Annual Report 2020

Responding to a global pandemic with resilience and optimism

Championing kidney care

bioporto

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BioPorto in brief

BioPorto is an in vitro diagnostics (IVD) company that provides tests and antibodies to clinicians and researchers around the world. The company uses its antibody and assay expertise to transform novel research tools into clinically actionable biomarkers that can make a difference in patients' lives.

BioPorto's portfolio includes actionable biomarkers such as The NGAL Test™ for risk assessment of acute kidney injury (AKI), rapid test assays based on the company's proprietary Generic Rapid Assay Device (gRAD) platform and antibodies used by pharmaceutical and diagnostic companies in the research and new products.

The product portfolio of biomarkers, tests and antibodies is distributed worldwide through the company's own sales team, distributors and OEM partnerships.

Contents

Our mission and vision

BioPorto helps healthcare providers improve patient management and outcomes with products that provide early and specific insights into significant clinical conditions.

By 2025, BioPorto aspires to be one of the world's leading companies in diagnostics for kidney health.

BioPorto's vision: Focusing on three strategic pillars

Establish commercial capabilities to drive growth

Through our own commercial team, and through partnerships, we introduce and expand use of novel assays by conveying the clinical and economic value of our products in a clear, relevant and compelling manner

Expand product pipeline and clinical knowledge

We expand our pipeline through development of new indications for NGAL and by leveraging the gRAD platform to develop new rapid assays for emerging conditions.

Strengthen infrastructure to ensure quality and drive profitability

We secure strong suppliers to support our chemistry assays and build in-house expertise in product production, logistics and supply chain in both Denmark and the US.

Our products and numbers

The NGAL Test™

Aid in risk assessment of AKI, which is the third leading cause of death in US hospitals.

gRAD Platform

BioPorto's proprietary patented technology for rapid lateral flow test development.

29

FTEs year-end in offices in Copenhagen (DK) and Boston (US) specializing in R&D, QA, clinical and regulatory affairs, business dev. and commercialization.

2 tests on the market

The NGAL Test (automated assay) and NGALds (based on gRAD) are on the market in Europe, Canada, Asia and Israel.

5 tests in development

The NGAL Test for pediatric and adult use in the US, COVID-19 and Sepsis.

23

Million DKK

In revenue in 2020.

108

Million DKK

2020 year-end cash position.

1.1

Billion DKK

2020 year-end market cap of shares listed on NASDAQ Copenhagen.

Financial highlights 2016 - 2020

See Note 1 of the consolidated financial statements for definitions of financial highlights.

	2020 DKK million	2019 DKK million	2018 DKK million	2017 DKK million	2016 DKK million
Revenue	23.2	26.6	26.0	25.2	20.7
Production costs	9.9	9.3	8.2	6.9	5.0
Sales and marketing costs	20.8	39.3	20.9	18.5	18.0
Research and development costs	28.1	24.6	18.7	21.9	9.7
Administrative costs	28.0	27.8	20.0	14.3	13.0
Operating profit/loss (EBIT)	(63.6)	(74.3)	(41.8)	(36.5)	(25.0)
Net financials	(3.2)	0.1	0.2	(0.6)	0.1
Operating profit/loss before tax	(66.8)	(74.2)	(41.6)	(37.1)	(24.9)
Profit/loss for the year	(61.6)	(69.6)	(38.0)	(32.2)	(22.8)
Total comprehensive income	(59.8)	(70.0)	(38.3)	(32.0)	(23.1)
Non-current assets	15.5	8.2	3.6	2.6	3.1
Current assets	124.8	34.5	62.6	63.0	47.6
Total assets	140.3	42.7	66.2	65.6	50.6
Equity	100.9	25.3	56.2	56.1	44.3
Non-current liabilities	8.4	2.5	0.8	0.9	1.2
Current liabilities	30.9	14.9	9.2	8.7	5.1
Total equity and liabilities	140.3	42.7	66.2	65.6	50.6

	2020 DKK million	2019 DKK million	2018 DKK million	2017 DKK million	2016 DKK million
Cash flows from operating activities	(35.6)	(60.2)	(38.0)	(29.2)	(19.7)
Cash flows from investing activities, net	(1.5)	(2.1)	(1.5)	(0.1)	(0.4)
Of which investment in property, plant and equipment	(1.3)	(0.6)	(1.4)	(0.0)	(0.2)
Cash flows from financing activities	127.0	33.6	39.1	40.7	20.8
Total cash flows	89.9	(28.6)	(0.4)	11.4	0.8
Revenue growth	(13%)	2%	3%	21%	2%
Gross margin	57%	65%	69%	73%	76%
Equity ratio (solvency)	72%	59%	85%	85%	87%
Average number of employees	28	34	28	25	27
Number of shares by the end of year (1,000)	266,582	174,944	165,688	155,510	142,494
Earnings per share (EPS), DKK	(0.30)	(0.41)	(0.24)	(0.22)	(0.17)
Net asset value per share, year-end, DKK	0.38	0.14	0.34	0.36	0.31
Share price, year-end, DKK	4.04	2.93	3.50	3.31	2.10

Letter to our shareholders

Peter Mørch Eriksen

CEO

Emerging strong from a year challenged by COVID-19

As in every part of the world, BioPorto's 2020 activities were shaped by an urgent need to respond to the COVID-19 pandemic and the ways it redefined the premise of our daily lives.

While the pandemic immediately created volatility and difficulty in near term planning and execution, it also reinforced our focus on maximizing our focus, diligence, and agility. It also dramatically emphasized the importance of our mission; to use our knowledge and technologies to provide early and specific insights into significant clinical conditions to help improve patient management and outcomes.

The NGAL Test in clinical trials and proof-of-technology for gRAD

Given these difficult circumstances, in 2020 BioPorto undertook and advanced our most critical tasks.

In June we initiated enrollment of patients in the US clinical trial for pediatric use of The NGAL Test for Acute Kidney Injury (AKI), our lead product. While internal execution of the program was on schedule, COVID-19 brought significant challenges in patient enrollment, as hospitals were forced to prioritize patient care over clinical research. We have added more hospitals to our trial to help improve enrollments in 2021 and as a result we expect to submit our application on pediatric use of The NGAL Test to the FDA during the summer.

Furthermore, in 2020 BioPorto obtained CE mark for our first product on the proprietary gRAD platform. The test, NGALds, enables a 15-minute assessment of risk of kidney injury at the point of care, without use of laboratory instrumentation. We believe this rapid test can complement inpatient hospital use of our automated assay, The NGAL Test.

In parallel, we also responded to the diagnostic crisis presented by the pandemic and began a partnered development process for a COVID-19 rapid test based on gRAD. During the year we successfully completed all early development phases and at the end of the year initiated testing with patient samples in the US. If successful, we plan to request an emergency use authorization in the US and a CE mark in Europe, followed by commercialization, in second quarter 2021.

Financial strength secured to leverage our technology

To secure a strong financial foundation to support our development, we executed an ambitious financing plan comprising two rights issues in 2020.

The first was completed in April 2020 in the midst of the initial COVID-19 outbreak. Regardless of disturbances to the financial markets, we received overwhelming interest and the rights issue was heavily oversubscribed. The same was true in October, when we closed the largest financing round ever undertaken by BioPorto, and increased the capital raised in 2020 to more than DKK 130 million.

2021 will be pivotal

While 2020 on all accounts was a difficult year, I believe BioPorto has faced the challenges head-on and emerged as a company at its strongest. On that basis, I expect 2021 will be a pivotal year, where we will submit several applications to FDA and European health care authorities. If these are successful they will lay a very strong foundation for commercialization and the next phase of our company's life.

With the extensive vaccination programs and a comprehensive, rapid testing strategy implemented by governments across the globe, we join the world in hoping for less troubled and more normal times are ahead. We intend to keep striving to do our part by putting our technologies to work for the benefit of patients and health care providers around the world.

Peter Mørch Eriksen

CEO

Highlights of 2020 – a year navigating the challenges of a global pandemic

Above all else, 2020 was the year of the COVID-19 pandemic. In every corner of the world, politics, health care systems, capital markets, businesses and populations were profoundly affected by the consequences of the global spread of SARS-CoV-2.

For BioPorto, the pandemic slowed development across our pipeline, as hospital access for conducting clinical studies was halted for the first half of the year, and patient enrollment in the second half of the year remained limited and slower than is typical. However, COVID-19 also emphasized the critical value of BioPorto's technology to rapidly develop of new test formats, particularly leveraging the gRAD platform. In 2020 BioPorto advanced two new gRAD near-patient tests: one for kidney injury with the NGALds, which obtained CE mark, and one to detect the novel SARS-CoV-2 virus, which began clinical evaluation at the end of the year.

Having exercised a high degree of adaptability throughout the year, BioPorto remained focused on its key strategic goals. Importantly, the Company successfully completed new rights issues totaling over DKK 130 million in order to ensure the strong financial position required to achieve critical milestones ahead. We highlight key 2020 activities in the timeline that follows.

January 2020

Full speed in preparation for The NGAL Test clinical trial

In parallel to pre-submission dialogues with the US Food and Drug Administration (FDA), in the first quarter BioPorto's clinical and regulatory teams completed the protocol design, site recruitment, and qualification of key US hospitals for the pediatric clinical trial for The NGAL Test. The original plan to initiate enrollment during the quarter was delayed by the outbreak of COVID-19, which caused hospitals to suspend clinical trials, along with other non-essential activities.

April 2020

Rights issue completed successfully, proceeds of DKK 38M

In March, BioPorto initiated a rights issue of 24,992,053 new shares with pre-emptive subscription rights for existing shareholders. By early April, BioPorto announced that the rights issue had received substantial support and was fully subscribed, despite the challenging global financial market conditions brought about by COVID-19. The net proceeds from the rights issue of DKK 37.6 million funded ongoing business development activities as the company prepared for a larger rights issue in the second half of the year.

Initiation of development of near-patient COVID-19 test

Leveraging its gRAD platform, BioPorto initiated an accelerated development program with the University of Southern Denmark to develop an instrument-free lateral flow test for rapid detection of SARS-CoV-2 infection. The test was designed to enable near patient use, such as screening individuals at doctors' offices, hospitals, and skilled nursing facilities.

June 2020

Patient enrollment for pediatric trial begins

Following a clinical trial freeze caused by the global outbreak of COVID-19, in June BioPorto was able to begin patient enrollment for its pediatric clinical trial of The NGAL Test. At the same time, the Company progressed the non-clinical, analytical studies that are also required for the application. In the fall of 2020, as the second wave of SARS-CoV-2 infections began, enrollment slowed considerably, causing further delay the study schedule. Based on the current outlook of the pandemic, BioPorto expects to finalize patient enrollment in the summer of 2021 and submit a De Novo 510(k) application to the FDA.

October 2020

Largest rights issue in the company's history completed

BioPorto completed a fully guaranteed rights issue of 66,645,476 new shares with pre-emptive subscription rights for existing shareholders. Spurring significant investor interest, the rights issue was significantly oversubscribed and yielded net proceeds of DKK 92.5 million – the largest amount raised in BioPorto's history. Adding to existing funding, the proceeds have capitalized BioPorto to enable execution of an ambitious 2021 strategic plan with multiple critical milestones for both NGAL and the gRAD platform – including regulatory applications in the EU and US.

December 2020

SARS-CoV-2 point-of-care test advanced to clinical testing

Having successfully completed device prototyping and third-party production agreements, BioPorto provided the University of California, Davis (US) kits for testing on samples from COVID-19 patients. This was a very important step in the process of developing a low-cost, SARS-CoV-2 viral test that can identify infected patients in less than 15 minutes, using non-invasive samples.

Results from the study are expected in the second quarter of 2021. If positive, BioPorto intends to submit an Emergency Use Authorisation (EUA) request to the FDA and file for a CE mark in the EU, followed by commercialization though licensing and distribution partnerships.

CE mark of NGALds, first test based on the gRAD platform

In December, BioPorto also announced its self-declaration (CE mark) in Europe of the NGALds, a novel gRAD-based test for near-patient measurement of NGAL. CE marking of the NGALds is the first obtained for a lateral flow test developed using gRAD, marking a major milestone in the validation of this important development platform. It also underlined the versatility of NGAL and BioPorto's commitment to improving kidney health through better diagnostics. Availability of the NGALds in Europe will initially be through BioPorto and its distribution partners as the Company seeks regulatory approval for the test in other markets at a later stage.

Financial results for 2020 and financial guidance for 2021

Financial results for 2020

Revenue from product sales of The NGAL Test increased 28% while costs were reduced due to pandemic-related delays in trials

BioPorto's 2020 revenue totaled DKK 23.2 million, compared to DKK 26.6 million in 2019 and a guidance of approximately DKK 30 million. Product sales of The NGAL Test increased by 28% from 2019 to 2020, despite delays in three large December shipments that were held due to the failure of a supplier to meet the company's strict quality criteria. Compared to 2019, total revenue in 2020 was negatively affected by BioPorto's planned phase-out of its sourced antibody portfolio. As expected, revenue from sales of antibodies and related ELISA kits fell 28% and 47%, respectively.

The operating loss (EBIT) for 2020 was DKK 63.6 million, compared to an EBIT loss of DKK 74.3 million in 2019 and guidance of an operating loss of DKK 73 million. The operating loss was lower due to the pandemic-related delays in the US pediatric clinical study of The NGAL Test and the cancellation of events and certain commercial activities originally planned for the fourth quarter of 2020.

BioPorto's cash position on December 31, 2020, was DKK 108 million.

Outlook and financial guidance for 2021

Focus on obtaining regulatory clearances and leveraging technology to create growth

The year 2021 will be another year heavily influenced by COVID-19 and the ongoing battle to control the virus through significant testing and vaccination programs.

BioPorto's focus will be on executing on four key activities:

- First, to finalize and submit the US FDA application for The NGAL Test for pediatrics.
- Second, to accelerate commercialization of new and existing products in our portfolio.
- Third, to secure data from clinical studies to support US and EU regulatory applications for a COVID-19 lateral flow test and to progress development of new rapid assays that use the gRAD platform.
- Fourth, to review opportunities to initiate the US process for adult use of The NGAL Test.

Excluding revenues from potential sales of a COVID-19 lateral flow test, and with only early sales from a FDA cleared NGAL product for pediatrics, BioPorto expects revenue of approximately DKK 30 million in 2021.

The main growth driver in 2021 will be product sales of The NGAL Test across the EU and ROW, while sales of antibodies and ELISA kits are expected to continue to decline due to BioPorto's strategic refocus on products generated from its own antibody library. As has been the recent pattern, 2021 revenues will be back-end loaded.

BioPorto expects to incur a 2021 operating loss (EBIT) of approximately 73 million, as costs will increase due to more clinical and regulatory activity, as compared to 2020.

BioPorto's performance and guidance for 2021 is dependent on the global development of the pandemic. The guidance above is predicated on an assumption of a gradual opening of societies and the normalization of access to hospitals, research laboratories, and regulatory bodies.

Events after the reporting period

There have been no events after the balance sheet date which would have a significant impact on an assessment of BioPorto's position as of December 31, 2020.

	2020 financial guidance	2020 actual result	2021 financial guidance
Revenue	Approximately DKK 30 million	DKK 23 million	Approximately DKK 30 million
EBIT	Loss of approximately DKK 73 million	Loss of DKK 64 million	Loss of approximately DKK 73 million

2021 Objectives

Complete the pivotal clinical trial for The NGAL Test for pediatrics and submit a De Novo 510(k) application to the US FDA .
Initiate the US process for The NGAL Test in adults.
Finalize EUA application to FDA for COVID-19 viral rapid test
Progress development of new rapid assays on gRAD platform.
Grow revenues by 25%

BioPorto's Strategy

Focused on becoming a world leader in diagnostics to improve kidney health

BioPorto's strategy is based on horizontal and vertical product development. The horizontal pipeline is defined by the development of individual biomarker candidates derived from research and development (R&D) activities based on its antibody portfolio. BioPorto's vertical pipeline is defined by expanding the use-cases for individual biomarkers by uncovering, evaluating and pursuing clinical and regulatory approval for novel indications and applications.

By 2025, BioPorto's aim is to become one of the world's leading companies in diagnostics that improve kidney health.

Business model based on R&D and product development as core competencies

BioPorto's business model is designed to leverage its unique library of monoclonal antibodies and its assay development expertise to transform novel research tools into actionable biomarkers that address unmet clinical needs to make a difference in patients' lives.

