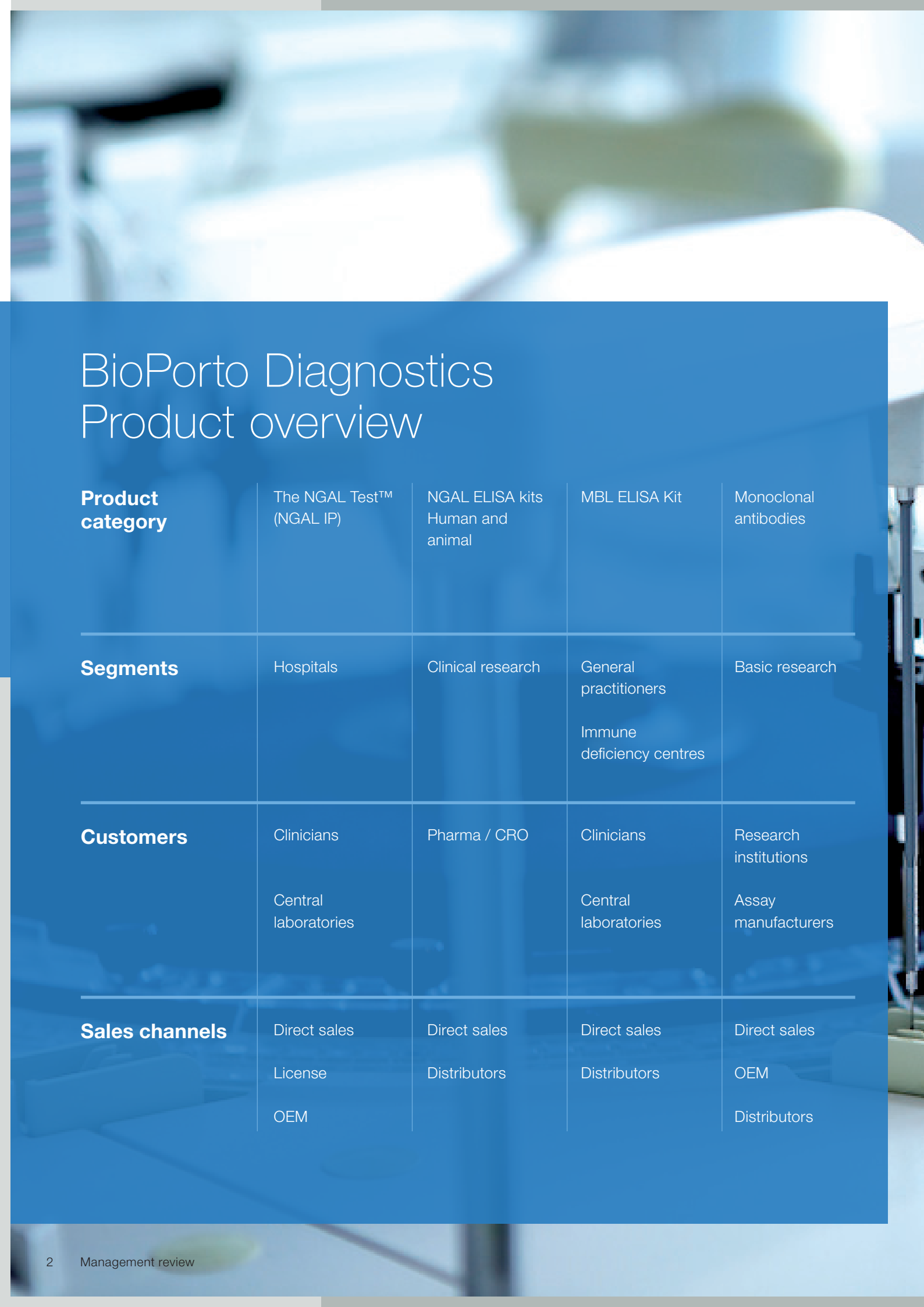
Annual Report 2013

BioPorto®

BioPorto A/S CVR DK-17500317



BioPorto Diagnostics Product overview

Product category	The NGAL Test™ (NGAL IP)	NGAL ELISA kits Human and animal	MBL ELISA Kit	Monoclonal antibodies
Segments	Hospitals	Clinical research	General practitioners Immune deficiency centres	Basic research
Customers	Clinicians Central laboratories	Pharma / CRO	Clinicians Central laboratories	Research institutions Assay manufacturers
Sales channels	Direct sales License OEM	Direct sales Distributors	Direct sales Distributors	Direct sales OEM Distributors

Contents

Please note that this is a translated version. In case of any discrepancy, the original Annual Report in Danish should be referred to for the correct wording and/or figures.

To BioPorto's shareholders

Management change and a sharp new focus

2013 was a year of profound changes and a substantial consolidation of BioPorto. Early in the year, it was clear that BioPorto urgently needed a strategic reassessment and the infusion of commercial expertise to be able to change the prerequisites for making BioPorto profitable. The replacement of board members and the executive management was the first step in this process. The new management has reassessed the objectives, strategy and milestones and ensured the company's survival by consolidating the capital base.

Share issue lays groundwork for continuation and value creation

In Q3, BioPorto substantially increased its share capital which, unlike previous capital infusions, secures the capital base for a number of years going forward. The successful and fully-subscribed issue was also a vote of confidence in the company's new management and the modifications of the underlying business concept which were presented. Once again, this gives cause to thank all those shareholders who supported the company in a critical situation.

Restructuring and market orientation focused on sales

The primary managerial task is now to roll out a targeted sales strategy and establish a sales culture within BioPorto so the company can generate cash flow and become profitable in the near future. The development of products is complete, so the principal task in this respect is to maintain and continuously improve the product portfolio, rather than carry out new product development requiring substantial resources. The potential of The NGAL Test™ has been established, and the rest of the portfolio is sound and successful. However, the one-sided focus on NGAL in recent years has meant that the rest of the company's potential has been left untapped, and in these areas it has not been possible to maintain the same level of growth as previously. The new strategy aims to rectify this situation.

Foundation for value creation laid

As described in this annual report, a new strategy has been drawn up and new objectives have been set for the company. The capital base for supporting their implementation and achieving growth is in place. Now the task is implementation, to increase the company's activities and earnings so that shareholders can obtain returns on the capital made available to BioPorto and be rewarded for their confidence in BioPorto's technology, products, employees and management.

Peter Mørch Eriksen
CEO

Financial Highlights

	2013 DKK thousand	2012 DKK thousand	2011 DKK thousand	2010 DKK thousand	2009 DKK thousand
Net revenues	16,625	17,858	18,584	13,802	11,008
Earnings before interest and taxes	(19,802)	(13,870)	(12,858)	(13,411)	(16,017)
Income/loss from net financials	(2,071)	(2,080)	(1,980)	(796)	63
Earnings before taxes	(21,873)	(15,950)	(14,838)	(14,207)	(15,954)
Net income/loss for the period	(20,623)	(14,700)	(14,838)	(14,207)	(15,954)
Long-term assets	528	470	572	763	882
Short-term asseys	51,314	17,708	20,680	20,209	19,336
Total assets	51,842	18,178	21,252	20,973	20,218
Capital stock	117,874	141,449	135,449	126,398	126,398
Equity	42,862	(1,150)	3,940	3,307	15,410
Long-term liabilities	105	0	12,186	11,924	0
Short-term liabilities	8,875	19,328	5,126	5,741	4,807
Total liabilities	51,842	18,178	21,252	20,972	20,218
Cash generated by operations	(16,640)	(15,280)	(13,606)	(13,379)	(13,288)
Cash generated by investment, net	(33)	(87)	(30)	(207)	(21)
Of which for invest, in property, plant and equipment	(28)	(82)	(23)	(201)	(14)
Cash generated by financing	51,126	9,611	13,815	13,168	14,746
Total cash flow	34,453	(5,756)	179	(418)	1,436
Revenye growth	-7%	-4%	35%	25%	11%
Gross margin ratio	54%	62%	57%	61%	57%
Operating margin	-119%	-78%	-69%	-97%	-145%
Equity interest (equity ratio)	83%	-6%	19%	16%	76%
Return on equity	Negative	Negative	Negative	Negative	Negative
Average no, of employees	25	25	25	23	22
Average no, of shares (1,000)	79,124	45,308	43,084	42,133	39,245
Earnings per share (EPS)* DKK	(0.26)	(0.24)	(0.26)	(0.25)	(0.31)
Equity value per share. closing*. DKK	0.36	(0.02)	0.07	0.06	0.30
Listed price. closing. DKK	1.40	4.82	7.05	7.85	7.05

See note 1 to the consolidated financial statements for definitions of key figures.
*Adjusted due to the capital increase in 2013 (factor 0.76)

Main events in 2013

Managerial and strategic factors

» A new BioPorto management team was appointed, and this substantially strengthens the company's strategic and commercial expertise. In July, Peter Mørch Eriksen took over as the new CEO, and a new CFO and Executive Vice President Sales were subsequently appointed.

» In Q3, BioPorto carried out a successful, fully-subscribed share issue with gross proceeds of DKK 71 million. The proceeds were used to extinguish debt and consolidate the capital base to make it possible to implement a long-term strategy.

» During 2013 and 2014 management has been reassessing BioPorto's strategy and set new objectives and milestones which will take effect from 2014. In addition, a restructuring process was carried out to adapt the organization to the intensified focus on product sales.

» After the balance sheet date, BioPorto has entered into a cross-licensing agreement with Abbott and has entered into a settlement agreement with Phadia. This will vastly improve BioPorto's market access and is one of the first results of the new strategic direction.

16,6

DKK mio. net revenues in 2013

19-23

DKK mio. expected revenue in 2014

Financial trends in 2013

» The group generated net revenues of DKK 16.6 million in 2013 (2012: DKK 17.9 million). The net revenue is on a par with the most recently announced expectations.

» In 2013, sales of The NGAL Test™ reached DKK 2.2 million, compared with DKK 1.8 million the previous year. The combined NGAL product portfolio contributed sales of DKK 6.4 million (DKK 6.5 million). Sales of reagents and kits for the R&D market (including NGAL) declined by 12% to a total of DKK 10.5 million (DKK 12 million). Licensing income, primarily from Instrumentation Laboratories, amounted to DKK 0.6 million in 2013 (DKK 0.6 million).

» The net loss for the year was DKK 20.6 million (DKK -14.7 million). The loss conforms to the most recently announced expectations.

Forecast for 2014

» BioPorto expects to generate revenue of around DKK 19–23 million in 2014, equivalent to a growth rate of 15–40%.

» A loss of around DKK 10–14 million is expected in 2014

Financial expectations

Income statement

Slight revenue decline as expected

In 2013, the group generated combined revenue of DKK 16.6 million, compared with DKK 17.9 million in 2012 (-7%).

Sales of group products for human diagnostics increased by 8% to a total of DKK 4.9 million (DKK 4.5 million), whereas sales of reagents and kits for the R&D market declined by 12% to a total of DKK 10.5 million (DKK 12.0 million).

The NGAL product portfolio contributed total sales of DKK 6.4 million (DKK 6.5 million). In 2013, BioPorto's turbidimetric NGAL test, The NGAL Test™, achieved sales of DKK 2.2 million compared to DKK 1.8 million the previous year.

BioPorto increased its product sales (not including licensing income) in Asia by 15%, whereas sales in Europe and North America fell by 14%.

Operating loss affected by sizeable non-recurring costs

Total operating costs (excluding financial costs) rose 15% to DKK 36.4 million (DKK 31.7 million). Production overheads totaled DKK 7.6 million in 2013, equivalent to a 12% increase compared to 2012 (DKK 6.8 million). Production overheads were negatively affected by the impairment of slow-moving goods and by products scheduled for being phased out of the production program.

Figure 1: Growht in revenue, including licenses

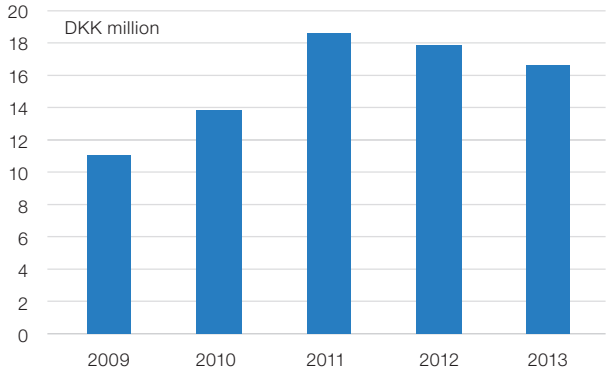


Figure 2: Revenue growth broken down by main segment

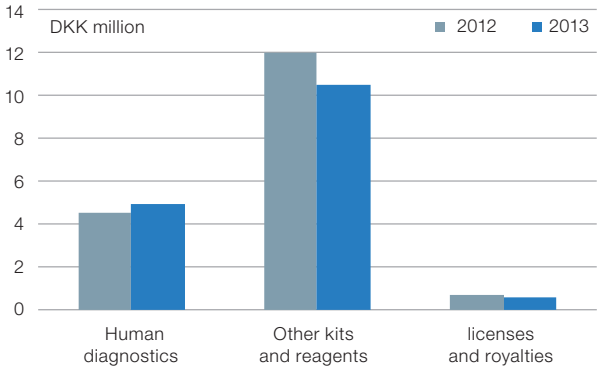


Figure 3: Revenue growth broken down by product category

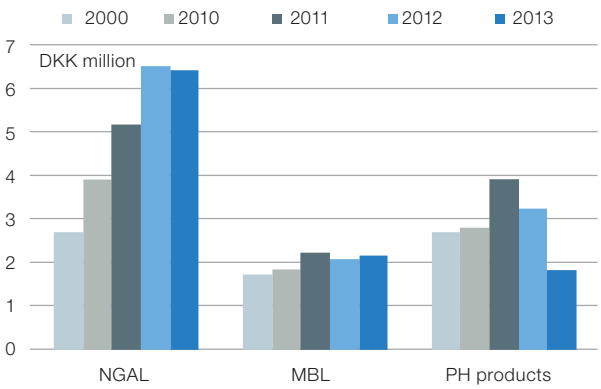
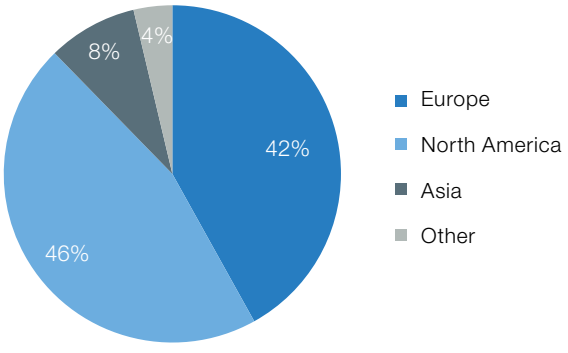


Figure 4: Geographic break down of product sales in 2013



The gross profit in 2013 was DKK 9.0 million (DKK 11.1 million), equivalent to an 18% reduction compared to 2012. The gross margin declined to 54% compared to 62% in 2012.

Sales and marketing costs in 2013 amounted to DKK 6.0 million (DKK 6.0 million), while R&D costs amounted to DKK 10.2 million (DKK 9.9 million) and administrative costs were DKK 12.7 million, equivalent to a 40% increase.

Sizeable costs were incurred for former employees and for cases relating to IP rights, both of which contributed to a negative EBIT of DKK 19.6 million compared to a loss of DKK 13.9 million in 2012.

Loss for the year on a par with the forecast

Net financial costs were DKK 2.1 million and the tax on the loss for the year in 2013 amounted to an income of DKK 1.25 million, resulting from the option to receive a payout of 25% of a maximum of DKK 5.0 million in R&D costs. After this, the loss for the year in 2013 was DKK 20.6 million (DKK -14.7 million).

Balance sheet

of 2013, the balance sheet total was DKK 51.8 million (DKK 18.2 million).

In 2013, a share issue with pre-emptive rights for existing shareholders was carried out totaling 70.7 million shares at a price of DKK 1.00 per share (nominal value: DKK 1.00 per share). After deducting the costs of issuance, the net proceeds of the issuance amounted to DKK 64.6 million.

