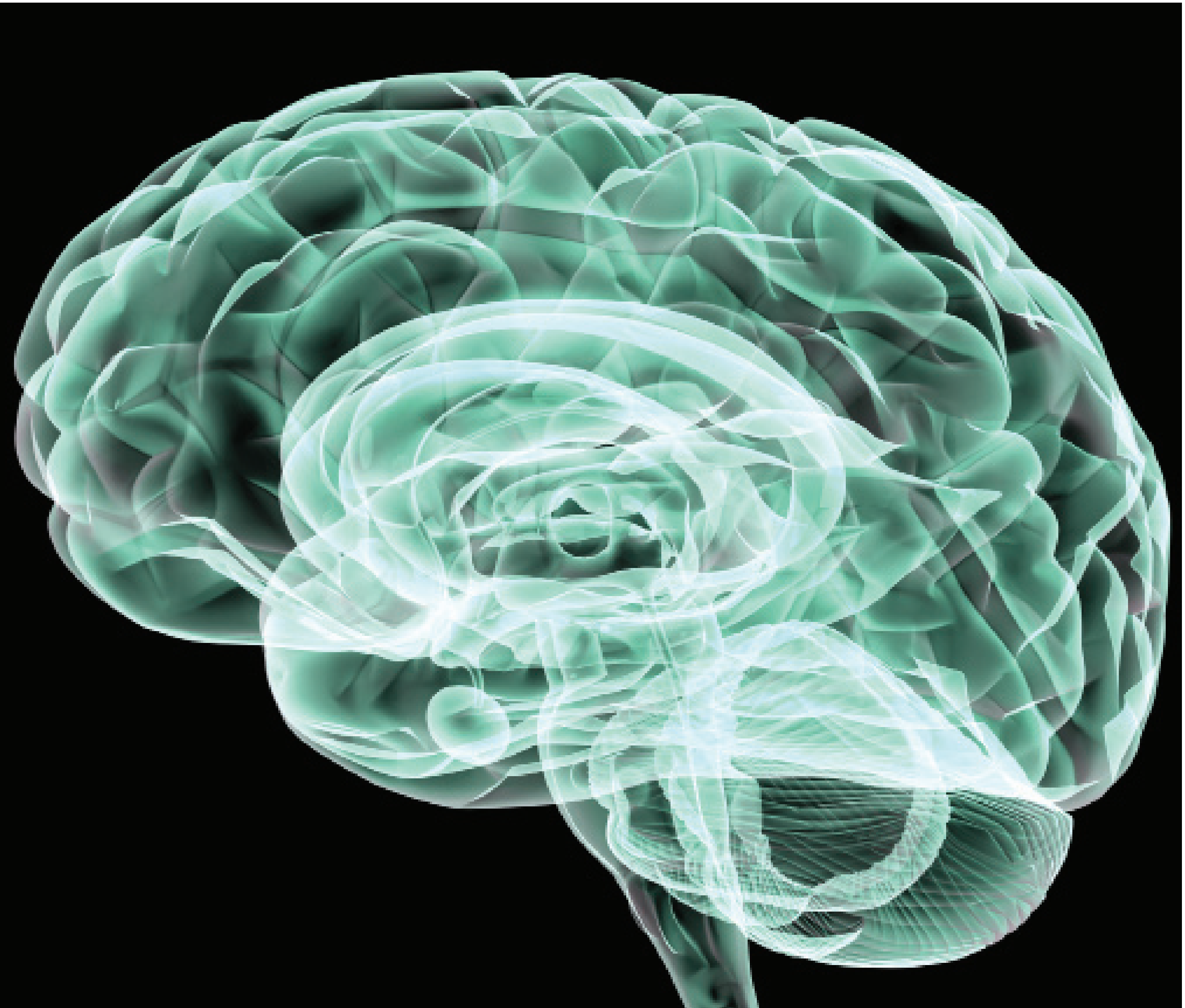


Interim Report Q4 2013

Organizational downsizing and cost reductions implemented and the board has presented a proposal to secure financing of DiaGenic

Highlights:

- On 10th October 2013 DiaGenic announced the results from a calibration study for an optimized MCItect® test based on a larger study population. In a patient population of 157 patients diagnosed with amnestic mild cognitive impairment, MCItect® demonstrated a total prediction accuracy of 75% in detecting patients converting to Alzheimer's disease dementia within two years
- On 28th October DiaGenic announced that its management and board of directors will seek to restructure the company, and/or divest all or selected company assets. As a consequence, the Board decided to give notice of termination to the staff; a process which was fully executed by the end of October. Work to finalize ongoing projects and third party collaborations continued during 2013, and was completed in January
- On 29th October DiaGenic reported intermediate results from an exploratory study that examines the agreement between gene expression in blood and brain amyloid PET imaging. In an initial patient population of 100 patients, an agreement between brain amyloid load as measured by brain PET imaging and gene expression in peripheral blood was established
- On 22nd November DiaGenic's Extraordinary General Meeting resolved to relect Hanne Skaarberg Holen as chairman, and elect Øystein Stray Spetalen and Martin Nes as members of the board of directors in DiaGenic.
- Q4 2013 pre-tax earnings were NOK –6.7 million compared with NOK –10.9 million in Q4 2012

