

BIOHIT GROUP HALF YEAR FINANCIAL REPORT 2021

Biohit Oyj Half Year Financial Report 11 August 2021 at 9:30 am local time (EET)

SUMMARY

January-June 2021

- Revenue EUR 4.0 million (EUR 3.0 million)
- Revenue increased by 36% compared to H1/2020
- Operative EBITDA EUR -0.2 million (EUR -1.0 million)
- Cash at the end of the period EUR 1.0 million (EUR 1.0 million 31 December 2020)
- Fair value of Genetic Analysis AS investment EUR 0.8 million (EUR 0.8 million 31 December 2020)
- Revenue from international operations 97.2% (95.6%) of total revenue
- Equity ratio 78.4% (80.8% 31 December 2020)

BIOHIT GROUP KEY FIGURES

	1-6/2021	1-6/2020	1-12/2020
Revenue (MEUR)	4.0	3.0	7.1
EBITDA (MEUR)	-0.2	-1.0	-1.2
Operative EBITDA (MEUR)	-0.2	-1.0	-1.2
Operating profit/loss (MEUR)*	-1.2	-2.0	-3.2
Profit/loss before taxes (MEUR)	-1.1	-2.3	-3.3
Profit/loss for the period (MEUR)	-1.1	-2.3	-3.3
Average number of personnel	46	44	45
Number of personnel at the end of the period	48	42	46
Equity ratio (%)	78.4%	81.0%	80.8%
Earnings per share (EUR), Undiluted	-0.07	-0.15	-0.22
Earnings per share (EUR), Diluted	-0.07	-0.15	-0.22
Shareholders' equity per share (EUR)	0.51	0.64	0.58
Average number of shares during the period	15,045,593	15,045,593	15,045,593
Number of shares at the end of the period	15,045,593	15,045,593	15,045,593

* In 2017 we capitalized the patent regarding divestment of Biohit Healthcare (Hefei) Co. Ltd. which is depreciated EUR 1.5 million annually until end of 2021.

ACTING PRESIDENT AND CEO OSMO SUOVANIEMI:

SALES INCREASED IN THE FIRST HALF YEAR

Business of Biohit continued its modest recovery in H1/2021 in all market areas. Our Revenue increased by 36 percent compared to H1/2020. During the review period Operative EBITDA adjusted for items affecting comparability increased to EUR -0.2 million (EUR -1.1 million). Our cash at the end of the period remained at EUR 1.0 million, the same as at the end of the comparison period and the end of 2020.

We signed a few distribution agreements during the review period.

In H1/2021 Biohit was granted funding for two R&D projects by the European Union and Business Finland. The total amount of these grant fundings is EUR 0.9 million, of which EUR 0.1 million is deferred as a revenue to the reporting period. State Treasury of Finland granted Biohit COVID-19 business cost support worth EUR 0.2 million for inflexible costs. Centre for Economic Development, Transport and the Environment decided to grant Biohit Oyj EUR 0.2 million support for corporate development, this support had no financial impact on the reporting period.

Biohit initiated arbitration proceedings in H1 2021 against Biohit HealthCare (Hefei) Co. Ltd, who manufactures GastroPanel products and is Biohit's distributor in China. A dispute has arisen between the companies regarding the application of the license agreement concluded between the companies. The target of the ongoing negotiations is to find an amicable solution without a trial and to respect the existing contract whilst continuing cooperation with our partner who was founded and has grown strongly based on GastroPanel products.

Even though Biohit's business has been challenging due to the COVID-19 pandemic, we are confident about the future. Our Revenue rose in H1/2021 and we are constantly working to streamline our cost structure. Operative EBITDA was negative by only EUR 0.2 million and profit erosion caused by depreciations is close to its end. In 2017 Biohit capitalized the patent regarding the divestment of Biohit Healthcare (Hefei) Co. Ltd. These depreciations will be completed at the end of 2021.

Biohit has a relatively strong balance sheet and high Equity Ratio (78.4 percent) which create a solid foundation for product and business development. We have started a development and rationalization program that aims to achieve more efficient capitalization of the commercial potential of our innovation portfolio.

OUTLOOK FOR 2021

Biohit expects the 2021 revenue to grow significantly in comparison to 2020 (previous year EUR 7.1 million).

REPORTING

Biohit's product portfolio consists of diagnostic tests, analysis systems, products binding carcinogenic acetaldehyde into a harmless compound, monoclonal antibodies, as well as service laboratory operations. The entire product and service portfolio is reported under a single segment.