Assets

No significant investments were made in property, plant or equipment in 2013. At the end of 2013, the book value of property, plant and equipment amounted to DKK 0.3 million (DKK 0.2 million).

At the end of 2013, inventories totaled DKK 3.6 million (DKK 4.2 million), of which direct production overhead totaled DKK 0.5 million (DKK 0.5 million). Slow-moving products were written down by DKK 643,000 (DKK 53,000) in 2013.

At the end of the fiscal year, receivables from sales and other receivables amounted to DKK 4.9 million (DKK 5.1 million). BioPorto had no bad debts in 2013.

Equity and liabilities

Group equity amounted to DKK 42.9 million as at December 31.

At the end of the fiscal year, current liabilities amounted to DKK 8.9 million (DKK 19.3 million).

The group's liabilities comprise accounts payable, provisions for salary and vacation-pay obligations, as well as payables, including accountants and lawyers. The group did not raise any bank debt.

Cash flow statement

The cash flow from the group's working capital during the fiscal year was DKK -16.7 million (DKK -15.3 million). Investments amounted to DKK -33,000 (DKK -87,000).

At the end of 2013, the group had cash and cash equivalents (primarily as bank deposits) totaling DKK 42.8 million (DKK 8.3 million).

Capital resources

A share issuance with pre-emptive rights for existing shareholders was carried out in September 2013. A total of 70,724,526 new shares were issued at a nominal value of DKK 1.00 each. After this, the total capital stock amounted to DKK 117,874,210, divided into 117,874,210 shares at a nominal value of DKK 1.00 per share. After deducting issuance costs, the net proceeds amounted to DKK 64.6 million. DKK 8.0 million of the net proceeds was used to repay intermediate financing and DKK 13.5 million was used to pay off the convertible bond loan. At the end of 2013, BioPorto's cash and cash equivalents amounted to DKK 42.8 million.

In 2012, the company had to cancel a cash private placement with two investors who had failed to pay the outstanding amount of subspriction, despite binding undertaking. In November 2013, a settlement between the parties was reached.

Capital structure

The management and board regularly assess whether the group's capital structure reflects the interests of the group and the shareholders. The overarching goal is to secure a capital structure that underpins long-term economic growth and at the same time maximizes the returns for the group's stakeholders by optimizing the debt/equity ratio.

BioPorto A/S - Parent Company

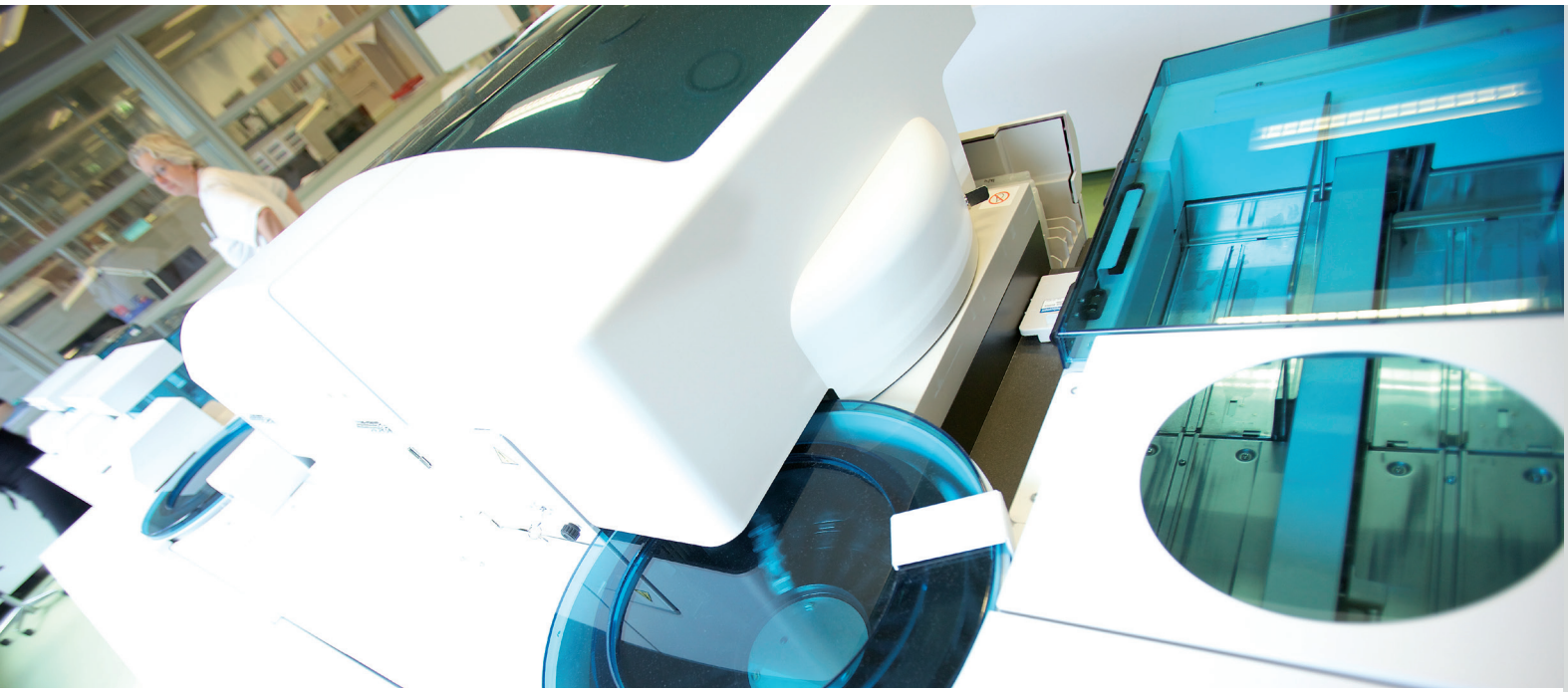
To improve communication with its stakeholders , investments in subsidiaries are carried at net asset value against the previous cost. The comparative figures for 2012 have been restated accordingly. Thus, net income decreased by DKK 15.1 million, while shareholders' equity was reduced by DKK 158.7 million.

In 2013, BioPorto A/S reached net sales of DKK 3.3 million (DKK 1.9 million). Administrative expenses amounted to DKK 9.7 million (DKK 6.6 million). The increase relates to costs associated with the issue in September 2013 and severance costs. In 2013, BioPorto A/S' financial income was DKK 8.6 million related to interest on loans to BioPorto Diagnostics A/S (DKK 7.2 million). Financial expenses amounted DKK 1.6 million in 2013 (DKK 1.4 million), primarily interest on convertible loans. BioPorto A/S' profit before tax in 2013 was DKK 20.1 million against DKK 14.0 million in 2012.

BioPorto A/S' assets amounted to DKK 47.9 million per December 31, 2013. The Company's assets consist primarily of cash and cash equivalents of DKK 31.8 million (DKK 7.2 million) and receivables from BioPorto Diagnostics A/S, corresponding to DKK 15.8 million (DKK 6.3 million).

Capital Resources

The parent company's equity totaled DKK 42.9 million on December 31, 2013. Equity stood at less than half of the share capital. As discussed in expectations for 2014, a loss of between DKK 10 million and DKK 14 million is expected in 2014. No further fundraising is planned at this time. In the longer term, equity is expected to be restored by increasing operating income.



Strategy, areas of focus and objectives

New strategy and focus

The pivotal aspect of BioPorto's new strategy is the focused commercialization of the company's current diagnostics portfolio. After years of being focused on development, the company's new management has realigned the strategy to increase revenue and generate earnings within a few years. The capital base is secured and the organization has been adapted to the new strategic focus. The strategy is being implemented with full force, focusing on the following main points:

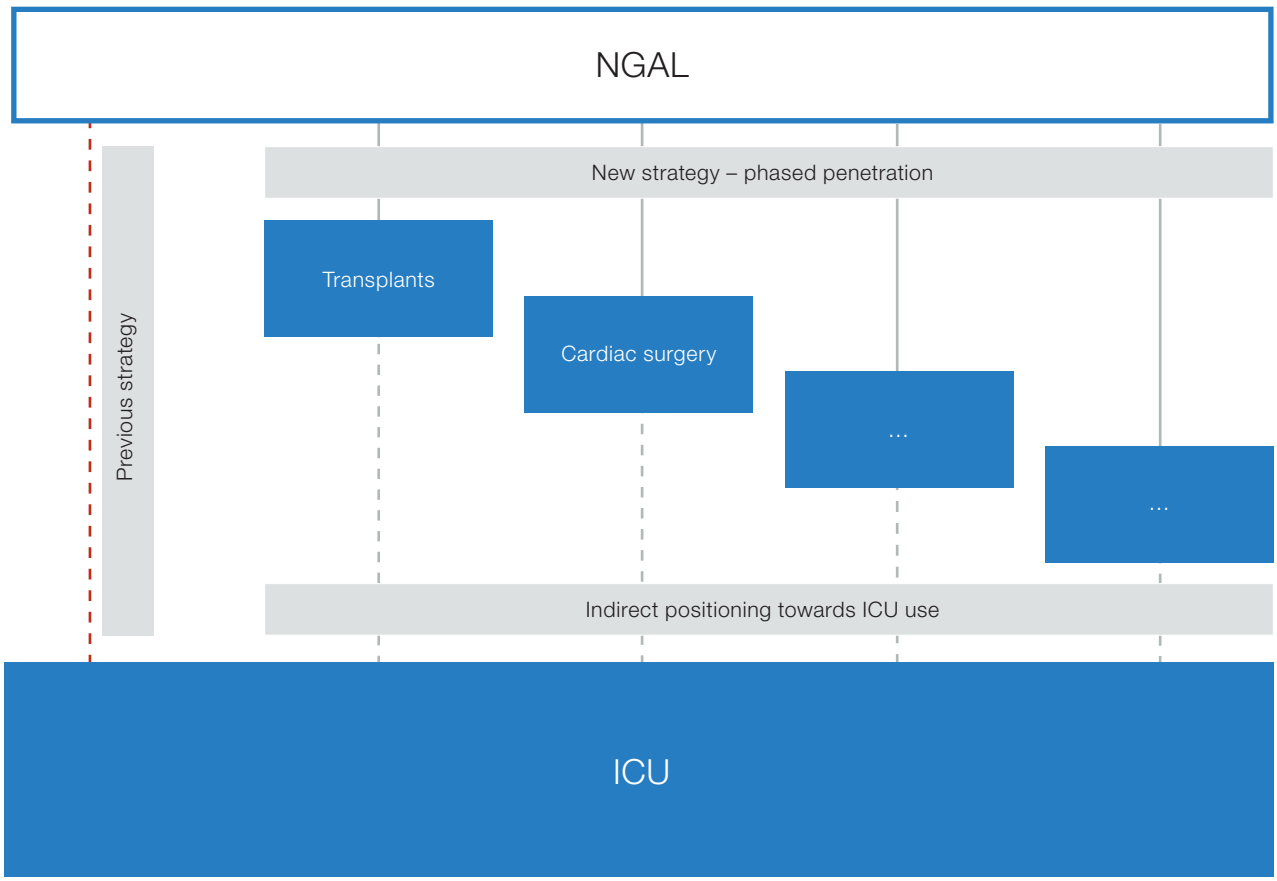
- higher sales of the entire product portfolio through the right sales channels to carefully selected customer segments and niches;
- utilization of the competitive situation to enter into partnerships concerning the proliferation of NGAL in the interests of everyone involved;
- promotion of clinical acceptance of NGAL through the newly created advisory board, the launching of trials and better dialogue with established users and new users alike.

The predominant aim of the strategy is to give BioPorto a positive cash flow and generate a profit for BioPorto in the near future to lay the groundwork for an accelerated worldwide roll-out of The NGAL Test™ in a few years.

Commercialization of The NGAL Test™ is pivotal

In spite of overwhelming scientific and clinical evidence, NGAL is still only used to a limited extent in the healthcare sector as a marker for diagnosing acute kidney injury. This is primarily due to limited practical knowledge at clinics and hospitals. To increase market penetration and turn The NGAL Test™ into a commercial success, BioPorto has boosted its sales efforts by hiring new key staff and implementing a new focused approach to the sales channels.

Another major factor that has been limiting the implementation is the uncertainty about the IP rights for NGAL. Several of BioPorto potential partners have expressed reservations based on the IP situation. With the recent agreements with Abbott and Phadia,



BioPorto come a long way in clarifying the IP situation. BioPorto expects that there will be fewer obstacles associated with discussing licensing and OEM agreements with potential partners and consequently it will benefit the implementation of NGAL in the health sector. See more about IP on page 14.

Preparing the The NGAL Test™ for roll-out through a new strategy

Whereas the strategy for The NGAL Test™ was previously based on broad scope of use at intensive care units and trauma centers, the new strategy distinguishes itself by taking a more focused approach with phased penetration of the NGAL market by targeting kidney transplants—one of the most critical treatment scenarios where the test makes an enormous difference in terms of the patient's state of health and care pathway.

As of early 2014, two European transplantation centers use The NGAL Test™ on a regular basis; based on their experiences—and in collaboration with the newly established Advisory Board (see page 25) —BioPorto will spread the use of NGAL. Once The NGAL Test's position is established in the kidney transplant area, the phased penetration will continue by extending to heart surgery. Eventually, the use of NGAL in specialized areas will spread to more general applications, which will increase the likelihood of exploiting the vast potential inherent in intensive care units.

Geographically, BioPorto is initially focusing on the largest European countries where The NGAL Test™ is registered for diagnostic use. The US accounts for more than half of the total potential for The NGAL Test™ worldwide, which is why it is a crucial market for The NGAL Test™. BioPorto has begun to collect data for registering the test with the US FDA, and the first analyzer certifications are expected to be obtained during 2015, after which the roll-out in the US can begin.

Optimized sales of existing research-oriented products

The portfolio comprising antibodies and ELISA kits embodies potential growth that has been neglected in recent years. Compared to the competition, BioPorto has far fewer products in this part of its portfolio, nevertheless, the products are highly specialized and unique. Therefore, the management has launched a series of initiatives designed to increase the sales of BioPorto's research products, including the optimizing of existing sales channels and establishing BioPorto's own online store. The initiatives are expected to increase the revenue generated by these products in the near future and thus help to finance operations until NGAL penetration achieves the levels expected.

New marketing strategy and sales organization

BioPorto's sales organization was restructured and infused with new staff in 2013. As part of this sales-oriented strategy, the distributor network will be optimized to enable a focused effort in terms of both distributor contracts and OEM and licensing agreements. BioPorto is expected to enter into partnerships with small suppliers of analyzers, who can bring products to market relatively quickly, as well as resuming dialogue with major players in the diagnostics market. This dialogue should lead to partnerships capable of securing a mass market for The NGAL Test™.

Restructuring of production and development

Concurrent with bolstering the sales organization, the company's other departments have been restructured to optimize support for sales. Resources have been transferred from development to production, and the streamlining of production processes has begun. Improvements are expected to manifest themselves as early as 2014, particularly once BioPorto relocates to its new headquarters from April 1, where the organization of the facilities will improve the scope for generating flow in the processes. BioPorto has in-house production and has outsourced some of its processes and, as part of the new strategy, is working to achieve a lean structure with a high level of efficiency in the use of resources.

Significant events after the end of the year

BioPorto entered into an agreement with Abbott concerning a new cross license for both parties' respective IP rights within the NGAL area. All licenses are issued on a non-exclusive basis and cover all NGAL-related IP rights directly or indirectly controlled by the parties—including sub-licenses from Phadia and Cincinnati Children's Hospital. The terms of the agreement include upfront sales-related payments and royalties for both parties. BioPorto expects only a limited direct effect of the agreements on sales and earnings in 2014, as ongoing efforts to establish a commercial market for NGAL have to make an impact first.

BioPorto and Phadia entered into a settlement agreement in the case before the Danish Supreme Court (no. 206/2012) concerning the invalidation of Phadia's patent DK/EP 0756 708, which specifies the use of HNL (another designation for NGAL) as a diagnostic marker of human diseases. The settlement agreement is not expected to directly impact product sales but will preclude Phadia from potentially claiming compensation.

