Annual Report

2021

bioporto

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BioPorto in brief

BioPorto is an in vitro diagnostics company focused on saving lives and improving the quality of life with actionable biomarkers – tools designed to help clinicians make changes in patient management. The Company uses its expertise in antibodies and assay development, as well as its platform for assay development, to create a pipeline of novel and compelling products that focus on conditions where there is significant unmet medical need, and where the Company's tests can help improve clinical and economic outcomes for patients, providers, and the healthcare ecosystem.

The Company's flagship product is The NGAL Test, which has been designed to aid in the risk assessment of Acute Kidney Injury (AKI), a common clinical syndrome that can have severe consequences, including significant morbidity and mortality if not identified and treated early. With the aid of The NGAL Test, physicians can identify patients potentially at risk of AKI more rapidly than is possible with current standard of care measurements, enabling earlier intervention and more tailored patient management strategies.

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

Contents

We save lives and improve quality of life with actionable biomarkers

In 2022-2023 we will Launch an FDA Cleared Product in the US

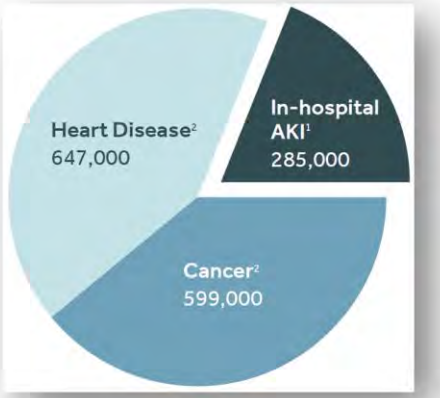
Drive Market Adoption of the NGAL Test & have a Pipeline of Products that Deliver High Medical Value

Strengthen the Company to Scale & Execute

Attract, Develop & Retain the Best and Brightest Employees aligned with our Values and with Clear Roles and Responsibilities

Acute Kidney Injury: A Major Public Health Concern

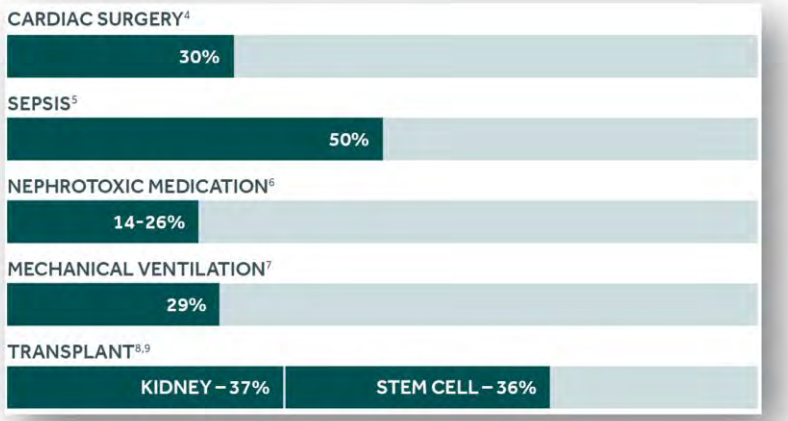
3rd Leading Cause of Death Annually

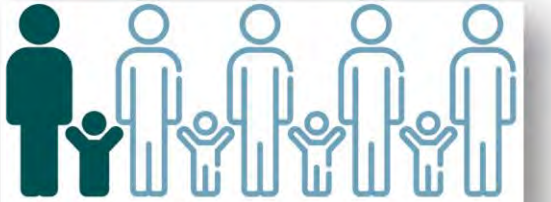


230%

INCREASE
in AKI hospitalizations in the US (2000-2014)[3]

Patients at Risk





1 in 5 ADULTS[10]
& 1 in 4 CHILDREN[11]
is affected with AKI during hospitalization

REFERENCES: (1) Brown JR, *BioMed Research International*. 2016;ID4278579. (2) CDC, FastStats: Deaths and Mortality. 2017. (3) Pavkov ME. *MMWR Morb Mortal Wkly Rep*. 2018;67. (4) O'Neal JB, *Crit Care*. 2016;20(1). (5) Alobaidi R, Semin *Nephrol*. 2015;35(1). (6) Perazella MA, *CJASN*. 2018;13. (7) Lombardi R, *CJASN*. 2011;6(7). (8) Alkandari O, *CJASN*. 2018;13(11). (9) Hingorani SR, *Kidney Int*. 2005 Jan;67(1). (10) Susantitaphong P, *CJASN*. 2014;9(6). (11) Kaddourah A, *New England Journal of Medicine* 2017;376.