REVENUE AND RESULT

January-June

Consolidated revenue and operating income

	1-6/2021	1-6/2020	Change	1-12/2020
Revenue MEUR	4.0	3.0	1.1	7.1
Change compared with the previous year (%)	35.7%	-39.9%		-29.1%
Operating income MEUR	-1.2	-2.0	0.9	-3.2
Operating income (% of revenue)	-28.4%	-68.1%		-44.6%

REVENUE BY MARKET AREA

EUR million	1-6/2021	1-6/2020	1-12/2020
Finland	0.1	0.1	0.3
Europe, other	2.1	1.7	3.6
North and South America	0.2	0.1	0.2
Asia	1.3	0.7	2.4
Other countries	0.4	0.3	0.6
Revenue from contracts with customers	4.0	3.0	7.1

ALTERNATIVE PERFORMANCE MEASURES

Bridge calculation of operative EBITDA

EUR million	1-6/2021	1-6/2020	Change	1-12/2020
Operating profit/loss	-1.2	-2.0	0.9	-3.2
Depreciation and amortization	1.0	1.0	-0.0	2.0
Operative EBITDA	-0.2	-1.0	0.9	-1.2

BALANCE SHEET, FINANCING AND OPERATIONAL CONTINUITY

On 30 June 2021, the balance sheet totaled to EUR 9.7 million (EUR 10.8 million 31 December 2020). At the end of the review period our company's equity ratio was 78.4% (80.8% 31 December 2020).

Our financial position has remained relatively steady regardless of the COVID-19 pandemic. On the 30 June 2021 company's financial assets totaled EUR 4.8 million (EUR 5.3 million 31 December 2020) which does not include Genetic Analysis AS shares.

The company has managed to keep its working capital on a good level and the management believes that working capital and company's other financial assets will cover the operations for the next 12 months and the company is not dependent on external financing to be able to guarantee the continuity of its operations. Cash flow from operating activities was EUR -0.4 million during the review period 1-6/2021. According to company's management, the company's ability to continue its operations is good and there are no indications towards events or circumstances that alone or together might give a significant reason to doubt the organisation's ability to continue its operations.

RESEARCH AND DEVELOPMENT AND CLINICAL STUDIES

R&D operations focus on innovations, as well as product development and improved usability. Biohit also employs external experts and subcontractors in its R&D operations. Development expenditure has not been capitalized. Research and development expenditure excluding depreciation and amortization during the reporting period H1/2021 amounted to EUR 0.7 million (EUR 0.5 million).

CE mark readiness of the GastroPanel® Quick Test, a test intended for the first-line diagnosis of dyspepsia, has been demonstrated for a plasma sample with excellent performance results. The results obtained with the lateral flow based GastroPanel® Quick Test were in line with those of the ELISA-based GastroPanel® reference test.

The performance of GastroPanel Quick Test was also compared to the results obtained from gastroscopy and biopsy in that same study setting. The concordance between these methods in detecting atrophic gastritis was 95% in specificity and 80% in sensitivity. In the detection of *Helicobacter pylori*, the agreement between the methods was also excellent with 85% sensitivity and 97% specificity. In both study settings, more than 500 patient samples were analyzed, which had been collected in Finland at Oulu University Hospital from patients suffering from dyspeptic symptoms in years 2016–2020. The test is now CE marked and we communicated about it after the close of the review period on the 10th of August 2021.

Our goal is to extend the CE mark of the GastroPanel® Quick Test platform to also cover finger-prick blood specimens during 2021. Currently, the clinical study on the finger-prick blood specimens is still suspended due to the COVID-19 pandemic. The study will be continued when it can be performed safely.

The development of the fecal immunochemical test (ColonView-ELISA) designed for the screening and primary detection of colorectal cancer and its precursors has continued during 2021.

CORPORATE SOCIAL RESPONSIBILITY, PATIENT SAFETY AND DISEASE PREVENTION

Biohit's Mission is *Innovation for Health*. Health promotion innovations are an essential part of our company's community responsiveness. Thanks to substantial investments in biotechnology together with innovation and patenting strategy, Biohit has launched a wide variety of products that enhance patient safety and contribute to the primary prevention. The most important ones in this segment are GastroPanel, ColonView-FIT and Acetium-products.

The unique GastroPanel is a blood test for the primary diagnosis of dyspepsia and reflux symptoms. GastroPanel has also a significant cost saving feature when used to screen gastric- and esophageal cancer risks. Screening of gastric and esophageal cancer, as well as other risks by GastroPanel test would lead to savings of up to EUR 800 million in the life-time health care costs of 10 age groups (65-74-year-old) in Finland, according to the screening model designed by the Nordic Healthcare Group.

It is also advisable to use immunochemical ColonView-FIT-test to detect fecal occult blood in the primary diagnosis of upper abdominal and reflux symptoms. The Biohit ColonView-FIT-test, measuring both hemoglobin and hemoglobin-haptoglobin complex, is more sensitive in the primary diagnostics and also the test-of-choice for colorectal cancer screening. The test is used to diagnose intestinal cancer precursors (adenomas and polyps), thus helping to guide in time for colonoscopy and for further necessary examinations and treatment.

