiction (joint taxation).

Deferred tax related to elimination of unrealised intra-group profits and losses is adjusted on consolidation.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other financial liabilities

Debt to banks is recognised at the raising of a loan at fair value less transaction costs. In the subsequent periods, financial liabilities are measured at amortised cost, applying the "effective interest rate method", to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

Other liabilities are measured at amortised cost.

Deferred income

Deferred income comprises payments received relating to income in subsequent financial years. Prepayments are measured at cost.

Cash flow statement

The cash flow statement is presented according to the indirect method and cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the company's cash and cash equivalents at the beginning and end of the year.

Note 1

Cash flows from operating activities are calculated as EBIT adjusted for non-cash operating items, working capital changes as well as financial income, financial expenses and income taxes paid.

Cash flows for investing activities comprise acquisitions and disposals of intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities comprise changes in the size or composition of the share capital of BioPorto A/S and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash at bank and in hand.

Financial ratios

Earnings per share (EPS) and diluted earnings per share (DEPS) are calculated in accordance with IAS 33.

The ratios listed in the key figures and ratios section were calculated as follows:

Revenue growth	Revenue year 1 – revenue year 0 Revenue year 0
Gross margin	Gross income x 100 Net revenues
EBIT margin	EBIT x 100 Net revenues
Equity ratio	Equity, closing x 100 Total liabilities, closing
Return on equity	Result for the year x 100 Average equity
Earnings per share (EPS)	Result for the year Average number of shares
Cash flow per share	Cash generated by operations Average number of shares
Net asset value per share at year end	Capital and reserves, closing No. of shares, closing

Financial ratios are calculated according to Recommendations and Financial Ratios 2010 issued by the Danish Society of Financial Analysts

Note 2

Significant accounting estimates and judgments

The calculation of the carrying amounts of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates material to the financial reporting are made in the calculation of, inter alia, development costs, incentive schemes, inventories and deferred tax.

The estimates made are based on assumptions that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or imprecise and unexpected events or circumstances may arise. In addition, the company is subject to risks and uncertainties that may cause actual results to deviate from the estimates. Special risks to BioPorto are described in the Management's review.

Development projects

In the opinion of Management, the development of the Group's products generally involves a high degree of risk, and therefore there is currently no adequate documentation for the future income. The future economic benefits in relation to the product development cannot be estimated with sufficient certainty until the development activities have been completed. As a result, development costs are expensed as incurred.

Market penetration of The NGAL Test™

The BioPorto Group's long-term funding structure is substantially correlated with sales of The NGAL Test™. The expected market penetration of The NGAL Test™ is subject to a number of unknown factors. Being new in the market, the test must undergo registration and reimbursement procedures in the different markets, the large diagnostics companies must include the test in their test portfolios and it must gain widespread acceptance as an early marker of acute kidney injury in hospitals and with doctors.

Tax assets

A significant deferred tax asset has been calculated (see note 9). However, Management has found that, with reference to IFRS, it is not sufficiently probable that the tax asset can be utilised in the foreseeable future. Management has therefore decided not to recognise the calculated tax asset in the balance sheet.

The other notes to the financial statements comprise disclosures on assumptions of future events and other estimation uncertainties at the balance sheet date involving a considerable risk of changes that could lead to a material adjustment of the carrying amount of assets or liabilities in the coming financial year.

Note 3

Segment reporting

GEOGRAPHIC DISTRIBUTION:	2014 DKK thousand	2013 DKK thousand
Denmark	536	615
Rest of Europe	7,250	5,619
North America	8,568	7,957
Asia	1,672	1,278
Other countries	679	1,156
Revenue	**18,705**	**16,625**

The geographic distribution is based on the customer's registered office.

PRODUCTGROUPS	2014 DKK thousand	2013 DKK thousand
The NGAL test	2,396	2,210
ELISA Human NGAL kits	1,701	2,013
ELISA Animal NGAL kits	1,244	1,372
ELISA MBL kits	2,073	1,844
Other products and licenses	11,292	9,186
Revenue	**18,705**	**16,625**

Product groups are defined as sale of goods, royalties and licenses

Note 4

Staff costs

	2014 DKK thousand	2013 DKK thousand
Wages and salaries	16,081	15,854
Defined contribution pension plans	1,420	2,307
Other social security costs	221	195
Other staff costs	232	266
Staff costs	**17,954**	**18,623**
Average number of employees	24	25

Specification of staff costs:

	2014 DKK thousand	2013 DKK thousand
Production costs	2,589	3,054
Sales and marketing costs	5,563	4,138
Administrative expenses	7,625	7,795
Research and development costs	2,177	3,636
Staff costs	**17,954**	**18,623**