Clinical Burden

There is no specific treatment for AKI, making rapid identification of at-risk patients critical.

IN-HOSPITAL

Increased Length of Stay[12]
7-23 days

Increased need for Dialysis[13]
12%
of critically ill adults

Increased overall Mortality Rate[13]
25%

3 YEARS POST-DISCHARGE

- 30% readmission rate[14]
- 38% increase in a major cardiac event[15]
- 59% of AKI survivors have 1 or more kidney abnormalities: *microalbuminuria, hyperfiltration, decreased GFR, hypertension*[16]
- Up to 25% progress to CKD[17]

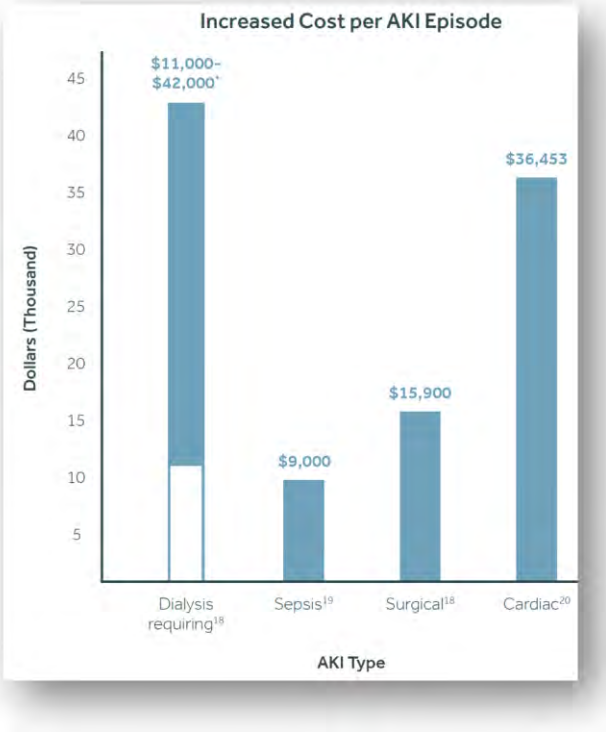
Economic Burden

AKI is hard to identify. When recognized late, it requires more intensive and costly interventions.

AKI costs the US healthcare system
$5.4 - $24.0 billion* annually[18]

*Range for adjusted vs. unadjusted costs. (Adjusted for demographic factors, hospital differences, comorbidities and procedures.)

Using KDIGO criteria, AKI was associated with a **$7,000 increase in costs per episode.**[18]



REFERENCES. (12) Sutherland SM, CJASN. 2013;8(10). (13) Hoste EA, Intensive Care Med. 2015;41(8). (14) Hessey E, CJASN. 2018;13(5). (15) Odutayo A, JASN. 2016;28. (16) Askenazi DJ, Kidney Int. 2006;69(1). (17) Horne KL, BMJ Open. 2017;7(3). (18) Silver SA, Nephron. 2017;137. (19) Alobaidi R, Semin Nephrol. 2015;35(1). (20) Alshaikh HN, Ann Thorac Surg. 2018;105.

Key figures

	2021 DKK million	2020 DKK million	2019 DKK million	2018 DKK million	2017 DKK million
Revenue	24.3	23.2	26.6	26.0	25.2
Production costs	9.2	9.9	9.3	8.2	6.9
Sales and marketing costs	17.4	20.8	39.3	20.9	18.5
Research and development costs	30.3	28.1	24.6	18.7	21.9
Administrative costs	32.7	28.0	27.8	20.0	14.3
Loss before financial items (EBIT)	(65.3)	(63.6)	(74.3)	(41.8)	(36.5)
Net financials	1.4	(3.2)	0.1	0.2	(0.6)
Loss before tax	(63.8)	(66.8)	(74.2)	(41.6)	(37.1)
Net loss	(57.1)	(61.6)	(69.6)	(38.0)	(32.2)
Total comprehensive income	(58.3)	(59.8)	(70.0)	(38.3)	(32.0)
Non-current assets	17.1	15.5	8.2	3.6	2.6
Current assets	64.2	124.8	34.5	62.6	63.0
Total assets	81.3	140.3	42.7	66.2	65.6
Equity	46.0	100.9	25.3	56.2	56.1
Non-current liabilities	10.5	8.4	2.5	0.8	0.9
Current liabilities	24.8	30.9	14.9	9.2	8.7
Total equity and liabilities	81.3	140.3	42.7	66.2	65.6