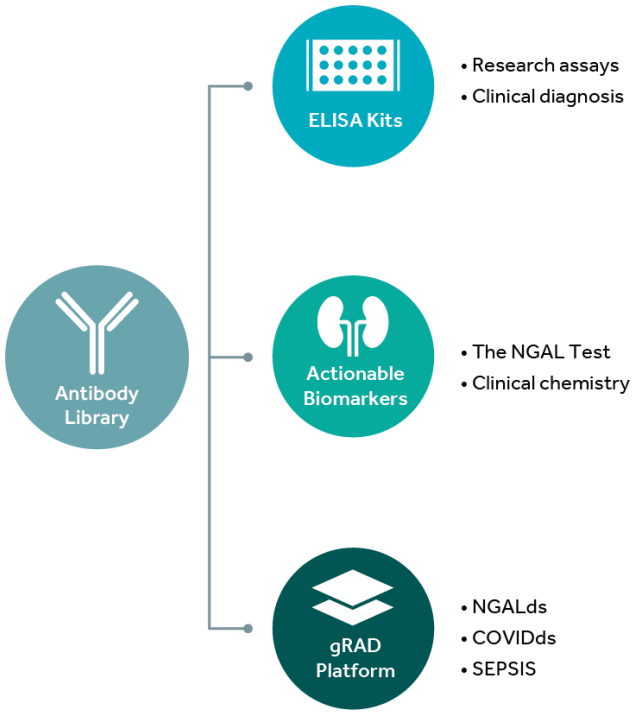
In this model, value creation is based on three deliverables: first, on R&D using our antibody library to create novel assays; second, on rigorous development, quality, and regulatory processes that can bring new products to and through regulatory review and approval; third, commercialization based on internal product and market expertise and the ability to create collaborations that enable rapid expansion.

Together, these competencies will enable BioPorto to supply high quality products to hospitals, clinics, biopharmaceutical companies, laboratories, and scientific research institutions. In total, these customers constitute a global IVD market valued at USD 69 billion in 2019, expected to grow 4% annually.

BioPorto's products and platforms

BioPorto's product formats include monoclonal antibodies for research use, enzyme-linked immunosorbent assay (ELISA) kits, IVD automated assays, and a novel platform for the rapid development of lateral flow tests, called gRAD.

BioPorto's objective is to develop a product portfolio and pipeline comprised of highly specialized, unique diagnostic tests that provide information to help researchers and physicians understand and detect disease, select appropriate treatments, and monitor responses to therapy.



NGAL – an actionable biomarker for AKI

BioPorto develops actionable biomarkers – tools designed to help clinicians make changes in patient management. Its lead biomarker is the protein NGAL (Neutrophil Gelatinase-Associated Lipocalin) which has been implicated in multiple biological processes, including attenuation of apoptosis and differentiation of renal tubule epithelial cells and nephrons. NGAL is well studied and has been described in more than 2,000 scientific journal papers in the last 10 years. It is believed to have numerous potential clinical applications, significant commercial opportunity, and has served to demonstrate the feasibility of BioPorto's product development approach.

BioPorto is pursuing US regulatory clearance for The NGAL Test for risk assessment of Acute Kidney Injury (AKI) in pediatric and adult populations. Once this has been obtained, BioPorto intends to explore other expansion indications for NGAL, such as for nephrotoxicity in cardiology, oncology, diabetes, and autoimmune diseases as well as therapeutic monitoring of renally cleared drugs.

The Generic Rapid Assay Device (gRAD) platform

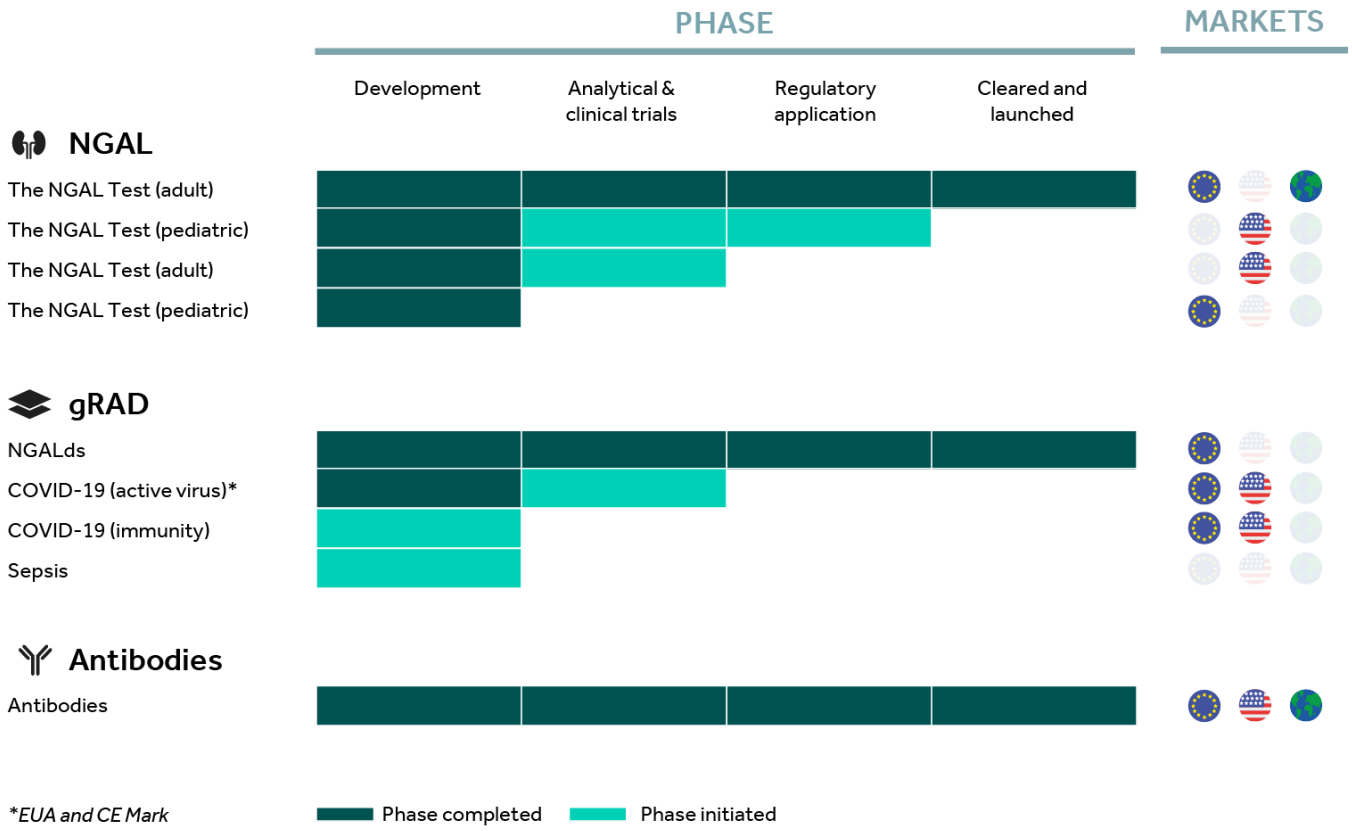
The patented gRAD platform was created by BioPorto in 2016 to enable rapid development of lateral flow assays. It is an optimized lateral flow strip with a test line where a biotinylated capture antibody or other proteins bind, and a control line that captures any mouse, rabbit, or goat antibody.

The biological recognition between the capture antibody, the antigen in the sample, and the detection antibody occurs in solution, meaning no specific antibodies need to be immobilized on the strip. As a result, testing a variety of biomarkers and labeling systems becomes much more flexible, yielding a faster development process with results that can be optimized to perform similar to ELISAs.

ELISA kits and antibodies

BioPorto's library consists of over 150 highly specific monoclonal antibodies that are produced by external antibody suppliers according to BioPorto's specifications. Both antibodies and ELISA kits that use these antibodies are sold as research use only products and provide a source of revenue as well as an opportunity to build and maintain connections to academic researchers and institutions throughout the world. These products address a global research market of more than USD 10 billion.

Include in BioPorto's ELISA product portfolio are ELISA kits for NGAL. These kits cover five different species in addition to human NGAL and are primarily used in research applications. This suite of assays allows scientists to bridge development work from preclinical study through clinical development and are often used to investigate nephrotoxicity during the development of new pharmaceutical compounds, as well as to study new potential applications of NGAL.



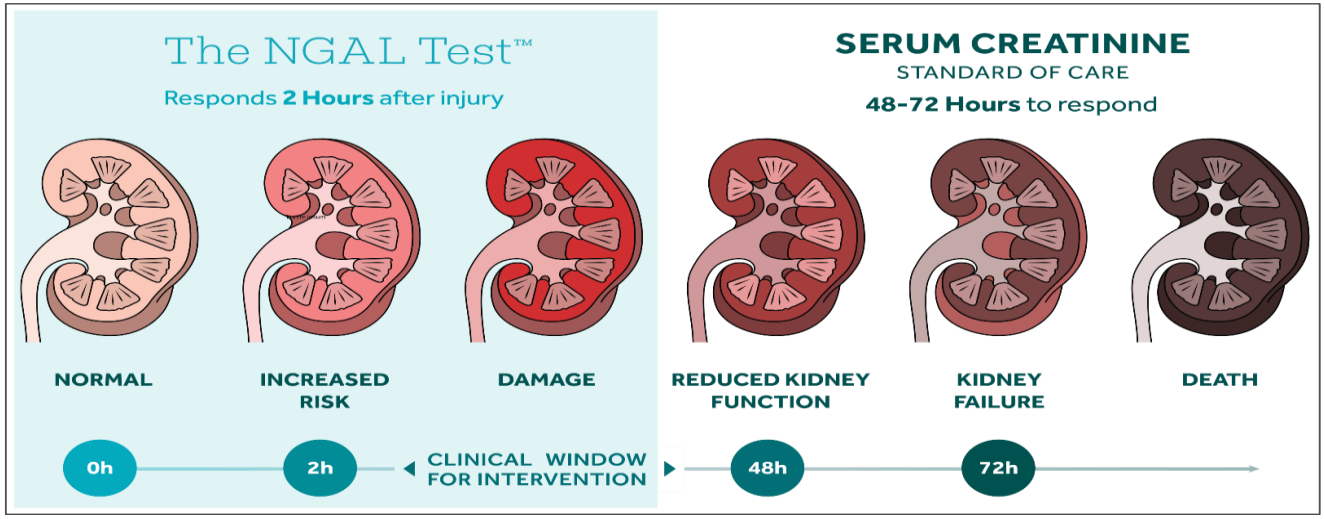
AKI and The NGAL Test

Acute kidney injury (AKI) is a sudden loss of kidney function thattypically occurs as a complication of serious illness or intervention, such as sepsis or cardiac surgery. AKI affects millions of people each year and occurs in 20-25% of patients in intensive care. In these patients it is associated with poorer outcomes, longer hospital stays, increased use of renal replacement therapy (dialysis), and higher risk of mortality. Because there is no AKI-specific therapy, rapid identification of patients who are at risk is critical to preserve kidney function, support renal recovery and prevent further kidney damage.

Today's standard of care for detecting AKI is serum creatinine, which is a delayed marker of kidney function. It generally peaks 48-72 hours after kidney injury and may not rise until over half of a patient's kidney function has already been lost. Serum creatinine is also influenced by many non-renal factors, such as age, gender, muscle mass, and nutritional status, making it even more challenging to interpret clinically.

The NGAL Test is a novel chemistry test designed to improve the detection and management of AKI. It is a particle-enhanced turbidimetric assay that measures NGAL – a small protein expressed in a variety of human tissues, including the lung, liver and kidney. NGAL is one of the most rapidly upregulated genes and overexpressed proteins in the kidney following ischemic or nephrotoxic injury. It is detectable in both urine and plasma as quickly as 2 to 3 hours after injury, and allows for more rapid identification of AKI, within a window where clinical intervention may help to avoid further progression of kidney damage.

Using The NGAL Test to supplement clinical evaluation and standard tests, such as serum creatinine, will allow physicians to better understand which patients are at risk of worsening kidney injury, enabling doctors to make more informed clinical management decisions.



BioPorto believes that improved management of AKI can reduce hospital lengths of stay, minimize unnecessary interventions, inform management decisions, and ultimately improve health and economic outcomes for patients, providers and healthcare systems.

The NGAL Test addresses a significant market

BioPorto focuses on four medical specialties when promoting The NGAL Test: critical care, nephrology, cardiac surgery and laboratory medicine. The commercial strategy includes using its own sales representatives, with a high level of clinical knowledge and expertise, as well as leveraging the scale and laboratory instrumentation expertise of global partners such as Roche Diagnostics and Siemens Healthcare.

BioPorto estimates that the addressable global market for The NGAL Test for AKI risk assessment is approximately USD 2 billion annually, or about 100 million tests of which 5-10 million are in pediatrics.

Expansion to other indications is expected as the company develops the test vertically into new clinical areas, such as for nephrotoxicity, for use in emergency departments to rule out AKI, for therapeutic monitoring and for triage of trauma victims. Addressing these additional opportunities, each of which would require clinical testing and regulatory applications, could expand the total addressable market for The NGAL Test to up to 250 million tests annually, equivalent to approximately USD 5 billion.

Regulatory expansion to realize the full potential of The NGAL Test

A CE marked and registered version of The NGAL Test became available in Europe and Asia in 2012. In the US, a Research Use Only (RUO) kit of The NGAL Test is available for scientific research.

The US market is the largest and most significant IVD market, representing approximately 44% of global diagnostic testing.[1] BioPorto has therefore focused its clinical and regulatory efforts on programs designed to obtain US regulatory clearance of the NGAL Test, first for use in children and, subsequently, in adults.

In 2019, BioPorto achieved breakthrough designation from the FDA for the use of The NGAL Test for pediatric risk assessment of AKI. In 2020, the company began enrolling patients in a clinical study to support its pediatric FDA application. Participating hospitals include leading US children's hospitals, such as Cincinnati Children's Hospital, Children's Hospital of Colorado, Children's Healthcare of Atlanta, and Texas Children's Hospital.

Patient enrollment during the second half of 2020 was impacted by COVID-19, leading to slower progress than originally projected. As of March 2021, BioPorto has expanded the pediatric trial to eight hospitals in order to recruit patients more rapidly. Subject to the developments of the pandemic during 2021, the study is expected to be concluded in the summer, after which BioPorto expects to submit a De Novo 510(k) application to the FDA.

Following an FDA clearance of the test for use in pediatrics, BioPorto will pursue a 510(k) application for use of The NGAL Test in adults, using the pediatric test as its predicate.

NGALds for point-of-care applications

In order to expand the reach of NGAL over the longer term, BioPorto has leveraged its gRAD platform to develop a lateral flow-based test for NGAL. The NGALds was CE marked in Europe in December 2020 and represents the first assay developed using the gRAD platform. The test is designed to offer semi-quantitative urine NGAL results quickly and without instrumentation.

The NGALds has been tested in several research environments, including in a study by Dr. Stuart Goldstein, a pioneer in the use of NGAL for AKI. This study compared NGALds results to results obtained with the laboratory based NGAL test and showed a 100% sensitivity and 89.3% specificity between the two methods (300 ng/mL cutoff). This early study provided a strong indication of the potential of this novel near-patient test.

Development of NGALds expands potential application for NGAL beyond the hospital laboratory to outpatient or low-resource settings. Having access to a near-patient result may enable health care providers to screen patients more readily and treat them sooner. For example, an initial target for the NGALds could be to aid in the follow up of patients who have suffered an AKI episode in the hospital. For these patients, avoiding nephrotoxic medications such as nonsteroidal anti-inflammatory agents, which are common pain medications, can be important. The NGALds could be developed to be used in nephrology offices to check for new kidney injury risk before further damage is done.

NGALds may also be useful to aid in risk prediction in military applications. Triage during combat operations, where resources are limited, is critical as medics must make a field assessment of what level of care is needed for each wounded individual. The NGALds could potentially be deployed in combat zones to offer a simple, rapid tool that could identify patients with differing levels of kidney injury to help with triage decisions.

Distribution through partners and sales team

BioPorto plans to gradually commercialize NGALds though its own sales team in Europe and potentially through existing partners and medical distributors.

1 Kalorama, August 2018 IVD Report; pg 115

New COVID-19 diagnostics using gRAD

In the spring of 2020, BioPorto initiated the development of a lateral flow test for the SARS-CoV-2 antigen to support broad scale diagnosis and rapid screening of patients. This test, developed using the gRAD platform, is designed to offer a simple and immediate test result – unlike the molecular diagnostic tests that are typically expensive, require instrumentation and skilled personnel, and require long (over one hour) turnaround times.