The European Patent Office approved BioPorto's patent no. EP2064553—diagnostic test to exclude significant renal injury. The patent helps to underpin BioPorto's rights in the NGAL area and is complementary to the cut-off patent.

Besides the above, no significant events took place after the balance sheet date that are not described in this annual report.

Future milestones

Unlike before, the new strategy will focus on achieving significant niche-market shares for the use of NGAL, initially for analyses relating to kidney transplants in Europe, where the market potential is estimated to be 200,000 to 400,000 tests a year. Once BioPorto has established a market position in this area, the company will address the next area of use, cardiac surgery.

The portfolio of antibodies and ELISA kits is expected to generate a sharp revenue increase in 2014–2016, after which revenue growth will be moderate from 2016. The forecasts for The NGAL Test™ indicate a sizeable increase in the near future from the current low levels, whereas sharp growth is expected in the long term concurrent with widening market acceptance and qualification for US FDA certification.

The achievement of the above objectives depends on BioPorto being able to regenerate growth in its sales of ELISA kits and antibodies, including its ability to maintain access to a strong portfolio which can be enlarged to include new products on an ongoing basis. Also, this requires the successful implementation of The NGAL Test™ penetration strategy and at the speed desired, which also presupposes the adoption of this technology by the health system, BioPorto's ability to attract and retain commercially-oriented staff and the sufficiency of the present capital base for implementing the strategy.

Forecast for 2014

BioPorto expects to generate revenue of around DKK 19–23 million in 2014, equivalent to a growth rate of 15–40%. Growth will be generated by a combination of higher sales of ELISA kits and antibodies and a slight increase in sales of The NGAL Test™ concurrent with the procurement of new regular customers resulting from a new sales focus aimed at transplantation centers. In 2014–2016, BioPorto will work to conclude additional licensing and OEM agreements, some of which can be entered into in 2014. A loss of around DKK 10–14 million is expected in 2014.

Objectives	2014 to 2016	2016 onwards
Primary	» NGAL: penetration of niche markets in selected EU countries » establishment of an Advisory Board » FDA certification of The NGAL Test™ and the determination of sales channels in the US » Doubling of revenues, and positive cash flow from operations » Entering into licensing and OEM agreements	» Continuous enlargement of NGAL's scope of use » NGAL sales through major suppliers of analyzers (license/OEM) » US roll-out of The NGAL Test™ » Continued sharp revenue increase and profitable operations » Addition of new products/technologies
Secondary	» Launch of own online store for antibodies and ELISA kits » Cultivate new customer segments for antibodies and ELISA kits » Enlarge the antibody portfolio	» Continued enlargement of the antibody and ELISA portfolio

Our products and markets

BioPorto develops and markets *in vitro* diagnostic (IVD) assays. IVD diagnoses take place outside the body, for instance by analyzing blood and urine samples in a laboratory, as opposed to *in vivo* diagnostics that is performed on the patient, e.g. by means of skin prick tests, X-rays, etc. IVD is an essential, objective source of information that can help doctors to detect disease, select appropriate treatments and monitor the patient's response to treatment. In addition, scientists can use new immunoassays to better understand the causes of a specific disease and to discover and develop new treatment methods.

The NGAL Test™ is a particle-enhanced turbidimetric immunoassay designed for use on most clinical chemical analyzers. The test can measure NGAL in plasma or urine and does not limit the user to a specific type of analyzer. The vast majority of hospitals in the West have one or more analyzers in their central laboratories capable of running the test. The NGAL Test™ is relevant to several specialist areas at any hospital—including kidney, cardiology, anesthesiology, urology, neurology and intensive-care departments.

NGAL measurements can be made using a variety of assay formats. The turbidimetric test is a homogeneous assay, which is the most common test format in general diagnostics. In the central laboratory homogeneous and heterogeneous tests are common: Homogeneous tests are performed in a single stage, it is simpler and can be performed on analytical instruments from different manufacturers. Heterogeneous tests typically require a wash step and have different designs in different analyzers why a particular heterogeneous test can not be transferred to another manufacturer's analyzer. Point-of-care testing are performed on smaller devices that can be placed in a hospital unit rather than in a central laboratory. NGAL can also be measured by use of manual methods, such as ELISA kits.

The market for our products

Product category	The NGAL Test™ (NGAL IP)	NGAL ELISA kits Human and animal	MBL ELISA Kit	Monoclonal antibodies
Segments	Hospitals	Clinical research	General practitioners Immune deficiency centres	Basic research

BioPorto's product portfolio comprises monoclonal antibodies and antibody-based diagnostic immunoassays, all of which are characterized as highly specialized and unique. Depending on the format and scope of use, the products are intended for diagnostics, clinical research and basic research. The overarching objective of the portfolio is to assist in the treatment of critically ill patients.

Product portfolio

The NGAL Test™

Each year, some 13 million people suffer from acute kidney injury, of whom about 4 million die. In spite of this, developments in kidney-injury diagnostics have been dormant for the past sixty years. Current methods, such as the measuring of serum creatinine, do not identify renal dysfunction until 24 to 72 hours after the kidney has been injured. By contrast, an NGAL increase is measurable only a few hours after injury, enabling doctors to make crucial decisions before a kidney injury develops into potentially fatal kidney failure. Besides making it possible to treat the injury, cost-benefit analyses show that the implementation of NGAL measurements could help to cut hospitals' costs for treating patients with renal dysfunction.

Currently there are only two other vendors of NGAL tests for use on their own respective analyzers for measuring NGAL in either urine or plasma. Abbott Diagnostics markets heterogenuous NGAL tests for measuring urine samples on its Abbott Architect analyzer and Alere markets point-of-care NGAL tests for measuring plasma on its Alere Triage analyzer.

NGAL ELISA kits

Another important use of NGAL is in the pharmaceutical industry (clinical trials) where NGAL is used in the development of medicines for estimating a specific medicine's side-effects harmful to kidneys. BioPorto is the only vendor to provide NGAL ELISA kits for all five animal models used in pre-clinical trials and NGAL ELISA kits for human use.

BioPorto was the first company to market an ELISA immunoassay for measuring NGAL in 2005. Since then, the competitive situation has changed and there are now a number of providers of NGAL ELISA kits for measuring both human and animal NGAL.

MBL ELISA kit

Mannose-binding lectin (MBL) is an important molecule in the innate immune response. MBL deficiency can affect a patient's ability to combat a foreign organism, such as a virus or bacterium. Twelve percent of the population in the West is completely or partly deficient in MBL. In some instances, children aged 0–2 can be affected by an MBL deficiency, the symptoms of which include the recurrence of severe or unusual infections. MBL deficiency can also be problematic for organ-transplant patients, patients with cystic fibrosis and persons suffering from other genetic defects in the immune response. BioPorto's ELISA kit is based on the most widely used monoclonal MBL antibodies, which have been the subject of a great many scientific articles. BioPorto is the only vendor of this specific assay on the market, which has been the "gold standard" for quantitative measurement of MBL levels since 2002.

BioPorto was the first to market an MBL ELISA kit based on monoclonal antibodies. Today, other players have joined the market.

Antibodies

AntibodyShop is the trademark for BioPorto's product portfolio of antibodies. This small but unique portfolio primarily comprises monoclonal antibodies (230 all told), spanning a number of different research disciplines such as microbiology, biomarkers, peptide hormones and plasma proteins. One unique group of antibodies marketed by BioPorto is a portfolio of antibodies targeting peptide hormones. One of the most renowned peptide hormones is GLP-1 (glucagon-like peptide-1), which is important to the development of a new generation of products for treating type II diabetes and obesity.

The competitive situation for the different products in BioPorto's antibody portfolio varies significantly. The competition is quite limited for certain research reagents, because similar products are unavailable or there are no alternative methods for conducting the analyses without these specific reagents. Other antibodies are available in similar variations and are therefore subject to more competition. Antibodies and research reagents are typically sold by large webshop vendors, who are also included among BioPorto's distributors.

APC-PCI

APC-PCI is a marker of protein-C (PC) activation which can be important for patients with sepsis and for assessing the risk for patients with thrombotic and hemostatic disorders. The company takes the view that the commercial potential of the previously marketed APC-PCI ELISA Kit is limited and for this reason is withdrawing the kit from the market. BioPorto will retain its patents and patent applications which enable the company to issue licenses, sell or resume APC-PCI, if deemed relevant.

Intellectual property rights

The group's NGAL cut-off patent is the principal patent in BioPorto's portfolio of NGAL IP rights and is an important asset for optimizing future market shares in the NGAL market. The NGAL cut-off patent describes the cut-off of 250 ng/mL or higher that can be used for diagnosing acute kidney injury.

The cut-off patent portfolio also comprises four supporting patents:

- 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 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. This patent constitutes a significant protection of the company's rights in the utilization of NGAL in Europe's expanding point-of-care market, including NGAL measurements at emergency rooms, trauma centers and, potentially, in ambulances.
- The NGAL forms patent deals with an analysis of individual molecular forms of NGAL in urine and blood to increase the diagnostic specificity of illnesses characterized by different increases in the levels of these forms, including acute kidney injury

Four opponents (Abbott, Alere, Phadia and Getica) filed an opposition case against BioPorto's European NGAL cut-off patent and, in 2012, the European Patent Office (EPO) ruled that the patent does not describe the invention with sufficient clarity for the method to be carried out. The ruling was appealed by BioPorto and oral proceedings were held on October 15, 2013. Exceptionally, the EPO decided not to make a decision during the oral proceedings and has convened oral proceedings on April 1, 2014. After entering into licensing agreements and a settlement agreement with Abbott and Phadia in 2014, the two companies have withdrawn as opponents in the oral proceedings on April 1, 2014. BioPorto's NGAL cut-off patent remains valid during the processing of the case.

If the EPO finds that the patent in the principal claims is valid and can subsequently be used commercially, this will be a competitive advantage for BioPorto concerning sales of its own NGAL analyses for diagnostic use and concerning the possibility of licensing income from patent access by other players. However, the opponents will still be able to file an opposition case against the patent's inventive step and novelty. In BioPorto's view, the patent describes

the invention with sufficient clarity and offers both inventive step and novelty.

If the EPO's Board of Appeal makes the opposite ruling, i.e. that the patent is invalid, the company assesses that the joint effect of the other NGAL patents and patent applications, including a divisional European cut-off patent application, would enable BioPorto to maintain a competitive advantage. BioPorto's product The NGAL Test™ has been tested in the market and is already being used with the most commonly available analyzers; therefore, the prospect of a weaker IP position in Europe would prompt BioPorto to give higher priority to its market position and adapt its marketing to the new situation. BioPorto's marketing access to the NGAL products is not expected to be affected by the outcome of the case.

The NGAL forms patent, the NGAL ratio patent and, recently, the NGAL exclusion patent have been issued in Europe. The patents help to safeguard BioPorto's rights in the NGAL area and support the NGAL cut-off patent.

Licensing access to BioPorto's IP rights

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

In 2011, BioPorto entered into the first licensing agreement—with Instrumentation Laboratory—concerning access to the BioPorto's NGAL IP rights. This agreement is also non-exclusive.

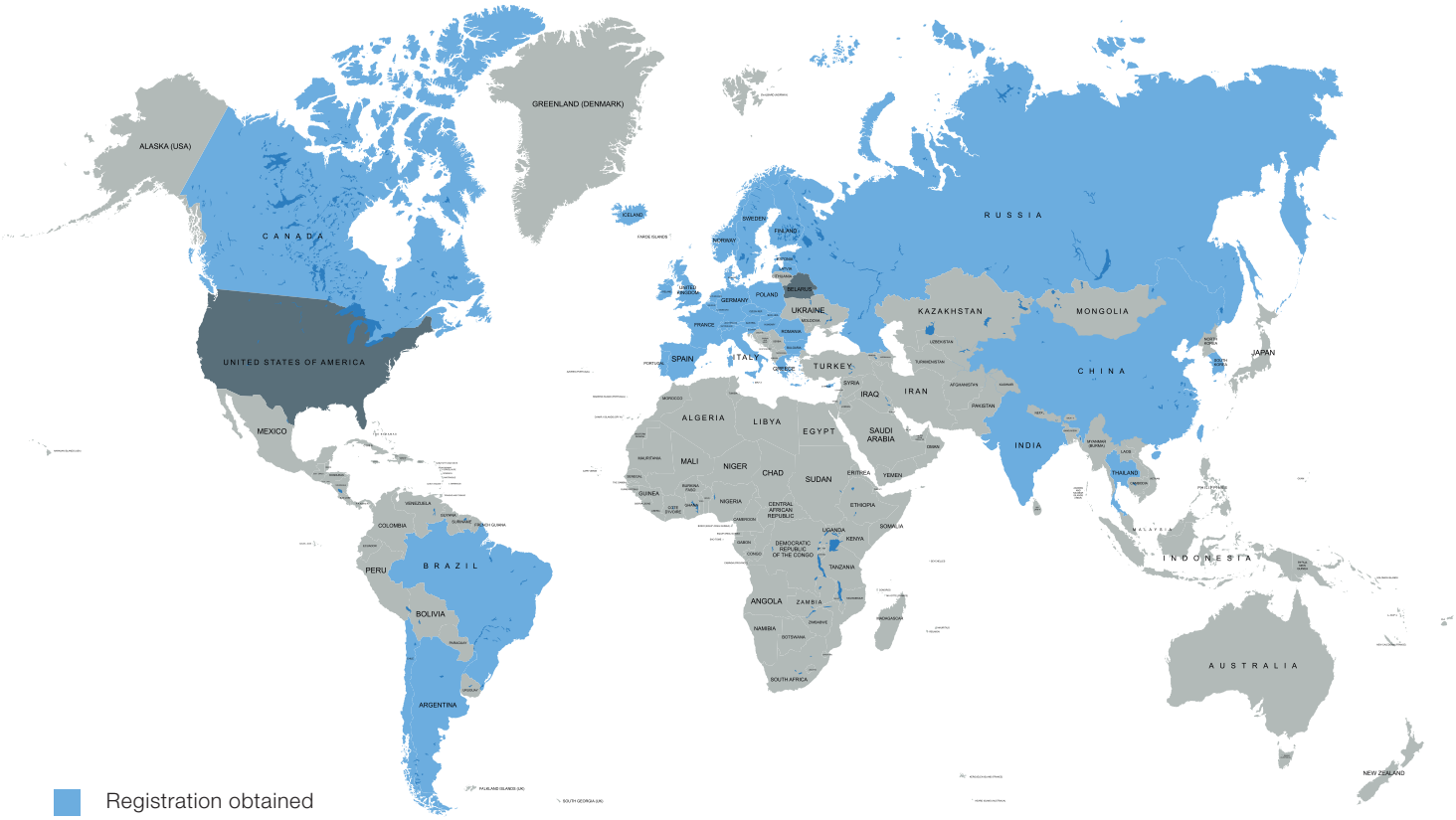
Other parties' NGAL rights

In 2010, BioPorto filed an opposition case with the EPO against 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 September 25, 2013, where the EPO ruled in BioPorto's favor, stating that the patent should be restricted 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 also why BioPorto does not recommend serum measurements. The curtailing of CCH's serum patent does not affect BioPorto's market access and is not expected to be of significant commercial value.

BioPorto and Phadia have entered into a settlement agreement in the case before the Danish Supreme Court (no. 206/2012) concerning the invalidation of Phadia's patent DK/EP 0756 708, which specifies the use of HNL (another designation for NGAL) as a diagnostic marker of human illness. Together with the settlement agreement, the parties have entered into an agreement whereby BioPorto receives a license for Phadia's patents concerning NGAL at worldwide level. This gives BioPorto free market access for its portfolio of NGAL products and improves its IP position in relation to entering into agreements concerning licenses for its own IP rights in the NGAL area.