	2014 DKK thousand	2013 DKK thousand
Production costs		
Sales and marketing costs	4,151	3,406
Administrative expenses	300	195
Research and development costs		
Staff costs	1,013	645

Note 5

Incentive schemes

In order to motivate and retain employees and members of the Management Board, in 2008, 2009 and 2011 BioPorto A/S established warrant programmes as incentive and bonus schemes. The schemes, which can only be exercised when new shares are issued (equity-based scheme), entitle the holders to subscribe a number of new shares in the parent company at a pre-determined price. The right to subscribe new shares vests at the date of grant. The parent company will issue the subscribed number of shares not later than at the next annual general meeting after receiving the claim, and at the same time the capital increase will be notified to the Danish Business Authority. However, this process is subject to the parent company's CEO having received the claim not later than six weeks before the annual general meeting is held. In 2014, recognised share-based remuneration, equity-based schemes, was DKK 0 (DKK 0).

Overview of existing warrant programmes:

	No. of warrants No. of
Total at 1 January 2013	1,244,753
Total at 31 December 2013	979,750
Lapsed at 31 December 2014	735,250
Total at 31 December 2014	**244,500**

The 244.500 outstanding warrants may be exercised until and including 6 February 2017. The average exercise price for these warrants is DKK 7.86 per warrant.

Note 6

Amortisation, depreciation and impairment

	2014 DKK thousand	2013 DKK thousand
Property, plant and equipment	204	107
Total depreciation and impairment	**204**	**107**
Specification of depreciation and impairment:		
Production costs	102	46
Sales and marketing costs	7	0
Research and development costs	81	46
Administrative expenses	14	14
	204	106

	2014 DKK thousand	2013 DKK thousand
Intangible assets	66	0
Total amortisation and impairment	**66**	**0**
Specification of amortisation and impairment:		
Production costs	0	0
Sales and marketing costs	66	0
Research and development costs	0	0
Administrative expenses	0	0
	66	**0**

Note 7

Fees to auditors appointed by the general meeting

	2014 DKK thousand	2013 DKK thousand
Fees to auditors appointed by the general meeting	**220**	**973**
Breakdown of fees:		
Fees for statutory audit	200	253
Fees for other assurance engagements	0	600
Fees for tax consulting	20	5
Other services	0	155
Total fees to auditors appointed by the general meeting	**220**	**1.013**

Note 8

Financial income and expenses

Financial income

	2014 DKK thousand	2013 DKK thousand
Interest income from bank	210	56
Interest income from financial assets not measured at fair value	**210**	**56**
Exchange rate adjustments	78	44
Total financial income	**288**	**100**

Financial expenses

	2014 DKK thousand	2013 DKK thousand
Interest expenses, convertible bonds	0	(1,350)
Interest expenses, other debt	(15)	(325)
Interest expenses on liabilities not measured at fair value	**(15)**	**(1,675)**
Exchange rate adjustments	(85)	(24)
Other financial expenses	(29)	(472)
Total financial expenses	**(129)**	**(2,171)**

Note 9

Deferred tax

	2014 DKK thousand	2013 DKK thousand
Calculated tax asset	33,352	31,861
Writedown to assessed value	(33,352)	(31,861)
Carrying amount	**0**	**0**

A significant deferred tax asset has been calculated. However, Management has found that, with reference to IFRS, it is not sufficiently probable that the tax asset can be utilised in the foreseeable future. Management has therefore decided not to recognise the calculated tax asset in the balance sheet, cf. note 2. The tax asset is of indefinite duration.

Deferred tax assets not recognised in the balance sheet:

	2014 DKK thousand	2013 DKK thousand
Intangible assets	2,671	1,666
Property, plant and equipment	667	628
Current assets	350	307
Tax loss carryforwards	29,664	29,260
Deferred tax at 31 December, net	**33,352**	**31,861**

	2014 DKK thousand	2013 DKK thousand
Tax refund, research and development costs	2,171	0

Note 10

Earnings per share

	2014 DKK thousand	2013 DKK thousand
Profit/loss for the period	(12,926)	(21,873)
BioPorto Group's share of profit/loss	**(12,926)**	**(21,873)**
Average number of shares	117,874	79,137
Average number of treasury shares	(13)	(13)
Average number of shares in circulation	117,861	79,137
Diluted average number of shares in circulation	117,861	79,137
Earnings per share (EPS)	(0.11)	(0.28)

There is no difference between earnings per share (EPS) and diluted earnings per share (DEPS) because the company incurred a loss for the year. The warrants are not included in the calculation of earnings per share (EPS) or diluted earnings per share (DEPS).