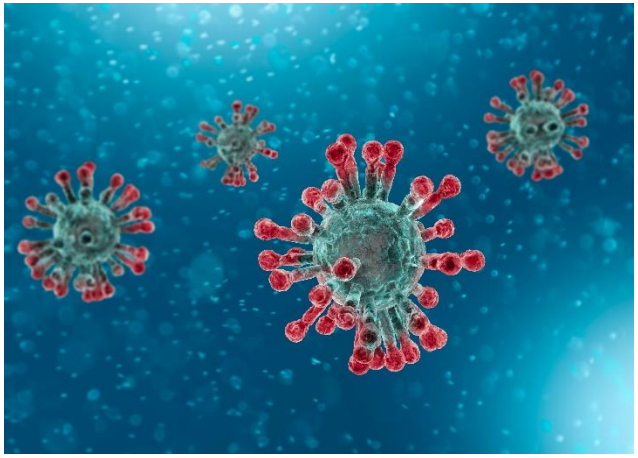
With global urgency to contain the spread of the SARS-CoV-2 virus, health authorities are focusing on self-testing and near-patient testing as primary pandemic control strategies. As a result, the global demand and importance for broad-based diagnostic tests is expected to continue. BioPorto estimates that tests for US healthcare providers, including nurses, doctors and physicians' assistants, if each needed to be screened daily, could reach 1.1 billion tests per year.

In addition to the viral COVID test, BioPorto is developing a gRAD-based test for post-infection immunity, using both IgM and IgG antibodies on the same strip. This test could be used to help identify individuals who may have some degree of immunity to SARS-CoV-2. BioPorto expects these tests could be developed to offer high sensitivity and specificity, and hence compete with .existing tests that have been granted EUA by the FDA.

COVID-19 development and launch

In the second half of 2020 BioPorto completed lateral flow test prototyping and also secured production agreements to provide a potential production capacity of up to 1 million test strips per month.

In December 2020, BioPorto provided test kits to the University of California, Davis (US) to test samples from COVID-19 symptomatic patients. After encountering initial issues in the testing, development teams have worked together to resolve the challenges and BioPorto is awaiting the outcome of new testing. If these tests yield positive results, BioPorto plans to proceed with steps to submit an Emergency Use Authorization request to



FDA and file a CE mark in EU for the COVID-19 viral test in the second quarter of 2021. BioPorto is also evaluating options for conducting additional testing at clinical sites in Europe.

Upon EUA and CE mark, BioPorto will initiate commercialization which, in addition to offering through its own sales channels, could include licensing to global IVD companies, partnering with medical distribution companies and/or supplying to international organizations providing healthcare in developing countries.

Further opportunities in sepsis

In 2020, BioPorto and Rigshospitalet, one of the largest hospitals in Denmark, partnered to create a gRAD-based test for the quantitative determination of thrombomodulin in human plasma or whole blood samples. The test is being evaluated for use in patients with septic shock-induced endotheliopathy at Rigshospitalet.

Rigshospitalet has studied more than 1,000 trauma patients and identified shock-induced endotheliopathy (SHINE), the pathophysiological mechanism responsible for multi organ failure (MOF) and high mortality in trauma patients. Traumatic injury accounts for 800,000 deaths in the European Union annually, and it is estimated that in Denmark alone septic shock accounts for 1,500 deaths annually.

Sepsis is an aberrant or dysregulated host response resulting in organ dysfunction and differs from infection. It is not a single disease, but a syndrome exhibiting various symptoms caused by pathogens and host factors. Sepsis is the primary cause of death from infection, especially if not diagnosed and treated promptly. It is important that septic shock is diagnosed as early as possible, which is the background for the trial and the potential application for the Sepsis rapid test in development.

The current trial will test the safety and efficacy of administration of thrombomodulin versus placebo for 72-hours in trauma patients with haemorhagic shock-induced endotheliopathy. The hypothesis is that that low dose thrombomodulin improves endothelial functionality in critically ill patients, suggesting this intervention may improve patient outcomes in traumatic SHINE and help to prevent MOF in the ICU.

Intellectual property rights

BioPorto has generated several patents related to NGAL. Together with NGAL patent families in-licensed on an exclusive basis from the Trustees of Columbia University, these patents constitute an important asset for optimizing future NGAL and AKI market share, IP-protection of The NGAL Test and partnerships with other diagnostic companies.

One of BioPorto's patents is currently being challenged post-grant in South Korea (NGAL Cutoff). The possible outcomes are that the patent will be upheld in full; that the patent will be upheld in part; or that the patent will be revoked.

As a part of the Company's strategy to expand its product portfolio the Company entered into a license agreement on an exclusive basis with Rapid Assays ApS in 2018 whereby the Company obtained license to the gRAD patent family and related technologies.

Registration

For a diagnostic product to be marketed for clinical use, the product must undergo a registration process with the health authorities in each country. The NGAL Test has qualified for registration in several countries, including the European Union countries, South Korea, Canada, India and Israel. The company's human NGAL and ELISA kits are also registered in several countries, including eastern European countries, Canada, India, Iran, Chile and several north African countries (Algeria, Morocco and Tunisia), Israel and Australia (ELISA kits only).

BioPorto's patents & In-licensed patents	Europe	USA	Rest of the World
NGAL Cut-off patent	Three patents issued.	-	Issued in Australia, Hong Kong, India, Japan, China, Singapore, South Korea. Pending in Canada
NGAL Exclusion patent	Issued	-	-
NGAL Ratio patent	Issued	Issued	-
NGAL Trauma patent	Issued	Issued (Radiation), continuing application pending	-
NGAL Forms patent	Issued	-	-
NGAL Serum/Plasma patent (In-licensed)	Two patents issued	-	Issued in Australia, Canada, China, Japan
NGAL Blood patent (In-licensed)	Issued	-	-
NGAL Urine patent (In-licensed)	Three patents Issued	-	Issued in Australia, Brazil, China, Japan, Mexico, New Zealand, Hong Kong
NGAL Chronic patent (In-licensed)	Two patents issued	-	-
NGAL Kidney dysfunction (In-licensed)	-	Issued	-
gRAD (In-licensed)	Issued	Issued	-

Risk management

Risk management is an integral part of BioPorto's operations. The Company identifies material risks that could affect revenues, development, production, future performance, or the interests of the shareholders in order to run the Company in accordance with best practices in its industry.

All units in the Company participate in the identification and assessment of operational risk factors in order to address them properly. Risk Management is part of the Rules of Procedures for the Audit Committee. The Board of Directors receives updates and recommendations on initiatives, which then form part of the Board's overall assessment and decisions on the Company's activities and future plans.

In 2020, the Company was – as was most of the world – affected by the COVID-19 pandemic. On March 13, 2020 when Denmark experienced the first lock down due to COVID-19 the Company took measures to safeguard its employees and at the same time modify facilities to enable the Company to continue operations.

While it is hard to measure the impact of the pandemic on revenues, our clinical studies have been broadly affected. Multiple waves of SARS-CoV-2 infections restricted BioPorto's access to hospitals and limited the healthcare system's ability to process and conduct studies according to the schedule the Company originally anticipated.

As a result, the NGAL pediatric trial has been delayed and the expected timeline for finalizing enrollment of patients has moved to summer 2021.

The pandemic also created new opportunities for the Company. In April 2020, the Company entered a collaboration with University of Southern Denmark to develop a rapid test to detect COVID-19 viral antigen.

In April 2020, the Company concluded a financing round and issued approximately 25 million new shares in a pre-emptive rights issue. The gross proceeds from the financing amounted to DKK 40 million.

In October 2020, the Company concluded a second financing round and issued approximately 66.6 million new shares in a pre-emptive rights issue. The gross proceeds from this financing amounted to DKK 106.6 million.

With the net proceeds from the financings in 2020 and revenues from current operations, the Company has funds through Q2 2022 including costs for two clinical trials for developing NGAL (adults) and the gRAD platform, as well as building its US organization to prepare for an FDA clearance and commercialization of The NGAL Test.

In 2021, the primary risks will be related to completing enrollment of patients and filing the submission for FDA clearance of The NGAL Test in pediatrics as well as in securing continued growth in NGAL revenues and building up the US organization for launch of The NGAL Test.

With regards to the Company's COVID-19 test, the collection of samples and the results of testing will be related risks. In the case of positive data, the Company expects to submit applications to various healthcare authorities, which also have attendant risks.

The speed with which the enrollment of patients for the NGAL pediatric trial and the sample collection for the COVID-19 testing occurs will very much depend on the COVID-19 pandemic, in particular in the US and Denmark.

Risk Factors

Expectations and assumptions in the annual report concerning BioPorto's business – the market for diagnostics in AKI, antibodies and ELISA kits – and the Company's revenue, accounting results and expected market share are subject to substantial uncertainty. There is no guarantee that the Company in whole or in part will achieve its expectations for revenue or the profit/loss for the year. The most significant operational risks are:

- Public health epidemics, pandemics or outbreaks, such as COVID-19, could adversely impact the Company's business, future financial position, timeline, results of operations and future growth prospects
- The Company's capital structure may be insufficient to support its business operations and the Company may need to raise additional funding, which may not be available on acceptable terms, or at all, and failure to obtain such funding when needed may force the Company to delay, limit or terminate its product development efforts or other operations
- A failure to obtain FDA clearance of The NGAL Test for risk assessment of AKI would have a material adverse effect on the Company's business, future financial position, results of operations and future growth prospects
- The Company's future success depends in part on its ability to attract and retain its management team and key employees
- A failure to successfully commercialize The NGAL Test for pediatric and adult AKI uses would have a material adverse effect on the Company's business, future financial position, results of operations and future growth prospects
- The Company's Products and Future (NGAL) Products are complex to manufacture, and the Company may encounter difficulties in manufacturing that could have a material adverse effect on the Company's business, future financial position, results of operations and future growth prospects
- The Company's ability to compete may decline if the Company does not adequately protect its proprietary rights and confidential information
- The Company's Products and Future (NGAL) Products may fail to achieve the degree of market acceptance by physicians, laboratory management, healthcare payors and others in the medical community necessary for commercial success, making market penetration potentially lengthy and difficult

- The Company may face competition from companies with considerably more resources and experience and/or more novel technology than the Company, which may result in others discovering, developing, receiving clearance for or commercializing products before, or more successfully than, the Company
- The Company is dependent on third-party partners to sell the Company's Products globally
- The manufacture of the Company's Products is dependent on the supply of raw materials and key components from suppliers, some of which are single source suppliers for the Company
- The pricing of the Company's Products and Future (NGAL) Products will depend in part on the clinical value of the product and delivery technology used in such products
- The Company's ability to retain key licenses could affect its ability to manufacture and sell Products and Future (NGAL) Products
- The Company operates in a highly regulated industry, and changes in regulations or the implementation or enforcement of existing regulations could have a material adverse effect

Other short-to-medium-term uncertainties include, but are not limited to the following:

- The ability to obtain the Freedom to Operate in commercially relevant markets
- The ability to prevent competing companies from having Freedom to Operate in commercially relevant markets
- Performance and dependence of the Company's subcontractors; most significantly CMOs and CROs
- Clinical development and results from pipeline projects
- Cyber attacks
- Risks relating to trade receivables and inventory
- Changes in the USD exchange rate and its impact on the free liquidity, future revenue and net finances
- Tax risks
- Risks related to IT in general

The Company's risks further include the ability to enter into collaborations with partners for development, manufacturing, marketing and financial resources. There are additional risks related to sales contracts and the related production and logistics.

Currency risks include the risk arising from sales and production contracts being denominated in currencies other than Danish kroner. Contracts are primarily in USD and EUR, meaning that other currencies do not represent significant currency risks.

Revenues and contracts are still relatively modest and thus the Company is not hedging all of its USD exposure. However, the Company is monitoring its USD exposure and will be ready to use financial instruments to hedge this exposure if the need arises. As long as the DKK is linked to the EUR the Company's revenue and costs in EUR will not be hedged.

Internal controls

The Board of Directors and the Management of BioPorto are responsible for the Company's control and risk management in connection with the financial reporting process, including compliance with rules and regulations that are relevant in reporting.

The Board of Directors has established an Audit Committee which reviews and discusses the accounting and audit practices with the Company's auditors and Management in accordance with the Rules of Procedures of the Audit Committee.

BioPorto's focus in this area is to ensure that its financial statements are in compliance and give a correct and reliable view of the Company's operations and financial position.

The annual audit and reporting process include detailed planning of individual tasks and planning between investor relations, finance and the auditors. It is based on an audit strategy approved by the Audit Committee.

At least once a year the Audit Committee evaluates the risks connected with the financial reporting process, including the presence of internal controls and guidelines. The Audit Committee assesses the Company's organizational structure, including the risk of fraud and the measures to be taken to reduce and/or eliminate such risk.

In that regard, any incentive or motivation of Management to manipulate earnings or perform any other fraudulent action is discussed.

The Company's internal controls and guidelines provide a reasonable but not an absolute certainty that unlawful use of assets, loss and/or significant errors or deficiencies in relation to the financial reporting process can be avoided.

The Board of Directors has decided not to institute an internal audit at BioPorto, based on its assessment that the Company's size and complexity does not necessitate such a function.

Corporate governance of BioPorto

As part of its management process, BioPorto focuses on investor relations, and the Board of Directors gives priority to exercising good corporate governance, which is defined based on the Company's Articles of Association, values and policies as well as relevant legislation and Nasdaq Copenhagen A/S' "Nordic Main Market Rulebook for Issuers of Shares".

Recommendations for corporate governance

BioPorto is subject to the Recommendations prepared by the Committee on Corporate Governance (the "Recommendations"), which are available at https://corporategovernance.dk/.

The Board of Directors regularly assesses how the Recommendations may contribute to strengthening the management of BioPorto and to ensuring maximum value creation for the Company's shareholders. Once a year, the Board of Directors reviews the Recommendations and evaluates BioPorto's compliance with the Recommendations. The Board of Directors believes that BioPorto has complied with all but three of the Recommendations. This report on the Company's compliance with the Recommendations is available on the Company's website.

Work of the management and Board of Directors

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

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

The duties of the Board of Directors are described in the Rules of Procedure for the Board of Directors and the Executive Management. The Board of Directors held 16 Board meetings in 2020. Five meetings are planned for 2021 in accordance with the Board of Directors' annual schedule, which may be changed at any time to allow for additional meetings, if necessary.

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

Evaluation of the performance of the Board of Directors and the Executive Management

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

Composition of the Board of Directors

The General Meeting, which is BioPorto's supreme authority, elects between three and seven members to the Board of Directors. The Board of Directors elects a Chairman and a Vice Chairman and currently consists of five members elected by the shareholders.

Members elected by the shareholders hold office for terms of one year at a time and may be re-elected.

The members of the Board are nominated and stand for election based on their specific qualifications and experience relevant to BioPorto. The Board of Directors is composed to ensure an optimal combination of industry experience and functional experience, including in research and development, IP rights and contracting, isales and marketing, as well as finance and economics. All current Board members are considered independent persons, in order that the Board of Directors can act independently. Each Board member's qualifications may be found on the Company's website: https://bioporto.com/about-bioporto/.

Board committees

BioPorto's Board of Directors has set up a Remuneration Committee, a Nomination Committee, an Audit Committee, a Strategy Committee, and a Business, Research and Development Committee. The Vice Chairman of the Board of Directors is Chairman of the Audit Committee and possesses the necessary professional qualifications and experience. A review of the terms of reference of the Board Committees and their composition is available on the Company's website.

Amendments to the Articles of Association

The general meeting adopts amendments to the Articles of Association and makes all other decisions based on a simple majority, provided that a specific majority or representation is not required pursuant to the provisions of the Danish Companies Act or the Articles of Association.

Review of the gender-based composition of the Management and Board, cf. Section 99b of the Danish Financial Statements Act

Diversity in the composition of the Board is sought, with a reasonable age composition, several nationalities and an equal gender ratio. The Board currently has five members, four men and one woman.

BioPorto has adopted a Diversity Policy, which is available on the company's website and reads as follows:

"BioPorto is committed to continue working towards ensuring and furthering equal opportunities for all employees in respect of differences, such as gender, age, religion, sexual orientation and ethnicity, as all – in our view – serve as key components in ensuring a better, more dynamic and healthier business. We believe that employees should be recognized because of – and not despite – their diversity. The view extended through this policy also includes maintaining equal opportunities for women and men at all management levels in the BioPorto group. The Board of Directors annually discusses the company's activities to ensure relevant diversity at management levels and evaluates the policy on diversity.

BioPorto has defined a target, that no later than in 2022, at least 25 % members of the Management of the company must be women. This target must not detract from other competency requirements in the nomination of members to the Management team of the company. With regards to diversity for the Board of Directors, the gender distribution is 80/20 at the end of 2020. As the defined target has not yet been reached, BioPorto will stay committed to reach the target within the set deadline."

The nominating committee has a clear policy for evaluating candidates of both genders for vacant Board positions. For future vacant Board positions, the nomination committee will continue to evaluate candidates of both genders.

Diversity in other layers of Management

The company does not have a policy for diversity in other layers of Management, as the company is below the minimum threshold (cf. guidelines from the Danish Business Authority).

Gender diversity in BioPorto

The gender diversity in BioPorto at the end of 2020 is shown in the overview below:

2020	Female	Male
Board of Directors	20%	80%
Executive Management (one person)	0%	100%
All Employees	54%	46%

Review of corporate social responsibility, cf. Section 99a of the Danish Financial Statements Act

BioPorto is aware of its social responsibility and endeavors to improve its social and environmental conditions. In addition to the corporate social responsibility report provided below, BioPorto has signed on to the UN Global Compact, and the latest Communication on Progress, which is available on the company's website.