	2013	**2012**	**2013**	**2012**
Key figures in million NOK	*Q4*	*Q4*	*YTD*	*YTD*
Pre-tax loss	-6.7	-10.9	-36.6	-40.9
Total operating cost	6.8	11.1	37.3	42.1
Comprehensive income	-7.7	-5.9	-37.7	-35.9
Net cash flow from operating activities	-6.2	-7.9	-35.5	-37.6
Cash balance end of period	11.5	18.4	11.5	18.4

Significant events after the end of the period:

- DiaGenic has entered into an agreement with its largest creditor that significantly reduced DiaGenic's financial liabilities going forward.
- The Board of DiaGenic has resolved to propose that the Company carries out a new share issue of NOK 50 million, by way of a rights issue with preferential rights for shareholders of Diagenic. The Company has secured a full underwriting of the Rights Issue through an underwriting syndicate. The proposed Rights Issue remains subject to shareholder approval at an extraordinary general meeting in DiaGenic
- DiaGenic reported final results from an exploratory study that examined the agreement between gene expression in blood and brain amyloid PET imaging. In a patient population of 144 patients, a gene expression biomarker was identified that demonstrated an agreement of 69% with brain amyloid PET imaging.
- Ruben Ekbråten has been appointed as the new Chief Executive Officer (CEO) of DiaGenic ASA effective from 1st February 2014.
- Effective from 1st February 2014 DiaGenic has changed address to: Sjølyst plass 2, 0278 Oslo, Norway
- The board of directors of DiaGenic ASA has called for an extraordinary general meeting on 25 February 2014

During the fourth quarter, our work has been focused on finalizing the clinical studies related to MCItect® and AMYtect®. Steps have also been taken to address the company's organizational structure and cost base.

MCItect®

Results from a re-calibration study for a modified and improved version of MCItect®, based on a larger and more ethnically diverse patient population, were presented on 10th October. The study included 157 patients from 19 centres in Europe and the U.S. diagnosed with amnestic mild cognitive impairment that either remained stable or progressed to Alzheimer's disease dementia during a two-year period. The total prediction accuracy of this enhanced version of MCItect® was 75%, with 75% sensitivity and 73% specificity. The result is based on the total study population, including sixteen statistical outliers of which at least six were considered potentially misdiagnosed.

After the end of the quarter DiaGenic has paused research and development activities including any further development work on MCItect®. The Board will evaluate alternative development scenarios for the Company which may not include further development of MCItect®.

AMYtect®

AMYtect® aims to detect patients with brain amyloid, a condition recognized to be strongly associated with Alzheimer's disease. The study examines the correlation between a blood based gene expression test and brain amyloid PET imaging. If successfully developed, AMYtect® may be used to identify patients eligible for brain PET imaging, as well as to facilitate the development of new pharmaceutical drugs for the treatment of Alzheimer's disease.

In October DiaGenic announced intermediate results from an exploratory study that examines the agreement between gene expression in blood and brain amyloid PET imaging. In the intermediate study, 100 patients were enrolled and brain amyloid PET scans using GE Healthcare's investigational Flutemetamol tracer were performed. An exploratory gene signature candidate showed an agreement between gene expression in blood and PET imaging results with a specificity of 84 % and a sensitivity of 74 % using the PET imaging as the reference. Numerical data from the semi-quantitative PET imaging analyses as well as certain clinical patient information related to chronic disorders and medication were still pending at the time of announcement of the intermediate results.

After the end of the fourth quarter, DiaGenic reported final results from the exploratory AMYtect® study. A gene expression biomarker which demonstrated an agreement of 69% with brain amyloid PET imaging was identified. The study included 144 patients of which 118 were diagnosed with suspected mild cognitive impairment and 26 were healthy controls.

After the end of the quarter DiaGenic has paused research and development activities including any further development work on AMYtect®. The Board will evaluate alternative development scenarios for the Company which may not include further development of AMYtect®.

Organization and strategy

On 28 October DiaGenic announced that its management and board of directors will seek to restructure the company, or divest all or selected company assets. As a consequence, the Board decided to give notice of termination to all the staff and management, but work to finalize ongoing projects and third party collaborations commenced in the notice period.

After the end of the quarter Ruben Ekbråten has been appointed as the new Chief Executive Officer (CEO) of DiaGenic ASA effective from 1st February 2014. The appointment is temporary for 2 months.

After the end of the quarter the Company entered an agreement with the landlord for earlier termination of the facility lease in exchange for a final payment of NOK 1.5 million to DiaGenic's landlord. Effective from 1st February 2014 DiaGenic has changed address to: Sjølyst plass 2, 0278 Oslo, Norway.