Note 11

Fixtures and fittings, tools and equipment

	2014 DKK thousand	2013 DKK thousand
Cost at 1 January	3,466	3,307
Additions during the year	542	159
Disposals during the year	(1,973)	0
Cost at 31 December	**2,035**	**3,466**
Depreciation at 1 January	(3,192)	(3,085)
Depreciation during the year	(204)	(107)
Reversed depreciation on disposals	1,973	0
Depreciation at 31 December	**(1,423)**	**(3,192)**
Carrying amount at 31 December	**612**	**275**
Of which finance leases	108	126

Rights and software	2014 DKK thousand	2013 DKK thousand
Cost at 1 January	0	0
Additions during the year	266	0
Disposals during the year	0	0
Cost at 31 December	**266**	**0**
Depreciation at 1 January	0	0
Depreciation during the year	(66)	0
Reversed depreciation on disposals	0	0
Depreciation at 31 December	**(66)**	**0**
Carrying amount at 31 December	**199**	**0**

Note 12

Inventories

	2014 DKK thousand	2013 DKK thousand
Finished goods	3,404	3,030
Raw materials and consumables	191	91
Indirect costs of production	409	508
Inventories	**4,004**	**3,629**
Writedown of slow-moving items	(33)	(643)
Inventories expected to be sold after 12 months	1,550	972

All product groups have been individually assessed in terms of historical marketability and future sales potential. Inventories have been written down to the extent it is believed that the product group will not contribute substantially to the company's future revenue. Inventories assessed to be non-marketable within the next three years are written off.

Note 13

Receivables

	2014 DKK thousand	2013 DKK thousand
Trade receivables	3,474	2,633
Other receivables	851	1,050
Provision for bad debts	(164)	(50)
	4,161	**3,633**

For receivables which mature within one year after the end of the financial year, the nominal value is considered to correspond to the fair value.

A provision account is used to reduce the carrying amount of trade receivables, the value of which are impaired due to risk of loss. Impairment losses on receivables are calculated on the basis of an individual assessment of receivables.

The increase in bad debts was due to a receivable from a single debtor in the amount of DKK 114,000, which has been referred to debt collection.

An overview of trade receivables is set out in note 17.

Note 14

Share capital

The share capital consists of 117,874,210 shares of DKK 1.00 each. The share capital has been paid up in full. The shares have not been divided into classes and carry no special rights.

Antal aktier	2014 No.	2013 No.
1 January	117,874,210	47,149,684
Issue	0	70,724,526
31 December	**117,874,210**	**117,874,210**

Capital increases in 2013	Shares No.	Nominal value DKK	Share price DKK/Share
Issue	70,724,526	1.00	1.00

Capital increases in 2012	No.	DKK	DKK/Share
Cash private placement	2,000,000	3.00	5.10

Capital increases in 2011	No.	DKK	DKK/Share
Conversion of bonds	64,560	3.00	6.97
Warrant exercise – Board of Directors	26,000	3.00	6.15
Warrant exercise – Management Board and employees	226,497	3.00	4.18
Cash private placement	2,700,000	3.00	5.00

Capital increases in 2009	No.	DKK	DKK/Share
Cash private placement	3,830,000	3.00	3.97

Note 15

Treasury shares

Nominal value	2014 DKK thousand	2013 DKK thousand
1 January	13	39
31 December	**13**	**13**

Number	No.	No.
1 January	13,000	39,000
31 December	**13,000**	**13,000**

% of share capital	%	%
1 January	0.01%	0.03%
31 December	**0.01%**	**0.01%**

BioPorto A/S has been authorised by the shareholders in general meeting to acquire own shares for a value of up to 10 % of the share capital.

BioPorto has not acquired treasury shares in 2013 and 2014.

Note 16

Current portion of non-current liabilities

	2014 DKK thousand	2013 DKK thousand
Finance leases	18	18

Note 17

Financial risks and financial instruments

Financial instrument categories	2014 DKK thousand	2013 DKK thousand
Trade receivables	3,310	2,583
Other receivables	851	1,050
Cash and cash equivalents	25,447	42,802
Total receivables and cash	**29,608**	**46,435**

	2014 DKK thousand	2013 DKK thousand
Loans, amortised cost	105	123
Trade payables	1,199	961
Other payables	7,249	7,896
Total financial liabilities	**8,553**	**8,980**

Reference is made to the description of the capital structure on p. 17.

Trade receivables

In 2014, BioPorto did not become aware of any bad debts. For receivables which fall due within one year after the end of the financial year, the nominal value is considered to correspond to the fair value.