Intellectual property rights

BioPorto's patents	Status EU	Status USA	Status ROW
NGAL Cutoff-patent	Issued Opposition files	Application	Issued in Australia, Belgium, China, Hong Kong, India, Israel, New Zealand, Singapore, South Africa, South Korea. Application in Canada
NGAL Exclusion-patent	Approved for issuance	Application	Application in Japan
NGAL Ratio-patent	Issued	Issued	Application in India
NGAL Trauma-patent	Issued	Application	
NGAL Forms-patent	Approved for issuance	Application	Application in India and China
APC-PCI-patent	Aproved for issuance	Issued	Issued in Japan



Registration

In order for a diagnostic product to be marketed, the product must undergo a registration process with the health authorities in each individual country. The NGAL Test™ has qualified for registration in a number of countries including the European countries, Brazil, Canada, India and China. As the US accounts for roughly half of the total IVD world market, substantial resources are being devoted to qualifying for registration of The NGAL Test™ with the US Food and Drug Administration. The FDA wishes to have a clinical registration trial carried out in the US to verify the use of the test under American conditions. BioPorto has entered into agreements with contract research organizations and hospitals in the US that will help to carry out the clinical trial. The collection of samples has begun and the trial is expected to be carried out in early 2015. A smaller and faster trial for identifying the normal range of NGAL levels has already been undertaken.

Reimbursement

Diagnostic assays are often eligible for financial reimbursement via the public healthcare system or private health insurance. An immunoassay can be marketed and sold without qualifying for such reimbursement, but reimbursement is an incentive for this implementation if an immunoassay is to become a widely-used routine marker. However, a significant challenge to qualifying for reimbursement is that the use of NGAL is still limited, and the economic benefits of implementing the test are therefore largely undocumented. As part of ongoing and future trials, BioPorto will also work to ensure that financial data is collected for conducting cost-benefit analyses. Similarly, as the determination of clinical guidelines for the use of NGAL is a contributory factor in terms of qualifying for reimbursement, BioPorto will work to ensure that more trials also include the drafting of guidelines, and document the use of the test. BioPorto had expected reimbursement to be granted in China and the Czech Republic in 2013, based on reports from the company's distributors, but these cases are still being processed.

Shareholder information

ISIN, capital stock and price trends

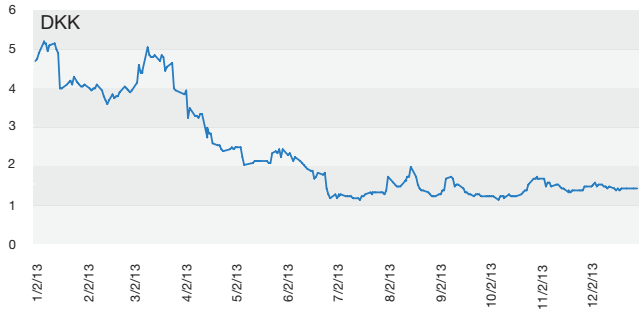
The company's annual general meeting held on April 16, 2013, adopted the measure to reduce the company's capital stock from DKK 141,449,052 to DKK 47,149,684 by reducing the nominal unit value of the company's shares from DKK 3 to DKK 1 per share. Following this, the nominal value of the company's capital stock amounted to DKK 47,149,684, divided into 47,149,684 shares with a nominal value of DKK 1 each, equivalent to 47,149,684 votes.

On September 12, 2013, BioPorto carried out a fully-subscribed share issue with pre-emptive right which generated gross proceeds of DKK 70,724,526. The share issue increased the capital stock by the nominal value of DKK 70,274,526. Following this, BioPorto's capital stock had a nominal value of DKK 117,874,210, divided into 117,874,210 shares with a nominal value of DKK 1 each, equivalent to 117,874,210 votes.

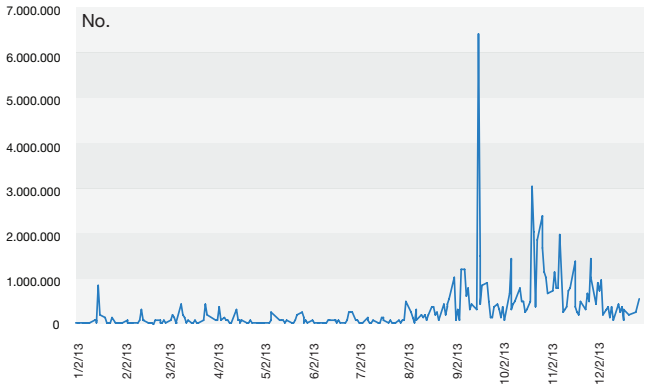
BioPorto A/S's shares are listed on NASDAQ OMX Copenhagen under the symbol "BIOPOR". The ISIN is DK0011048619.

BioPorto had a market value of DKK 165 million at the end of 2013 (beginning of 2013: DKK 227 million), after the infusion of DKK 71 million in connection with the capital increase. The price of a BioPorto share closed at DKK 1.40 on December 30, 2013, equivalent to a price drop of -80% in the fiscal year, which as mentioned included the raising of additional capital. Share turnover totaled 81 million tractions for the whole year, corresponding to trading valued at DKK 136 million.

Shareprice development



Turnover



Ownership

As at December 31, 2013, BioPorto had 4,039 registered shareholders, who in the aggregate owned 78% of the capital stock.

As at March 19, 2014, the following shareholders state that they own 5% or more of the company's shares/voting rights:

Media-Invest Danmark A/S, Copenhagen	10.01%
Jan Leth Christensen, through the companies in which he has controlling interest:	6.00%

EG Kapital ApS, Vedbæk
Jano Div ApS, Copenhagen
Ejendomsselskabet Jano ApS, Copenhagen

Convertible bonds

In 2010, BioPorto issued 93 convertible bonds worth DKK 150,000 each for a principal of DKK 13.95 million; these bonds were subsequently listed for trading on NASDAQ OMX Copenhagen. In 2011, three bonds were converted at a nominal value of DKK 150,000 each. In conjunction with the raising of additional capital in Q3, the principal was written down by DKK 2.1 million, as part of the share subscription was swapped for debt in accordance with the face value of the convertible bonds (equivalent to a redemption, not a conversion). The remaining 76 bonds at DKK 150,000 each, corresponding to a total outstanding principal of DKK 11.4 million, were redeemed at maturity on September 20, 2013.

Warrant program

The board established a warrant program in 2011 for the purpose of creating an incentive for retaining employees to actively work for the company and for attracting prospective new employees. At the end of the fiscal year, a total of 687,275 warrants remain, which amount to 0.6% of the existing nominal capital stock.

Dividend policy

BioPorto A/S's policy is that shareholders should receive a return on their investment in the form of a share-price increase based on the group's growth. 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 2013. In the long term and as the company generates profits, the company wishes to be able to give shareholders direct returns in the form of dividends and/or share buybacks in addition to a return on the share price.

Investor relations (IR)

BioPorto aims to give the market transparent, adequate information about the group's operations, strategy and results with a view to ensuring fair pricing of the share. BioPorto operates in a highly complex sector in terms of both products and market conditions. Insofar as possible, the group endeavors to strike a balance so that the information it communicates is both technically correct and understandable to laypersons. All stakeholders should have fast, equal access to important information about BioPorto's development and growth. This means, among other things, that insider knowledge is published in company announcements via NASDAQ OMX Copenhagen 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 to everyone 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 an efficient, expedient dialog with our shareholders, BioPorto encourages shareholders to let their shareholding be registered and to participate in shareholders' meetings. The IR Department is also responsible for ensuring that information from the group's IR stakeholders is passed on to the management and the board of directors.

Company announcements 2013

No.	Date	Announcement
01	January 17, 2013	Siemens Diagnostics' sales activities for NGAL suspended until further
02	January 24, 2013	Request for extraordinary General Meeting
03	January 25, 2013	Notice to Convene Extraordinary General Meeting
04	January 25, 2013	Resignation from the board
05	January 31, 2013	Announcement from major shareholder regarding the EGM on February 26, 2013
06	February 22, 2013	Nomination of candidates for the board of directors
07	February 26, 2013	Development of Extraordinary General Meeting and changes in the composition of the board of directors
08	March 5, 2013	Availability of BioPorto's The NGAL Test™ for Siemens ADVIA® systems
09	March 11, 2013	BioPorto's NGAL Test reagent registered for diagnostic use in Brazil – status on progress in the BRIC countries
10	March 15, 2013	Publication of the annual report for 2012 postponed
11	March 25, 2013	Annual report 2012
12	March 25, 2013	Resignation from the board
13	March 25, 2013	Annual General Meeting
14	April 2, 2013	Changes to the board of directors
15	April 16, 2013	Development of Annual General Meeting
16	May 7, 2013	Interim Financial Report for Q1 2013
17	May 21, 2013	Implementation of capital reduction and consequent adjustment of conversion price for convertible debt instruments
18	May 23, 2013	BioPorto's NGAL cut-off patent - processing of the appeal in the opposition case
19	May 31, 2013	Status on financing
20	May 31, 2013	Share capital and votes
21	June 5, 2013	BioPorto's NGAL cut-off patent – new date for the processing of the appeal in the opposition case
22	June 13, 2013	Financing and strategy

Company announcements 2013, continued

No.	Date	Announcement
23	June 18, 2013	BioPorto launches Monkey NGAL ELISA Kit
24	June 26, 2013	BioPorto plans rights issue and shareholder meetings
25	July 18, 2013	New CEO
26	July 30, 2013	Changes in financial calendar 2013
27	August 2, 2013	Interim Financial Report for Q2 2013
28	August 14, 2013	Preliminary an non-binding report regarding the opposition case against the NGAL cutoff patent
29	August 14, 2013	Contents of Preliminary and Non-binding Opinion regarding the opposition case against the NGAL cutoff patent
30	August 16, 2013	BioPorto A/S publishes prospectus in connection with offering of shares with pre-emptive subscription rights to existing shareholders
31	August 20, 2013	Insider's dealings
32	August 26, 2013	Insider's dealings
33	September 6, 2013	Rights issue in BioPorto A/S fully subscribed
34	September 12, 2013	Completion of rights issue and capital increase
35	September 12, 2913	Reduction of convertible bonds and adjustment of conversion price
36	September 12, 2013	Announcement on senior management's dealings with securities in BioPorto A/S
37	September 12, 2013	Announcement from major shareholder
38	September 12, 2013	Announcement from major shareholder
39	September 30, 2013	Share Capital and Votes
40	October 15, 2013	EPO defers decision on appeal concerning BioPorto's NGAL cutoff patent EP1831699
41	October 30, 2013	New CFO and Executive Vice President Sales at BioPorto A/S
42	November 7, 2013	EPO calls for oral proceedings in the appeal case concerning BioPorto's NGAL cutoff patent EP1831699
43	November 8, 2013	Interim Financial Report for Q3 2013
44	November 28, 2013	Announcement from major shareholder
45	December 20, 2013	Financial calendar

Financial calendar for 2014

April 10, 2014:	Annual general meeting
April 22, 2014:	*Quiet period before Q1 begins*
May 6, 2014:	Interim financial report for Q1 2014
July 25,i 2014:	*Quiet period before Q1 begins*
August 8, 2014:	Interim financial report for Q2 2014
October 24, 2014:	*Quiet period before Q1 begins*
November 7, 2014	Interim financial report Q3 2014

Company information

Bank

Nordea Bank Danmark A/S
Strandgade 3
0900 Copenhagen C

Independent auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Annual general meeting

The annual general meeting will be held on April 10, 2014 at 10.00 a.m. at the company's address (as per April 1, 2014):
Tuborg Havnevej 15 st.
2900 Hellerup

Contact

Additional information is avaliable on the company's website, www.bioporto.com

Investor Relations contakt:
Christina Thomsen, Investor Relations Manager
Tel. +45 4529 0000
E-mail: investor@bioporto.com

Risk situation and 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 the group's activity, in the event these risks were not correctly assessed or controlled. BioPorto's policy is to identify and minimize the risks deriving from the group's operations and to establish sufficient scope of insurance coverage. BioPorto has established risk management as a formalized process for the purpose of generating a close correlation between the group's ongoing aims and activities and the individual risk elements of the group's sphere of activity. In connection with the new strategy, the management has specifically taken a position on 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 establish alliances, and the possibility of obtaining patent protection.

BioPorto seeks to control these commercial risks by continuously monitoring and assessing the market situation and patent positions. The success of new diagnostic products and methods depends on the products being accepted in research environments and subsequently by the healthcare system. BioPorto expends significant resources on generating awareness of new biomarkers, supporting clinical experiments and establishing partnerships with a view to commercialization of the products. BioPorto's competitiveness is also ensured by continuously achieving, enlarging and upholding patent rights within the established areas of focus.

The most significant short-term risks include:

- The implementation of the company's NGAL Test taking longer than planned;
- New technologies capable of replacing NGAL being introduced on the market before NGAL is sufficiently widespread;
- Not obtaining FDA certification within the near future, which would preclude a launch in the US;
- Conflicts in the IP area that restrict BioPorto's market access

Staff-related risks

BioPorto is dependent on being able to attract and retain skilled employees in order to create new product opportunities, uphold the group's competitiveness and ensure growth and results. BioPorto offers its employees professional development opportunities, remuneration and incentive schemes at market levels, but also makes an active effort to create a positive working atmosphere where everyone's effort is respected.

Production risks and quality-related risks

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

Currency risks and other financial risks

As the group exports its products to several different markets, it is vulnerable to fluctuating exchange rates. Revenues are still so relatively low that no effort is being made to use financial instruments to hedge these risks. The group's credit risk is associated with bank deposits and the subsidiary's receivables. Cash and cash equivalents are deposited in the company's bank and in another major Danish bank. The customers' financial situation and ability to pay are known by the company and the credit risk entailed by each receivable is assessed as modest. Prepayment of deliveries may be necessary for new customers. Otherwise, the group does not hedge the credit risk.

Corporate management of BioPorto

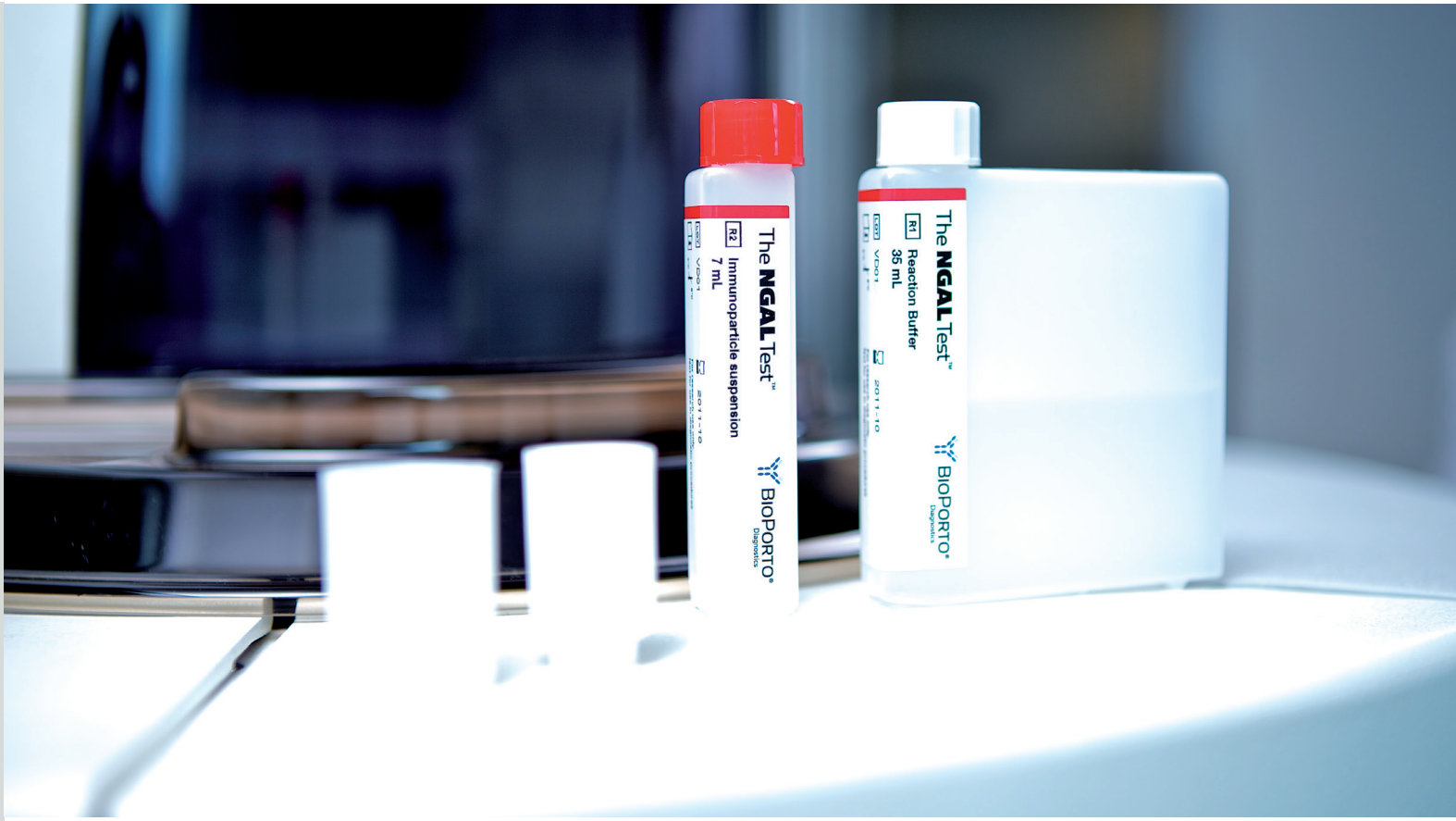
The management and board of directors of BioPorto A/S focus on investor relations, and the company's board of directors gives high priority to exercising good corporate governance. Following the recommendations for good corporate governance generates value for the company in the long term and ensures the immediate publicizing of information to shareholders and the stock market. A combined report for the period from January 1, 2013 to December 31, 2013 is available on the company's website http://www.bioporto.com/content/download/1902/44717/version/11/file/Corporate+Governance+2013.pdf

Sixteen board meetings were held in 2013, including one lengthy strategy meeting and six conference calls. Six meetings are planned for 2014, 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.