Acetium-capsules bind carcinogenic acetaldehyde in acid-free stomach (due to atrophic gastritis or PPI-medication), which is a risk factor of stomach cancer. Accordingly, Acetium-capsules may reduce the risk of gastric cancer associated with acid-free stomach. Acetaldehyde binding Acetium-capsules may also prevent the headache attacks in distinct types of migraine.

Acetium lozenge helps quit smoking and possibly also stops alcohol abuse as well as promoting oral health by eliminating smoke- and alcohol-derived acetaldehyde in the saliva. Patent has been granted to this invention in 64 countries www.acetium.com/en.

More information on Biohit's health promoting innovations can be found at www.biohithealthcare.com/en.

INVESTMENTS

Gross investments during the H1/2021 reporting period totaled EUR 0.0 million (EUR 0.0 million).

PERSONNEL

During the review period, the Biohit Group employed on average 46 (44) people, of whom 37 (35) were employed by the parent company and 9 (9) by the subsidiaries.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

The company's most significant risks are related to how quickly the global health care sector recovers from the strain caused by the COVID-19 pandemic. Slow unloading of accumulated non-COVID related treatment needs and limited resources might slow down the increase of global demand for Biohit's product portfolio.

The selection and development of new market areas and distribution channels as well as the success of registering new products are central uncertainty factors for our business. The duration of the product registration process is different in each market area. For this reason, it is not possible to accurately assess the time taken for the authorities to handle registrations and for product sales to begin. The distributor is responsible for the registration process.

Executing the changes demanded by the new EU-directives 2021 (MDR) and 2022 (IVDR) in Biohit's product portfolio and processes is essential in the short-term. Regulation requirements must be met to be able to continue selling existing products.

The prolonged COVID-19 pandemic can increase credit loss risk among Biohit's international distribution network.

When investing liquid assets, the objective is to gain a return on investment with a minimum risk of equity loss. The investment portfolio consists of deposits, money market investments and corporate loans. A fundamental aspect in portfolio management is sufficient diversification across different asset classes, investment instruments and counterparties. The investment portfolio is subject to interest rate risk, which is managed by adjusting the duration of the portfolio. In addition,

general instability in the financial markets impacts negatively on the value of the investment portfolio.

The Group's investment in unlisted shares of Norwegian Genetic Analysis AS is subject to changes in the terms of transactions involving the company's shares that take place between third parties. A negative change of 30% in the valuation of Genetic Analysis AS shares, would have a negative pre-tax impact of EUR 0.3 million on the Group comprehensive income. Investment in Genetic Analysis AS is also subject to changes in EUR/NOK foreign exchange rate. In addition, Genetic Analysis AS is still dependent on securing external financing in its operations. Genetic Analysis AS valuation changes have no effect on company's cash flow.

Biohit's customer base is widely diversified, with the exception of GastroPanel® sales in China, which currently represents a major single business for Biohit. For this reason, the company is dependent on the continuation of this business relationship in China. Also, the success of the arbitration proceedings with Biohit Healthcare (Hefei) Co. Ltd. is essential in restoring mutual trust. Most of the company's business is conducted in EUR, and the indirect effects of currency exchange rate fluctuations are considered insignificant.

In addition, risks related to recruitment are always present in business.

MAIN EVENTS IN THE FIRST HALF OF THE YEAR (H1)

8.3.2021: European Union and Business Finland provide Biohit Oyj with a total of EUR 900,000 in financing for product development

Biohit Oyj has received a total of around EUR 900,000 in funding from the EU through the Eurostars program and also from Business Finland for the development and launch of rapid tests over the next three years.

The Eurostars program is a joint program of 36 countries managed by the EUREKA Secretariat in Brussels as part of international EUREKA cooperation. The financing of the Finnish parties comes from Business Finland. The funding is a grant primarily to SMEs.

26.3.2021 Biohit's CEO is on sick leave

Biohit Oyj's CEO Semi Korpela is on sick leave effective as of 22nd of March 2021. During sick leave, the duties of the CEO are performed by the Chairman of the Board Osmo Suovaniemi.

8.4.2021 Austell Pharmaceuticals starts as a new distributor of Biohit Oyj's GastroPanel® test in South Africa

Biohit Oyj and Austell Pharmaceuticals have signed an agreement for the distribution of the Biohit GastroPanel® test in South Africa.

Austell Pharmaceuticals is a private owned South African company. It has been the fastest growing pharma company in South Africa for the past 5 years.

20.4.2021 A study from Italy confirms: Low levels of G-17 biomarker of the Biohit GastroPanel® test predict the risk of esophagitis and esophageal reflux disease (GERD)

A recent study provided significant new information on the associations of GastroPanel® G-17 biomarker with esophagitis and gastroesophageal reflux disease (GERD) symptoms. The Italian study was published by the research group of Professor Di Mario from Parma University, who has substantial previous experience on GastroPanel® test (1).