	2014 DKK thousand	2013 DKK thousand
Not due	2,069	1,918
Overdue by 0-90 days	1,236	712
More than 90 days overdue	169	3
Total trade receivables before writedowns	3,474	2,633

Note 17, continued

Financial risks and financial instruments

Movements in receivables more than 90 days overdue	2014 DKK thousand	2013 DKK thousand
1 January	3	36
Disposals	(3)	(33)
Additions	169	0
31 December	169	3

Cash	Currency	Effective rate of interest	2014 DKK thousand	2013 DKK thousand
Floating-rate loans	DKK	0.0%	8,447	7,802
Fixed-rate loans	DKK	0.3%-1.0%	17,000	35,000
Sensitivity to change in interest rates		1.0%	0	78

The part of the cash holdings carrying a fixed rate of interest has been placed as fixed-term deposits of up to one year.

Financial liabilities

Liabilities under trade payables and other payables fall due within one year after the end of the financial year. For these liabilities, the carrying amount is assumed to equal the fair value. Financial liabilities are hedged via the cash holdings.

Financial risks

Currency risk

As the Group exports its products to several different markets, it is exposed to exchange rate fluctuations. International sales are invoiced in EUR and USD, which reduces the direct exposure. Exchange rate fluctuations may affect BioPorto's competitive strength indirectly, which has not been assessed in the sensitivity calculation. Otherwise, the Group does not hedge its currency exposure. BioPorto has no debt denominated in foreign currency.

Note 17, continued

Financial risks and financial instruments

	Currency	Exchange Rate	2014 DKK thousand	2013 DKK thousand
Revenue settled in	EUR	7.44	16,186	15,981
Sensitivity to change in exchange rates	0.15%	0.01	181	179
Revenue settled in	USD	6.12	1,851	0
Sensitivity to change in exchange rates	0.15%	0.01	17	0

Interest rate risk

The Group's cash has been placed as fixed-term deposits of up to one year, and a small part carries a floating interest rate on market terms. The company's risk is limited (see the statement in this note under financial instruments). The effective rate of interest on the financial lease obligation is 10.5% per annum.

Credit risk

The Group's credit risk is associated with bank deposits and the subsidiary's receivables. Cash is deposited with the company's bank and with another major Danish bank. The customers' financial situation and ability to pay are known by the company, and the credit risk for each receivable is modest. Prepayment of deliveries may be necessary for new customers. Otherwise, the Group does not use any form of hedges against credit risk.

Liquidity risk

Capital resources and capital management are described in the management's review. Maturity dates for financial liabilities are specified below broken down by the time intervals applied in the Group's cash management. The amounts specified represent the amounts falling due including interest, etc.

Cash and capital resources

At 31 December 2014, BioPorto's cash holdings amounted to DKK 25.4 million. BioPorto thus has strong cash resources that are sufficient to support its organic growth strategy, which longer-term is expected to strengthen the equity by way of increasing operating income and positive cash flows.

Capital structure

Management regularly assesses whether the Group's capital structure property serves the interests of the Group and the shareholders. The overarching goal is to secure a capital structure that underpins long-term financial growth while maximising returns to the Group's stakeholders by optimising the debt/equity ratio.

Note 17, continued

Financial risks and financial instruments

2014	Less than 1 year DKK thousand	Between 1 and 5 years DKK tuside	More than 5 years DKK tuside	Total DKK tuside
Lease obligations	18	87	0	105
Trade payables and other payables	8,448	0	0	8,448
Financial liabilities	**8,466**	**87**	**0**	**8,554**

2013	Less than 1 year DKK thousand	Between 1 and 5 years DKK tuside	More than 5 years DKK tuside	Total DKK tuside
Lease obligations	18	105	0	123
Trade payables and other payables	8,857	0	0	8,857
Financial liabilities	**8,875**	**105**	**0**	**8,980**

Note 18

Operating lease liabilities

Lease agreements:

BioPorto has signed a lease with DEAS Erhverv A/S for renting offices, laboratories and production premises. The new lease is non-terminable until 1 April 2021.

	2014 DKK thousand	2013 DKK thousand
Less than 1 year	1,865	255
1-5 years	7,461	0
Over 5 years	2,331	0

In-licensing agreement with Statens Serum Institut

BioPorto Diagnostics A/S' agreement for using and depositing cell lines with Statens Serum Institut will remain in force until 2024, after which time the agreement may be terminated by giving 12 months' notice. The overview includes the agreed minimum royalty percentage until and including 2017. The agreement is non-terminable within this period, after which time the right to use the products will continue without a pre-determined minimum royalty percentage.