On February 26, 2013, an extraordinary general meeting was convened for the purpose of board elections at the request of a group of company shareholders. The following new candidates for the board were elected and comprised the board in its entirety: Carsten Lønfeldt, Marianne Weile, Roar Bjørk Seeger, Laura von Kobyletzki and Thomas Magnussen. Torben A. Nielsen and Claus Crone Fuglsang were elected as alternates. Immediately after the general meeting, the board elected Carsten Lønfeldt as its chairman. Before the annual general meeting, Carsten Lønfeldt and Marianne Weile withdrew from the board, and alternates Torben A. Nielsen and Claus Crone Fuglsang were elected board members at the annual general meeting on April 16, 2013. Immediately after the general meeting, the board elected Thomas Magnussen as its chairman.

The members of the board are selected and stand for election on the basis of their specific qualifications and experience which are of relevance to BioPorto. Thus, the board is composed with a view to ensuring an optimal combination of professional experience in the sector 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 board members are assessed by the board as being independent. The election term is one year at a time and the age limit is set at 70 years. Each board member's unique expertise can be seen on the company's website http://www.bioporto.com/about_us/board_of_directors

The chairman of the board is responsible for evaluating the management and the board of directors every year. The evaluation also includes the working relationship with the management. The result of the evaluation process is subsequently presented to and discussed at a board meeting.



Diversity

The company has a policy of providing equal opportunities to persons of either gender. For years, the company has had and still seeks to have an equal number of men and women in managerial positions, which attests to compliance with this policy in practice. Diversity in the composition of the board is also strived for, with a reasonable age composition, several nationalities and an equal gender ratio. BioPorto has defined an objective that, no later than in 2018, at least two members of the board must be women. This target must not detract from the other competency requirements in the nomination of board members. The board currently comprises four male members and one female member.

BioPorto's internal control and risk-management systems

The board and management have overarching responsibility for the group's risk management and internal control related to financial reporting. BioPorto's policy is to identify and minimize the risks deriving from the group's operations and to establish sufficient scope of insurance coverage. The group's control and risk-management systems can create a reasonable, but not absolute, certainty that unlawful use of assets, loss and/or material misstatement and omissions relating to the presentation of the financial statements are avoided.

The management and board assess that all significant elements of risk have been identified and addressed. The board has discussed the need for internal audit and deems that the company, with only 25 employees, does not have a need for this, nor is it possible in practice.

A review of the company's risk management is available on the company's website
http://www.bioporto.com/content/download/1908/44807/version/1/file/Risk_Management.pdf

Board committees

BioPorto's board has appointed a remuneration committee. The nomination committee's tasks are attended to by the entire board with the chairman of the board as the chair of the nomination committee; also the audit committee's tasks are attended to by the entire board with the vice-chairman chairing the audit committee. The vice-chairman of the board possesses the requisite technical knowledge and experience. A review of the management committees' remits and the composition of the committees is available on the company's website
http://www.bioporto.com/content/download/2066/46624/version/3/file/Board+committees+2014.pdf

Remuneration of the management and board of directors

The basic fee of the board is set at a level assessed as being competitive and reasonable compared to the sector in general and the company's current situation. The annual directors' fees amounted to DKK 100,000 in 2013, as the vice-chairman receives 1.5 times the standard fee (DKK 150,000) and the chairman of the board receives double the standard fee (DKK 200,000).

In 2013, the management consisted of one person, employed on a contract basis. In 2013, the management was paid DKK 3.6 million in salary, inclusive of pension (contribution-based) and bonus. This amount includes a severance package with the previous CEO, Thea Olesen, who stepped down from her position in July 2013. From January 1, 2014, BioPorto's management comprises two individuals: the company's CEO and CFO. The company has not assumed any obligation to disburse severance pay to the management at the time of the termination of the employment relationship, besides possible remuneration for the conclusion of a non-competition clause. The employment relationship can be terminated by giving 12 and 6 months' notice, respectively, to the end of a month.

BioPorto's remuneration policy can be found on the Company's website
http://www.bioporto.com/content/download/1905/44762/version/6/file/Remuneration+policy.pdf

Corporate social responsibility

BioPorto is aware of its corporate social responsibility and endeavors to improve social and environmental conditions. BioPorto has acceded to the UN Global Compact, and the latest Communication On Progress, which also constitutes the company's report on corporate social responsibility, is available on the Company's website
http://www.bioporto.com/content/download/1904/44747/version/8/file/COP+for+2013+English.pdf

Executive management and board of directors

The company's members of the board and management owns securities in BioPorto A/S and hold the following directorships in other companies as specified in the following overview. Directorships in wholly owned subsidiaries are not included.

Board of directors	Directorships in other companies
 **Thomas Magnussen (M) (1953)** Chairman Joined in 2013	Chairman in QuantumWise A/S and Zylinc. Director of Therazone ApS
 **Torben A. Nielsen (M) (1960)** Vice chairman Joined in 2013	Director of Arnth Advice
 **Claus Crone Fuglsang (M) (1968)** Joined in 2013	Vice President AD BioEnergy, Novozymes
 **Laura von Kobyletzki (K) (1971)** Joined in 2013	Manager of County Councils Department of R&D and Education, Karlstad.
 **Roar Bjørk Seeger (M) (1964)** Joined in 2013	Chairman in Modstrøm Danmark A/S. Board member in Aktant Technology Denmark A/S, Aktant Technology and BRS Holding Int. ApS. Director of BRS Holding Int. ApS and Seeger. Director of Lion & Dolphin A/S and Vidis GmbH

Executive management	Directorships in other companies
 **Peter Mørch Eriksen (M) (1960)** CEO of BioPorto A/S since 2013	Chairman in Medtech Innovation Center. Director of PME Consult ApS and PME Holding ApS
 **Otto Rasmussen (M) (1969)** CFO of BioPorto A/S since 2014	Director of OR Consult ApS

Share ownership, executive management and board of directors

	Dec. 31, 2012	Buy	Sell	Dec. 31, 2013
Board of directors				
Thomas Magnussen	-	-	-	-
Torben A. Nielsen	-	75,000	-	75,000
Claus Crone Fuglsang	-	26,333	-	26,333
Laura von Kobyletzki	-	-	-	-
Roar Bjørk Seeger	-	11,533	-	11,533
Executive management				
Peter Mørch Eriksen	-	69,239	-	69,239
Otto Rasmussen	-	-	-	-

Scientific Advisory Board

BioPorto in 2014 established an European Advisory Board. The participants are chosen based on their scientific work directly with NGAL or related topics. First meeting of the newly established Advisory Board is scheduled for 2 quarter of 2014, and currently the board consists 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 (vice chairman)

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, NL

Statement by the Management and Board of Directors

As of today's date, the management and board of directors have discussed and approved the annual report for BioPorto A/S for January 1 – December 31, 2013.

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

In our opinion, the selected accounting policies are appropriate, so that the annual report presents a true and fair view of the company's assets, liabilities and financial position as at December 31, 2013, and of the financial result of the group's and parent company's activities and cash flow for the fiscal year from January 1 to December 31, 2013.

In our opinion, the statement by the management and the board of directors on the annual report presents a true and fair account of developments in the group's and the parent company's activities, economic factors, financial result and financial position, and also describes the most significant risks and elements of uncertainty currently facing the group and the parent company.

The annual report is hereby submitted to the annual general meeting for approval.

Gentofte, Denmark, March 19, 2014

Management:

Peter Mørch Eriksen
CEO

Otto Rasmussen
CFO

Board of Directors:

Thomas Magnussen
chairman

Torben A. Nielsen
vice chairman

Claus Crone Fuglsang

Laura von Kobyletzki

Roar Bjørk Seeger

Independent auditor's reports

To the shareholders of Bioporto A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Bioporto A/S for the financial year 1 January - 31 December 2013, which comprise the income statement, balance sheet, statement of changes in equity and notes, including the accounting policies, for the Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent 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 as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the consolidated financial statements and parent 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 about whether the consolidated financial statements and parent 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 parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent financial statements.

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

Our 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 31-12-2013, and of the results of its operations and cash flows for the financial year 1 January - 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31-12-2013, and of the results of its operations for the financial year 1 January - 31 December 2013 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 19-03-2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Jens Rudkjær
State Authorised
Public Accountant

Søren Nielsen
State Authorised
Public Accountant

Comprehensive Income Statement

The BioPorto Group

January 1 – December 31, 2013

		2013 DKK thousand	2012 DKK thousand
3	Net revenues	16,625	17,858
4,5,6	Production costs	(7,582)	(6,803)
	Gross income	9,043	11,054
4,5,6	Sales and marketing costs	(5,968)	(5,970)
4,5,6	Research and development costs	(10,212)	(9,911)
4,5,6	Administration expenses	(12,665)	(9,043)
	Earnings before interest (EBIT)	(19,802)	(13,870)
8	Financial income	100	49
8	Financial expenses	(2,171)	(2,130)
	Earnings before tax	(21,873)	(15,950)
9	Income taxes relating to net loss	1,250	1,250
	Net income/loss for the period / comp. income	(20,623)	(14,700)
		DKK	DKK
10	Earnings per share (EPS)	(0.26)	(0.24)

Balance Sheet

The BioPorto Group

December 31, 2013

	ASSETS	2013 Dec. 31 DKK thousand	2012 Dec. 31 DKK thousand
	Long-term assets		
	Tangible assets		
11	Other plant, operating equipment and fixtures	275	222
	Tangible assets	**275**	**222**
	Financial assets		
	Deposits	253	248
	Financial assets, total	**253**	**248**
	Long-term assets, total	**528**	**470**
	Short-term assets		
12	Inventories	3,629	4,228
13	Receivables, sales	2,583	2,638
9	Receivables, income tax	1,250	1,250
13	Other receivables	1,050	1,243
	Inventories and receivables	**8,512**	**9,359**
	Cash resources	42,802	8,349
	Short-term assets, total	**51,314**	**17,708**
	ASSETS, TOTAL	**51,842**	**18,178**

Balance Sheet

The BioPorto Group

December 31, 2013

	LIABILITIES	2013 Dec. 31 DKK thousand	2012 Dec. 31 DKK thousand
	Equity		
14	Capital stock	117,874	141,449
15	Other reserves	0	2,036
5	Share-based payment	1,666	2,844
16	Treasury stock	0	(44)
	Retained income/loss	(76,678)	(147,435)
	Equity, total	**42,862**	**(1,150)**
	Liabilities		
	Long-term liabilities		
	Leasing	105	0
	Long-term liabilities, total	**105**	**0**
	Short-term liabilities		
15,17	Short-term segment of long-term liabilities	18	13,226
	Suppliers of goods and services	961	2,608
	Other Debt	7,896	3,494
	Short-term liabilities, total	**8,875**	**19,328**
	Liabilities, total	**8,980**	**19,328**
	EQUITY AND LIABILITIES, TOTAL	**51,842**	**18,178**

Statement of Changes in Equity

The BioPorto Group

January 1 - December 31, 2013

	Capital stock DKK thousand	Treasury stock DKK thousand	Premium DKK thousand	Share-based Payment DKK thousand	Other reserves DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2013	141,449	(44)	0	2,844	2,036	(147,435)	**(1,150)**
Comprehensive income for the period	0	0	0	0	0	(20,623)	**(20,623)**
Reduction of capital	(94,299)	0	0	0	0	94,299	**0**
Capital increase	70,724	0	0	0	0	0	**70,724**
Issue costs	0	0	0	0	0	(6,089)	**(6,089)**
Transferred to "retained income"	0	44	0	(1,178)	(2,036)	3,170	**0**
Equity, December 31, 2013	**117,874**	**0**	**0**	**1,666**	**0**	**(76,678)**	**42,862**

	Capital stock DKK thousand	Treasury stock DKK thousand	Premium DKK thousand	Share-based Payment DKK thousand	Other reserves DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2012	135,449	(44)	0	2,844	2,036	(136,346)	**3,940**
Comprehensive income for the period	0	0	0	0	0	(14,700)	**(14,700)**
Capital increase, directed issue	6,000	0	4,200	0	0	0	**10,200**
Issue costs	0	0	(589)	0	0	0	**(589)**
Transferred to "retained income"	0	0	(3,611)	0	0	3,611	**0**
Equity, December 31, 2012	**141,449**	**(44)**	**0**	**2,844**	**2,036**	**(147,435)**	**(1,150)**

Other reserves relate to the equity component of the convertible bond.

Cash Flow Statement

The BioPorto Group

January 1 – December 31, 2013

		2013 DKK thousand	2012 DKK thousand
	Earnings before interest	(19,802)	(13,870)
	Depreciation, amortization, write-downs and impairment	107	189
	Cash generated by primary operations before change in working capital	**(19,695)**	**(13,681)**
20	Change in working capital	3,442	(469)
	Cash generated by primary operations	**(16,253)**	**(14,150)**
	Interest income, included	100	49
	Interest expenses, paid	(1,737)	(1,178)
	Tax refunds	1,250	0
	Cash generated by operating activities	**(16,640)**	**(15,280)**
	Purchase of tangible assets	(28)	(82)
	Purchase of financial assets	(5)	(5)
	Cash generated by investment activities	**(33)**	**(87)**
	Repayments on loans and credit facilities	(5,500)	0
21	Capital increase	56,636	9,611
	Reduction of leasing commitment	(10)	0
	Cash generated by financing activities	**51,126**	**9,611**
	Cash flow for the period	**34,453**	**(5,756)**
	Cash resources at the beginning of the year	8,349	14,105
	Cash resources at the end of the year	**42,802**	**8,349**

Note Index

Note 1

Accounting Policies

The financial statements for the BioPorto Group is presented in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and in accordance with additional Danish disclosure requirements for the annual reports of listed companies as per the Executive Order on IFRS issued pursuant to the Danish Financial Statements Act.

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

The financial statements are presented on the basis of historical costs, except for share-based payment, which is measured at fair value.

The accounting policies, which remain unchanged, compared to last year, are otherwise as described below.

Implementation of new and modified standards and interpretations

Koncernregnskabet for 2013 er aflagt i overensstemmelse med The 2013 Annual Report is presented in accordance with new and modified standards (IFRS/IAS) and new interpretations (IFRIC) that apply to fiscal years beginning on or after January 1, 2013.