GastroPanel® biomarker test is a unique innovation of a Finnish biotechnology company (Biohit Oyj, Helsinki), designed for the first-line diagnosis of *Helicobacter pylori* (Hp) infection and atrophic gastritis (AG) among the patients with upper abdominal symptoms (dyspepsia) and esophageal reflux disease (GERD) in a simple blood test (2,3) (www.gastropanel.com, [www.biohithealthcare.com/News/Links: GastroPanel innovation](http://www.biohithealthcare.com/News/Links:GastroPanelinnovation)). At the same time, GastroPanel® is the only test monitoring the acid output regulatory mechanism in the stomach. Because Hp and AG as well as high acid output are the most important risk conditions for gastric and esophageal cancer, the highly informative GastroPanel® is also particularly suitable for a cost-effective, population-based screening of asymptomatic individuals for the risk of gastric and esophageal cancer (2-5,12) (www.biohithealthcare.com/additional-information4).

Of the four GastroPanel® biomarkers, G-17 is the most multifaceted. Being synthesized in the gastric antrum, G-17 is a biomarker of its function and structure: low levels of G-17 can be a sign of antrum atrophy, which is invariably associated with Hp-infection (6-8). A significantly more common cause of low G-17 levels, however, is increased gastric acid output, whereas atrophy of the gastric corpus (with the resulting acid-free stomach) will typically cause a marked increase of G-17 levels (2,3,6-8,13). Clinically much less attention has been paid to the regulatory effects of G-17 on the lower esophageal sphincter muscle. When low G-17 levels are due to increased gastric acid output, the risk of esophageal reflux disease (GERD) is increased, with resulting erosive or non-erosive esophagitis, which can develop to Barrett's esophagus and lower esophageal cancer (9,10). The following conditions detected by GastroPanel® test: i) symptomatic Hp-infection after eradication therapy; ii) AG, or iii) symptomatic high acid output (low G-17). All are indications for endoscopic examination (www.biohithealthcare.com/additional-information).

26.4.2021 Biohit Oyj comments on the claims presented in public by a member of Biohit board of directors, Mr. Liu Feng

It is the general policy of Biohit Oyj not to comment on market speculations or claims presented in public. A member of the Biohit Board of Directors, Mr. Liu Feng, without prior contact with the company, has presented in public (Helsingin Sanomat, HS Visio, Kiinalainen juttu, 24.4.2021) claims about Biohit, and we feel it compulsory to respond to some of the claims presented by Mr. Liu Feng in the newsprint.

Mr. Liu Feng is the CEO of Biohit HealthCare (Hefei) Co. Ltd and also a member of the Board of Directors of Biohit Oyj. Biohit HealthCare (Hefei) Co. Ltd is the single biggest shareholder of Biohit if measured by the number of shares (32,87% of the shares) and it operates as the exclusive distributor of certain products of Biohit in China.

Claims presented in public and confidentiality

The claims presented in public by Mr. Liu Feng reflect his private thinking and do not represent the official views of Biohit.

Biohit considers it is harmful to all parties for Mr. Liu Feng to start a public discourse on the internal and confidential affairs of Biohit on one hand, and the bilateral confidential issues related to the distribution agreement on the other hand. Biohit requires that the interests of the company and

individual shareholders be kept strictly separated, in accordance with the Finnish Companies Act. In a limited liability company, the responsibility of the Board of Directors is to promote the interests of the company and make sure, for its own part, that the demand of an equal treatment of all shareholders will be realized in full.

The relationships between the company and the Chinese distributor

In the past, Biohit HealthCare (Hefei) Co. Ltd was a joint venture of Biohit Oyj and Anhui Wisdom-Win Investment Co. Ltd. In 2016, Biohit withdrew from the joint venture, concurring the signing of the agreement between Biohit and Biohit HealthCare (Hefei) Co. Ltd:n concerning the exclusive distribution rights in the Chinese markets.

Biohit and Biohit HealthCare (Hefei) Co. Ltd. have had disagreements as Biohit requires Biohit HealthCare (Hefei) Co. Ltd. to comply with the terms of the agreements between the companies. Biohit hopes that the disagreements will be resolved amicably.

The Corporate Governance

Biohit's Board of Directors is assembled regularly, and the corporate governance model of the company follows the Companies Act and rules and regulations of Nasdaq Helsinki. The details of the company's governance model are described in the annually published corporate governance statement. The model of corporate governance of Biohit deviates in some parts from the Finnish corporate governance code of listed companies and these nonconformities appear in the statement.

The Annual General Meeting is held in accordance with the Finnish Companies Act, and at the event all shareholders have the right to receive information, present their views and impact decision in accordance with the Finnish Companies Act.