	2014 DKK thousand	2013 DKK thousand
Less than 1 year	456	434
1-5 years	982	1.438
Over 5 years	0	0

Note 18, continued

Operating lease liabilities

Other research and licensing agreements

Other research and licensing agreements The obligation includes a fixed annual minimum royalty percentage. The agreement is non-terminable within the stated period and may be extended.

	2014 DKK thousand	2013 DKK thousand
Less than 1 year	51	268
1-5 years	0	60

Payments recognised in profit/loss for the year

	2014 DKK thousand	2013 DKK thousand
Less than 1 year	2,323	2,215

Note 19

Changes in working capital

	2014 DKK thousand	2013 DKK thousand
Change in inventories	(375)	599
Change in receivables	(528)	1,338
Change trade payables	238	(1,647)
Change in other payables	(647)	4,402
	(1,312)	**4,692**

Note 20

Capital increases

	2014 DKK thousand	2013 DKK thousand
Issue, gross proceeds	0	70,725
Issue costs	0	(6,089)
Conversion of debt	0	(8,000)
	0	**56,636**

Note 21

Contingent liabilities

The company is regularly involved in disputes but does not currently expect such disputes to impose any obligations on the company.

Note 22

Related parties and ownership

Related parties and ownership

BioPorto - The Group's related parties are:

Board of Directors and Management Board

Thomas Magnussen, Chairman (elected 26.02.2013)

Torben A. Nielsen, board member (elected 02.04.2013)

Roar Seeger, board member (elected 26.02.2013)

Peter Mørch Eriksen, CEO (appointed 18.07.2013)

Otto Rasmussen, CFO (appointed 01.01.2014)

Claus Crone Fuglsang, alternate board member (elected 2014)

Laura Von Kobyletzki, board member (resigned 2014)

Claus Crone Fuglsang, board member (resigned 2014)

Otto Rasmussen, CFO (resigned 2015)

Group-owned companies

BioPorto Diagnostics A/S, Tuborg Havnevej 15, DK-2900 Hellerup, Denmark

Note 23

Adjustments to earlier periods

		Reported	Group error DKK thousand	Adjusted amount DKK thousand
Income statement for 2013				
Tax	DKK	1,250	(1,250)	0
Profit/loss for the year/comprehensive income	DKK	(20,623)	(1,250)	(21,873)
Balance sheet at 31 December 2013				
Income tax receivable	DKK	1,250	(1,250)	0
Total assets	DKK	51,842	(1,250)	50,592
Retained earnings	DKK	(76,678)	(1,250)	(77,928)
Total equity	DKK	42,862	(1,250)	41,612
Total equity and liabilities	DKK	51,842	(1,250)	50,592
Financial ratios for the period				
Equity ratio (solvency)		83%		82%
Return on equity		-99%		-108%
Earnings per share (EPS), DKK		(0.26)		(0.28)
Net asset value per share, year-end, DKK		0.36		0.35

The Danish tax authorities have informed BioPorto A/S that they disagree with the company's calculation of reimbursement concerning research and development. Against this background, the company has adjusted the figures for 2013.

Income statement

Note		2014 DKK thousand	2013 DKK thousand
3	Revenue	9,600	3,257
	Gross profit	**9,600**	**3,257**
	Gross margin	100%	100%
4,5,6	Administrative expenses	(9,646)	(9,708)
	Profit/loss before financial items (EBIT)	**(46)**	**(6,451)**
	Income from investments in subsidiaries	(22,757)	(21,858)
7	Financial income	9,880	8,536
7	Financial expenses	(3)	(1,558)
	Profit/loss before tax	**(12,926)**	**(21,330)**
	Total income taxes	0	0
	Profit/loss for the year	**(12,926)**	**(21,330)**
	Proposed appropriation of loss		
	To be transferred to retained earnings	**(12,926)**	**(21,330)**

Balance sheet

Note	ASSETS	2014 31. december DKK thousand	2013 31. december DKK thousand
	Non-current assets		
8	Property, plant and equipment	0	0
	Financial assets		
9	Investments in subsidiaries	0	0
9	Receivables from subsidiaries	8,812	14,492
	Deposits	647	253
	Total financial assets	**9,459**	**14,745**
	Total non-current assets	**9,459**	**14,745**
	Current assets		
	Other receivables	51	68
	Total receivables	**51**	**68**
	Cash	23,549	31,823
	Total current assets	**23,600**	**31,891**
	TOTAL ASSETS	**33,059**	**46,636**