Outlook

Diagenic´s goals for the next 6 months include:

- Secure financing of the Company through the proposed rights issue
- Continue the restructuring process of the company to enable the Company to pursue growth and development in its existing business, through new opportunities within biotech/pharmaceuticals or other areas.

Cash balance of NOK 11 million at the end of the quarter. Pre-tax earnings of NOK -6.7 in Q4 2013 compared with NOK -10.9 million in Q4 2012.

Comparative figures from the corresponding period last year are shown in parentheses.

The cash balance at the end of December 2013 was NOK 11,492 (NOK 18,446) and pre-tax loss was NOK -6,703k (NOK -10,857k) for the fourth quarter and NOK -36,633k (NOK -40,901) for the full year. On 28th October DiaGenic announced that its management and board of directors will seek to restructure the company, and/or divest all or selected company assets. As a consequence, the Board decided to give notice of termination to all the staff and management, but work to finalize ongoing projects and third party collaborations during the notice period commenced.

Selected events after the end of the quarter

On 22nd January 2014 the Company announced that the Board has proposed to resolve a new share issue of NOK 50 million by way of a rights issue with preferential rights for the shareholders of DiaGenic. The Company has secured full underwriting of the rights issue through an underwriting syndicate consisting of certain large shareholders of DiaGenic. The proposed rights issue is subject to shareholder approval and the board has called for the convening of an extraordinary general meeting to be held on 25th February.

Comprehensive income

Revenues and research grants

DiaGenic had NOK 22k (NOK 41k) in operating revenues in the fourth quarter 2013 and NOK 157k (NOK 126k) for the full year 2013. Operating revenues both in the fourth quarter and for the first twelve months of 2013 and 2012 relates to pilot sales of ADtect® in Spain. Research grants are entered net into the accounts as a reduction of other operating costs. Research grants for the fourth quarter 2013 was NOK 190k (NOK 504k) and NOK 2,274k (NOK 3,160k) for the full year 2013. As a consequence of the decision to give notice of termination to the staff, both operating revenues and research grants has been halted until the Company has decided on the way forward.

Operating costs

Total operating costs after deducting research grants were NOK 6,827k (NOK 11,099k) for the fourth quarter and NOK 37,342k (NOK 42,078k) for the full year 2013. Salaries and personnel expenses amounted to NOK 4,964k (NOK 5,430k) for the fourth quarter and NOK 20,843k (NOK 25,216k) for 2013. The decrease in salaries and personnel expenses for the fourth quarter is mainly due to reversal of past service cost for the defined benefit pension plan, as all employees were given notice of termination in October 2013. The income from the adjustments to the pension plan is partly offset by a one off accrual for contractual severance pay in connection with termination of the staff and management. The reduction in salaries and personnel expenses for the full year 2013 compared with 2012 is mainly due to reduced pension cost and salary payments from reduced headcount, partly offset by the accrual for severance pay. Other operating costs reached NOK 2,041k (NOK 4,649k) for the quarter and NOK 14,019k (NOK 14,727k) for 2013. The reduction in other operating cost for the fourth quarter 2013 compared with fourth quarter 2012 is mainly due to one off cost in 2012 for recruitment, regulatory advice, and product development cost. For the full year 2013 increased cost for clinical samples and lab expenses is offset by reduced cost for professional fees. Write down of tangible and intangible assets of NOK 1,439k was recorded in the financial statements in the third quarter 2013. Tangible assets values were adjusted in the quarter to the estimated realizable values.

Other comprehensive income

After implementation of changes in IAS 19 actuarial losses and gains in DiaGenic's defined benefit pension plan are recognized in full in the statement of comprehensive income. Other comprehensive income for both 2013 and 2012, of NOK 1,030k and NOK 4,974k respectively, relates to actuarial losses and gains from re-measurement of the Company's defined benefit pension plan.

Financial position

As per the date of this report the Company does not have sufficient working capital for continued business operation, based on current cost levels, over the next twelve month period. Total estimated liability for the facility lease agreement per 31 December was NOK 5.4 million excluding electricity and other shared cost for the facility, and NOK 6.6 million if estimated electricity and other shared cost is included.

On 10th January 2014 DiaGenic announced that it had entered into an agreement with its largest creditor which significantly reduced DiaGenic's financial liabilities going forward. The agreement included a final payment of NOK 1.5 million to DiaGenic's landlord in exchange for termination of a long term facility lease agreement. To enable the early termination of the facility lease, Tycoon Industrier AS, one of DiaGenic's larger shareholders, has entered an on demand guarantee for invalidation of NOK 1.5 million with DiaGenic's landlord. DiaGenic has agreed to compensate Tycoon Industrier AS with NOK 100,000 for putting up the guarantee. Tycoon Industrier AS is controlled by board member Øystein Stray Spetalen. DiaGenic has also reduced its payment obligations for potential future liabilities not recorded in the financial statements, as part of the agreements with the clinical sites, by NOK 1.2 million. After agreements with creditors, implemented cost reduction programmes, and assuming a basic administrative operation and maintenance of the patent portfolio, the Company estimates that it will run out of working capital in the third quarter 2014.