Biohit considers that due to his long experience, Osmo Suovaniemi has excellent capabilities in successfully undertaking his responsibilities as Chairman of the Board and also as a deputy of the CEO. Biohit endeavors to promote equality and deters all type of discrimination, including that based on age.

17.5.2021 Biohit corporation initiates arbitration proceedings concerning a breach of the license agreement

Biohit Oyj's shareholder Biohit HealthCare (Hefei) Co. Ltd is the exclusive distributor of Biohit Oyj's Gastropanel products in China. In this connection, a dispute has arisen between the companies regarding the application of the license agreement concluded between the companies. Biohit HealthCare (Hefei) Co. Ltd has not paid royalties to Biohit Oyj in accordance with the distribution and licensing agreements. In order to resolve these and certain other controversies and claims related to the license agreement, Biohit Oyj has submitted an application to the Arbitration Institute of the Finland Chamber of Commerce to initiate arbitration proceedings.

The impact of unpaid royalties has so far been insignificant for Biohit Oyj's operations, but as the situation continues, the significance of the matter will increase.

Biohit HealthCare (Hefei) Co. Ltd was previously a joint venture of Biohit Oyj. Biohit Oyj exited the joint venture in 2016, when Biohit Oyj and Biohit HealthCare (Hefei) Co. Ltd entered into an Exclusive Distribution Agreement for the distribution of GastroPanel in China.

Biohit HealthCare (Hefei) Co. Ltd is the largest shareholder in Biohit Oyj in terms of the number of shares (32.87 percent of the B-shares). Biohit HealthCare (Hefei) Co. Ltd's CEO Liu Feng is also a member of Biohit Oyj's Board of Directors.

17.5.2021 Biohit Oyj's President and CEO Semi Korpela to leave the company

Biohit Oyj's Board of Directors has decided that Semi Korpela will immediately leave the company as the President and CEO. The Board of Directors will commence a recruitment process for a new CEO and Biohit's Chairman of the Board Osmo Suovaniemi will continue as deputy CEO.

21.5.2021 Changes to Biohit Oyj's management

Biohit Oyj CFO Jukka Kainulainen has decided to leave the company in June 2021. Search for the new CFO has started.

24.5.2021 Changes to Biohit Oyj's management

Master of Social Sciences Jussi Hahtela (b. 1973) has been appointed Chief Financial Officer and as a member of the Management Team of Biohit Oyj starting June 4th 2021. He will also be responsible for HR function and IT function. Hahtela will report to deputy CEO Osmo Suovaniemi. Hahtela has previously worked in Nordea for example as chief strategist and Head of FX sales Finland.

28.5.2021 Publication of Biohit Oyj Remuneration Report 2020

Biohit Oyj's Remuneration Report for the Governing Bodies is published today in PDF format. The Remuneration Report for the Governing Bodies is attached to this stock exchange release and also available at <https://www.biohithealthcare.com/en/investors/>.

23.6.2021 Decisions of the Annual General Meeting of Biohit Oyj

The Annual General Meeting (AGM) of Biohit Oyj held on Wednesday June 23, 2021 approved the financial statements for the financial year 2020 with a unanimous decision of the shareholders participating in the AGM. Based on a vote the AGM decided not to discharge the members of the Board of Directors and the President and CEO from liability for the financial year 2020. Based on a vote the AGM decided to approve the Remuneration Report of the company's Governing Bodies presented to the AGM; the decision is advisory.

Distribution of dividends

With a unanimous decision of the shareholders participating in the AGM the AGM resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial period ended on December 31, 2020.

Members of the Board of Directors

Based on a vote the AGM resolved that six (6) members are elected to the Board of Directors and that professor Osmo Suovaniemi, CEO Franco Aiolfi, emeritus professor Matti Härkönen, Commercial Counsellor Eero Lehti, Ph.D. Lea Paloheimo and CEO Liu Feng are elected as members of the Board of Directors until the end of the next AGM.

Additionally, the AGM resolved based on a vote that the Chairman of the Board of Directors and the other members of the Board of Directors are paid a meeting fee of EUR 1,500.

Election of the Auditor and remuneration for the Auditor

With a unanimous decision of the shareholders participating in the AGM the AGM elected authorized public accountants PricewaterhouseCoopers Oy as the company's auditor until the end of the next AGM and that the auditor is paid remuneration according to invoice approved by the company.

28.6.2021 Changes in Management Team

Biotechnology and food engineer, Production Manager Suvi Elomaa starts on 1st of July as Biohit's Production Director and part of the Management Team. Suvi Elomaa has worked at Biohit since 2013.

Adjunct professor in molecular microbiology, PhD, and computer science engineer Minna Mäki continues as company's R&D Director and part of the Management Team. The change is part of Biohit's operational development program.