Balance sheet

LIABILITIES	2014 31. december DKK thousand	2013 31. december DKK thousand
Equity		
Share capital	117,874	117,874
Retained profit/loss	(89,189)	(76,262)
Total equity	**28,686**	**41,612**
Liabilities		
Current liabilities		
Current portion of non-current liabilities	0	0
Trade payables	68	2
Other payables	4,305	5,021
Current liabilities	**4,374**	**5,024**
Total liabilities	**4,374**	**5,024**
TOTAL EQUITY AND LIABILITIES	**33,059**	**46,636**

Statement of changes in equity

	Share capital DKK thousand	Share premium DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity at 1 January 2014	117.874	0	(76.262)	**41.612**
Profit/loss for the year	0	0	(12.926)	**(12.926)**
Treasury shares	0	0	0	**0**
Transferred to Retained earnings	0	0	0	**0**
Equity at 31 December 2014	**117.874**	**0**	**(89.188)**	**28.686**

	Share capital DKK thousand	Share premium DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity at 1 January 2013	141.449	0	(143.142)	**(1.693)**
Adjustment of profit/loss for 2013*			(1.250)	**(1.250)**
Profit/loss for the year			(20.080)	**(20.080)**
Adjusted equity at 1 January 2013			(21.330)	**(21.330)**
Reduction of share capital	(94.299)	0	94.299	**0**
Issue	70.725	0	0	**70.725**
Issue costs	0	0	(6.089)	**(6.089)**
Equity at 31 December 2013	**117.874**	**0**	**(76.262)**	**41.612**

* See note 14.

List of notes to the financial statements

Note 1

Accounting policies

The financial statements of the parent company BioPorto A/S have been prepared in accordance with the provisions of the Danish Financial Statements Act for large reporting class D enterprises.

The annual report is presented in Danish kroner (DKK), which also is the functional currency of the company.

The accounting policies are consistent with those applied last year.

Differences relative to the Group's accounting policies

The parent company's accounting policies for recognition and measurement are in accordance with the Group's policies with the exceptions set out below:

Income statement

Income from investments in subsidiaries

Income from investments in subsidiaries are recognised in the parent company's income statement.

Share-based payment

The value of share-based payment is not recognised in the income statement. Share-based remuneration of the Management is described in the notes to the financial statements.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. Subsidiaries with a negative net asset value are recognised at DKK nil, and any receivable amount from these companies is written down by the negative net asset value to the extent it is deemed to be irrecoverable.

Cash flow statement

As allowed under section 86 (4) of the Danish Financial Statements Act, no cash flow statement has been prepared, as this is included in the consolidated cash flow statement.

Taxation

The parent company is taxed jointly with its domestic subsidiaries. The jointly taxed Danish enterprises are taxed under the Danish on-account tax scheme. Current tax for jointly-taxed companies is recognised in each individual company. All jointly-taxed companies are covered by the joint-taxation liability.

See "Tax payable and deferred tax" in the consolidated financial statements.

Note 2

Significant accounting estimates and judgments

The calculation of the carrying amounts of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates material to the financial reporting are made in the calculation of, inter alia, valuation of investments in the subsidiary, receivables from the subsidiary and deferred tax.

The estimates made are based on assumptions that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or imprecise and unexpected events or circumstances may arise. In addition, the company is subject to risks and uncertainties that may cause actual results to deviate from the estimates.

Note 2 to the consolidated financial statements contains a description of accounting estimates and judgments, which are common for the Group.

Note 3

Revenue

Geographic distribution:	2014 DKK thousand	2013 DKK thousand
Denmark	9,600	3,257
Revenue	9,600	3,257

The sale of services in BioPorto A/S exclusively concerns intra-group selling of services.

Note 4

Staff costs

	2014 DKK thousand	2013 DKK thousand
Wages and salaries	6,679	6,662
Defined contribution pension plans	520	698
Other social security costs	60	42
Other staff costs	0	(5)
Staff costs	**7,259**	**7,397**
Average number of employees	5	6

Specification of staff costs:

	2014 DKK thousand	2013 DKK thousand
Administrative expenses	7,259	7,397

Reference is made to note 4 in the consolidated financial statements concerning remuneration of the Management Board and Board of Directors and share-based payment.

Note 5

Amortisation, depreciation and impairment

There were no amortisation, depreciation or impairment charges in 2014 and 2013.