On 22nd January 2014 the Company announced that the Board has proposed to resolve a new share issue of NOK 50 million by way of a rights issue with preferential rights for the shareholders of DiaGenic. The Company has secured full underwriting of the rights issue through an underwriting syndicate consisting of certain large shareholders of DiaGenic. The underwriting has been made at NOK 0.50 per share, which is also the proposed subscription price in the rights issue. The purpose of the rights issue is to strengthen the Company's balance sheet, and thereby enable the Company to pursue growth and development in its existing business, through new opportunities within biotech/pharmaceuticals or other areas. The proposed rights issue is subject to shareholder approval and the board has called for the convening of an extraordinary general meeting to be held on 25th February. If approved by the extraordinary general meeting, transferable subscription rights will be issued and listed on Oslo Børs. DiaGenic shareholders are expected to receive approximately 12.25509 subscription rights per share held in DiaGenic on the day of the extraordinary general meeting.

Should the extraordinary general meeting of the Company resolve not to approve the proposed rights issue, it may result in insolvency, bankruptcy or liquidation of the Company. Uncertainty with regards to shareholder approval of the proposed rights issue at the extraordinary general meeting remains, however the Board deems it likely that the rights issue is resolved by the required majority and thus the Company's working capital requirement may be secured.

The Board of Directors confirmed on this basis that the going concern assumption is valid, and that financial statements are prepared in accordance with this assumption.

Total assets at 31st December 2013 were NOK 15,224k (NOK 26,546k), of which current assets amounted to NOK 14,889k (NOK 24,277k). Cash and cash equivalents accounted for the largest share of current assets with a balance of NOK 11,492k (NOK 18,446k) at the end of December 2013. Reference is made to note 6 in the financial statement regarding more details on current assets. The recorded amounts for tangible assets have been written down to the estimated realizable values and the value of software has been adjusted to nil.

Equity at 31 December 2013 amounted to NOK 8,675k (NOK 16,449k). Current liabilities at the end of December 2013 were NOK 6,549k (NOK 8,803k). Reference is made to note 6 in the financial statement regarding more details on current liabilities. After changes in IAS 19 employee benefits, the corridor method for accounting of estimate deviations shall now be recognized in full in the statement of comprehensive income. The removal of the corridor method has increased the pension liability per 31 December 2012 by NOK 2,007k, offset by a reduction in equity. Actuarial gains and losses per 31 December 2012 and 2013, of NOK 4,974k and NOK 1,030 respectively, are recognized in the financial statements as other comprehensive income. The financial statement is presented on the going concern assumption under International Financial Reporting Standards. Accordingly, the financial statements do not include any adjustments to the amounts and classification of liabilities, or any other adjustments that might arise, should the Company be unable to continue as going concern. An actuarial calculation was performed in the fourth quarter 2013. As all employees were given notice of termination in October 2013, the actuarial calculation assumes cessation of the pension plan per 31 December 2013. The estimated surplus funds in the pension plan of NOK 942k less remaining pension premium for 2014 of NOK 195k are not recognized in the balance sheet.

Cash flows

Net cash flow from operating activities for the fourth quarter 2013 was NOK -6,215k (NOK -7,890k) and NOK -35,493k (NOK -37,644k) for the full year 2013. Changes in other short term receivables and other short term liabilities, and pre-tax loss are the main drivers for the differences in net cash flow from operating activities in the fourth quarter 2013 compared with fourth quarter 2012, and for 2013 compared with 2012. Net proceeds from the private placement and the subsequent offering carried out in the first half of 2013 represents the contribution of share capital under cash flow from financing activities. Payment of short and long term liabilities relates to a loan from Innovation Norway with a payment of NOK 417k for the fourth quarter. The Company's cash balance is held in bank deposits and amounted to NOK 11,492k (NOK 18,446k) on 31 December 2013.

Equity and number of shares

In the second quarter 2013 DiaGenic carried out a private placement and a subsequent offering for the shareholders that did not participate in the private placement. Consequently share capital increased by NOK 25 million and NOK 2.3 million respectively. The private placement and the subsequent offering provided gross proceeds of NOK 30 million and approximately NOK 2.7 million respectively.

Transaction cost of NOK 2,547 for the Private Placement and the subsequent offering is charged against equity in the first half of 2013. After implementation of changes to IAS 19 where the "corridor method" is no longer allowed, equity has been reduced by the termination of the corridor led to a NOK 2,007k hit to equity in 2012. On 15 August 2013 DiaGenic completed the reduction of share capital by NOK 39,167,390.40, from NOK 40,799,365 to NOK 1,631,974.60.