In several areas, BioPorto fulfils its responsibility solely by complying with current law, but in other areas, the company's responsibility has been expanded to include preventive activities for optimizing various conditions. It is important to BioPorto to highlight these efforts vis-à-vis its customers, suppliers, shareholders, other stakeholders, etc., to ensure that the outside world can have confidence in the company to live up to its social responsibility. For this reason, BioPorto continues its participation in the Global Compact, whose ten principles for social commitment as defined by the UN constitute a global frame of reference.

At the same time, through our commitment, we will try to encourage the parties with whom we interact to consider and shoulder their share of these responsibilities.

BioPorto's business

BioPorto's business model seeks to utilize its unique library of monoclonal antibodies and its biomarker expertise to develop new clinical diagnostic products with attractive potential and bring them to the global market.

The NGAL Test is an example of how BioPorto has successfully taken an antibody from research and discovery phase to a commercial clinical product. Starting with the development of unique monoclonal NGAL antibodies, it was transformed into a microtiter plate assay. From there BioPorto developed The NGAL Test into its current format for automated testing on clinical chemistry systems and is now sold directly and via partners to hospital central laboratories across the world. BioPorto's other biomarker, Mannan-binding lectin (MBL), also started out as an antibody project and is now, in its present CE approved ELISA format, sold via distributors for analysis of immunodeficiencies.

BioPorto will, in 2021, complete its clinical trial and submit a regulatory application to FDA for The NGAL Test for risk assessment of AKI in children, which will enable BioPorto to sell The NGAL Test in the US following FDA clearance.
For a detailed description of BioPorto's strategy, see page 9.

Risks

The Group's risk of affecting the environment and climate, human rights and anti-corruption is assessed to be limited. The risk assessment has been carried out in such a way that selected topics have been analyzed for their potential risk for BioPorto and the Group's stakeholders, respectively. Risk is in this context, a product of the subject's proportional role in the daily business, and the likely negative impact the topic has on the group or

stakeholders. To the extent that risks have been identified, the individual areas are described together with the relevant policies.

For a detailed description of BioPorto's additional risks, see Risk management on page 15.

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

BioPorto supports and respects internationally recognized human rights. Our compliance in this area is broadly covered by our Code of Conduct as well as observance of the national labor and anti-discrimination laws in the countries in which we operate. In 2020, we have not received any reports of violation of human rights within our company. BioPorto's employees are bound by BioPorto's Code of Conduct and the company has initiated a process of implementing the Code of Conduct into supplier contracts to ensure that the company's suppliers respect human rights. BioPorto's employees are trained on Human Rights and the Code of Conduct. All new employees will receive training as part of their introductory program regarding human rights and the Code of Conduct.

Also, we conduct our clinical trials in a manner that recognizes the importance of protecting the safety of and respecting research participants. We do this by applying the highest legal, ethical and scientific standards, in addition to complying with applicable laws and regulations.

BioPorto's Executive Management monitors and evaluates the performance annually. Any alleged incidents of human rights abuses would be reported to the Executive Management for prompt action. There were no incidents of human rights abuses reported to the Executive Management in 2020.

Labor rights

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Danish and American traditions, culture and law mean that labor rights are supported and complied with by BioPorto, both in Denmark and the United States. BioPorto has no external suppliers in countries that use child labor or forced and compulsory labor, and BioPorto deems that there is a very low risk of this taking place in areas where BioPorto might be expected to operate. In 2017, BioPorto established a Code of Conduct covering the above. BioPorto's employees are bound by BioPorto's Code of Conduct and the company has initiated a process of implementing the Code of Conduct into supplier contracts to ensure that suppliers comply with these labor rights. BioPorto actively supports and respects human rights, labor standards and provides a safe and healthy working environment for the staff that includes opportunities for professional and personal development.

The BioPorto Group has fair and equal employment terms and working conditions, including equality and non-discrimination. BioPorto's employee handbook covers policies concerning the employee rights. BioPorto considers employee safety and health to be of the highest priority. BioPorto works consistently to maintain a safe and healthy work environment and has many procedures in place to ensure compliance. Both the physical and mental working environments are monitored and continually improved to avoid accidents, injury and illness. Management ensures that employees are trained to handle hazardous goods and chemicals correctly.

In the composition of its staff, BioPorto endeavours to achieve an equal gender breakdown as well as a diversity of educational backgrounds, nationalities and cultures. This diversity provides a dynamic workday and encourages exchanges that benefit the staff and company alike.

Any incidents of violations of labor principles would be reported to the Executive Management which would investigate the violation.

BioPorto monitors and evaluates performance yearly by looking at work related injuries and employee related cases with unions. BioPorto had zero employee related cases with unions in 2020 and BioPorto had no work related injuries in 2020.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

BioPorto's in-house production is limited in scope and of such a nature that it has an insignificant environmental impact. BioPorto is continuously seeking to reduce its environmental impact as much as possible and to be compliant with environmental legislation. An ongoing effort will be made in an environmentally conscious way to minimize any other possible environmental impact, including the consumption of water and electricity, which will reduce costs at the same time. BioPorto's activities are primarily knowledge-based and employees are encouraged to be mindful of the environment and climate, and to produce as little waste as possible. BioPorto's employees are bound by BioPorto's Code of Conduct and the company has initiated a process of implementing the Code of Conduct into supplier contracts to ensure the above. BioPorto use less paper due to double-sided printing in 2020 than in 2019. Management will continually encourage employees to do environmental and climate friendly initiatives. BioPorto is committed to full compliance with all environmental laws, standards, and guidelines in the jurisdictions where it operates.

Any environmental incident would be reported to the Executive Management, which would take prompt action to make sure the incident would not happen again.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

BioPorto has a zero-tolerance policy regarding corruption, bribery and similar methods and BioPorto's activities must always be in compliance with existing anti-corruption legislation and the UN Convention against Corruption. Suppliers and partners are chosen with care and are included in BioPorto's quality system. Corruption problems have not affected BioPorto's activities and BioPorto has not been involved in any legal cases, rulings or other events related to corruption or bribery. BioPorto does not permit or participate in money laundering.

In 2017, BioPorto established a Code of Conduct covering the above. BioPorto's employees are bound by the Code of Conduct and the company has initiated a process of implementing the Code of Conduct into supplier contracts to ensure that suppliers comply with the above.

All new employees will receive training as part of their introductory program regarding anti-corruption and the Code of Conduct.

Any incidents of corruption would be reported to the Executive Management, which would prompt take action to ensure that a similar incident would not happen again.

Shareholder matters

Investor relations

BioPorto aims to give the market transparent and adequate information about the Group's strategy, operations and results with a view to ensuring fair pricing of its shares. 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 laypeople. All stakeholders should have rapid, equal access to important information about BioPorto's development and growth. This means, among other things, that relevant information is published in company announcements via NASDAQ Copenhagen A/S and is made available on the group's website: www.bioporto.com.

Other published information, including general company and investor presentations, are made available to the publicon the company's website. The investor section of the website also includes an email service where shareholders and others can subscribe to receive news by email immediately after the publication of company announcements, press releases and other news.

To ensure an efficient, expedient dialogue with shareholders, BioPorto encourages its shareholders to let their shareholding be registered and to participate in BioPorto's shareholder meetings. The Investor Relations (IR) department is also responsible for ensuring that information from the group's IR stakeholders is passed on to Management and the Board of Directors. For more relevant details relating to BioPorto, investors are referred to the company's website: www.bioporto.com.

During 2020 the Company participated in 11 investor events or conferences in Denmark, the US and virtually. During the year, the Company has continued its dialogue with analysts from various investment banks. On December 14, 2020 that work resulted in the US investment bank H.C. Wainwright initiating coverage of BioPorto. In August 2020 a collaboration with H.C. Andersen Capital, a digital investor relations company, was initiated. In the last four months of 2020 H.C. Andersen Capital hosted five events for BioPorto for Danish investors.

Shares

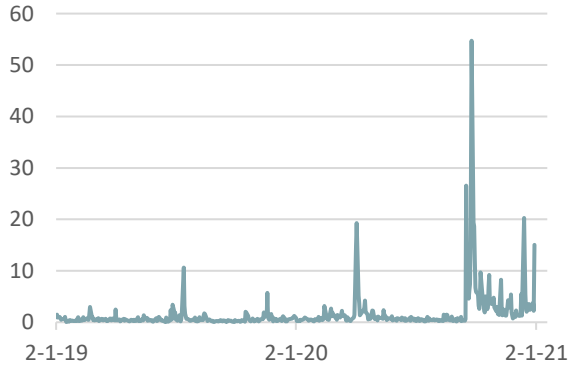
ISIN, capital stock and price trends

BioPorto's capital stock has a nominal value of DKK 266,581,904 divided into 266,581,904 shares with a nominal value of DKK 1 each, equivalent to 266,581,904 votes. BioPorto A/S's shares are listed on NASDAQ Copenhagen under the symbol "BIOPOR". The ISIN is DK0011048619. BioPorto had a market value of DKK 1,077 million at the end of 2020 (end of 2019: DKK 513 million).

The closing price of BioPorto shares was DKK 4.04 on December 30, 2020, which equals an increase of 38% in the fiscal year.

The value of traded shares was DKK 603 million in 2020 (2019: DKK 159 million), equivalent to average daily trading of DKK 2.4 million (2019: DKK 0.6 million) and an average daily volume of 823,751 shares (2019: 187,912 shares).

BioPorto share, Volume (DKK million)



BioPorto share, Closing price (DKK)

Capital increase

On March 16, 2020, the Board of BioPorto A/S decided to exercise part of the authority stipulated in article 16a of the company's Articles of Association to increase the Company's share capital with pre-emptive rights for existing shareholders. As a result of the implementation of the issue, the capital stock of BioPorto A/S was increased in the nominal amount of DKK 24,992,053, after which it nominally amounts to DKK 199,936,428. The subscription price was DKK 1.60.

The pre-emptive rights issue generated gross proceeds of DKK 40 million for BioPorto. The new shares equated to 14.29% of BioPorto's registered capital stock before the implementation of the capital increase.

On September 25, 2020, the Board of BioPorto A/S decided to exercise part of the authority stipulated in article 16a of the company's Articles of Association to increase the Company's share capital with pre-emptive rights for existing shareholders.

As a result of the implementation of the issue, the capital stock of BioPorto A/S was increased in the nominal amount of DKK 66,645,476, after which it nominally amounts to DKK 266,581,904. The subscription price was DKK 1.60.

The pre-emptive rights issue generated gross proceeds of DKK 106.6 million for BioPorto. The new shares equated to 33.33% of BioPorto's registered capital stock before the implementation of the capital increase.

Ownership

As of December 31, 2020, BioPorto had 13,778 registered shareholders (2019: 8,478), who in the aggregate owned 88.42% of the capital stock. On December 31, 2020, the following shareholders state that they own 5% or more of the company's shares/voting rights:

Ejendomsselskabet Jano ApS, Copenhagen	Above 10 %
Media-Invest Danmark A/S, Copenhagen	Above 10 %

Warrant program

The Board established one warrant program in 2020 for the purpose of creating a long-term incentive for retaining and motivating Management and employees. At the end of the fiscal year, a total of 18,682,500 warrants remained, which amounted to 7.0 % of the existing nominal capital stock.

Dividend policy

BioPorto'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. Because 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 2021. 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.

Equity analysts and investor meetings

BioPorto has ongoing contacts with investors and equity analysts and, in this context, holds regular presentations and meetings where strategy, pipeline development and risks are discussed. BioPorto usually holds investor meetings after the publication of the annual report and interim reports and quarterly announcements.

The following analysts are covering BioPorto:

Edison Group, US	Nat Calloway
H.C. Wainwright, US	Yi Chen
Maxim Group, US	Jason McCarthy

Annual Shareholder Meeting

BioPorto A/S will hold its annual shareholder meeting on April 29, 2021, at 3.00 pm at the company's address Tuborg Havnevej 15, ground fl., DK-2900 Hellerup.

IR contact

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E-mail: investor@bioporto.com

Financial calendar for 2021

Date	Description
March 17, 2021	Deadline for shareholder proposals for the annual general meeting
March 17, 2021	Annual Report 2020
April 29, 2021	Annual General Meeting
May 12, 2021	Interim financial report – 3 months 2021
August 18, 2021	Interim financial report – 6 months 2021
November 17, 2021	Interim financial report – 9 months 2021

Company announcements

Date	No.	Description
Mar 3, 2021	3	Pipeline Update from BioPorto
Feb 10, 2021	2	Incentive warrants
Jan 21, 2021	1	Managers' transactions
Dec 30, 2020	22	BioPorto announces CE mark of near-patient test for kidney injury and milestones for gRAD platform technology
Nov 18, 2020	21	BioPorto Announces Q3 2020 Report
Oct 21, 2020	20	Managers' transactions
Oct 21, 2020	19	Completion of rights issue; total number of shares and voting rights
Oct 15, 2020	18	Results of rights issue – Offering fully subscribed
Sep 25, 2020	17	BioPorto A/S publishes prospectus in connection with a fully-guaranteed rights issue with pre-emptive subscription rights for its existing shareholders
Sep 17, 2020	16	BioPorto plans initial clinical evaluation of gRAD-based test for rapid detection of COVID-19 virus
Aug 19, 2020	15	BioPorto Announces Q2 2020 Report
May 11, 2020	14	Grant of Warrants
May 7, 2020	13	BioPorto Announces Q1 2020 Report
Apr 30, 2020	12	Share capital and votes
Apr 15, 2020	11	Managers' transactions
Apr 15, 2020	10	Completion of rights issue and capital increase
Apr 14, 2020	9	BioPorto A/S – Annual General Meeting
Apr 6, 2020	8	Rights issue fully subscribed
Mar 23, 2020	7	Notice Convening the Annual General Meeting
Mar 16, 2020	6	BioPorto A/S has initiated a rights issue with pre-emptive rights for its existing shareholders
Mar 16, 2020	5	Progress Update on BioPorto's Activities to Strengthen its Financial Position
Mar 11, 2020	4	Progress Update on BioPorto's Activities to Strengthen its Financial Position
Mar 11, 2020	3	BioPorto Announces the 2019 Annual Report
Feb 26, 2020	2	Updated financial calendar for 2020
Feb 26, 2020	1	BioPorto announces preliminary Financial Result for 2019, guidance for 2020 and postpones publication of audited annual report for 2019 to March 11, 2020. A private placement of new shares are being pursued to strengthen financial position.

Company information

Bank

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

Lawyers

Gorrissen Federspiel
Axeltorv 2
DK-1609 København V

Independent accountants

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Locations

BioPorto A/S, BioPorto Diagnostics A/S,

Veterinary Diagnostics A/S

Tuborg Havnevej 15, ground floor
2900 Hellerup
Denmark
(Headquarter)

BioPorto Inc.

BioPorto Diagnostics Inc.

117 Fourth Avenue, Suite 202
Needham, MA 02494
USA

Board of Directors

Thomas Magnussen
(M) (1953)

Chairman of the board

Joined the Board in 2013, must be re-elected in 2021
Independent board member
Participation in 16 board meetings in 2020 & participation in 4 committee meetings in 2020

Qualifications of relevance for BioPorto

Thomas Magnussen has been a member of the Board of Directors of the Company since 2013 and is Chairman of the Board of Directors. Thomas Magnussen is Chief Executive Officer of Therazone ApS and Thera Property ApS. Thomas Magnussen is a serial entrepreneur within high-tech, focusing on start-up companies with global business potential. Thomas Magnussen has experience in commercialization strategies within nanotechnology, ICT and MedTech industries and has previously been Chairman of the Board of Directors of QuantumWise ApS and Zylinc A/S. Thomas Magnussen holds an MBA from INSEAD as well as a Ph.D. and MSc from the Technical University of Denmark.

Current directorships in other companies

Chairman of the Board of Directors of UserTribe A/S, BioPorto Diagnostics A/S and Veterinary Diagnostics A/S and BioPorto Inc. and a member of the executive management of Therazone ApS and Thera Property ApS.

Torben A. Nielsen
(M) (1960)

Vice Chairman

Joined the Board in 2013, must be re-elected in 2021
Independent board member
Participation in 16 board meetings in 2020 & participation in 5 committee meetings in 2020

Qualifications of relevance for BioPorto

Torben Arnth Nielsen has been a member of the Board of Directors of the Company since 2013 and is Vice Chairman of the Board of Directors. Torben Arnth Nielsen has over the past 25 years held senior positions in the financial sector, most recently as a member of the executive management of Sydbank A/S, being responsible for asset management and capital markets, and as Chairman of the Board of Directors of BankInvest Private Equity A/S. Concurrently, he has held several national and international board directorships. Over the last 30 years, of which 5 were in New York and London, Torben Arnth Nielsen has built and managed businesses in Denmark and abroad in all relevant commercial business areas in the financial sector and has been involved in and responsible for several mergers and acquisitions. Torben Arnth Nielsen holds DIEU's top management education VL (2006) as well as a degree in banking.