29.6.2021 Constitutive meeting of Biohit Oyj's Board of Directors

Biohit Oyj's Board of Directors has in its meeting on June 28, 2021 elected Commercial Counsellor Eero Lehti as the Chairman of the Board of Directors.

MAJOR EVENTS AFTER THE CLOSE OF THE REVIEW PERIOD

29.7.2021 Päivi Siltala new CEO of Biohit Oyj

The Board of Directors of Biohit Oyj has appointed MA Päivi Siltala the CEO of the company starting September 1, 2021. Siltala is joining Biohit from Johnson & Johnson where she has been Sales Director.

Siltala is an experienced biotechnology professional with a large international contact network. She also has a solid track record in managing business development and growth. Siltala has worked in Biohit 2008-2010 and thus knows the company and the technology, which speeds up operative integration.

"Siltala's experience in biotechnology and personal qualities and skills makes her excellent person to lead and develop Biohit business and operations to materialize company's commercial potential in the best possible way", says Eero Lehti, Chairman of the Board of Directors.

Beside Biohit and Johnson & Johnson, Siltala has worked in leading sales and business development positions at Pentax Medical and Cook Medical Endoscopy.

10.8.2021 CE marked GastroPanel® quick test on the market

The latest innovation in the unique Biohit GastroPanel product family, GastroPanel quick test, is now CE marked.

We are excited to launch the GastroPanel quick test system with such excellent performance characteristics and fast turnaround time. We believe that the test system will be well received by end users because the usability of the test system enables first-line diagnosis and screening of dyspeptic patients easier than ever before. We are eager to continue developing the testing system further. Next, we will extend the CE mark of the GastroPanel quick test to include finger-prick blood samples by the end of 2021.

ADMINISTRATION

Biohit Oyj's Management Team

The members of Biohit's Management Team are: Acting CEO Osmo Suovaniemi, CFO Jussi Hahtela (started on June 4, 2021), Production Director Suvi Elomaa (started on July 1, 2021), Research and Development Director Minna Mäki (Production and R&D Director until June 30, 2021), Sales and Marketing Director Ilari Patrakka and Quality and Regulatory Affairs Director Daniela Söderström.

SHARES AND SHAREHOLDERS

Biohit Oyj's number of shares is 15,045,593 (15,045,593) of which 2,975,500 (2,975,500) are Series A shares and 12,070,093 (12,070,093) are Series B shares. The Series B shares are quoted on NASDAQ Helsinki in the Small cap/Healthcare group under the code BIOBV.

BIOBV/NASDAQ OMX Helsinki	1-6/2021	1-6/2020	1-12/2020
High (EUR)	2.54	4.16	4.30
Low (EUR)	1.97	1.95	1.90
Average (EUR)	2.15	2.93	2.56
Latest (EUR)	2.10	2.44	2.48
Turnover (EUR)	4,772,398	8,141,846	14,153,206
Turnover volume	2,215,947	2,781,524	5,518,054

Shareholders

At the end of the reporting period on 30 June 2021, the company had 7,706 shareholders (7,336 on 30 June 2020). Private households held 59.6% (63.4%), companies 7.1% (7.5%) and public sector organisations 0.0% (0.0%). Foreign ownership or nominee registrations accounted for 33.2% (29.1%) of shares.

Further information on the shares, major shareholders and management shareholdings is available on the company's website.

ACCOUNTING PRINCIPLES

This half year financial release has been prepared in accordance with the requirements of the IAS 34 Interim Financial Reporting standard. Biohit Oyj has applied the same accounting principles in preparing this half year financial report as for its financial statements 2020 except for IFRS standard changes and interpretations implemented in 2021. Changes in new IFRS standards and interpretations has no material impact in this half year financial report. In addition, Biohit Oyj has applied IAS20 standard regarding public funding in review period. The figures in the half year financial report have not been audited.

In the first half of the year Biohit received funding for the development and launch of quick tests from the European Union and Business Finland. The funding amounts to EUR 0.9 million, of which EUR 0.1 million is deferred to the review period. The accrual for the review period has been included in other operational income. By 30 June 2021 EUR 40 thousand of the funding has been paid, the rest has been included in accrued income. The project funded by Business Finland ends on 31 December 2022 and the one funded by the European Union on 31 January 2024.

Biohit Oyj got a decision of EUR 0.2 million COVID-19 business cost support from the State Treasury of Finland to cover inflexible costs. The business cost support has been included to net other operating expenses.

The Center for Economic Development, Transport, and the Environment granted Biohit Oyj a development amendment totaling EUR 0.2 million. The project must be executed by 31 March 2022, the amendment did not have any financial impact during the review period.

Alternative performance measures and items affecting comparability:

Biohit Group presents certain alternative performance measures to reflect the underlying business performance and to enhance comparability between financial periods in accordance with ESMA's (European Securities and Markets Authority) guidance. Alternative performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS. Operative performance measures have been adjusted for certain non-operative items or non-cash valuation items that affect comparability between periods.