On 23 May 2013 the general meeting also resolved a reverse share split in the ratio 10:1, so that ten shares are consolidated into one share. The reverse share split was effective from 16 August 2013. After the share capital reduction and the reverse share split, the Company's share capital is NOK 1,631,974.60 divided into 8,159,873 shares, each with a par value of NOK 0.20.

Risk factors

The information contained in this report includes certain forward looking statements that address activities, events or developments that the Company expects, projects, believes in or anticipates will occur in the future. These statements are based on various assumptions made by the Company which are beyond the Company's control and subject to risk factors and uncertainties. On 28th October DiaGenic announced that its management and board of directors will seek to restructure the company, or divest all or selected company assets. As a consequence, the Board initiated and executed a process to give notice of termination to all the staff. After the end of the quarter DiaGenic has paused all R&D activity and the Company has minimized its operating activities to limit cash burn. The Company is exposed to a large number of risk factors including, but not limited to, financing risk and risks associated with the restructuring of the Company. Should the Company fail in financing, or restructuring, it may lead to insolvency, bankruptcy or liquidation of the Company. Reference is made to the annual report for 2012 for further information relating to risk factors. As a result of the above-mentioned or other risk factors actual events and the actual result may differ significantly from that indicated in the forward looking statements. For the next 6 month period key risks are considered to evolve around progress in restructuring the company, taking into account that all the staff are made redundant and that restructuring and financing, are required for the Company to continue as a going concern.

Oslo, 19th of February 2014

The Board of Directors of DiaGenic ASA

Statement of comprehensive income

	Note	2013	2012	2013	2012
(figures NOK thousands)		*Q4*	*Q4*	*1 Jan-31 Dec.*	*1 Jan-31 Dec.*
Operating Income					
Other operating income		22	41	157	126
Total operating revenue		**22**	**41**	**157**	**126**
Operating expenses					
Cost of goods sold	3	0	223	554	667
Total cost of goods sold		**0**	**223**	**554**	**667**
Operating costs					
Wages and social costs		4 964	5 430	20 843	25 216
Depreciation		66	225	731	895
Impairment		-244	572	1 195	572
Other operating costs		2 041	4 649	14 019	14 727
Total other operating costs		**6 827**	**10 876**	**36 788**	**41 410**
Total operating costs		**6 827**	**11 099**	**37 342**	**42 078**
Operating profit (loss)		**-6 804**	**-11 057**	**-37 185**	**-41 951**
Financial income		143	216	743	1 327
Financial expenses		41	16	190	276
Net financial income/expense		**102**	**200**	**553**	**1 051**
Pre-tax profit (loss)		**-6 703**	**-10 857**	**-36 633**	**-40 901**
Income tax costs (benefits)		0	0	0	0
Net profit (loss)		**-6 703**	**-10 857**	**-36 633**	**-40 901**
Other comprehensive income	5	1 030	-4 974	1 030	-4 974
Comprehensive income		**-7 732**	**-5 884**	**-37 662**	**-35 927**
Net profit per share (figures in NOK)	*4*	*-0.95*	*-4.02*	*-5.66*	*-15.10*
Net profit per share after delution	*4*	*-0.95*	*-4.02*	*-5.66*	*-15.10*

Statement of financial position

	Note	2013	2012
(figures NOK thousands)		*31.12.13*	*31/12/12*
Assets			
Fixed assets			
Software		0	553
Pension assets	5	0	0
Fixed assets		335	1 716
Total non-current assets		**335**	**2 269**
Current assets			
Inventory	3	0	924
Trade receivables		31	35
Other receivables	6	3 367	4 873
Cash and cash equivalents	6	11 492	18 446
Total current assets		**14 889**	**24 277**
Total assets		**15 224**	**26 546**
Equity and liabilities			
Equity			
Share capital	2	1 632	13 512
Paid in equity	2	44 705	38 865
Retained earnings		-37 662	-35 927
Total equity		**8 675**	**16 449**
Provisions			
Pension liabilities	5	0	1 294
Total provisions		**0**	**1 294**
Other long term liabilities			
Other long term liabilities		0	0
Total other long term liabilities		**0**	**0**
Liabilities			
Accounts payable		277	1 812
Social security, VAT etc. payable		1 673	1 832
Other current liabilities	6	4 600	5 159
Total current liabilities		**6 549**	**8 803**
Total equity and liabilities		**15 224**	**26 546**