Current directorships in other companies

Chairman of the Board of Directors and partner of Linde & Partners Kapitalrådgivning A/S, Chairman of the Board of Directors of Nordic Firefly A/S, Deputy Chairman of the Board of Directors of Safe Online ApS, member of the Board of Directors of Wavepiston A/S, BioPorto Diagnostics A/S and Veterinary Diagnostics A/S and Chief Executive Officer of Arnth Advice ApS.

Kirsten Drejer
(F) (1956)

Board member

Joined the Board in 2017, must be re-elected in 2021
Independent board member
Participation in 16 board meetings in 2020 & participation in 1 committee meetings in 2020

Qualifications of relevance for BioPorto

Kirsten Aarup Drejer has been a member of the Board of Directors of the Company since 2017. Kirsten Aarup Drejer is co-founder of Symphogen A/S, a biopharmaceutical company focused on the innovative therapeutic utilization of antibody mixtures. In the period 2000-2016, Kirsten Aarup Drejer was Chief Executive Officer of Symphogen A/S and in the period 2016-2018 she was a member of the Board of Directors of Symphogen A/S. Prior to this, Kirsten Aarup Drejer has held a number of scientific and managerial positions within Novo Nordisk A/S as well as directorships of, among others, Danisco A/S. Kirsten Aarup Drejer is a member of numerous advisory boards at the University of Copenhagen, Danish Technical University and the Copenhagen Business School. Kirsten Aarup Drejer won the prize of "BiotechBuilder of the Year" in 2003 and "Entrepreneur of the Year, Biotech" in 2007. Kirsten Aarup Drejer holds a MSc (pharm) and Ph.D. in pharmacology from the University of Copenhagen.

Current directorships in other companies

Chairman of the Board of Directors of Antag Therapeutics ApS, ResoTher Pharma ApS and Bioneer A/S, Deputy Chairman of the Board of Directors of Zealand Pharma A/S as well as a member of the Board of Directors of Lyhne & Company A/S, Malin Plc and Alligator Bioscience AB. Kirsten Aarup Drejer is also member of the Executive Management of KD Invest ApS.

Christopher Lindop
(M) (1957)

Board member

Joined the Board in 2019, must be re-elected in 2021

Independent board member

Participation in 16 board meetings in 2020 & participation in 4 committee meetings in 2020

Qualifications of relevance for BioPorto

Christopher James Lindop has been a member of the Board of Directors of the Company since 2019. Christopher James Lindop qualified as a chartered accountant and certified public accountant and was previously a partner with Arthur Andersen LLP and Ernst & Young LLP. In 2003, Christopher James Lindop took the position as Chief Financial Officer of Inverness Medical Ltd., before he became Chief Financial Officer and EVP Business Development at Haemonetics Corporation Ltd. (HAE) in 2007. Since 2017, Christopher James Lindop has been Chief Financial Officer of Quotient Limited (QTNT) until his retirement in May 2020. From 2007 until 2018 Christopher James Lindop was a member of the Board of Directors of Parexel International (PRXL) where he served as chairman of the audit committee and member of the nominating and governance Committee. Christopher James Lindop has considerable experience in management of US listed health care and diagnostic companies and within finance and reporting, corporate governance, mergers & acquisitions, funding and strategy development and execution.

Michael Singer
(M) (1973)

Board member

Joined the Board in 2019, must be re-elected in 2021

Independent board member

Participation in 16 board meetings in 2020 & participation in 2 committee meetings in 2020

Qualifications of relevance for BioPorto

Michael Singer has been a member of the Board of Directors of the Company since 2019. Michael Scott Singer has served since 2016 as Chief Scientific Officer and co-founder of Cartesian Therapeutics, Inc., a U.S. clinical-stage cell and gene therapy company. Prior to this, he was co-founder and Chief Scientific Officer of Topokine Therapeutics, Inc., where he was responsible for pre-clinical and clinical development of the company's adipomodulatory products. Topokine Therapeutics, Inc. was acquired by Allergan in 2016. Michael Scott Singer was also co-founder and Chief Scientific Officer of HealthHonors Corporation, acquired by Healthways in 2009. He also served as Director of Translational Medicine at Novartis and a physician at Harvard and the U.S. Veterans Affairs Medical Center. Michael Scott Singer serves on the clinical faculty and as an entrepreneur in residence at Yale University. He volunteers on the Board of Museum Advisors at the Museum of Science, Boston. He holds an M.D. cum laude and a Ph.D. in neuroscience from Yale University, CT.

Current directorships in other companies

Director at Cartesian Therapeutics, Inc., Pykus Therapeutics, Inc. and Anodyne Nanotech, Inc. Member of the advisory board of IvexSol, Inc.

Executive Management

Peter Mørch Eriksen
(M) (1960)

Chief Executive Officer

Joined BioPorto as CEO in 2013

Qualifications of relevance for BioPorto

Peter Mørch Eriksen has served as CEO of BioPorto since July 2013 and has spent more than 20 years in the medtech/life science industries, including CEO of Sense A/S and VP of Medtronic. From these positions, Peter Mørch Eriksen brings extensive experience in creating growth, restructuring and funding in technology-intensive and complex companies. He is an experienced leader with a record of business within the medical device industry, and has broad experience selling and developing medical devices for both small and large medtech companies. Peter Mørch Eriksen has an accounting background, supplemented with management experience.

Current directorships in other companies

Member of the Board of BioPorto Diagnostics A/S, BioPorto Inc., BioPorto Diagnostic Inc. and Veterinary Diagnostics A/S.

Chairman of the Board of Fluo Guide.

Member of the Advisory Board at Lund University Diabetes Centre.

Peter Mørch Eriksen also serves on the Medical Device and Diagnostics Advisory Committee of Cincinnati Children's Hospital Center in Cincinnati, Ohio (US).

Peter Mørch Eriksen is Director in PME Holding ApS.

Financial review 2020

Income Statement

The financial review is based on the Group's consolidated financial information for the year ended December 31, 2020, with comparative figures for 2019 in brackets. There is no significant difference in the development of the Group and the Parent Company.

In 2020, BioPorto generated revenues of DKK 23.2 million (DKK 26.6 million). Earnings before interest and taxes (EBIT) showed a loss of DKK 63.6 million (loss of DKK 74.3 million). The cash position as of December 31, 2020 amounted to DKK 107.9 million (DKK 18.1 million).

Revenue

Revenue for 2020 was DKK 23.2 million (DKK 26.6 million).

Revenue from The NGAL Test was DKK 13.4 million (DKK 11.6 million) and was composed of DKK 6.7 million (DKK 4.9 million) from RUO sales in the US, DKK 6.7 million (DKK 5.5 million) from sales in the EU and the rest of the world and DKK 0.0 million (DKK 1.2 million) in NGAL related fees and licenses.
Revenue from sale of antibodies amounted to DKK 6.8 million (DKK 9.4 million).

Revenue from ELISA kits was DKK 2.5 million (DKK 4.8 million).

Revenues from other products, royalties and licenses amounted to DKK 0.5 million (DKK 0.8 million).

Production costs

Production costs amounted to DKK 9.9 million (DKK 9.3 million) bringing the gross profit for 2020 to DKK 13.3 million (DKK 17.3 million) and the gross margin to 57% (65%). The increase in production costs is primarily related to increase cost of goods sold DKK 0.2 million and and increased other production costs DKK 0.3 million.

Sales and marketing costs

Sales and marketing costs totaled DKK 20.8 million (DKK 39.3 million). The decrease in costs is driven by reduced consultancy spend of DKK 4.1 million, lower staff related costs of DKK 3.7 million and reduced travel costs of DKK 3.0 million. In addition one-time costs related to a ceased collaboration with a vendor totaled DKK 5.4 million in 2019.

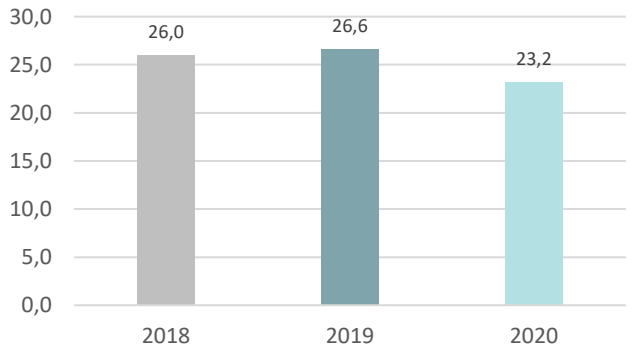
Research and development costs

Research and development costs amounted to DKK 28.1 million (DKK 24.6 million). The increase is mainly due to increase in staff related costs staff related costs of DKK 3.9 million.

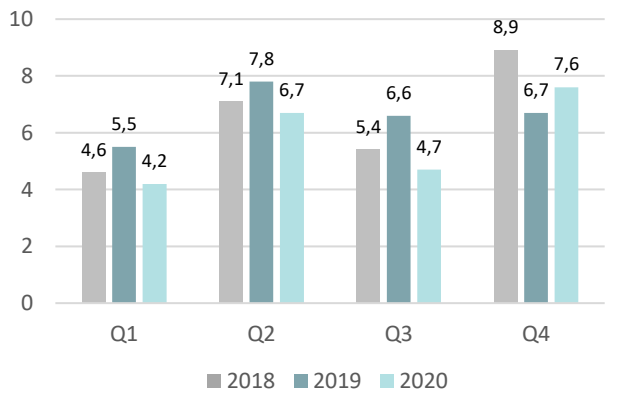
Administrative costs

Administrative expenses were DKK 28.0 million (DKK 27.8 million). In 2020 staff-related costs increased by DKK 1.6 million partly offset by reduction in travel costs of DKK 0.8 million and reduction of consultancy expenses DKK 0.6 million.

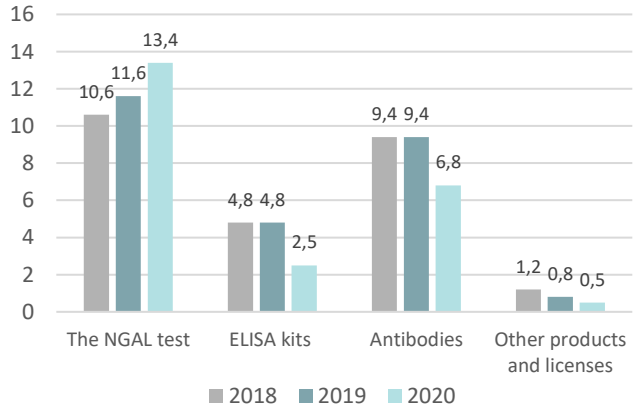
Revenue (DKK million)



Revenue by quarter (DKK million)



Revenue by product category (DKK million)



Financial income and expenses

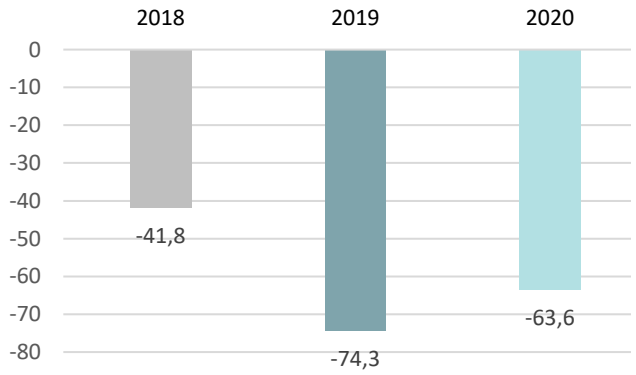
Financial income was DKK 0.0 million (DKK 0.5 million) and consisted of interest from banks (DKK 0.1 million). In 2019 financial income from exchange rate adjustments of DKK 0.4 million was realized.

Financial expenses amounted to DKK 3.2 million (DKK 0.5 million) and consists of net loss on exchange rate adjustments of DKK 2.4 (net gain of DKK 0.4 million), interest on leasing liabilities DKK 0.6 million (DKK 0.3 million) and of bank charges and interest.

Tax on income for the year

Tax on income for the year was an income of DKK 5.3 million (income of DKK 4.6 million) which is primarily related to refunded tax losses originating from research and development costs.

EBIT (DKK million)



Liquidity

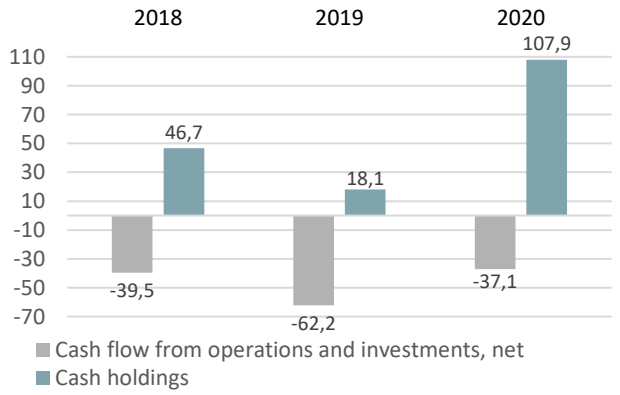
As of December 31, 2020, BioPorto had a cash position of DKK 107.9 million (DKK 18.1 million). The Company has funded cash requirements for 2020 with a combination of revenue from product sales and capital increase through two rights issues.

Cash flow

Net cash expenditure from operating activities amounted to DKK 35.6 million (DKK 60.2 million) mainly driven by an decrease in the cash expenditure from operations of DKK 25.3 million.

Net cash used in investing activities was DKK 1.5 million (DKK 2.1 million) of which the vast majority was investment in financial assets.

Cash flows and Cash holdings (DKK million)



Net cash provided by financing activities totalled DKK 127.0 million (DKK 33.6 million) primarily from capital increases through rights issues securing net proceeds of DKK 130.1 million (DKK 36.0 million).

The net cash flow for 2020 was positive by DKK 89.9 million (negative by DKK 28.6 million).

Balance Sheet

The balance sheet total was DKK 140.3 million as of December 31, 2020 (DKK 42.7 million).

Assets

Intangible assets in 2020 were DKK 1.2 million (DKK 1.3 million). The decrease is due to the amortization of intangible assets, partly offset by investments in software.

Fixtures and fittings, tools and equipment stood at DKK 2.4 million (DKK 1.7 million). The increase is primarily due to the investment in leasehold improvements and lab equipment, partly off-set by depreciation.

Right-of-use assets have been recognized as of January 1, 2019 as part of implementing IFRS 16. Right-of-use assets consists of the group leases of office space and vehicles and total DKK 10.3 million as of December 31, 2020 (DKK 3.5 million). The increase in 2020 consists of new office lease in Boston partly offset by depreciations.

Financial assets stood at DKK 1.6 million (DKK 1.7 million) and consists of deposits in connections to leasing of office space.

The Company has no deferred tax asset on the balance sheet. As of December 31, 2020, the total write-down of the tax asset amounted to DKK 64.7 million (DKK 55.0 million). The Company retains the right to use the tax loss carry forward of DKK 63.0 million (DKK 53.5 million) and the other tax assets

of net DKK 1.6 million (DKK 1.5 million) that were written down.

Inventories stood at DKK 3.2 million (DKK 4.2 million) of which finished goods consisted of DKK 1.5 million (DKK 2.1 million).

Receivables stood at DKK 13.7 million (DKK 12.2 million), of which trade receivables amounted to DKK 6.9 million (DKK 5.7 million). The increase is mainly due to higher sales in December 2020 compared to December 2019 partly offset by reductions in the balance of overdue trade receivables. Income tax receivables totalled DKK 5.3 million (DKK 4.7 million) and other receivables and prepayments DKK 1.5 million (DKK 1.8 million).

As of December 31, 2020, the cash position was DKK 107.9 million (DKK 18.1 million). BioPorto's cash is primarily invested in deposit accounts with two Nordic banks.

Equity

After the transfer of the loss of the year, equity stood at DKK 100.9 million (DKK 25.3 million).

Liabilities

Non-current liabilities stood at DKK 8.4 million (DKK 2.5 million).

Current liabilities stood at DKK 30.9 million (DKK 14.9 million) of which trade payables amounted to DKK 4.6 million (DKK 3.2 million) and other payables amounted to DKK 23.4 million (DKK 9.2 million).

Capital structure

The Management continuously assesses whether the consolidated capital structure conforms to the interests of the Group and the shareholders. The overarching goal is to ensure a capital structure which underpins long-term financial growth and at the same time maximizes the returns for the Group's stakeholders by optimizing the relationship between equity capital and borrowed capital.

Change of control

The Danish Financial Statements Act, Section 107 a, contains rules relating to listed companies with respect to certain disclosures in relation to disclosure of change of control provisions.