Note 6

Fees to auditors appointed by the general meeting

	2014 DKK thousand	2013 DKK thousand
Fees for statutory audit	133	170
Fees for other assurance engagements	0	600
Fees for tax consulting	20	5
Other services	0	122
Total fees to auditors appointed by the shareholders	**153**	**897**

Note 7

Financial income and expenses

Financial income

	2014 DKK thousand	2013 DKK thousand
Interest income from subsidiaries	9,743	8,509
Interest income from bank	137	27
Total financial income	**9,880**	**8,536**

Financial expenses

	2014 DKK thousand	2013 DKK thousand
Interest expenses, convertible bonds	0	(774)
Interest expenses, other debt	0	(325)
Other financial expenses	(3)	(459)
Total financial expenses	**(3)**	**(1,558)**

Note 8

Fixtures and fittings, tools and equipment

	2014 DKK thousand	2013 DKK thousand
Cost at 1 January	174	174
Additions during the year	0	0
Disposals during the year	174	0
Cost at 31 December	**0**	**174**
Depreciation at 1 January	(174)	(174)
Depreciation during the year	0	0
Reversed depreciation on disposals	(174)	0
Depreciation at 31 December	**0**	**(174)**
Carrying amount at 31 December	**0**	**0**

Note 9

Investments in subsidiaries

	2014 DKK thousand	2013 DKK thousand
Cost at 1 January	48,000	48,000
Additions	0	0
Disposals	0	0
Cost at 31 December	**48,000**	**48,000**
Net impairment at 1 January	(147,682)	(125,824)
Income from investments in subsidiaries	(22,757)	(21,858)
Net impairment at 31 December	(170,439)	(147,682)
Negative value written down on receivable	170,439	147,682
Value at 31 December	**0**	**0**
Name of subsidiaries		
BioPorto Diagnostics A/S, Hellerup, Copenhagen 100% ownership interest	(170,439)	(147,682)
Negative equity transferred to be set off against receivables from group enterprises	170,439	147,682
Value at 31 December	**0**	**0**
Receivables from subsidiaries		
Cost at 1 January	162,203	132,082
Additions	17,077	30,121
Disposals	0	0
Cost at 31 December	**179,280**	**162,203**
Net impairment at 1 January	(147,711)	(125,824)
Negative equity transferred to be set off against receivables from group enterprises	(22,757)	(21,858)
Treasury shares		(29)
Net impairment at 31 December	**(170,468)**	**(147,711)**
Value at 31 December	**8,812**	**14,492**

Note 9, continued

BioPorto A/S regularly contributes capital to the subsidiary BioPorto Diagnostics A/S to support the subsidiary's operating activities. The receivable amount carries interest at an annual rate of 6%, which accrues once a year on 31 December. The management members of BioPorto A/S and BioPorto Diagnostics A/S are identical. As the subsidiary's activities account for the bulk of the Group's activities, reference is made to the Management's review, including the description of risks.

Management believes that some uncertainty attaches to the subsidiary's possibility of repaying the part of the parent company's receivable from the subsidiary which corresponds to the subsidiary's negative equity. Accordingly, a writedown has been made to reflect this.

Note 10

Deferred tax

	2014 DKK thousand	2013 DKK thousand
Less than 1 year	59	511
1-5 years	(59)	(511)
Carrying amount	**0**	**0**

A deferred tax asset has been calculated. However, Management has found that it is not sufficiently probable that the tax asset can be utilised. Management has therefore decided not to recognise the calculated tax asset in the balance sheet, cf. note 2.

Deferred tax assets not recognised in the balance sheet:

	2014 DKK thousand	2013 DKK thousand
Property, plant and equipment	59	59
Current assets	0	(69)
Tax loss carryforwards	0	521
Deferred tax at 31 December, net	**59**	**511**

Note 11

Operating lease liabilities

Lease agreements

BioPorto has signed a lease with DEAS Erhverv A/S for renting offices, laboratories and production premises. The new lease is non-terminable until 1 April 2021.

	2014 DKK thousand	2013 DKK thousand
Less than 1 year	1,865	255
1-5 years	7,461	0
Over 5 years	2,331	0

	2014 DKK thousand	2013 DKK thousand
Minimum lease payments recognised in profit/loss for the year	1,654	502

Note 12

Contingent liabilities

BioPorto A/S has acknowledged towards the subsidiary BioPorto Diagnostics A/S that it will finance its operations in 2015.

Note 13

Other notes

Reference is made to notes 14 and 15 in BioPorto's consolidated financial statements with respect to share capital and treasury shares.

Reference is made to note 22 in BioPorto's consolidated financial statements with respect to matters relating to related parties and the section on directorships held by members of the Board of Directors and Management Board.