Cash flow statement

(figures NOK thousands)	Note	2013 Q4	2012 Q4	2013 1 Jan-31 Dec.	2012 1 Jan-31 Dec.
Cash flow from operating activities					
Pre-tax profit (loss)		-7 732	-10 857	-37 662	-40 901
Income taxes paid		0	0	0	0
Ordinary depreciation		66	225	731	895
Impairment of fixed assets		-244	572	1 195	572
Fair value granted option rights		-688	152	-310	367
Loss on sale of fixed assets		0	0	0	0
Change in pension scheme liabilities		-827	-401	-1 294	394
Change in inventories, accounts receiveable and accounts payable		-785	741	-607	132
Change in other short-term receivables and other short-term liabilities		3 996	1 678	2	897
Net cash flow from operating activities		*-6 215*	*-7 890*	*-35 493*	*-37 644*
Cash flow from investment activities					
Proceeds from sale of fixed assets		8	0	8	0
Acquisitions of fixed assets		0	-50	0	-143
Net cash flow from investing activities		*8*	*-50*	*8*	*-143*
Cash flow from financing activities					
Contribution of share capital		0	-959	30 198	-959
Proceeds from new loan		0		0	
Payment of short and long term liabilities		-417	-417	-1 667	-1 667
Net cash flow from financing activities		*-417*	*-1 376*	*28 531*	*-2 626*
Net change in cash and cash equivalents		*-6 624*	*-9 316*	*-6 953*	*-40 413*
Cash and cash equivalents		**11 492**	**18 446**	**11 492**	**18 446**

Statement of changes in Equity and Number of Shares:

(figures in NOK/numbers)	Note	Share capital	Share prem. reserve	Other reserves	Other equity	Total equity	Number of shares
As at 31st December 2011		**13 512**	**75 979**	**237**	**-34 753**	**54 975**	
Princple change pension liabilities			-2 007			-2 **007**	
As at 1st January 2012		**13 512**	**73 973**	**237**	**-34 753**	**52 968**	**2 702 365**
Allocation of comprehensive loss			-34 516	-237	34 753	0	
Fair value granted option rights			-959	0	0	-959	
Transaction cost			0	367	0	367	
Comprehensive income 1.1.-31.12.2012			0	0	-35 927	-35 927	
As at 31st December 2012		**13 512**	**38 497**	**367**	**-35 927**	**16 449**	**2 702 365**
Allocation of comprehensive loss			-35 559	-368	35 927	0	
Fair value granted option rights			0	-310	0	-310	
Transaction cost			-2 547	0	0	-2 547	
Increase of capital 8.4.13		25 000	5 000	0	0	30 000	5 000 000
Increase of capital 8.5.13		2 288	458	0	0	2 745	457 508
Reduction of share capital 15.8.13		-39 167	-5 848	0	45 015	0	
Comprehensive income 1.1.-31.12.2013			0	0	-37 662	-37 662	
As at 31st December 2013		**1 632**	**0**	**-310**	**7 353**	**8 675**	**8 159 873**

Note 1: Presentation

The financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). This financial information should be read together with the financial statements for the year ended 31st of December 2012 prepared in accordance with International Financial Reporting Standards (“IFRS”).

The accounting policies used and the presentation of the Interim Financial Statements are consistent with those used in the latest Annual Financial Statements.

The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Note 2: Going concern

The financial statement is presented on the going concern assumption under International Financial Reporting Standards. Accordingly, the financial statements do not include any adjustments to the amounts and classification of liabilities, or any other adjustments that might arise, should the Company be unable to continue as going concern. As per the date of this report the Company does not have sufficient working capital for continued business operation, based on current cost levels, over the next twelve month period. Assuming a basic administrative operation and maintenance of the patent portfolio, the Company estimates that it will run out of working capital in the third quarter 2014.

On 22 January 2014 the Company announced that the Board has proposed to resolve a new share issue of NOK 50 million by way of a rights issue with preferential rights for the shareholders of DiaGenic. The Company has secured full underwriting of the rights issue through an underwriting syndicate consisting of certain large shareholders of DiaGenic. The proposed rights issue is subject to shareholder approval and the board has called for the convening of an extraordinary general meeting to be held on 25th February.

Based on the fully underwritten rights issue, the Board deems that a solution for the Company’s working capital requirement may be secured. The Board of Directors confirmed on this basis that the going concern assumption is valid, and that financial statements are prepared in accordance with this assumption.

The recorded amounts for tangible assets have been adjusted to the estimated realizable values.

Should the Company be unable to continue as going concern then the amounts and classification of liabilities might have to be adjusted. The most significant liabilities, not included in the financial statements, are expected to be:

Employees

As per earlier communication the Company has implemented a cost reduction programme where part of the staff were given notice of termination by the end of August 2013 and all remaining staff was given notice of termination at the end of October 2013. The notice period is between 3-6 months.

Amounts are presented in NOK

Estimated liabilities to staff as at 31 Dec. 2013	Salaries and personnel cost from 31 Dec 2013
Staff	1,859,822

Clinical samples

Estimated cost for clinical samples per 31 December 2013 is accrued for in the financial statements. However there is a risk that potential future commitments as part of the termination of agreements with the clinical sites may not be included in full in the financial statements.

Note 3: Inventory – figures in thousand NOK

	Q4 2013	Q4 2012
Inventory	0	924

Inventory is valued at lower of cost and net selling price. Inventory is recorded at cost in the financial statements. The amounts for inventory have been written down.