BioPorto has entered into agreements with external parties, which may be subject to renegotiation in case of a change of control event in BioPorto. However, detailed information is not provided here, as it may be restricted from disclosure due to confidentiality or is not expected to have significant influence on the Company's financial position.

Income statement and statement of comprehensive income

Income statement

Note		2020 DKK thousand	2019 DKK thousand
3	Revenue	23,204	26,622
4,6,14	Production costs	9,865	9,293
	Gross profit/loss	**13,339**	**17,329**
4,6	Sales and marketing costs	20,786	39,268
4,6	Research and development costs	28,125	24,556
4,6,7	Administrative costs	28,018	27,804
	Profit/loss before financial items (EBIT)	**(63,590)**	**(74,299)**
8	Financial income	4	503
8	Financial expenses	3,248	451
	Profit/loss before tax	**(66,834)**	**(74,247)**
9	Total income taxes	(5,272)	(4,605)
	Profit/loss for the year	**(61,562)**	**(69,642)**
		DKK	DKK
10	Profit/loss per share (EPS & DEPS)	(0.30)	(0.41)

Statement of comprehensive income

Note		2020 DKK thousand	2019 DKK thousand
	Profit/loss for the year	**(61,562)**	**(69,642)**
	Amounts which will be re-classified to the income statement:		
	Adjustment of foreign currency fluctuations on subsidiaries	1,772	(325)
	Total comprehensive income	**(59,790)**	**(69,967)**

Balance sheet

Note	ASSETS	2020 December 31 DKK thousand	2019 December 31 DKK thousand
	Non-current assets		
	Property, plant and equipment and intangible assets		
11	Rights and software	1,152	1,262
12	Fixtures and fittings, tools and equipment	2,448	1,710
13	Right-of-use assets	10,261	3,537
	Total property, plant and equipment and intangible assets	**13,861**	**6,509**
	Financial assets		
	Deposits	1,645	1,709
	Total financial assets	**1,645**	**1,709**
	Total non-current assets	**15,506**	**8,218**
	Current assets		
14,19	Inventories	3,165	4,155
15,18,19	Trade receivables	6,886	5,695
	Income tax receivable	5,279	4,742
15,18,19	Other receivables	577	567
15,19	Prepayments	930	1,183
	Total inventories and receivables	**16,837**	**16,342**
18	Cash	107,943	18,122
	Total current assets	**124,780**	**34,464**
	Total assets	**140,286**	**42,682**

Note	LIABILITIES	2020 December 31 DKK thousand	2019 December 31 DKK thousand
	Equity		
16	Share capital	266,582	174,944
17	Treasury shares	-	-
	Exchange-rate adjustments	1,100	(672)
	Retained earnings	(166,770)	(148,950)
	Total equity	**100,912**	**25,322**
	Liabilities		
	Non-current liabilities		
18	Lease obligation	7,992	1,545
18,19	Other non-current liabilities	452	957
	Non-current liabilities	**8,444**	**2,502**
	Current liabilities		
18	Current portion of non-current liabilities	2,828	2,306
18,19	Trade payables	4,636	3,237
	Tax payables	77	78
18,19	Other payables	23,389	9,237
	Current liabilities	**30,930**	**14,858**
	Total liabilities	**39,374**	**17,360**
	Total equity and liabilities	**140,286**	**42,682**

Statement of changes in equity

	Share capital DKK thousand	Share premium DKK thousand	Exchange-rate adjustments DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity on January 1, 2020	174,944	-	(672)	(148,950)	**25,322**
Comprehensive income					
Profit/loss for the year/ comprehensive income	-	-	-	(61,562)	**(61,562)**
Adjustment of foreign currency fluctuations on subsidiaries	-	-	1,772	-	**1,772**
Transactions with owners:					
Issue	91,638	54,982	-	-	**146,620**
Issue costs	-	(16,556)	-	-	**(16,556)**
Share-based compensation	-	-	-	5,316	**5,316**
Transferred to retained earnings	-	(38,426)	-	38,426	**-**
Equity on December 31, 2020	**266,582**	**-**	**1,100**	**(166,770)**	**100,912**

	Share capital DKK thousand	Share premium DKK thousand	Exchange-rate adjustments DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity on January 1, 2019	165,688	-	(347)	(109,144)	**56,197**
Comprehensive income					
Profit/loss for the year/ comprehensive income	-	-	-	(69,642)	**(69,642)**
Adjustment of foreign currency fluctuations on subsidiaries	-	-	(325)	-	**(325)**
Transactions with owners:					
Issue	9,256	27,493	-	-	**36,749**
Issue costs	-	(766)	-	-	**(766)**
Share-based compensation	-	-	-	3,109	**3,109**
Transferred to retained earnings	-	(26,727)	-	26,727	**-**
Equity on December 31, 2019	**174,944**	**-**	**(672)**	**(148,950)**	**25,322**

	2020 DKK thousand	2019 DKK thousand	2018 DKK thousand	2017 DKK thousand	2016 DKK thousand
Share capital on January 1	174,944	165,688	155,510	142,494	129,599
Issue of new shares	91,638	9,256	10,178	13,016	12,895
Share capital on December 31	**266,582**	**174,944**	**165,688**	**155,510**	**142,494**

Cash flow statement

Note		2020 DKK thousand	2019 DKK thousand
	Profit/loss before financial items	(63,590)	(74,299)
6	Depreciation and amortization	3,994	2,857
4	Warrant expenses	5,316	3,109
	Other non-cash adjustments	334	194
	Cash generated from operations before working capital	**(53,946)**	**(68,139)**
19	Changes in working capital	15,593	4,453
	Cash generated from operations	**(38,353)**	**(63,686)**
	Financial income, received	634	591
	Financial expenses, paid	(2,640)	(626)
	Tax refund, net	4,743	3,557
	Cash flows from operating activities	**(35,616)**	**(60,164)**
12	Purchase of operating equipment	(1,315)	(646)
11	Purchase of rights and software	(184)	(460)
	Purchase of financial assets	(22)	(957)
	Cash flows from investing activities	**(1,521)**	**(2,063)**
20	Issue, gross proceeds	146,620	36,749
20	Issue costs	(16,556)	(766)
	Reduction of non-current liabilities	(170)	(164)
13	Reduction of lease obligation	(2,859)	(2,211)
	Cash flows from financing activities	**127,035**	**33,608**
	Net cash flow from operating, investing and financing activities	**89,898**	**(28,619)**
	Cash and cash equivalents on January 1	18,122	46,709
	Currency adjustments	(77)	32
	Cash and cash equivalents on December 31	**107,943**	**18,122**

Notes - Group

Note 1

Accounting policies

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

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

The accounting policies for the Group are otherwise as described as follows.

Implementation of new and amended standards and interpretations

All new and amended Standards (IFRS/IAS) and the new Interpretations (IFRIC) issued by IASB and adopted by EU effective as of January 1, 2020 have been adopted by the group. The amendments to IFRS standards that became effective on January 1, 2020 did not have a material impact on the consolidated financial statements of the BioPorto Group.

Standards and interpretations not yet in force

At the time of publishing this Annual Report, there are several new or modified standards and interpretations which have yet to come into effect and which are therefore not implemented into the consolidated financial statements. The new or modified standards and interpretations will be implemented when they become mandatory and are not expected to have an impact on the consolidated financial statements of the BioPorto Group.

Consolidated financial statements

The consolidated financial statements comprise the parent company BioPorto A/S and subsidiaries in which BioPorto A/S has control over the company's financial and operating policies to obtain returns or other benefits from its activities. Control is obtained when the Company directly or indirectly holds more than 50% of the voting rights in the subsidiary or controls the subsidiary in some other way.

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

Translation of foreign currency

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

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

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

Incentive programs

The company has issued warrants (options) to Management and employees. Share based incentive programs in which employees only have the option of choosing to subscribe for new shares in the parent company (equity-settled share-based payment transactions) are measured at the equity instrument's fair value on the date of issue and are recognized in the income statement over the vesting period. The counter entry for this is recognized directly in equity. The fair value per warrant is specified based on the Black-Scholes equation on the date of issue and is not adjusted subsequently. Warrants restricted by vesting conditions are forfeited if the vesting conditions are not met.

Segment information

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

The NGAL Test
ELISA kits
Antibodies
Other products, royalties and licenses

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

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

Placement of 66% of non-current assets are in Denmark (80% in 2019).

Income statement and statement of comprehensive income

Revenue

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

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

This is the case when:

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

Revenue is measured at the transaction price excluding VAT and net of discounts related to sales. Typical payment terms are 30 days.

Production costs

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

Sales and marketing costs

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

Research and development costs

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

Administrative expenses

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

Financial income and expenses

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

Income tax

Income tax comprises current tax and changes in deferred tax for the year. The tax expense relating to the results for the year is recognized on the income statement, and the tax expense relating to changes directly recognized in equity or other comprehensive income is recognized in equity.

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

Balance sheet
Non-current 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, when the technical feasibility has been demonstrated and adequate resources to complete the development work and market or use the project have been documented, the project has received FDA clearance and company Management has declared its intention to manufacture and market or use the product.

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

Rights and software

Rights and software are measured at cost less accumulated depreciation and impairment.

The cost comprises the purchase price as well as costs directly related to the purchase until the date on which the asset is ready for use. In addition, the cost comprises future minimum royalty payments to which the company is bound, discounted back to present value.

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

Rights and software; 3 - 10 years

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

Depreciation is recognized on the income statement under sales and marketing costs and administrative expenses.

Fixtures and fittings, tools and equipment

Other plant, operating equipment and fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use.

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

Other fixtures and fittings, tools and equipment; 3 - 5 years

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

To the extent that depreciation is not reflected in the cost of inventories as production overhead, depreciation is recognized on the income statement under production costs, sales and marketing costs, research and development costs and administrative expenses, respectively.

Right-of-use assets

Right-of-use assets are initially measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Lease liabilities are initially measured as the net present value of the future lease payments discounted by the incremental borrowing rate.

The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Depreciation is recognized on the income statement under administrative expenses.

Deferred tax assets

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

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

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

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

Impairment of assets

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

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

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

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

Current assets

Inventories

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

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

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

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

Receivables

Trade receivables are measured at amortized cost less allowance for lifetime expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on business area and the days past due.

Trade receivables are written of when there is no reasonable expectation of recovery.

The cost of allowances for expected credit losses and write-offs for trade receivables are included in sales and distribution costs.

Income tax receivables

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

Companies covered by the Danish tax credit scheme (Skattekreditordningen) may obtain payment of the base of losses originating from research and development expenses of up to DKK 25 million.

Prepayments

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

Equity

Treasury shares

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

Issue costs

Issue costs include costs legal fees, placement fees, finders fees and other costs associated with the issuing of new shares.

Warrants

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

Financial liabilities

Lease liabilities

The group leases office space and vehicles. Until January 1, 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases, except for short term assets in which the lease term is 12 months or less, or low value assets, are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Short term leases and leases of low value are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

Lease liabilities are initially recognized at the present value of future lease payments. At initial recognition each leasing contract is assessed individually to determine the likelihood of exercising any potential extension options in the contract. The option to extend the contract period will be included in the calculation of the lease liability if it is reasonably certain that the extension option will be exercised.

Lease costs are not split into service components and rental costs but are accounted for as a single lease component. Variable service components invoiced separately are expensed as operational costs.

The lease liability is measured using a discount rate equal to the incremental borrowing rate.

If a lease contract is modified, the lease liability is remeasured.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Tax payable

Current tax payables are recognized on the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Other financial liabilities

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

Other liabilities are measured at amortized cost.

Cash flow statement

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

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

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

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

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

Financial ratios

Earnings per share (EPS) and diluted earnings per share (DEPS) are calculated in accordance with IAS 33.
Financial ratios have been calculated in accordance with the guidelines from the Danish Society of Financial Analysts.

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

Revenue growth	$\frac{\text{(Revenue year 1 - Revenue year 0) x 100}}{\text{Revenue year 0}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Equity ratio	$\frac{\text{Equity, closing x 100}}{\text{Total liabilities, closing}}$
Earnings per share (EPS)	$\frac{\text{Result for the year}}{\text{Average number of shares}}$
Net asset value per share at year end	$\frac{\text{Capital and reserves, closing}}{\text{No. of shares, closing}}$

Note 2

Significant accounting estimates and judgments

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

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

Development projects

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

Tax assets

The Group has a significant deferred tax asset (see note 9). However, Management has found that, in accordance with IFRS, it is not sufficiently probable that the tax asset can be utilized in the foreseeable future. Management has therefore decided not to recognize the calculated tax asset on the balance sheet.

Note 3

Segment reporting

GEOGRAPHIC DISTRIBUTION	2020 DKK thousand	2019 DKK thousand
Europe	10,016	9,956
North America	10,374	12,936
Asia	2,806	3,182
Other countries	8	548
Revenue	**23,204**	**26,622**

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

PRODUCT GROUPS	2020 DKK thousand	2019 DKK thousand
NGAL Revenue:		
Product sales	13,430	10,476
Other NGAL revenue	-	1,168
Total NGAL revenue	13,430	11,644
Other products and licenses:		
ELISA kits	2,541	4,752
Antibodies	6,791	9,417
Royalty	19	142
Other products and licenses	423	667
Total other products and license revenue	9,774	14,978
Revenue	**23,204**	**26,622**

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

One customer was responsible for more than 10% of BioPorto's revenue in 2020: The customer is based in Europe and made purchases amounting to DKK 2,391 thousand in 2020. The customer primarily purchases NGAL kits. No customer was responsible for more than 10% of BioPorto's revenue in 2019. Out of net revenue, 45% was invoiced to customers based in the US (2019: 48%) and 10% to customers based in the UK (2019: 11%).

Note 4

Staff costs

	2020 DKK thousand	2019 DKK thousand
Wages and salaries	39,266	38,943
Defined contribution pension plans	2,179	2,485
Share-based compensation expenses	5,316	3,109
Other social security costs	1,538	2,070
Other staff costs	498	566
Staff costs	**48,797**	**47,173**
Average number of employees	28	34

SPECIFICATION OF STAFF COSTS	2020 DKK thousand	2019 DKK thousand
Production costs	3,466	3,554
Sales and marketing costs	15,536	19,282
Research and development costs	12,238	8,358
Administrative expenses	17,557	15,979
Staff costs	**48,797**	**47,173**

REMUNERATION FOR KEY MANAGEMENT PERSONNEL	2020 DKK thousand	2019 DKK thousand
Executive Management	7,037	5,937
Other Corporate Management	18,605	12,903
Bord of Directors	1,708	1,402
Remuneration for key management personnel	**27,350**	**20,242**

SPECIFICATION OF REMUNERATION FOR EXECUTIVE MANAGEMENT	2020 DKK thousand	2019 DKK thousand
Peter Mørch Eriksen		
Salary	3.268	3,124
Bonus	1,020	360
LTI bonus [1)]	609	704
Contribution based pension	554	528
Other employee benefits	156	156
Remuneration, total	**5,607**	**4,872**
Share based compensation expenses	1,430	1,065
Executive Management, Total	**7,037**	**5,937**

[1)] A long term incentive bonus plan was established in December 2018. The LTI has been expensed since it was established in 2018 and will be paid out once the KPI's are fulfilled (2021 and 2022).

Note 5

Incentive schemes

For the purpose of motivating and retaining Management and key staff, BioPorto A/S uses warrants as an incentive and bonus scheme. The arrangements, which may only be exercised by the issuance of new shares (equity-settled share-based payment transaction), entitle the recipient to subscribe for a number of new shares in the parent company at a price agreed in advance.

The share-based payment compensation expenses amounted to DKK 5.3 million in 2020 (2019: DKK 3.1 million).

The detailed warrant terms are found in the company's articles of association which can be found on www.bioporto.com under Investor Relations > Governance > Company Articles.

In 2020 the Board of Directors in BioPorto used its authorization and issued a total of 2,150,000 warrants to the Management and certain employees in one program. Each warrant entitles the recipient to subscribe for one share in BioPorto A/S.

May 2020 program

In the only 2020 program (May) a total of 2,150,000 warrants were issued. The exercise price was set at DKK 2.72 per share. The warrants can only be exercised in the period beginning on May 11, 2022 until May 10, 2025.

April 2019 program

In the first 2019 program from April a total of 5,100,000 warrants were issued. The exercise price was set at DKK 3.92 per share. The warrants can only be exercised in the period beginning on April 16, 2021 until April 15, 2024.

August 2019 program

In the second program from August a total of 1,500,000 warrants were issued. The exercise price was set at DKK 2.88 per share. The warrants can only be exercised in the period beginning on August 16, 2021 until August 15, 2024. In December, a total of 250,000 warrants was forfeited due to an employee resignation.

December 2019 program

In the third program (December) a total of 250,000 warrants were issued. The exercise price was set at DKK 2.90 per share. The warrants can only be exercised in the period beginning on December 30, 2021 until December 29, 2024.