Certain items that are not related to the underlying business or non-cash valuation items that have material effect on the profit and loss for the period are adjusted as items affecting comparability. These items can arise, for example from:

- Impairment of assets
- Sale or acquisition of asset or business
- Share based payment expenses in accordance with IFRS 2

Additionally Biohit Oyj presents the following alternative performance measures:

EBITDA	EBIT + depreciation and amortization
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Operative EBITDA	EBIT + depreciation and amortization – Items affecting comparability
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CONSOLIDATED INCOME STATEMENT

EUR million	1-6/2021	1-6/2020	Change	1-12/2020
Revenue	4.0	3.0	1.1	7.1
Change in inventories of finished goods and work in progress	-0.2	0.1	-0.3	0.1
Other operating income	0.1	0.0	0.1	0.0
Materials and services	-1.4	-1.4	0.0	-3.3
Employee benefit expenses	-1.7	-1.6	-0.1	-3.1
Other operating expenses	-1.0	-1.1	0.1	-2.1
EBITDA	-0.2	-1.0	0.9	-1.2
Depreciation and amortization	-1.0	-1.0	0.0	-2.0
Operating profit/loss	-1.2	-2.0	0.9	-3.2
Financial income	0.1	0.0	0.1	0.1
Financial expenses	0.0	-0.3	0.3	-0.2
Profit/loss before taxes	-1.1	-2.3	1.3	-3.3
Income taxes	-0.0	-0.0	-0.0	-0.1
Profit/loss for the financial period	-1.1	-2.3	1.2	-3.3
Items of comprehensive income that may later be reclassified through profit or loss				
Translation differences	0.0	-0.0	0.0	-0.0
Items that will not be reclassified to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive income	0.0	-2.7	2.7	-2.6
Other comprehensive income total	0.0	-2.7	2.7	-2.6
Comprehensive income for the period	-1.1	-5.0	4.0	-5.9

Earnings per share calculated from earnings attributable to the owners of the parent company

	1-6/2021	1-6/2020	1-12/2020
Undiluted earnings per share, (EUR)	-0.07	-0.15	-0.22
Diluted earnings per share, (EUR)	-0.07	-0.15	-0.22

CONSOLIDATED BALANCE SHEET

EUR million	30 June 2021	30 June 2020	31 Dec 2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	0.9	2.6	1.8
Property, plant and equipment	0.2	0.3	0.3
Right-of-use assets	0.4	0.3	0.4
Other financial long-term assets	0.1	0.1	0.1
Deferred tax assets	0.0	0.0	0.0
Total non-current assets	1.7	3.3	2.5
CURRENT ASSETS			
Inventories	1.0	1.3	0.9
Trade and other receivables	1.4	1.5	1.3
Other current financial assets	4.7	4.8	5.0
Cash and cash equivalents	1.0	1.0	1.0
Total current assets	8.1	8.6	8.3
TOTAL ASSETS	9.7	11.8	10.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to the owners of the parent company			
Share capital	2.4	2.4	2.4
Fair value reserve	-1.1	-1.3	-1.2
Invested unrestricted equity fund	5.1	5.1	5.1
Translation differences	-0.1	-0.1	-0.1
Retained earnings	1.4	3.5	2.5
Total shareholders' equity	7.6	9.6	8.7
NON-CURRENT LIABILITIES			
Lease liabilities	0.2	0.1	0.1
Deferred tax liabilities	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0
Total non-current liabilities	0.2	0.1	0.1
CURRENT LIABILITIES			
Trade payables	0.5	0.6	0.6
Tax liabilities	0.0	0.0	0.0
Lease liabilities	0.2	0.2	0.3
Other liabilities	1.1	1.3	1.0
Total current liabilities	1.9	2.1	1.9
Total liabilities	2.1	2.3	2.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9.7	11.8	10.8

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Statement of changes in consolidated shareholders' equity on 30 June 2021

EUR million	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Shareholders' equity
Shareholders' equity 1 Jan 2021	2.4	5.1	-0.1	-1.2	2.5	8.7
Total comprehensive income for the period			0.0	0.0	-1.1	-1.1
Shareholders' equity 30 June 2021	2.4	5.1	-0.1	-1.1	1.4	7.6

Statement of changes in consolidated shareholders' equity on 30 June 2020

EUR million	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Shareholders' equity
Shareholders' equity 1 Jan 2020	2.4	5.1	-0.1	1.4	5.8	14.6
Total comprehensive income for the period			-0.0	-2.7	-2.3	-5.0
Shareholders' equity 30 June 2020	2.4	5.1	-0.1	-1.3	3.5	9.6