Note 4: Earnings per share - figures in NOK

The following table shows the changes in number of shares in 2013:

	Ordinary shares
Number of shares as of 1st of January	2 702 365
Share increase 8th of April	5 000 000
Share increase 8th of May	457 508
Number of shares as of 31st of December	8 159 873
Average number of shares per 31st of December	6 656 966

The ordinary general meeting on 23 May 2013 resolved a reverse share split in the ratio 10:1, so that ten shares are consolidated into one share. The reverse share split was effective from and including 16 August 2013.

Note 5: Accounting standards for pension

The accounting standards adopted are consistent with those of the previous financial year except as described below. IAS 19 'Employee benefits' was amended in June 2011 and effective as of January 1, 2013. The amendments eliminate the corridor approach and estimate deviations are shall now be recognised in full in in the statement of comprehensive income. After implementation of the revisions to IAS 19, there were no material effects on the Company's operating profit, however the unrecognised actuarial gains and losses have been recognised in comparative figures:

- The removal of the corridor approach resulted in a NOK 2,007k increase in pension liability per 1 January 2012 and an equal reduction in equity.

- Actuarial gains per 31 December 2012 resulted in a NOK 4,974k reduction of the pension liability and a similar gain on other comprehensive income per 31 December 2012. The main driver behind actuarial gains per 31 December 2012 is the discount rate used for 2012 which was based on market interest rate for preference bonds (OMF), whereas for 2011 the discount rate used was based on the interest rate on Norwegian government bonds.

- Actuarial losses per 31 December 2013 resulted in a NOK 1,030k increase of the pension liability and a similar loss on other comprehensive income per 31 December 2013. The main driver behind actuarial loss per 31 December 2013 is the increased life expectancy rates for the mortality table used for 2013 (K2013BE) compared with the mortality table used for 2012.

The pension plan is assumed to cease per 31 December 2013, which resulted in a NOK 1,599 gain in the net pension liability and an equal reduction in operating cost. The estimated surplus funds in the pension plan of NOK 942k less remaining pension premium for 2014 of NOK 195k, are not recognized in the balance sheet.

Note 6: Specification of selected balance sheet items

Specifications of selected balance sheet items as per 31 December 2013 are listed below. All amounts are presented in thousand NOK.

Selected items - current assets

Other receivables	As at 31 December 2013
Skattefunn grant for 2013	1,796
Other research grants	1,214
Pre payments	225
Other	132
Sum	**3,367**

Cash balance	As at 31 December 2013
Tax withholding	779
Bank guarantees	71
Unrestricted	10,642
Sum	**11,492**

Selected items - current liabilities

Other current liabilities	As at 31 December 2013
Vacation accrual	1,420
Accrual for severance pay (excl. social security tax)	2,563
Accrual for clinical samples	339
Accrual board remuneration	98
All other accrued cost	180
Sum	**4,600**

Note 7: Events after the balance sheet date

At the date of this report, there are no events, except for the items listed below, after the balance sheet date that will affect the Company's position on the balance sheet date which is essential for the Company's future financial position:

DiaGenic has entered into an agreement with its largest creditor that significantly reduces DiaGenic's financial liabilities going forward. The agreement includes a final payment of NOK 1.5 million to DiaGenic's landlord in exchange for the termination of a long-term facility lease contract. The total estimated liability for the facility lease per 30 September 2013 was reported in the third quarter report 2013 to be NOK 5.8 million. To enable an earlier termination of the facility lease, Tycoon Industrier AS, one of DiaGenic's larger shareholders, has entered an on demand guarantee for invalidation of NOK 1.5 million with DiaGenic's landlord. DiaGenic has agreed to compensate Tycoon Industries AS with NOK 100,000 for putting up the guarantee.