June 2018 program

In the first 2018 program (June) a total of 900,000 warrants were issued. The exercise price was set at DKK 3.12 per share. In 2019 the vesting period of the program was extended from 24 to 36 months. At the same time the exercise period for the program was reduced from 36 to 24 months. The warrants can only be exercised in the period beginning on June 15, 2021 until June 14, 2023. Conditions for cancellation of all warrants in the program apply in case the Company does not achieve FDA clearance of The NGAL Test within the vesting period.

August 2018 program

In the second program from August a total of 4,100,000 warrants were issued. The exercise price was set at DKK 3.44 per share. In 2019 the vesting period of the program was extended from 24 to 36 months. At the same time the exercise period for the program was reduced from 36 to 24 months. The warrants can only be exercised in the period beginning on August 20, 2021 until August 19, 2023. Conditions for exercising of all warrants apply in case the Company achieves FDA clearance of The NGAL Test within the vesting period, and if 50 new hospital customer sites in the USA are achieved and if the company achieves NGAL revenue growth of 100 % (in local currency in the USA) no later than 12 months after the FDA clearance.

December 2018 program

In the third program from December a total of 2,500,000 warrants were issued. The exercise price was set at DKK 3.75 per share. In 2020 the vesting period of the program was extended from 24 to 36 months. At the same time the exercise period for the program was reduced from 36 to 24 months. The warrants can only be exercised in the period beginning on December 20, 2021 until December 19, 2023. Conditions for exercising of all warrants apply in case the Company achieves FDA clearance of The NGAL Test before June 30, 2021, and if 50 new hospital customer sites in the USA are achieved and if the company achieves NGAL revenue growth of 100 % (in local currency in the USA) no later than 12 months after the FDA clearance.

Within the exercise period, warrants can be exercised within ordinary trading windows. The program also includes conditions on claw-back in case of erroneous financial information and on accelerated vesting in case of e.g., takeover bid, resolution and business transfer.

All the warrants issued from 2018 are restricted by terms concerning total or partial forfeiture. The theoretical market value of the warrants issued amounted to DKK 14,215,154. The specification is based on the Black-Scholes equation, using 2-year interest rate and the historical volatility of BioPorto A/S' shares over 24 months.

Note 5, continued

In 2016 and 2017 the Board of Directors issued two warrant programs. The 2017 program was forfeited in Q4 2018.

2016 program

In 2016 a total of 6,368,696 warrants were issued to BioPorto's Management and certain employees. Each warrant entitles the recipient to subscribe for one share in BioPorto A/S. The exercise price is set at DKK 4.58 per share. The warrants can only be exercised in the period beginning on April 8, 2018 and ending on April 7, 2021. Within the exercise period, warrants can be exercised within ordinary trading windows. Roughly half of the warrants issued are restricted by terms concerning total or partial forfeiture. The theoretical market value of the warrants issued amounted to DKK 6,987,129 on the date of issue. The specification is based on the Black-Scholes equation, using a 2-year interest rate and the historical volatility of BioPorto A/S' shares over 24 months. By the end of 2020 the program had 2,432,500 outstanding warrants of which all are exercisable.

Overview of exercise periods for the various programs

April 2016	April 8, 2018 to April 7, 2021
June 2018	June 15, 2021 to June 14, 2023
August 2018	August 20, 2021 to August 19, 2023
December 2018	December 20, 2021 to December 19, 2023
April 2019	April 16, 2021 to April 15, 2024
August 2019	August 16, 2021 to August 15, 2024
December 2019	December 30, 2021 to December 29, 2024
May 2020	May 11, 2022 to May 10, 2025

Note 5, continued

Overview of outstanding warrants on December 31, 2020

Warrants overview 2020	Outstanding on January 1	Granted	Exercised	Expired	Forfeited	Outstanding on December 31	Can be exercised on December 31
April 2016	2,432,500	-	-	-	-	2,432,500	2,432,500
June 2018	900,000	-	-	-	-	900,000	-
August 2018	4,100,000	-	-	-	-	4,100,000	-
December 2018	2,500,000	-	-	-	-	2,500,000	-
April 2019	5,100,000	-	-	-	-	5,100,000	-
August 2019	1,250,000	-	-	-	-	1,250,000	-
December 2019	250,000	-	-	-	-	250,000	-
May 2020	-	2,150,000	-	-	-	2,150,000	-
Total	**16,532,500**	**2,150,000**	**-**	**-**	**-**	**18,682,500**	**2,432,500**

	Outstanding on January 1	Granted	Exercised	Expired	Forfeited	Outstanding on December 31	Can be exercised on December 31
Executive Management	5,760,000	-	-	-	-	5,760,000	910,000
Management	8,350,000	1,500,000	-	-	-	9,850,000	-
Other employees	2,422,500	650,000	-	-	-	3,072,500	1,522,500
Total	**16,532,500**	**2,150,000**	**-**	**-**	**-**	**18,682,500**	**2,432,500**

Note 5, continued

Overview of outstanding warrants on December 31, 2019

	Outstanding on January 1	Granted	Exercised	Expired	Forfeited	Outstanding at December 31	Can be exercised on December 31
April 2016	2,432,500	-	-	-	-	2,432,500	2,432,500
June 2018	900,000	-	-	-	-	900,000	-
August 2018	4,100,000	-	-	-	-	4,100,000	-
December 2018	2,500,000	-	-	-	-	2,500,000	-
April 2019	-	5,100,000	-	-	-	5,100,000	-
August 2019	-	1,500,000	-	-	(250,000	1,250,000	-
December 2019	-	250,000	-	-	-	250,000	-
Total	**9,932,500**	**6,850,000**	**-**	**-**	**(250,000)**	**16,532,500**	**2,432,500**

	Outstanding on January 1	Granted	Exercised	Expired	Forfeited	Outstanding at December 31	Can be exercised on December 31
Executive Management	4,410,000	1,350,000	-	-	-	5,760,000	910,000
Management	3,600,000	4,750,000	-	-	-	8,350,000	-
Other employees	1,922,500	750,000	-	-	(250,000)	2,422,500	1,522,500
Total	**9,932,500**	**6,850,000**	**-**	**-**	**(250,000)**	**16,532,500**	**2,432,500**

Specification of parameters for Black- Scholes model

Specification of parameters for Black-Scholes model	Apr 2016	Jun 2018	Aug 2018	Dec 2018	Apr 2019	Aug 2019	Dec 2019	May 2020
Exercise price at grant	4.58	3.12	3.44	3.75	3.92	2.88	2.90	2.72
Expected volatility rate	59.8%	37.6%	37.3%	50.1%	47.3%	47.2%	50.1%	63.5%
Expected life (months)	24	36	36	24	24	24	24	24
Expected dividend per share	-	-	-	-	-	-	-	-
Risk-free interest rate p.a.	-0.429%	-0.556%	-0.578%	-0.514%	-0.604%	-0.87%	-0.69%	-0.60%
Fair value at grant (thousands)	7,509	575	2,868	2,561	5,151	1,102	197	2,005

Note 6

Amortization and depreciation

RIGHTS AND SOFTWARE	2020 DKK thousand	2019 DKK thousand
Intangible assets	294	377
Total amortization	**294**	**377**
Specification of amortization:		
Sales and marketing costs	201	331
Administrative expenses	93	46
Total amortization	**294**	**377**

PROPERTY, PLANT AND EQUIPMENT	2020 DKK thousand	2019 DKK thousand
Property, plant and equipment	568	373
Total depreciation	**568**	**373**
Specification of depreciation:		
Production costs	113	88
Sales and marketing costs	108	1
Research and development costs	305	268
Administrative expenses	42	16
Total depreciation	**568**	**373**

RIGHT-OF-USE ASSETS	2020 DKK thousand	2019 DKK thousand
Right-of-use, assets	3,132	2,107
Total depreciation	**3,132**	**2,107**
Specification of depreciation:		
Sales and marketing costs	1,389	-
Administrative expenses	1,743	2,107
Total amortization	**3,132**	**2,107**

Note 7

Fees to auditors appointed by the general meeting

	2020 DKK thousand	2019 DKK thousand
Fees to auditors appointed by the general meeting	**1,472**	**829**
Breakdown of fees:		
Fees for statutory audit	548	355
Total audit fees	**548**	**355**
Other assurance engagements	15	-
Tax advisory services	524	413
Other services	385	61
Total non-audit fee	**924**	**474**
Total fees to auditors appointed by the general meeting	**1,472**	**829**

Fees for services in addition to the statutory audit of the financial statements which were provided by the statutory auditor PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.5 million (2019: DKK 0.1 million). Non-audit services in addition to the statutory audit of the financial statements comprise services relating to tax compliance, other assurance opinions as well as other general accounting consultancy services and services relating to the rights issue.

Note 8

Financial income and expenses

FINANCIAL INCOME	2020 DKK thousand	2019 DKK thousand
Interest income from bank	4	75
Interest income from financial assets measured at amortized cost	**4**	**75**
Exchange rate adjustments, net	-	428
Total financial income	**4**	**503**

FINANCIAL EXPENSES	2020 DKK thousand	2019 DKK thousand
Interest expenses, other debt	166	42
Interest expenses, leasing debt	614	284
Interest expenses on financial liabilities measured at amortized cost	**780**	**326**
Exchange rate adjustments, net	2,403	-
Other financial expenses	65	125
Total financial expenses	**3,248**	**451**

Note 9

Deferred tax

The Group has a significant deferred tax asset. However, Management has found that, regarding IFRS, it is not sufficiently probable that the tax asset can be utilized in the foreseeable future. Management has therefore decided not to recognize the calculated tax asset on the balance sheet, cf. note 2. The tax asset is of indefinite duration.

	2020 DKK thousand	2019 DKK thousand
Calculated tax asset	64,661	55,043
Writedown to assessed value	(64,661)	(55,043)
Carrying amount	**-**	**-**

Deferred tax assets not recognised in the balance sheet	2020 DKK thousand	2019 DKK thousand
Intangible assets	678	614
Property, plant and equipment	907	805
Right-of-use assets	(350)	(656)
Current assets	92	58
Leasing liabilities	371	682
Tax loss carryforwards	62,963	53,540
Deferred tax at December 31, net	**64,661**	**55,043**

Income tax benefits	2020 DKK thousand	2019 DKK thousand
Net result before tax	(66,834)	(74,247)
Computed, 22%	**(14,703)**	**(16,334)**
Valuation allowance	9,618	11,570
Income ()/expenses not taxable/deductible for tax purposes	(435)	-
Non-recognized deferred tax assets on current year losses in foreign subsidiaries	224	-
Tax foreign subsidiaries	-	319
Adjustment of tax from previous years	24	(160)
Total income taxes	**(5,272)**	**(4,605)**

In accordance with the Danish tax credit scheme (Skattekreditordningen) BioPorto is eligible to receive DKK 5,299 thousand (2019: DKK 4,764 thousand) in cash relating to the surrendered tax loss for 2020 of DKK 24,084 thousand (2019: DKK 21,657 thousand) based on qualifying research and development expenses.

Note 10

Earnings per share

	2020 DKK thousand	2019 DKK thousand
Profit/loss for the period	(61,562)	(69,642)
BioPorto Group's share of profit/loss	**(61,562)**	**(69,642)**
Average number of shares	205,391	170,405
Average number of treasury shares	(13)	(13)
Average number of shares in circulation	205,378	170,392
Diluted average number of shares in circulation	205,378	170,392
Earnings per share (EPS)	(0.30)	(0.41)

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

Note 11

Rights and software

	2020 DKK thousand	2019 DKK thousand
Cost on January 1	2,589	2,363
Additions during the year	184	460
Disposals during the year	-	(234)
Cost on December 31	**2,773**	**2,589**
Amortization on January 1	1,327	989
Amortization during the year	294	377
Disposals during the year	-	(39)
Amortization on December 31	**1,621**	**1,327**
Carrying amount on December 31	**1,152**	**1,262**

Note 12

Fixtures and fittings, tools and equipment

	2020 DKK thousand	2019 DKK thousand
Cost on January 1	4,110	3,464
Additions during the year	1,315	646
Currency adjustments	(14)	-
Cost on December 31	**5,411**	**4,110**
Depreciation on January 1	2,400	2,027
Depreciation during the year	568	373
Currency adjustments	(5)	-
Depreciation on December 31	**2,963**	**2,400**
Carrying amount on December 31	**2,448**	**1,710**

Note 13

Right-of-use assets

	2020 DKK thousand	2019 DKK thousand
Cost on January 1	5,639	5,324
Additions during the year	9,856	294
Disposals during the year	(326)	-
Currency adjustments	(86)	21
Cost on December 31	**15,083**	**5,639**
Depreciation on January 1	2,102	-
Depreciation during the year	3,132	2,107
Disposals during the year	(283)	-
Currency adjustments	(129)	(5)
Depreciation on December 31	**4,822**	**2,102**
Carrying amount on December 31	**10,261**	**3,537**

LEASE LIABILITIES	2020 DKK thousand	2019 DKK thousand
Current	2,687	2,165
Non-current	7,992	1,545
Lease liabilities on December 31	**10,679**	**3,710**

2020	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Lease obligations	2,687	5,704	2,288	10,679
Total	**2,687**	**5,704**	**2,288**	**10,679**

2019	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Lease obligations	2,165	1,545	-	3,710
Total	**2,165**	**1,545**	**-**	**3,710**

AMOUNTS RECOGNIZED IN INCOME STATEMENT	2020 DKK thousand	2019 DKK thousand
Depreciation charge of right-of-use assets	3,132	2,107
Interest expense (included in financial expenses)	614	284
Expense related to short-term leases	67	34
Carrying amount aon December 31	**3,813**	**2,425**

BioPorto has had no low-value lease contracts in 2020 or 2019.

The total cash outflow for leases in 2020 was DKK 2,859 thousand (2019: DKK 2,211 thousand).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Note 14

Inventories

	2020 DKK thousand	2019 DKK thousand
Finished goods	1,505	2,144
Raw materials and consumables	1,660	2,011
Inventories	**3,165**	**4,155**
Writedown of slow-moving items	474	591
Cost of sales included in production cost	3,514	3,304

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

Note 15

Receivables

	2020 DKK thousand	2019 DKK thousand
Trade receivables	7,306	5,959
Other receivables	577	567
Prepayments	930	1,183
Provision for bad debts	(420)	(264)
Total receivables	**8,393**	**7,445**

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

A provision for bad debts is recognized to reduce the carrying amount of trade receivables by the value which is impaired due to risk of loss. As of January 1, 2018, the provision for bad debts has been calculated based on the simplified expected credit loss model.

An overview of trade receivables is included in note 18.

Note 16

Share capital

NUMBER OF SHARES	2020 Number	2019 Number
January 1	174,944,375	165,687,798
Issue	91,637,529	9,256,577
December 31	**266,581,904**	**174,944,375**

CAPITAL INCREASES IN 2020	Number of shares	Nominal value DKK	Share price DKK/share
Rights issue	24,992,053	1.00	1.60
Rights issue	66,645,476	1.00	1.60

CAPITAL INCREASES IN 2019	Number of shares	Nominal value DKK	Share price DKK/share
Direct issue	9,256,577	1.00	3.97

The share capital consists of 266,581,904 shares of DKK 1.00 each. The share capital has been paid up in full. The shares have not been divided into classes and carry no special rights.

The Board of Directors is authorized until March 18, 2022 to increase the company's capital stock on one or more occasions by a total of DKK 19,105,894. Further details are available in Article 16 of the Company Articles.

Note 17

Treasury shares

NOMINAL VALUE	2020 DKK thousand	2019 DKK thousand
January 1	13	13
December 31	**13**	**13**

NUMBER	No.	No.
January 1	13,000	13,000
December 31	**13,000**	**13,000**

% OF SHARE CAPITAL	%	%
January 1	0.01%	0.01%
December 31	**0.00%**	**0.01%**

At present, BioPorto A/S is not authorized to acquire treasury shares.
BioPorto A/S did not acquire treasury shares in 2020 or 2019.

Note 18

Financial risks and financial instruments

FINANCIAL INSTRUMENT CATEGORIES	2020 DKK thousand	2019 DKK thousand
Trade receivables	6,886	5,695
Other receivables	577	567
Cash and cash equivalents	107,943	18,122
Financial assets at amortized cost	**115,406**	**24,384**

	2020 DKK thousand	2019 DKK thousand
Lease liabilities	10,679	3,710
Other non-current liabilities	593	1,098
Trade payables	4,636	3,237
Financial liabilities at amortized cost	**15,908**	**8,045**

	Currency	Effective rate of interest	2020 DKK thousand	2019 DKK thousand
Floating-rate deposits	DKK	-0.5% to 0.5%	107,943	18,122
Sensitivity to change in interest rates		0.01	630	324

Financial liabilities

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

Financial risks

Currency risk

Currency risks include the risk arising from sales and production contracts being denominated in currencies other than Danish kroner. Contracts are primarily in USD and EUR, meaning that exposure in other currencies represents an insignificant currency risk.