These standards and interpretations are as follows:

- Annual improvements (2009-2011)
- Changes to IAS 1 "Presentation of accounts"
- Changes to IS 19 "Staff costs"
- Changes to IFRS 7 "Financial instruments, information and presentation"
- Changes to IFRS 13 "Measurement at fair value"

The implementation of the new and modified standards and standards in the 2013 Annual Report did not result in changes to accounting policies and did not affect the figures or information reported in present or previous periods but could affect the accounting-related processing of future transactions or agreements.

Standards and interpretations not yet in force

At the time of publication of this annual report a number of new or amended standards and interpretations that have not yet entered into force and are therefore not included in the annual report. Management believes that these will not have a material impact on the consolidated financial statements for the coming year.

General principles of recognition and measurement

Earnings are recognized in the income statement concurrent with their realization. In addition, all costs incurred to achieve the income for the year are recognized in the financial statements, including depreciation, amortization, write-downs, impairment and provisions, as well as carry backs resulting from modified accounting estimates of amounts previously recognized in the financial statements.

Assets are recognized on the balance sheet when it is likely that future financial benefits will accrue to the company and the asset's value can be measured reliably.

Liabilities are recognized on the balance sheet when it is likely that future economic benefits will flow from the company and the liability's value can be measured reliably.

Assets and liabilities are measured at the cost on initial recognition. Subsequently assets and liabilities are measured as described below for each item.

For recognition and measurement, predictable gains, loss and risk occurring before the submission of the annual report and which confirm or disprove the situation on the balance sheet date are taken into consideration.

Consolidated financial statements

The consolidated financial statements include the parent company, BioPorto A/S, and the subsidiaries in which BioPorto A/S has a controlling interest, i.e. controlling influence on financial and operating policies for achieving returns or other benefits for its activities. Controlling interest is achieved by directly or indirectly owning or having at one's disposal more than 50% of the voting rights or otherwise controlling the company concerned. Companies in which the group exercises significant but not controlling influence are regarded as affiliated companies. Significant influence is typically achieved by directly or indirectly owning or having at one's disposal more than 20% but less than 50% of the voting rights. The

Note 1

assessment of whether BioPorto A/S has controlling or significant influence considers potential voting rights that could be exercised on the balance sheet date.

The consolidated financial statements integrate the financial statements for the parent company and the individual subsidiaries, which are accounted for in accordance with the group's accounting policies, with the elimination of intercompany income and expenses, intercompany share holdings, intercompany balances and dividends, as well as realized and unrealized earnings for transactions between the consolidated companies. Unrealized earnings from transactions with affiliated companies are eliminated in proportion to the group's ownership interest in the company. Unrealized losses are eliminated according to the same procedure as unrealized earnings to the extent that an impairment has not occurred.

Foreign currency translation

A functional currency is determined for each of the group's reporting companies. The functional currency is the currency used in the primary financial environment in which the specific reporting company operates. Transactions in other currencies than the functional currency are transactions in foreign currency.

Transactions in foreign currency are translated on initial recognition to the functional currency according to the exchange rate prevailing on the date of the transaction. Currency differences arising between the rate on the date of the transaction and the rate on the date of payment are recognized in the income statement under financial income or expenses.

Receivables, debt and other monetary items in foreign currency are translated into the functional currency according to the exchange rate prevailing on the balance sheet date. The difference between the rate on the balance sheet date and the rate on the date on which the receivable or debt arose or was recognized in the most recent annual report is included in the income statement under financial income and expenses.

Incentive programs

The company has granted warrants (share subscription rights) to the board of directors, the management and employees. Share-based incentive programs in which the employees alone have the option of choosing to subscribe to new shares in the parent company (equity-settled share-based payment arrangements) are measured at the fair value of the equity instruments on the date of granting and are recognized in the income statement when the employees acquire the right to subscribe to the new shares. The set-off for this is recognized directly in the equity as a separate reserve until utilized.

Leases

Leases where the Group has all substantial risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the asset and the present value of the lease payments, calculated using the lease interest rate or an approximation as the discount rate. Assets under finance leases are depreciated and written down by the same policy as the Group's other assets. The capitalized residual lease obligation is recognized in the balance sheet as a liability, and the financial charge is charged to the income statement.

All other leases are classified as operating leases. Payments made under operating leases are recognized in the income statement over the lease period.

Segment information

Segmentation reflects the main product groups in the group. Segment reporting has not been changed compared to the previous report. A distinction is made between the following segments:

a. Products sold for use in human diagnostics, including The NGAL Test™ and ELISA kits for measuring human NGAL and MBL.
b. Products primarily intended for research and development, including monoclonal antibodies and other ELISA kits.
c. Licenses and royalties stemming from the group's IP rights.
d. Other (primarily reimbursed freight and packaging exepenses).

The product groups are measured primarily on gross margin level as distribution, sales and marketing, research and development, and administration relates to both segments. There is no internal settlement between the segments.

As previously, information is included on the breakdown of net revenues into geographical areas and product categories.

There are no long-term assets or investments outside Denmark.

Note 1

Comprehensive Income Statement

Revenues

Revenues from sales of finished goods are recognized in the income statement if the goods have been delivered and the risk has been passed on to the customer before the end of the year, and if said income can be reliably accounted for and receipt of payment is expected.

Net revenues from development and cooperation contracts are recognized in the income statement if the general criteria for revenue recognition are observed.

This is considered to be the case when:

- delivery has taken place before the end of the fiscal year;
- a binding sales agreement exists;
- the selling price is fixed; and
- payment has been received or is expected to be received with reasonable certainty

The revenues are recognized exclusive of VAT and after the deduction of any discount connected to the sale.

Production costs

Production costs include costs incurred for achieving the year's net revenues, including fixed and indirect overhead for raw materials and consumables, wages and salaries, freight, royalties, rent and leasing as well as depreciation of plant.

Sales and marketing costs

Costs recognized under sales and marketing costs are those incurred for marketing products sold during the year and sales campaigns, etc., that have been carried out. Costs for sales staff, advertising and exhibition costs, as well as depreciation and amortization are included here.

Research and development costs

Wages and salaries, laboratory materials, patent expenses, rent, leasing and other costs relating to the company's research and development activities are recognized under research and development costs.

Administration expenses

Costs incurred during the year for the management and administration of the company, including costs for administrative staff, management, office facilities and office costs, depreciation, amortization, etc., are recognized under administration expenses.

Financial income and expenses

Financial income and expenses include interest, capital gains and losses, as well as write-downs and impairment concerning debt, securities and foreign currency transactions, amortization of financial assets and liabilities, as well as charges and refunds under the tax prepayment scheme, etc.

Income taxes relating to the net loss

The tax for the year, consisting of the year's current tax and the change in the deferred tax, is recognized in the income statement by the amount attributable to the net loss and directly to the equity by the amount attributable to entries under equity.

To the extent the group obtains deductions by means of the accounting of the taxable income resulting from share-based payment, the tax effect of the schemes is recognized under income taxes relating to net income. If the total tax deduction exceeds the total accounting cost, the tax effect of the surplus deduction is recognized directly to the equity, however.

Balance Sheet
Intangible assets

Development projects

In accordance with "IAS 38, Intangible Assets", intangible assets arising from development projects must be recognized on the balance sheet when the development project is clearly defined and identifiable where technical utilization options are demonstrated and adequate resources can be documented for completing the development work and marketing or using the product, and the company's management has acknowledged its intention to manufacture and market or use the product.

Finally, it must be possible to document with adequate certainty that the future earnings from the development project will exceed the costs of production and development as well as for selling and administering the product. Development costs concerning indi-

Note 1

vidual projects are only recognized as assets in the event it is adequately certain that the future income of the individual projects will exceed not only the production, selling and administration costs, but also the development costs for the product.

In the opinion of the management and board of directors, a large risk is generally associated with the company's products and for this reason it is not possible to obtain adequate certainty for future earnings at present. The future financial advantages associated with product development cannot be calculated with reasonable certainty until the development activities have been completed. As a result of this, development costs are expensed concurrent to being incurred during the year.

Tangible assets

Other plant, machinery and equipment are measured at the original cost, minus the accumulated depreciation, amortization, write-downs and impairment.

The cost includes the acquisition price as well as expenses directly associated with the acquisition up to the date on which the asset is ready for use.

Depreciation and amortization are carried out on a straight-line basis over the expected useful life of the assets, which are assessed as having the following terms of years:

Other plant, operating equipment and fixtures	3–5 years

The basis for depreciation and amortization is the original cost, minus the expected residual value at the end of the useful life. The original cost of a total asset is divided into smaller components that are depreciated/amortized separately if their useful life differs. Depreciation and amortization methods, useful lives and residual values are reassessed each year.

Depreciation and amortization are recognized in the income statement under production costs, research and development costs, selling and marketing costs and administration expenses respectively to the extent the depreciations/amortizations are not included in the original cost for inventory as indirect production overhead (IPO).

Impairment of assets

Deferred tax assets are assessed yearly and recognized only to the extent it can be rendered probable that they will be utilized in the near future.

The book value of other qualifying assets (including investments in subsidiaries) is assessed annually to determine whether there is an indication of impairment. If an indication is present, the asset's recoverable value is calculated. The recoverable value is the highest value of the asset's fair value, minus the expected costs of disposal and the value in use.

An impairment loss is recognized when the book value of an asset or a cash-generating unit respectively exceeds the asset's or the cash-generating unit's recoverable value. Impairment loss is recognized in the income statement under production, selling and distribution costs respectively or administration costs.

Write-downs relating to other assets is reversed to the extent changes occur in the prerequisites and estimates that led to the impairment. Impairment is only reversed to the extent that the asset's new book value does not exceed the book value the asset would have had after depreciation or amortization if the asset had not been impaired.

Inventories

The cost of inventories is measured according to the FIFO method. If the net realizable value is lower than the cost, the inventory in question is written down to this lower value.

The cost for raw materials and consumables is calculated at cost with the addition of transportation and similar costs.

The cost of finished goods and goods in progress includes the cost of raw materials, consumables, direct wages and indirect production overhead (IPO). Indirect production overhead includes indirect costs such as materials and wages, as well as costs for maintenance of and depreciation/amortization of machinery and equipment used in the production process, as well as costs for production administration and management.

The net realizable value of inventories is calculated as the selling price minus completion costs and costs incurred to effectuate sales and are determined under consideration of marketability, obsolescence and developments relating to the loss expected.

Receivables

Receivables are measured at the amortized cost or a lower net realizable value, which usually equates to the nominal value, minus impairment for meeting a loss.
A provision account is used to reduce the carrying value of re-

Note 1

ceivables from sales, impaired due to risk of loss.Write-downs for bad and doubtful debts are based on an individual assessment of each receivable.

Prepaid expenses

Prepaid expenses recognized under assets include expenses to be incurred in the subsequent fiscal year. Prepaid expenses are measured at cost..

Equity

Treasury stock

Acquisition and disposal costs as well as the dividend for treasury stock are recognized directly in equity. The capital reduction by cancelling treasury stock reduces the share capital by an amount equivalent to the nominal value of the equity investment.

Warrants

Proceeds received from the exercise of warrants are booked directly under equity.

Payable and deferred tax

Current tax liabilities and payable current tax are recognized in the balance sheet as the tax calculated for the year's taxable income, adjusted for the tax on taxable earnings of previous years and for tax paid on account.

Deferred tax is measured according to the balance-sheet liability method by temporary differences between the book value and the tax value of assets and liabilities. However, deferred tax is not recognized for temporary differences concerning tax-related non-deductible goodwill and other entries in which temporary differences – apart from corporate acquisitions – have occurred after the date of acquisition without affecting the financial results or the taxable income. In the cases where the determination of the tax value can be performed according to different taxation rules, deferred tax is measured on the basis of the utilization of the asset or repayment of the debt respectively as planned by the management.

Deferred tax assets, including the tax value of tax losses allowed to be carried forward, are recognized under other qualifying assets by the value at which they are expected to be used, either by means of an elimination in tax of future earnings or by offsetting in deferred tax liabilities within the same legal tax unit or jurisdiction (joint taxation).

Deferred tax concerning eliminations of unrealized intercompany profits and losses is adjusted.

Deferred tax is measured on the basis of the tax rules and rates of income tax that will apply when the deferred tax is expected to create a tax liability as a current tax according to the law in force on the balance sheet date. Any change to the deferred tax resulting from changes to rates of taxation is recognized in the income statement.

Financial liabilities

Convertible bonds

Convertible bonds are considered as compound instruments, consisting of a financial liability measured at amortized cost, and an equity instrument in the form of the embedded conversion option.

At the date of issue, the fair value of the financial liability is determined by using a market rate for similar non-convertible debt. The difference between the proceeds from the issuance of the convertible bond and the fair value of the financial liability, representing the embedded option to convert the obligation to equity, is recognized in equity.

Issue costs are allocated between the liability component and equity component of the convertible debt based on their relative carrying amounts at the date of issue. The part relating to the equity component is recognized directly in equity.

Interest expense on the liability component is calculated using the prevailing market rate for similar non-convertible debt. Any difference between the estimated interest cost and the actual interest paid under the bond's coupon rate is attributed to the carrying value of the liability. The financial liability is subsequently measured at amortized cost.

Other financial liabilities

Note 1

Debts to banks etc., are recognized at the time of taking out the loan at the fair value of the obligation component, minus the transaction costs incurred. In subsequent periods, the financial liabilities are measured at the amortized cost by applying the effective interest method so the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses during the term of the loan.

Other liabilities are measured at net realizable value.

Advance receipts

Advance receipts recognized under liabilities include payments received for income in subsequent years. Advance receipts are measured at cost.

Cash Flow Statement

The cash flow statement is presented according to the indirect method and shows cash flow broken down by operating, investment and financing activities for the year, the year's change in cash and cash equivalents and the company's cash and cash equivalents at the beginning and end of the year.

The cash flow from operating activities is accounted for as EBIT, adjusted for non-cash operating items, changes in working capital and corporate income tax paid.

Cash generated by investment activity includes the purchase and sale of intangible, tangible and financial assets.

Cash generated by financing activity includes changes to the amount or composition of BioPorto A/S's share capital and costs connected with this, as well as the raising of loans, payments on interest-bearing debt and the payment of dividends to shareholders.

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

Financial Ratios

Earnings per share (eps) and diluted earnings per share (deps) are accounted for in accordance with IAS 33.

The financial ratios stated under the key financial data are calculated as follows:

Revenue growth	$\frac{\text{Revenue year 1 – revenue year 0}}{\text{Revenue year 0}}$
Gross margin ratio	$\frac{\text{Gross income x 100}}{\text{Net revenues}}$
Operating margin	$\frac{\text{EBIT x 100}}{\text{Net revenues}}$
Equity ratio	$\frac{\text{Equity, closing x 100}}{\text{Total liabilities, closing}}$
Return on equity	$\frac{\text{Result for the year x 100}}{\text{Average equity}}$
Earnings per share (eps)	$\frac{\text{Result for the year}}{\text{Average number of shares}}$
Cash flow per share	$\frac{\text{Cash generated by operations}}{\text{Average number of shares}}$
Equity value per share, closing	$\frac{\text{Capital and reserves, closing}}{\text{No. of shares, closing}}$

The financial ratios were prepared in accordance with "Anbefalinger & Nøgletal 2010" (Recommendations & Financial Ratios 2010) by the Den Danske Finansanlytikerforening (Danish Association of Financial Analysts).

Note 2

Significant Accounting Estimates and Assessments

An assessment of how future events will affect the value of certain assets and liabilities on the balance sheet date is required for determining the book value of these assets and liabilities. Assessments significant to the financial reporting are performed by determining development costs, convertible bonds, incentive schemes, inventories, deferred tax, etc.

The assessments used are based on assumptions deemed justifiable by the management and the board of directors, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. In addition, the company is subject to risks and uncertainties that could cause the actual results to deviate from the estimates.

Intellectual property rights

BioPorto has obtained a number of patent rights within the NGAL field, including NGAL cutoff-, NGAL exclusion- and NGAL Ratio patents.