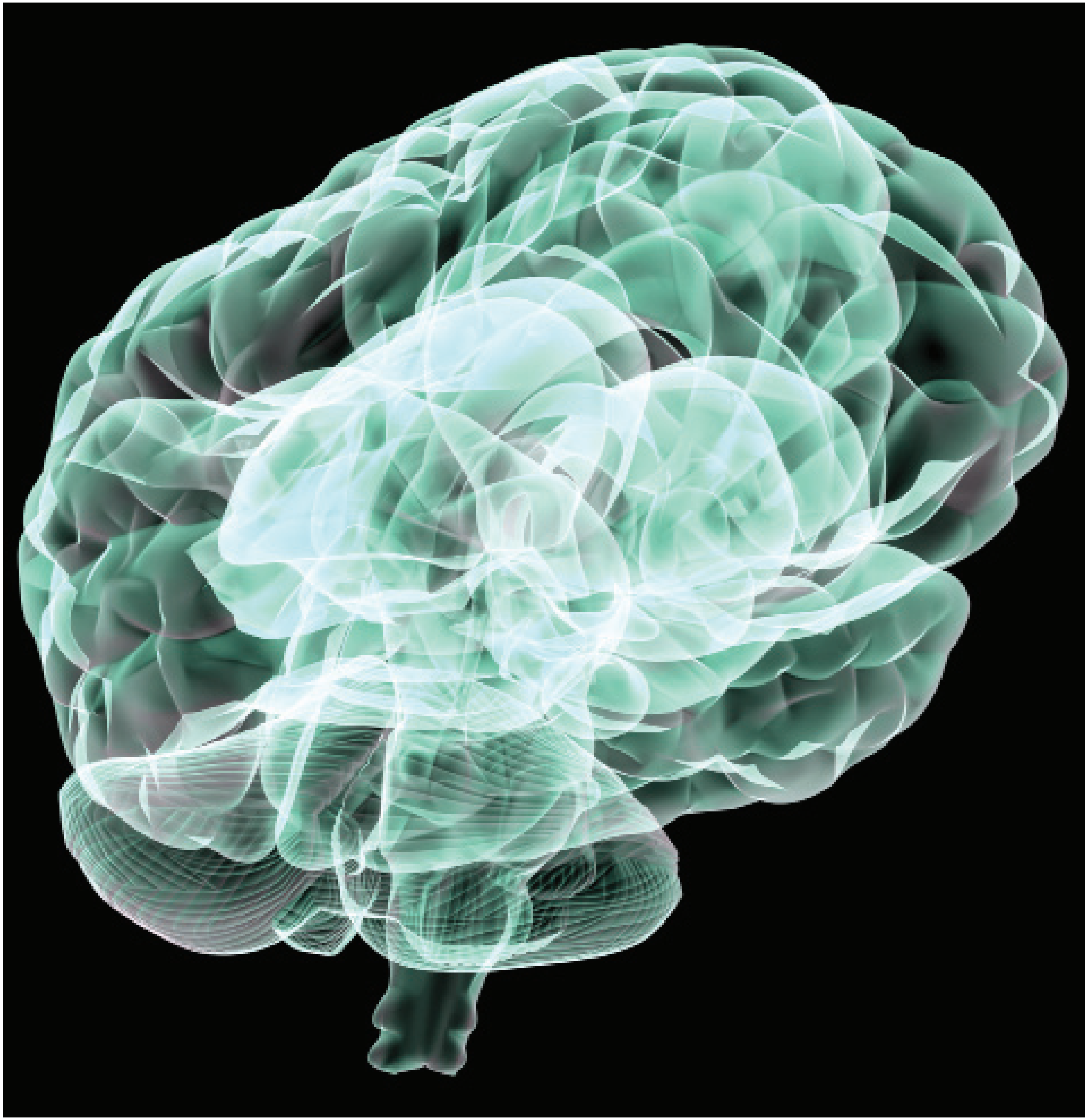
The Board of DiaGenic has resolved to propose that the Company carries out a new share issue of NOK 50 million, by way of a rights issue with preferential rights for shareholders of DiaGenic. The Company has secured a full underwriting of the Rights Issue through an underwriting syndicate consisting of certain large existing shareholders of DiaGenic, including Alfred Berg, Arkipel, MP Pensjon, Spar Kapital Investor, Storebrand Vekst, Corona Maritime, Gross Management, and Ferncliff Listed DAI. The underwriting has been made at NOK 0.50 per share, which will be the proposed subscription price in the Rights Issue. The purpose of the proposed Rights Issue is to strengthen the Company's balance sheet, and thereby enable the Company to consider and pursue further growth and development, whether within its existing business or through new opportunities within biotech/pharmaceuticals or other areas. The proposed Rights Issue remains subject to shareholder approval at an extraordinary general meeting in DiaGenic to be held on 25th February 2014 (the "EGM"). If approved by the EGM, transferable subscription rights will be issued and listed on Oslo Børs. DiaGenic shareholders are expected to receive approximately 12.25509 subscription rights per share held in DiaGenic on the day of the EGM.

DiaGenic reported final results from an exploratory study that examined the agreement between gene expression in blood and brain amyloid PET imaging. In a patient population of 144 patients, a gene expression biomarker was identified that demonstrated an agreement of 69% with brain amyloid PET imaging. The primary goal of this exploratory study was to identify a gene expression biomarker which detects whether an individual has normal or elevated levels of amyloid in the brain as determined by brain amyloid PET imaging. The subsequent goal was to develop an IVD multivariate index assay test, AMYtect™. The study included 144 patients from clinical centers coordinated by Lund University in Sweden, of which 118 were diagnosed with suspected mild cognitive impairment and 26 were healthy controls. Blood samples were collected and brain amyloid PET scans using GE Healthcare's investigational [18F] Flutemetamol tracer were performed for all patients. The results show an agreement of 69% between gene expression in blood and brain amyloid using PET imaging as the reference.

Ruben Ekbråten has been appointed as the new Chief Executive Officer (CEO) of DiaGenic ASA effective from 1st February 2014. The appointment is temporary for 2 months.

Effective from 1st February 2014 DiaGenic has changed address to: Sjølyst plass 2, 0278 Oslo, Norway

The board of directors of DiaGenic ASA has called for an extraordinary general meeting on 25 February 2014.



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