FINANCIAL ASSETS MEASURED AT FAIR VALUE 30 JUNE 2021

The Group categorized its financial assets and liabilities into the following categories	Fair value through profit and loss MEUR	Fair value through OCI MEUR	Hierarchical level
Current assets			
Other current financial assets	1.6		Level 1
Other current financial assets	2.1		Level 2
Other current financial assets	0.1		Level 3
Other current financial assets		0.8	Level 3
Total	3.8	0.8	

FINANCIAL ASSETS MEASURED AT FAIR VALUE 30 JUNE 2020

The Group categorized its financial assets and liabilities into the following categories	Fair value through profit and loss MEUR	Fair value through OCI MEUR	Hierarchical level
Current assets			
Other current financial assets	1.4		Level 1
Other current financial assets	2.5		Level 2
Other current financial assets	0.1		Level 3
Other current financial assets		0.8	Level 3
Total	4.0	0.8	

The company has classified the hierarchies of financial assets according to the availability of data on market terms and other price data.

In significant part, the fair values of level 2 instruments are based on other input data than the quoted prices included in level 1, although this data can be obtained for the assets or liabilities in question either directly (as a price) or indirectly (as a derivative of the price). The Group uses generally accepted valuation models to determine the fair values of these instruments, and the input data for these models are based in significant part on observable market data.

The level in the fair value hierarchy at which a certain item measured at fair value is classified overall is determined on the basis of the significant input data on the lowest level with regard to the entire item measured at fair value. The significance of input data is evaluated in its entirety in relation to the item valued at fair value.

The book value of trade and other receivables and payables and cash and cash equivalents which are measured at amortized cost corresponds to their fair value due to their short maturities.

Other current financial assets on level 1 and 2 consists of fixed income funds and corporate loans. Other current financial assets on level 3 consists of the Group's investment in unlisted shares of Genetic Analysis AS. In addition one of the corporate loans is categorized on level 3.

CASH FLOW STATEMENT

EUR million	1-6/2021	1-6/2020	Change	1-12/2020
CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the period	-1.1	-2.3	1.2	-3.3
Adjustments				
Depreciation	1.0	1.0	-0.0	2.0
Income taxes	0.0	0.0	0.0	0.1
Other adjustments	-0.1	0.3	-0.4	0.1
Change in working capital	-0.3	0.9	-1.2	1.3
Interest paid and payments on other operating financial expenses	-0.0	-0.0	0.0	-0.1
Interest received	0.0	0.0	-0.0	0.1
Realised exchange rate gains and losses	0.0	-0.0	0.0	-0.0
Income taxes paid	0.0	-0.1	0.1	-0.1
Net cash flow from operating activities	-0.4	-0.2	-0.2	-0.0
CASH FLOW FROM INVESTMENTS				
Investments in tangible and intangible assets	-0.0	-0.0	0.0	-0.0
Investments in funds and deposits	-0.3	-0.2	-0.1	-1.6
Profit from the sale of investments in funds and deposits	0.8	0.2	0.6	1.5
Net cash flow from investments	0.5	-0.0	0.5	-0.0
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of lease liabilities	-0.1	-0.1	-0.0	-0.2
Net cash flow from financing activities	-0.1	-0.1	-0.0	-0.2
Increase (+)/decrease (-) in cash and cash equivalents	-0.1	-0.4	0.3	-0.3
Cash and cash equivalents at the beginning of the period	1.0	1.3	-0.3	1.3
Effect of exchange rates on cash and cash equivalents	0.0	-0.0	0.0	-0.0
Cash and cash equivalents at the end of the period	1.0	1.0	-0.0	1.0

RELATED PARTY TRANSACTIONS

Biohit Oyj sold EUR 1.1 million (EUR 0.5 million) worth of goods and services to Biohit Healthcare (Hefei) Co. Ltd during the review period. Biohit Healthcare (Hefei) Co. Ltd has significant influence in Biohit Oyj in accordance with IAS 28.

COLLATERAL, CONTINGENT LIABILITIES, AND OTHER COMMITMENTS

EUR million	30 June 2021	30 June 2020	31 Dec 2020
Collateral granted on behalf of the parent company			
Guarantees	0,0	0,0	0,0
Collateral and contingent liabilities total	0,0	0,0	0,0

NEXT FINANCIAL REPORT AND 2022 FINANCIAL REPORTING

Biohit will publish a schedule for 2022 financial reporting and Annual General Meeting later this year.

Helsinki 11 August 2021

Biohit Oyj
Board of Directors

Additional information:

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Biohit Oyj in brief

Biohit is a globally operating Finnish biotechnology company. Biohit mission is “Innovating for Health” – we produce innovative products and services to promote research and early diagnosis. Biohit is headquartered in Helsinki, Finland, and has subsidiaries in Italy and the UK. Biohit Series B share (BIOBV) is quoted on Nasdaq Helsinki in the Small cap/Healthcare group.
www.biohithealthcare.com