BioPorto NGAL patents makes it possible to ensure better marketing of BioPorto own products and enforce its rights against competitors, if they sell NGAL tests for the diagnosis of acute kidney injury without licensed access to the patents.

Obtaining patent rights is not a prerequisite for BioPorto to sell its products. The NGAL IP strategy is to keep the patent rights to the homogeneous assay format, and to grant licenses for NGAL assays developed in a heterogeneous assay format.

The group's NGAL cut-off patent is the principal patent in BioPorto's portfolio of NGAL IP rights and is an important asset for obtaining the largest share of the future NGAL market. It is estimated that as NGAL is used as a diagnostic marker, the patented cutoff will be confirmed. Following the issuance of NGAL cutoff-patent, Abbott, Alere, Phadia and Getica have sought to eliminate the patent in Europe by bringing opposition by the European Patent System (EPO). The proceedings at the EPO 2 Instance 1 April 2014, however, without the participation of Abbott and Phadia, which have withdrawn as opposing parties in the case.

The NGAL Test's market penetration

The BioPorto Group's long-term financing structure is considerably interrelated with sales of The NGAL Test™. There are several unknown factors in the equation concerning the anticipated market penetration of The NGAL Test™. The assay is new in the market and must undergo registration and reimbursement processes in the various markets; the major diagnostics companies must first include the assay in their portfolio, and the assay must gain widespread acceptance as a renal-injury marker among hospitals and doctors. See also the section concerning market penetration and IP rights (see page. 12-14 and page 14-16).

Deferred tax

A significant deferred tax asset has been calculated (see Note 9). In the view of the management and the board of directors, however, the option of using the tax asset in the near future is not sufficiently plausible, based on IFRS. For
this reason, the management and board of directors have chosen not to recognize the calculated tax asset on the balance sheet.

Assumptions about the future and estimation of uncertainty at the balance sheet date where there is significant risk of changes that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year are included in other notes..

Note 3

Segment information

2013	Human diagnostics	Other kits and reagents	Licenses and royalties	Other	Total
	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand
Net revenues	4,877	10,529	614	605	16,625
Production costs	(2,646)	(4,320)	0	(616)	(7,582)
Gross income/loss	**2,231**	**6,209**	**614**	**(11)**	**9,043**

2012	Human diagnostics	Other kits and reagents	Licenses and royalties	Other	Total
	DKK thousand	DKK thousand	DKK thousand	DKK thousand	DKK thousand
Net revenues	4,510	12,033	652	663	17,858
Production costs	(2,114)	(4,039)	0	(650)	(6,803)
Gross income/loss	**2,396**	**7,993**	**652**	**14**	**11,054**

Note 3

Segment information, continued

GEOGRAPHICAL DISPERSION	2013 DKK thousand	2012 DKK thousand
Denmark	615	799
Other european countries	5,619	6,090
North America	7,957	8,848
Asia	1,278	1,113
Other	1,156	1,008
Net revenues, total	**16,625**	**17,858**

The customer's registered office is the bases for the geographical dispersion.

ALLOCATION OF NET REVENUES	2013 DKK thousand	2012 DKK thousand
NGAL products	6,428	6,531
Peptide hormone products	1,813	3,226
MBL products	2,171	2,070
Other products	6,213	6,031
Net revenues, total	**16,625**	**17,858**

Major customers

Revenues from the largest customer in BioPorto Diagnostics A/S totals 16% of the total revenue (12% in 2012) and this revenue is included in all product segments.

Note 4

Staff costs

	2013 DKK thousand	2012 DKK thousand
Wages and salaries	15,854	12,776
Contribution based pensions	2,307	1,867
Other social secutrity costs	195	190
Other staff costs	266	451
Share-based payment	0	0
Staff costs	**18,623**	**15,284**
Average no. of employees	25	25

Dispersed as follows:

	2013 DKK thousand	2012 DKK thousand
Production costs	3,054	2,377
Sales and marketing costs	4,138	4,295
Administration expenses	7,795	4,902
Research and development costs	3,636	3,710
Staff costs	**18,623**	**15,284**

	2013 DKK thousand	2012 DKK thousand
Executive management		
Salaries and pensions	3,601	1,535
Share-based payment	0	0
Board of directors		
Salaries	645	750

Salaries and pensions for the executive management includes severance payments to the former CEO as mentioned in the management review under management remuneration.

Note 5

Incentive schemes

For the purpose of motivation and retaining staff and management, BioPorto A/S has set up warrant programs in 2008, 2009 and 2011 as incentive and bonus schemes. The schemes, which may only be exercised by issuing new shares (equity scheme), confers the right to subscribe a number of new shares in the parent company at a pre-agreed price. The right to subscribe new shares will take place on the date of grant. The parent company will issue the number of shares subscribed not later than at the next ordinary annual general meeting after receiving the claim and, not later than at the same time, the Danish Commerce and Companies Agency shall be notified of the capital increase for registration, both elements contingent, however, on the receipt of the claim by the parent company's CEO not later than six (6) weeks prior to the annual general meeting. In 2013, recognized share-based compensation, equity schemes, was DKK 0 (DKK 0).

Overview of current warrant programs:

	No. of warrants No. of
Total, January 1, 2012	1,244,753
Total, December 31, 2012	1,244,753
Lapsed	(557,478)
Total, December 31, 2013	**687,275**

The average exercise price is DKK 3.50 per share for the 2009 program and DKK 8.27 per share for the 2011 program. Of the 687,275 outstanding warrants 332.775 can be utilized at year end. The exercise price of these warrants is DKK 3.50 per share.

Note 6

Depreciation, amortization, write-downs and impairment

	2013 DKK thousand	2012 DKK thousand
Tangible assets	107	189
Depreciations, amortizations, write-downs and impairment, total	**107**	**189**
Recognized in the income statement as follows:		
Production costs	46	89
Sales and marketing costs	0	0
Research and development costs	46	89
Administration expenses	14	11
	107	189

Note 7

Fee for auditors elected by the general meeting

	2013 DKK thousand	2012 DKK thousand
Total fees, Deloitte State authorized partnership of public accountants	**973**	**278**
Itemized as follows:		
Audit	253	253
Assurance engagements	600	25
Tax consultancy	5	0
Other services	155	0
Total fees for auditors elected by the general meeting	**1,013**	**278**

Note 8

Financial income and expenses

Financial income

	2013 DKK thousand	2012 DKK thousand
Interest income from bank	56	0
Interest income, financial activities not measured at fair value	**56**	**0**
Exchange rate adjustments	44	49
Other financial income	0	0
Financial income, total	**100**	**49**

Financial expenses

	2013 DKK thousand	2012 DKK thousand
Interest expenses, convertible bonds	(1,350)	(1,818)
Interest expenses, other debt	(325)	0
Interest costs, financial activities not measured at fair value	**(1,675)**	**(1,818)**
Exchange rate adjustments	(24)	(37)
Other financial expenses	(472)	(273)
Financial expenses, total	**(2,171)**	**(2,128)**

Note 9

Deferred tax

	2013 DKK thousand	2012 DKK thousand
Tax asset value	31,861	32,178
Write-down to assessed value	(31,861)	(32,178)
Book value	**0**	**0**

A substantial deferred tax has been calculated. In the view of management and the board, however, the option of using the tax asset in the near future is not sufficiently plausible, taking the IFRS as the point of departure. For this reason, the management and the board have chosen not to recognize the calculated tax asset on the balance sheet, see note 2.

Deferred tax assets not recognized in the balance sheet:

	2013 DKK thousand	2012 DKK thousand
Intagible assets	1,666	5,099
Tangible assets	628	689
Short-term assets	307	238
Tax losses allowed to be carried forward	29,260	26,153
Deferred tax, December 31, net	**31,861**	**32,179**

Reconciliation of the changes:

	2013 DKK thousand	2012 DKK thousand
Earnings before tax	(21,873)	(15,950)
Calculated (25%) tax	(5,468)	(3,988)
Adjustments, non-deductible expeses/income	(154)	665
Changes in tax assets not recognized as income	(317)	2,072
Adjustments in prior years and changes in tax rate	4,689	0
Total	**(1,250)**	**(1,250)**
Tax rate	**-6%**	**-8%**

Note 10

Earnings per share (eps)

	2013 DKK thousand	2012 DKK thousand
Net income/loss for the year	(20,623)	(14,700)
BioPorto group's share of the net income/loss for the year	**(20,623)**	**(14,700)**
Average number of shares	79,137	45,308
Average number of treasury stocks	(13)	(13)
Average number of shares in circulation	79,137	45,295
Diluted average number of shares in circulation	79,137	45,295
Earnings per share (eps/deps)	(0.26)	(0.24)

There is no difference between earnings per share (eps) and diluted earnings per share (deps) as the net earnings for the year are negative. Warrants and convertible bonds are not included in the calculation of eps and deps. In the long term, warrants and convertible bonds may have a diluting effect on both financial ratios. Further details about the incentive scheme are found in note 5.

Note 11

Other plant, operating equipment and fixtures

	2013 DKK thousand	2012 DKK thousand
Cost, January 1	3,307	3,225
Addition during the year	159	82
Disposals during the year	0	0
Cost, December 31	**3,466**	**3,307**
Depreciation and amortization, January 1	(3,085)	(2,896)
Depreciation and amortization for the year	(107)	(189)
Reverse depreciation and amortization of disposals during the year	0	0
Depreciations and amortizations, December 31	**(3,192)**	**(3,085)**
Book value, December 31	**275**	**222**
Including financial leasing	126	0

Note 12

Inventories

	2013 DKK thousand	2012 DKK thousand
Finished products	3,030	3,586
Raw materials and semi-finished products	91	133
Indirect production overhead	508	509
Inventory	**3,629**	**4,228**
Write-downs for slowly marketable products	(643)	(53)

All product categories have been individually assessed with a view to historical marketability and future sales potential. A product category has been written down if the category is deemed not to contribute substantially to the company's future revenues. Products that are deemed marketable within the next three years are written down to zero.

Inventory that is expected to be sold after twelve months	972	1.241

Note 13

Receivables

	2013 DKK thousand	2012 DKK thousand
Receivables from sales and services	2,633	2,688
Other receivables	1,050	1,243
Write-downs for meeting loss	(50)	(50)
	3,633	**3,881**

For receivables that fall due for payment within one year after the end of the fiscal year, the nominal value is deemed equivalent to the fair value

A provision account is used to reduce the carrying value of receivables from sales, impaired due to risk of loss. Writedowns for loss are based on an individual assessment of each receivable.

Note 14

Share capital

The share capital is made up of 117,874,210 shares at DKK 1.00. The shares are fully paid. The shares are not divided into classes and there are no specific rights attached to shares.

No. of shares	2013 No.	2012 No.
January 1	47,149,684	45,149,684
Exercised, convertible bonds	0	0
Exercised, warrants	0	0
Share issue	70,724,526	2,000,000
December 31	**117,874,210**	**47,149,684**

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

Capital increase in 2012	No.	DKK	DKK/Share
Directed share issue	2,000,000	3.00	5.10

Capital increase in 2011	No.	DKK	DKK/Share
Conversion of bonds	64,560	3.00	6.97
Exercised warrants, board of directors	26,000	3.00	6.15
Exercised warrants, management and employees	226,497	3.00	4.18
Directed share issue	2,700,000	3.00	5.00

Capital increase in 2009	No.	DKK	DKK/Share
Directed share issue	3,830,000	3.00	3.97

Note 15

Convertible bonds

In 2010 convertible loan were admitted totaling DKK 13,950 thousand, of which DKK 450 thousand in 2011 were converted into shares. The remainder was redeemed at 100 in September 2013.

	2013 DKK thousand	2012 DKK thousand
Nominal value of issued convertible bonds	13,500	13,500
Fair value of equity component	(2,158)	(2,158)
Fair value of the obligation at the time of issue	11,342	11,342
Calculated interet expense in the period	1,350	1,818
Interest liability January 1	1,884	1,146
Paid interest during the year	(1,076)	(1,080)
Liability December 31, amortized cost	**0**	**13,226**
Breaks down as follows:		
Convertible loands, short-term	0	0
Calculated interest expenses, long-term part	0	0
Long-term liability, total	**0**	**0**
Convertible loans, short-term	0	11,342
Calculated interest expenses, short-term part	0	1,884
Liability December 31, amortized cost	0	13,226
Convertible bonds, equity share		
Convertible bonds, fair value of equity component	0	2,158
Transaction costs	0	(121)
Book value	0	2,037

Note 16

Treasury stock

Nominal value	2013 DKK thousand	2012 DKK thousand
January 1	39	39
December 31	**13**	**39**

No. of shares	No.	No.
January 1	13,000	13,000
December 31	**13,000**	**13,000**

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

Pursuant to the annual general meeting's mandate, BioPorto A/S may acquire treasury stock equivalent to not more than 10% of the share capital. BioPorto A/S has not acquired treasury stock in the fiscal year nor in the base year.

Note 17

Short-term segment of long-term liabilities

	2013 DKK thousand	2012 DKK thousand
Financial leasing	18	0
convertible bonds (see note 15)	0	13.226

Note 18

Financial risks and financial instruments

Categories of financial instruments	2013 DKK thousand	2012 DKK thousand
Receivables, sales	2,583	2,638
Receivables, corporate tax	1,250	1,250
Other receivables	1,050	1,243
Cash resources	42,802	8,349
Receivables and cash resources, total	**47,685**	**13,480**

	2013 DKK thousand	2012 DKK thousand
Financial liabilities measured at amortized cost	123	13,226
Trade accounts payable	961	2,608
Other creditors	7,896	1,741
Financial liabilities, total	**8,980**	**17,575**

Receivables, sales
In 2013, no bad debt was identified (2012: DKK 29 thousand). For receivables due within one year after the end of the fiscal year, the nominal value is deemed equivalent to the fair value.

	2013 DKK thousand	2012 DKK thousand
Not overdue	1,923	1,954
Overdue 0-90 days	712	697
Overdue more than 90 days	3	36
Trade receivables before impairment, total	2,638	2,688

Note 18, continued

Financial risks and financial instruments

Cash resources	Currency	Yield	2013 DKK thousand	2012 DKK thousand
Deposits with variable interest	DKK	0.1%	7,802	8,349
Deposits with fixed interest	DKK	0.3%-1.0%	35,000	0
Sensitivity at the time of variable interest fluctuation		1.0%	78	83

The fixed-rate portion of the company's cash is invested in fixed deposits of up to 1 year.

Financial liabilities

Convertible bonds are explained separately in note 16. Commitments under sales and other creditors are due within 1 year after the year end. For these liabilities the nominal value is considered equivalent to fair value.

Financial risks

BioPorto performs development and sales activities within the area of biotechnology. Through its activities, the group is exposed to a number of risks that could significantly affect the group's activity, in the event these risks were not correctly assessed or controlled. BioPorto's policy is to identify and minimize the risks deriving from the group's operations and to establish sufficient scope of insurance coverage. BioPorto has established risk-management as a formalized process for the purpose of generating a close correlation between the group's ongoing goals and activities and the individual risk elements of the group's sphere of activity.

The process comprises five sub-elements: identification, analysis, planning, action and follow-up. All heads of departments participate in efforts relating to the individual subsidiary activities where the individual risks are evaluated on the basis of probability and impact criteria. These efforts include both financial and non-financial risks. The board approves yearly targets for the risk-management efforts and a situation update is on the agenda of each board meeting.

Currency risk

As the Group exports its products to a number of different markets, it is vulnerable to changes in currency exchange rates. All foreign customers are invoiced in EUR, which reduces the direct risk. Indirectly, the fluctuations can influence BioPorto's competitiveness which is not recognized in the sensitivity analysis. Otherwise, the Group does not hedge exposure til currency fluctuations.

	Currency	Yield	2013 DKK thousand	2012 DKK thousand
Revenue settled in	EUR	7.45	15,981	17,059
Sensitivity	0.15%	0.01	179	191

Note 18, continued

Financial risks and financial instruments

Interest rate exposure

The Group's cash is invested in fixed deposits of up to one year and a smaller portion bears interest at a variable interest rate at market conditions. The Company's risk is limited cf. statement in this note under financial instruments. The effective interest rate on the finance lease commitments is 10.5% per year.