Note 14

Adjustments to earlier periods

		Reported	Group error DKK thousand	Adjusted amount DKK thousand
Income statement for 2013				
Income from investment	DKK	(20,608)	(1,250)	(21,858)
Profit/loss for the year/comprehensive income	DKK	(20,080)	(1,250)	(21,330)
Balance sheet at 31 December 2013				
Subsidiary operation	DKK	15,742	(1,250)	14,492
Total assets	DKK	47,886	(1,250)	46,636
Retained earnings	DKK	(75,012)	(1,250)	(76,262)
Total equity	DKK	42,862	(1,250)	41,612
Total equity and liabilities	DKK	47,886	(1,250)	46,636

Glossary

Biomarker/	Theoretically, any analyzable phenomenon that can be used for indicating a biological condition (e.g. pulse, body temperature). Most often used for a molecule whose level in a patient sample (blood, tissue) indicates the existence of a disease and possibly its seriousness.
Diagnostic marker	Theoretically, any analyzable phenomenon that can be used for indicating a biological condition (e.g. pulse, body temperature). Most often used for a molecule whose level in a patient sample (blood, tissue) indicates the existence of a disease and possibly its seriousness.
Central laboratory	Many hospitals have a central laboratory which handles a wide range of analyses and typically many at a time – by contrast with the relatively few analyses that can be carried out in the individual wards. A central laboratory usually has a number of large automated machines for handling the analyses.
Diagnostics	Diagnostics is the process whereby a disease and possibly its cause are identified. Fast, accurate diagnostics are decisive for the subsequent treatment (therapy). Certain diagnostic tests can be used for monitoring the patient's response to treatment and possible needs for changing the treatment.
ELISA kit	"Enzyme-linked immunosorbent assay" kit, a laboratory assay format that can determine the content of a biomarker in body fluids such as blood or urine samples.
FDA approval	The "Food and Drug Administration", is the US authority that authorizes the use of medicines, including diagnostic products.
GLP-1	"Glucagon-like peptide-1", is a peptide hormone secreted from the intestines during eating. GLP-1 stimulates the secretion of insulin and is relevant for the treatment of type-2 diabetes and other diseases.
Homogeneous/ Heterogeneous tests	Homogeneous analysis is performed in a single phase (liquid), whereas heterogeneous assays use both a liquid and a solid phase. Homogeneous analysis is simpler and can be performed on automated equipment from different manufacturers. Heterogenous analysis typically requires a wash step and have different designs in the various automated equipment supplied by various manufacturers why a particular heterogeneous analysis typically cannot be transferred to another manufacturer's equipment.
IVD	"In vitro diagnostic(s)", a diagnostic procedure that takes place outside the body, e.g. by analyzing blood and urine samples in a laboratory, as opposed to "in vivo diagnostics", which are performed on the patient, such as a prick test in the skin or an X-ray.
MBL	"Mannan-binding lectin", a blood protein that binds to foreign organisms and contributes to congenital (innate) immune response.
Monoclonal	Derived from a single "clone", in this case a single cell line. A monoclonal antibody thus consists of antibody molecules which are all identical, whereas a polyclonal antibody consists of many different antibody molecules produced by many different cell lines in the body.
NGAL	"Neutrophil gelatinase-associated lipocalin", a biomarker that can indicate renal injury already at an early stage.
OEM	"Original equipment manufacturer", used in the opposite sense of the word for distributors, for instance, who market products of other companies under their own name.
Preclinical / clinical phase	Different stages of developing a new drug. The preclinical phase includes development and testing in laboratory animals and precedes the clinical phases I-IV, where the drug is tested in humans.
Routine diagnostics	Diagnostic analyses that are performed on a routine basis at the time of hospitalization.
Sandwich antibody pair	A pair of antibodies targeting the same biomarker which can be used in the sensitive and specific "sandwich" ELISA method whereby the biomarker is identified by two different antibodies.
Specificity	The degree to which an antibody molecule, for example, binds only to a unique structure on another molecule and not to other structures or molecules, or the degree to which a diagnostic procedure only diagnoses a given pathological condition and does not give a positive result in other conditions, including the normal state.
Therapy/ Therapeutic products	Treatment of diseases and the products used for this, typically medicines.
Toxicology	Study of the toxicity of substances and the way in which they are capable of causing harmful effects in the body. Toxicological studies are an indispensable part of developing registerable medicines.
Turbidimetry	A homogeneous analysis method by which a fluid sample from the patient mixed with a reagent fluid containing substances, often antibodies, that react with the biomarker in the sample to form a haze in the liquid (turbidity), which can be measured through radiation of light.

BioPorto is an in-vitro diagnostics company that provides healthcare professionals in clinical and research settings a range of diagnostic tests and antibodies. Our pioneering product portfolio includes assays for underserved disease states such as NGAL for acute kidney injury.

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