	2021 DKK million	2020 DKK million	2019 DKK million	2018 DKK million	2017 DKK million
Cash flows from operating activities	(64.6)	(35.6)	(60.2)	(38.0)	(29.2)
Cash flows from investing activities, net	(0.4)	(1.5)	(2.1)	(1.5)	(0.1)
Of which investment in property, plant and equipment	(0.1)	(1.3)	(0.6)	(1.4)	(0.0)
Cash flows from financing activities	1.1	127.0	33.6	39.1	40.7
Total cash flows	(63.9)	89.9	(28.6)	(0.4)	11.4
Revenue growth	5%	(13%)	2%	3%	21%
Gross margin	62%	57%	65%	69%	73%
Equity ratio (solvency)	57%	72%	59%	85%	85%
Average number of employees	29	28	34	28	25
Number of shares by the end of year (1,000)	267,754	266,582	174,944	165,688	155,510
Earnings per share (EPS), DKK	(0.21)	(0.30)	(0.41)	(0.24)	(0.22)
Net asset value per share, year-end, DKK	0.17	0.38	0.14	0.34	0.36
Share price, year-end, DKK	2.47	4.04	2.93	3.50	3.31

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

Comparative figures for the financial years 2018 and 2017 have not been restated following the adoption of IFRS 16 – Leases.

Letter to our shareholders

Tracking towards a US breakthrough

2021 was clearly another challenging year for the world as the global COVID-19 pandemic continued to impact global health. BioPorto was not spared from these challenges as it was restricted in its ability to execute the pivotal clinical trial required to support our US Food and Drug Administration (FDA) submission for our flagship product, The NGAL Test.

But 2021 was also a year of progress for BioPorto that will drive value creation in 2022 and onwards – particularly in the progression of our R&D, validation, regulatory, quality and operational improvement efforts. We also strengthened our team with key positions in Denmark, appointed a new executive team experienced in successfully introducing new products to the US market, and expanded our Board of Directors with highly respected, diagnostic industry veterans.

Acute Kidney Injury is a massive health threat, requiring better assessment tools

I joined BioPorto in November 2021 because I was impressed with the company's value proposition to address a significant unmet need for patients in critical care with its technology, and with its relentless focus on providing physicians and patients better and faster diagnostic tests.

Since then, my admiration of our potential clinical impact has only increased my determination to bring our life saving tests to the market. After significant education on Acute Kidney Injury (AKI) and its prevalence, and through many meetings with nephrology and critical care key opinion leaders from leading US hospitals, it is clear that we face a very serious, underdiagnosed, and highly lethal disease. The candid, strong desire by clinicians that BioPorto get The NGAL Test onto the US market has been overwhelming to experience, because we can save lives by identifying patients at risk of AKI and adjusting their care accordingly. Based on clinician feedback, my belief in the need for BioPorto to succeed has grown even stronger.

Focus, focus, focus

Since taking over as the CEO, in addition to meeting key stakeholders, I have worked with the leadership team to focus BioPorto's strategy on delivering the NGAL biomarker as the new standard of care in assessment of kidney health, preparing the company to commercialize and scale, and building a strong team dedicated to the mission.

We are a small company with a unique technology and very high ambitions. That calls for clear prioritization and focus on what we aim to achieve in the next 12-18 months, which is to obtain US FDA approval of our flagship product, The NGAL Test, for use in pediatrics (under age 22) and drive its adoption in the US, which is the largest market for in vitro diagnostic tests in the world.

Currently, we are finalizing the enrollment of pediatric patients at fifteen top hospitals across the US to complete the third part of a 3-part clinical study. Enrollment is expected to be completed in the second quarter of 2022, when the data will be analyzed and packaged with other technical documentation to support submission to the US FDA for its approval of the test for use in identifying children at risk for AKI. Putting this vital test in the hands of clinicians will help them tailor the care of their critically ill and vulnerable patients. Following submission, and in parallel with FDA review, we will undertake steps towards performing clinical trials and related activities for FDA approval of The NGAL Test for adult use in the US.