Credit risk

At present, the Group's credit risk is primarily related to the subsidiary's receivables. The customers' financial situation and ability to pay are known by the Group and the credit risk entailed by each receivable is assessed as modest. Prepayment of deliveries may be necessary for new customers. Otherwise, the Group does not hedge the credit risk in any other way.

Liquidity risk

Capital resources and capital management is described in the management report. Maturities of financial liabilities are specified below by the time intervals used in the Group's cash management. The specified amounts represent the amounts due, including interest, etc.

2013	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Leasing commitments	18	105	0	123
Other liabilities	8,857	0	0	8,857
Financial liabilities	**8,875**	**105**	**0**	**8,980**

2012	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Convertible bonds	13,500	0	0	13,500
Interest liability on convertible bonds	1,080	0	0	1,080
Other liabilities	4,349	0	0	4,349
Financial liabilities	**18,929**	**0**	**0**	**18,929**

Note 19

Operational lease commitments

Rent and lease:

A lease has been concluded for the lease of office, laboratory and production facilities. BioPorto has terminated the lease as of March 31, 2014.

	2013 DKK thousand	2012 DKK thousand
Less than 1 year	255	502

BioPorto Diagnostics A/S' agreement for the use and storage of celle lines at the Statens Serum Institut runs until 2017. The minimum royalty agreed for the period is included in the overview. The agreement is non-terminal within the period, mentioned, after which the right of use continues without a fixed minimum royalty.

	2013 DKK thousand	2012 DKK thousand
Less than 1 year	434	414
1-5 years	1,438	1,872
Over 5 years	0	0

Other research and licencing agreements: A fixed annual minimum royalty is included in the obligation. The agreements are non-terminable within the period mentioned and includes a renewal option.

	2013 DKK thousand	2012 DKK thousand
Less than 1 year	268	254
1-5 years	0	60

Minimum payments recognized in the profit or loss for the year:

	2013 DKK thousand	2012 DKK thousand
Less than 1 year	2,215	1,626

Note 20

Change in working capital

	2013 DKK thousand	2012 DKK thousand
Change in inventories	599	(570)
Change in receivables	88	(2,214)
Change in supplier debt	(1,647)	851
Change in other debt	4,402	427
	3,442	**(1,506)**

Note 21

Change in working capital

	2013 DKK thousand	2012 DKK thousand
Share issue gross proceeds	70,725	10,200
Share issue costs	(6,089)	(589)
Conversion of debt	(8,000)	0
	56,636	**9,611**

Note 22

Contingent liabilities

The company is continuously involved in disputes, but do not at present expect that they will cause obligations.

Note 23

Related parties and ownership

Related parties of the BioPorto Group:

Executive management and board of directors

Thomas Magnussen, chairman (joined the board February 26, 2013)
Torben A. Nielsen, vice chairman (joined the board April 2, 2014)
Roar Bjørk Seeger, member of the board (joined the board February 26, 2013)
Laura von Kobyletzki, member of the board (joined the board February 26, 2013)
Claus Crone Fuglsang, member of the board (joined the board April 2, 2014)
Peter Mørch Eriksen, CEO (joined July 18, 2014)
Otto Rasmussen, CFO (joined January 1, 2014)

Carsten Lønfeldt, chairman (resigned March 25, 2013)
Marianne Weile, member of the board (resigned March 25, 2013)
Peter Nordkild, member of the board (resigned from the board February 26, 2013)
Niels Tækker Foged, member of the board (resigned from the board February 26, 2013)
Thea Olesen, CEO (resigned July 18, 2013)
Lars Otto Uttenthal, board member in BioPorto Diagnostics A/S (resigned May 31, 2013)

Group owned companies

BioPorto Diagnostics A/S

Transactions with related parties

The group has purchased consulting services from the following board members of BioPorto A/S or BioPorto Diagnostics A/S on market terms:

	2013 DKK thousand	2012 DKK thousand
Scientific supervision - Lars Otto Uttenthal	347	963

In addition to remuneration cf. Note 4, during the year no transactions have been executed with Board of Directors, senior management, substantial shareholders, subsidiaries or related parties. Guarantee commissions have been paid in connection with the capital increase.

Income Statement

BioPorto A/S

January 1 – December 31, 2013

Note		2013 DKK thousand	2012 DKK thousand
3	Net revenues	3,257	1,920
	Gross income	**3,257**	**1,920**
	Gross margin	100%	100%
4,5	Administration expenses	(9,708)	(6,649)
	Earnings before interest (EBIT)	**(6,451)**	**(4,730)**
	Income from investments in subsidiaries	(20,608)	(15,105)
7	Financial income	8,536	7,184
7	Financial expenses	(1,558)	(1,352)
	Earnings before tax	**(20,080)**	**(14,003)**
	Income taxes	0	0
	Net income/loss for the year	**(20,080)**	**(14,003)**
	Recommended appropriation of profit:		
	Carried forward to the coming year	**(20,080)**	**(14,003)**

Balance Sheet

BioPorto A/S

January 1 – December 31, 2013

Note	ASSETS	2013 Dec. 31 DKK thousand	2012 Dec. 31 DKK thousand
	Long-term assets		
8	Property, plant and equipment	0	0
	Financial assets		
9	Investment in subsidiary	0	0
9	Receivables, subsidiary	15,771	6,258
	Deposits	253	249
	Financial assets, total	**16,024**	**6,507**
	Long-term assets, total	**16,024**	**6,507**
	Short-term assets		
10	Other receivables	68	391
	Receivables, total	**68**	**391**
	Cash resources	31,823	7,199
	Short-term assets. Total	**31,891**	**7,590**
	ASSETS, TOTAL	**47,915**	**14,097**

Balance Sheet

BioPorto A/S

January 1 – December 31, 2013

LIABILITIES	2013 Dec. 31 DKK thousand	2012 Dec. 31 DKK thousand
Equity		
Capital stock	117,874	141,449
Retained income	(74,983)	(143,142)
Equity, total	**42,891**	**(1,693)**
Liabilities		
Short-term liabilities		
Short-term segment of long-term liabilities	0	13,802
Supplier of goods and services	2	582
Other debt	5,021	1,406
Short-term liabilities, total	**5,024**	**15,790**
Liabilities, total	**5,024**	**15,790**
EQUITY AND LIABILITIES, TOTAL	**47,915**	**14,097**

Statement of Changes in Equity

BioPorto A/S

January 1 – December 31, 2013

	Capital stock DKK thousand	Premium DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2013	141,449	0	(143,142)	**(1,693)**
Net income/loss for the year	0	0	(20,080)	**(20,080)**
Reduction of capital	(94,299)	0	94,299	**0**
Share issue	70,725	0	0	**70,725**
Issue costs	0	0	(6,089)	**(6,089)**
Treasury stock	0	0	29	**29**
Transferred to "retained income"	0	0	0	**0**
Equity, December 31	**117,874**	**0**	**(74,983)**	**42,891**

	Capital stock DKK thousand	Premium DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2012	135,449	0	25,969	**161,418**
Effect of transition to the equity method of accounting for investments in subsidiaries	0	0	(158,719)	**(158,719)**
Corrected equity, January 1, 2012	135,449	0	(132,750)	**2,699**
Net income/loss for the year	0	0	(14,003)	**(14,003)**
Capital increase, directed issue	6,000	4,200	0	**10,200**
Issue costs	0	(589)	0	**(589)**
Transferred to "retained income"	0	(3,611)	3,611	**0**
Equity, December 31, 2012	**141,449**	**0**	**(143,142)**	**(1,693)**

Note Index

Note 1

Accounting Policies

The Annual Report for the parent company, BioPorto A/S, was prepared in accordance with the provisions of the Danish Financial Statements Act for large companies in reporting class D.

The Annual Report is presented in Danish kroner (DKK), which is the functional currency of the company.

The accounting policies of the parent company has changed in terms of accounting for investments in subsidiaries, as these are recorded using the equity method instead of the previous cost. The change was made to improve communication with its stakeholders. Other than that, the accounting policies are unchanged from last year.

The change in the practice of accounting for investments in subsidiaries have affected the comparative figures for 2012. Thus, net income decreased by DKK 15.1 million, while shareholders' equity was reduced by DKK 158.7 million.

Differences from the group's accounting policies

The company's accounting policies for recognition and measurement are in accordance with the consolidated accounting policies, with the following exceptions:

Income statement

The result of investments in subsidiaries

Dividend from subsidiaries is recognized in the parent company's income statement.

Share-based remuneration

The value of share-based remuneration is not recognized in the income statement. The board and management's share-based remuneration is accounted for in the notes to the financial statements.

Balance sheet

Investment in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method. Subsidiaries with a negative net asset value are measured at zero, and any receivables from these companies is reduced by the negative equity to the extent it is deemed uncertain for the amount owed can be repaid.

Cash flow statement

Pursuant to Section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared, as this is included in the cash flow statement for the group.

Tax

The parent company is taxed jointly with the Company's domestic subsidiaries. The jointly taxed Danish companies are covered by the provisional tax system Current tax for the scheme are recorded in the individual companies. All taxed companies are subject to the joint tax liability.

See section on liable and deferred tax in the consolidated financial statements.

Note 2

Significant accounting Estimates and Assessments

By determining the carrying value of certain assets and liabilities, an estimate of how future events will affect the value of these assets and liabilities at the balance sheet date is required. Estimates that are material to the financial statements are made, including in determining the value of employment equity in the subsidiary claims of the subsidiary and deferred tax.

The estimates are based on assumptions that management considers reasonable, but which are inherently uncertain and unpredictable. Assumptions may be incomplete or inaccurate and unanticipated events or circumstances may occur. Furthermore, the company is subject to risks and uncertainties that could cause actual results to differ from estimates.

See note 2 under consolidated financial statements of accounting estimates and judgments that are shared with the group.

Note 3

Net revenues

Geographical dispersion:	2013 DKK thousand	2012 DKK thousand
Denmark	3,257	1,920
Net revenues, total	3,257	1,920

The sales of services in the parent company solely comprises intercompany sales.

Note 4

Staff costs

	2013 DKK thousand	2012 DKK thousand
Wages and salaries	6,662	4,181
contribution based pensions	698	562
Other social security costs	42	37
Other staff costs	(5)	(59)
Staff costs	**7,397**	**4,722**
Average no. of employees	6	6

Staff costs dispersed as follows::

	2013 DKK thousand	2012 DKK thousand
Administration expenses	7,397	4,722

See also note 4-5 in the consolidated accounts for details on the remuneration of board of directors and management as well as share-based payement

Note 5

Depreciation, Amortization,writedowns and impairment

There were no depreciations, amortizations, writedowns or impairments in 2013 and 2012.

Note 6

Fees for auditors elected by the general meeting

	2013 DKK thousand	2012 DKK thousand
Total fees, Deloitte State authorized partnership of public accountants	**897**	**195**
Itemized as follows:		
Audit	170	170
Assurance engagements	600	25
Tax consultancy	5	0
Other services	122	0
Total fees for auditors elected by the general meeting	**897**	**195**

Note 7

Other plant, Operating equipment and fixtures

Financial income

	2013 DKK tusinde	2012 DKK tusinde
Interest income, subsidiaries	8,509	7,184
Interest income from bank	27	0
Other financial income	0	0
Financial income, total	8,536	7,184

Financial expenses

	2013 DKK tusinde	2012 DKK tusinde
Interest expenses, convertible bonds	(774)	(1,080)
Interest expenses, other debt	(325)	0
Other financial expenses	(459)	(272)
Financial expenses, total	(1,558)	(1,352)

Note 8

Other plant, operating equipment and fixtures

	2013 DKK thousand	2012 DKK thousand
Cost, January 1	174	174
Addition during the year	0	0
Disposals during the year	0	0
Cost, December 31	**174**	**174**
Depreciation and amortization, January 1	(174)	(174)
Depreciation and amortization for the year	0	0
Reverse depreciation and amortization of disposals during the year	0	0
Depreciations and amortizations, December 31	**(174)**	**(174)**
Book value, December 31	**0**	**0**

Note 9

Investment in subsidiaries

	2013 DKK thousand	2012 DKK thousand
Cost, January 1	48,000	48,000
Additions	0	0
Disposals	0	0
Cost, December 31	**48,000**	**48,000**
Net impairment, January 1	(48,000)	(48,000)
Income from investments in subsidiary	0	0
Net impairment December 31	(48,000)	(48,000)
Value December 31	**0**	**0**
Name of subsidiary		
BioPorto Diagnostics A/S, Gentofte, Copenhagen 100% ownership	(146,196)	(125,824)
Negative equity transferred to the writedown of receivables		
from affiliated companies	146,196	125,824
Value December 31	**0**	**0**
Receivables from sudsidiary		
Cost January 1	132,082	115,102
Additions	30,121	16,980
Disposals	0	0
Cost December 31	**162,203**	**132,082**
Net impairment, January 1	(125,824)	(111,263)
Negative equity transferred to the writedown of receivables		
from affiliated companies	(20,608)	(14,561)
Net impairment December 31	**(146,432)**	**(125,824)**
Value December 31	**15,771**	**6,258**

Note 9, continued

Investment in subsidiaries

BioPorto A/S adds capital to BioPorto Diagnostics A/S on an ongoing basis in support of the subsidiary's operations. The receivable bears interest at an annual rate of 6% compounded annually at December 31. The management of BioPorto A/S and BioPorto Diagnostics A/S coincide. Since the subsidiary's activities constitute the majority of the Group's activities, please see the management report, including the description of risks.

Management believes that there is uncertainty about the subsidiary's ability to repay the portion of the amounts owed by the subsidiary, which corresponds to the subsidiary's negative equity and therefore have been written down to this extent.

Note 10

Deferred tax

	2013 DKK thousand	2012 DKK thousand
Tax asset value	511	507
Write-down to assessed value	(511)	(507)
Book value	**0**	**0**

A substantial deferred tax has been calculated. In the view of management and the board, however, the option of using the tax asset in the near future is not sufficiently plausible. For this reason, the management and board have chosen not to recognize the calculated tax asset on the balance sheet, see Note 2

Deferred tax assets unrecognized on the balance sheet:

	2013 DKK thousand	2012 DKK thousand
Tangible assets	59	59
Short-term assets	(69)	(69)
Tax losses allowed to be carried forward	521	517
Deferred tax, December 31, net	**511**	**507**

Note 11

Operational lease commitments

Rental and lease contracts

A lease is signed for the rental of laboratory and production facilities. BioPorto has terminated the lease agreement as of March 31, 2014.

	2013 DKK thousand	2012 DKK thousand
Less than 1 year	255	502

	2013 DKK thousand	2012 DKK thousand
Minimum lease payments recognized in net profit	502	990

Note 12

Convertible bonds

	2013 DKK thousand	2012 DKK thousand
Convertible loan, long-term part of debt	0	0
Convertible loan, interest due, short-term part of debt	0	15,384
Book value	**0**	**15,384**
Interest, convertible loans in the period	0	1,080

See note 15 of the consolidated financial statements.

Note 13

Contigent liabilities

BioPorto A/S have indicated to the subsidiary, BioPorto Diagnostics A/S that it would fund the operation in 2014.

Note 14

Other notes

See note 14 and 16 of the consolidated financial statements for shares and treasury shares.

Refer to note 23 of the consolidated financial statements for matters relating to related parties, and the section on regarding the board directorships.

Glossary

APC-PCI	The complex between activated protein C and the protein C inhibitor. Analyzing this complex in plasma will contribute to the diagnosis of thrombosis and related diseases and the complex also has other utilization possibilities for which BioPorto has patent applications pending.
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/	Homogene analyser udføres i en enkelt fase (væske), mens heterogene analyser anvender både væskefase og fast fase. Homogene analyser er enklere og kan udføres på automatiseret apparatur fra forskellige fabrikanter. Heterogene analyser kræver typisk et vasketrin og har forskelligt design i de forskellige automatiserede apparater leveret af forskellige fabrikanter, hvorfor en bestemt heterogen analyse typisk ikke kan overføres til en anden fabrikants apparatur.
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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