With current revenue and contract-sizes the Company assess that it is not feasible to hedge all its USD exposure. However, the Company is monitoring the USD exposure and will be ready to use financial instruments to hedge its USD exposure. As long as the DKK is linked to the EUR the Company's revenue and costs in EUR will not be hedged.

	Currency	Exchange rate	2020 DKK thousand	2019 DKK thousand
Trade receivables settled in	EUR	7.44	5,185	4,477
Sensitivity to change in exchange rates	1.00%	0.07	52	45
Trade receivables settled in	USD	6.06	1,175	1,344
Sensitivity to change in exchange rates	10.00%	0.61	118	134

Interest rate risk

The Group's cash is placed in a flexible savings account on high-interest terms, and a lesser amount is subject to a variable interest rate on market terms. The company's risk is limited (see the statement in this note under financial instruments).

Note 18, continued

Credit risk

The Group's credit risk is primarily associated with trade receivables. Cash and cash equivalents are deposited with major Danish banks and the credit risk estimated to be immaterial. The financial situation and ability to pay of entities with trade receivables are continuously evaluated, with payment upon placement of an order required if ability-to-pay is evaluated to be low. To measure expected credit losses, trade receivables are grouped by business area and days past due. The expected loss percentage is calculated based on historical credit losses. Trade receivables are written off when there is no reasonable expectation of recovery. The maximum credit risk of the group as of December 31, 2020 is estimated to be DKK 6,886 thousand (DKK 5,695 thousand).

	Expected credit loss rate	Trade receivables DKK thousand	Expected loss DKK thousand	Total DKK thousand
Not due	0.9%	5,361	48	5,313
1-30 days overdue	3.4%	201	7	194
31-60 days overdue	2.4%	696	17	679
61-90 days overdue	2.0%	327	6	321
More than 90 days overdue	47.5%	720	341	379
December 31, 2020		**7,305**	**419**	**6,886**

The majority of the 'More than 90 days overdue' are receivables from distributors, where the credit risk is considered low.

	Expected credit loss rate	Trade receivables DKK thousand	Expected loss DKK thousand	Total DKK thousand
Not due	0.0%	3,680	-	3,680
1-30 days overdue	4.5%	593	27	566
31-60 days overdue	2.8%	269	8	261
61-90 days overdue	7.0%	106	7	99
More than 90 days overdue	16.9%	1,311	222	1,089
December 31, 2019		**5,959**	**264**	**5,695**

BioPorto has recognized a bad debt provision of DKK 0.4 million (DKK 0.3 million in 2019) based on the simplified expected credit loss model.

Liquidity risk

In connection with BioPorto's ongoing financing of operations, efforts are made to ensure adequate and flexible liquidity. As of December 31, 2020, BioPorto's liquid assets amounted to DKK 107.9 million. Provided that the presented guidance for 2021 is achieved, the liquid assets and capital resources are deemed sufficient for collecting the additional data and submitting the application for the FDA clearance of The NGAL Test in children in 2021 and preparing for commercialization of The NGAL Test in the US market. Flexibility is guaranteed by placing free funds in deposits.

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

Capital structure

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

Note 18, continued

Financial risks and financial instruments

2020	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Lease obligations	3,243	6,973	2,386	12,602
Other non-current liabilities	141	452	-	593
Trade payables and other payables	28,025	-	-	28,025
Financial liabilities	**31,409**	**7,425**	**2,386**	**41,220**

2019	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Lease obligations	2,165	1,545	-	3,710
Other non-current liabilities	141	807	150	1,098
Trade payables and other payables	12,474	-	-	12,474
Financial liabilities	**14,780**	**2,352**	**150**	**17,282**

Note 19

Change in working capital

	2020 DKK thousand	2019 DKK thousand
Change in inventories	990	(524)
Change in receivables	(948)	1,197
Change trade payables	1,399	(1,214)
Change in non-current liabilities	-	335
Change in other payables	14,152	4,659
Total change in working capital	**15,593**	**4,453**

Note 20

Capital increase

	2020 DKK thousand	2019 DKK thousand
Issue, gross proceeds	146,620	36,749
Issue costs	(16,556)	(766)
Total net proceeds	**130,064**	**35,983**

Note 21

Contingent liabilities and events after the end of the period

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

BioPorto has entered into development, distribution and licensing agreements with external parties that can be subject to renegotiation in the event of a change of ownership in BioPorto A/S. Possible changes to the agreements that would have a significant impact on the Group's financial position is not expected.

Events after the end of the period

The Board and Management are not aware of any reporting events occurring after the end of the financial year of significance to the group's economic or financial position that are not described in this annual report.

Note 22

Related parties and ownership

BioPorto - The Group's related parties are:

Board of Directors and Executive Management

Thomas Magnussen, Chairman (elected February 26, 2013)

Torben A. Nielsen, Vice Chairman (elected April 02, 2013)

Kirsten Drejer (elected April 21, 2017)

Christopher Lindop (elected August 15, 2019)

Michael Singer (elected August 15, 2019)

Peter Mørch Eriksen, CEO (appointed July 18, 2013)

Group-owned companies

BioPorto Diagnostics A/S, Tuborg Havnevej 15, 2900 Hellerup. Ownership: 100%

BioPorto Diagnostics Inc, Needham, Massachusetts , USA. Ownership: 100%

BioPorto Inc, Needham, Massachusetts, USA. Ownership: 100%

Veterinary Diagnostics A/S, Tuborg Havnevej 15, 2900 Hellerup. Ownership: 100%

Related party transactions

Other than Management remuneration there have been no transactions with related parties.

Income statement

Note		2020 DKK thousand	2019 DKK thousand
2	Revenue	9,600	9,600
	Gross profit	**9,600**	**9,600**
3	Sales and marketing cost	4,130	3,357
3,4	Administrative expense	26,943	25,028
	Profit/loss before financial items (EBIT)	**(21,473)**	**(18,785)**
5	Income from investments in subsidiaries	(43,638)	(70,144)
6	Financial income	8,363	20,406
6	Financial expenses	5,873	266
	Profit/loss before tax	**(62,621)**	**(68,789)**
7	Total income taxes	(1,059)	853
	Profit/loss for the year	**(61,562)**	**(69,642)**

Balance sheet

Note	ASSETS	2020 December 31 DKK thousand	2019 December 31 DKK thousand
	Non-current assets		
	Financial assets		
	Fixtures and fittings, tools and equipment	14	-
	Right-of-use assets	1,590	2,980
5	Investments in subsidiaries	22	-
	Receivables from subsidiaries	46,714	40,035
	Deposits	796	774
	Total financial assets	**49,136**	**43,789**
	Total non-current assets	**49,136**	**43,789**
	Current assets		
	Income tax receivables	5,299	4,764
	Other receivables	137	798
	Total receivables	**5,436**	**5,562**
	Cash	98,909	12,864
	Total current assets	**104,345**	**18,426**
	Total assets	**153,481**	**62,215**

EQUITY AND LIABILITIES	2020 December 31 DKK thousand	2019 December 31 DKK thousand
Equity		
Share capital	266,582	174,944
Exchange rate adjustments	1,100	(672)
Retained profit/loss	(166,770)	(148,950)
Total equity	**100,912**	**25,322**
Provisions		
Investments in subsidiaries with negative equity	37,789	28,065
Total provisions	**37,789**	**28,065**
Liabilities		
Non-current liabilities		
Lease obligation	255	1,332
Other non-current liabilities	-	61
Non-current liabilities	**255**	**1,393**
Current liabilities		
Current portion of non-current liabilities	1,432	1,769
Trade payables	835	923
Payables to subsidiaries	62	60
Other payables	12,196	4,683
Current liabilities	**14,525**	**7,435**
Total liabilities	**14,780**	**8,828**
Total equity and liabilities	**153,481**	**62,215**

Statement of changes in equity

	Share capital DKK thousand	Share premium DKK thousand	Exchange rate adjustment DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity on January 1, 2020	174,944	-	(672)	(148,950)	**25,322**
Comprehensive income					
Profit/loss for the year	-	-	-	(61,562)	**(61,562)**
Adjustment of foreign currency fluctuations on subsidiaries	-	-	1,772	-	**1,772**
Transactions with owners					
Issue	91,638	54,982	-	-	**146,620**
Issue costs	-	(16,556)	-	-	**(16,556)**
Share-based compensation	-	-	-	5,316	**5,316**
Transferred to Retained earnings	-	(38,426)	-	38,426	**-**
Equity on December 31, 2020	**266,582**	**-**	**1,100**	**(166,770)**	**100,912**

	Share capital DKK thousand	Share premium DKK thousand	Exchange rate adjustment DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity on January 1, 2019	165,688	-	(347)	(109,144)	**56,197**
Comprehensive income					
Profit/loss for the year	-	-	-	(69,642)	**(69,642)**
Adjustment of foreign currency fluctuations on subsidiaries	-	-	(325)	-	**(325)**
Transactions with owners					
Issue	9,256	27,493	-	-	**36,749**
Issue costs	-	(766)	-	-	**(766)**
Share-based compensation	-	-	-	3,109	**3,109**
Transferred to Retained earnings	-	(26,727)	-	26,727	**-**
Equity on December 31, 2019	**174,944**	**-**	**(672)**	**(148,950)**	**25,322**

Notes - Parent

Note 1

Accounting policies

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

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

Changes in accounting policies

The accounting policies are consistent with those applied last year.

Differences relative to the Group's accounting policies

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

Income statement

Income from investments in subsidiaries.

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

Balance sheet

Investments in subsidiaries.

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

Cash flow statement

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

Taxation

The parent company is taxed jointly with its domestic subsidiaries. The jointly taxed Danish enterprises are taxed under the Danish on-account tax scheme. Current tax for jointly-taxed companies is recognized in each individual company. All jointly-taxed companies are covered by the joint-taxation liability.
See “Deferred tax assets and Tax payable” in the consolidated financial statements.

Note 2

Revenue

GEOGRAPHIC DISTRIBUTION	2020 DKK thousand	2019 DKK thousand
Denmark	9,600	9,600
Revenue	**9,600**	**9,600**

The sale of services in BioPorto A/S exclusively concerns intra-group selling of services. The revenue is recognized over time in the accounting period in which the services are rendered.

Note 3

Staff costs

	2020 DKK thousand	2019 DKK thousand
Wages and salaries	15,975	13,527
Share-based compensation expenses	5,316	3,109
Defined contribution pension plans	1,280	1,231
Other social security costs	48	69
Other staff costs	80	61
Staff costs	**22,699**	**17,997**
Average number of employees	6	6

SPECIFICATION OF STAFF COSTS	2020 DKK thousand	2019 DKK thousand
Sales and marketing costs	4,122	3,357
Administrative expenses	18,577	14,640
Staff costs	**22,699**	**17,997**

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

Note 4

Fees to auditors appointed by the general meeting

	2020 DKK thousand	2019 DKK thousand
Audit fee	548	355
Total audit fees	**548**	**355**
Other assurance engagements	15	-
Tax advisory services	130	42
Other services	385	61
Total non-audit fee	**530**	**103**
Total fees to auditors appointed by the shareholders	**1,078**	**458**

Note 5

Investments in subsidiaries

	2020 DKK thousand	2020 DKK thousand
Cost on January 1	51,364	51,364
Additions	-	-
Cost at December 31	**51,364**	**51,364**
Revaluation on January 1	(414,135)	(343,666)
Income from investments in subsidiaries	(43,638)	(70,144)
Exchange rate adjustments investments in subsidiaries	1,772	(325)
Equity changes in subsidiaries	-	-
Revaluation on December 31	**(456,001)**	**(414,135)**
Value on December 31	**(404,637)**	**(362,771)**
Negative value of investments set off against receivables from group	366,870	334,706
Negative value of investments recognized as a provision	37,789	28,065
Value on December 31	**22**	**-**

BioPorto A/S regularly contributes capital to the subsidiary BioPorto Diagnostics A/S to support the subsidiary's operating activities. The receivable amount carries interest at an average annual rate for 2020 of 2.12%, which accrues at the end of each quarter. The Management members of BioPorto A/S and BioPorto Diagnostics A/S are identical. As BioPorto Diagnostics A/S activities account for the bulk of the Group's activities, reference is made to the Management's review, including the description of risks. Management believes that some uncertainty attaches to BioPorto Diagnostics A/S possibility of repaying the part of the parent company's receivable from the subsidiary which corresponds to the subsidiary's negative equity. Accordingly, a write-down has been made to reflect this.

List of subsidiaries

BioPorto Diagnostics A/S, Tuborg Havnevej 15, 2900 Hellerup. Ownership: 100%

BioPorto Inc, Needham, Massachusetts, USA. Ownership: 100%

BioPorto Diagnostics Inc, Needham, Massachusetts , USA. Ownership: 100%

Veterinary Diagnostics A/S, Tuborg Havnevej 15, 2900 Hellerup. Ownership: 100%

Note 6

Financial income and expenses

FINANCIAL INCOME	2020 DKK thousand	2019 DKK thousand
Interest income from subsidiaries	8,359	19,883
Interest income from bank	4	75
Exchange rate adjustments, net	-	448
Total financial income	**8,363**	**20,406**

FINANCIAL EXPENSES	2020 DKK thousand	2019 DKK thousand
Interest expense to subsidiaries	1	4
Interest expenses, leasing debt	145	235
Interest expenses, other debt	160	27
Exchange rate adjustments, net	5,567	-
Total financial expenses	**5,873**	**266**

Note 7

Deferred tax

A deferred tax asset has been calculated. However, Management has found that it is not sufficiently probable that the tax asset can be utilized. Management has therefore decided not to recognize the calculated tax asset on the balance sheet. Reference is made to note 2 in BioPorto's consolidated financial statements.

	2020 DKK thousand	2019 DKK thousand
Calculated tax asset	1,994	26
Writedown to assessed value	(1,994)	(26)
Carrying amount	**-**	**-**

DEFERRED TAX ASSETS NOT RECOGNIZED IN THE BALANCE SHEET	2020 DKK thousand	2019 DKK thousand
Right-of-use assets	(350)	(656)
Leasing liabilities	371	682
Tax loss carryforwards	1,923	-
Deferred tax on December 31, net	**1,944**	**26**

Note 7, continued

TOTAL INCOME TAXES	2020 DKK thousand	2019 DKK thousand
Net result before tax	(62,621)	(68,789)
Computed 22%	**(13,777)**	**(15,134)**
Valuation allowance	1,917	-
Income from investments in subsidiaries	9,600	15,432
Income/expenses not taxable/deductible for tax purposes	1,177	715
Adjustment of tax from previous years	24	(160)
Total income taxes	**(1,059)**	**853**

Note 8

Contingent liabilities

BioPorto A/S has acknowledged towards the subsidiaries BioPorto Diagnostics A/S, Veterinary Diagnostics A/S BioPorto Inc. and BioPorto Diagnostics Inc. that it will finance its operations in 2021. The contingent liability is estimated to be DKK 40 million.

Note 9

Distribution of the year's result

The Board of Directors proposes that BioPorto A/S's loss for the year 2020 of DKK 61,562 thousand (2019: loss of DKK 69,642 thousand) to be transferred to retained earnings.

Note 10

Other notes

Reference is made to notes 16 and 17 in BioPorto's consolidated financial statements with respect to share capital and treasury shares.

Reference is made to note 23 in BioPorto's consolidated financial statements with respect to matters relating to related parties and the section on directorships held by members of the Board of Directors and Management Board.

Statement by Management

The Board of Directors and Executive Management have today considered and adopted the Annual Report of BioPorto A/S for the financial year January 1 – December 31, 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at December 31, 2020 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year January 1 - December 31, 2020.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, March 17, 2021

Executive Management:

Peter Mørch Eriksen
CEO

Board of Directors:

Thomas Magnussen
Chairman

Torben A. Nielsen
Vice Chairman

Kirsten Drejer

Christopher Lindop

Michael Singer

Independent auditor's report

To the shareholders of BioPorto A/S

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and the Parent Company Financial Statements of BioPorto A/S for the financial year 1 January to 31 December 2020 comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies for the Group as well as for the Parent Company and statement of comprehensive income and cash flow statement for the Group. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of BioPorto A/S on 10 April 2014 for the financial year 2014. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 7 years including the financial year 2020.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Statement on Management's Review

Management is responsible for Management's Review.
Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the 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 further requirements in the Danish Financial Statements Act and for the preparation of parent company 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, March 17, 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Torben Jensen
State Authorised Public Accountant
mne18651

Allan Knudsen
State Authorised Public Accountant
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BioPorto is an in vitro diagnostics company that provides tests and antibodies to clinicians and researchers around the world. We use our antibody and assay expertise to transform novel research tools into clinically actionable biomarkers that can make a difference in patients' lives.

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