Successful share offering provides runway for strong execution

The first important step of the strategy was completed in March 2022. Despite times of great difficulty and volatility, we closed a fully subscribed, pre-emptive rights offering for new shares as part of a long-term capital plan that includes a potential US listing. The proceeds of approximately DKK 100 million will, together with existing funds, provide a strong foundation for the submission of The NGAL Test application for pediatric use, which has been assigned Breakthrough Device designation by the FDA for prioritized approval. The proceeds will also enable us to prepare for a commercial launch and implement programs to drive market adoption.

I am very thankful for the support and clear mandate from both existing shareholders and new investors to focus our efforts and execute this strategy. It is a strategy that I firmly believe will bring BioPorto to a very successful and bright future with compelling value creation for patients, health care providers, and our shareholders.

Tony Pare
Chief Executive Officer

Highlights of 2021 – setting the direction for the future

In spite of facing significant challenges, 2021 ended on a high note with a new management team and a renewed focus on driving towards future market adoption of our flagship product, The NGAL Test. Of course, 2021 continued to be impacted by the global COVID-19 pandemic, as the spread of the SARS-CoV-2 virus in multiple variants affected global health, politics and business. While 2021 started out by showing encouraging trends towards virus stabilization, the Delta and subsequently the Omicron variant in the second half of the year meant that BioPorto once again faced patient access restrictions to conduct clinical studies, which further delayed patient enrollment for the important trials to support BioPorto's FDA application for pediatric use of The NGAL Test in the US.

However, 2021 was also an important year in progressing development, validation, regulatory and operational activities for The NGAL Test. It was also a year of important new additions to our team of talented employees. Expecting to focus even harder on commercialization after a possible clearance of The NGAL Test has been granted, BioPorto in 2021 announced the appointment of a new executive team with a strong US track record, and a continued build-up on key positions across the increasingly global organisation. We highlight key 2021 activities in the timeline below.

April / May 2021
Search for new CEO and CFO initiated

In Q2 2021, the Board of Directors of BioPorto initiated the search for a new executive management team following the resignations of Peter Mørch Eriksen (CEO) and Ole Larsen (CFO), who both wanted to pursue other career paths. Peter Mørch Eriksen retained his position as CEO until his successor was appointed in November and then joined the Board of Directors of the company.

August 2021
BioPorto Successfully Completes Interim Analysis of Data from Pivotal Study of NGAL in Pediatrics with Encouraging Results

In August 2021, BioPorto concluded an interim analysis of data from the three part pediatric clinical trial to evaluate The NGAL Test as a tool for risk assessment of moderate to severe AKI in pediatrics in the US. The interim analysis for the clinical performance of the assay provided results on key characteristics such as sensitivity and specificity which were consistent with expectations. The results are expected to support the case of The NGAL Test as a biomarker to identify risk of AKI in critically ill children.

Following this interim data analysis, BioPorto expanded the ongoing patient enrollment to maximize the pediatric clinical study's statistical power for the planned upcoming FDA submission.

October / November 2021
Appointment of new Executive management team

Following a successful search process for a new executive management team, in October BioPorto announced the appointment of Anthony (Tony) Pare as its new Chief Executive Officer (CEO). Tony Pare joined BioPorto from T2 Biosystems, a US Nasdaq-listed in vitro diagnostics company, where he served as the Chief Commercial Officer and presided over several successful product launches. He brings +25 years' experience heading product development, commercialization, marketing, and operational improvements in leading medtech and diagnostic companies. He has a track record of delivering strong results, driving business value, increasing product presence, and growing sales, both in the US and globally.

Simultaneously, BioPorto announced the appointment of Neil A. Goldman, CPA, as its new Executive Vice President (EVP) and Chief Financial Officer (CFO). Prior to BioPorto, Neil Goldman was EVP and CFO at Chembio Diagnostics, Inc., a US Nasdaq-listed global developer and manufacturer of point-of-care tests for infectious disease. He started his career as an auditor and consultant with Ernst & Young, and since served as an executive at J.S. Held LLC and Unwired Technology LLC, and brings three decades of valuable experience establishing strong relations with investors and global capital markets, raising capital reliably and successfully, optimizing business operations, and expanding business through organic growth and strategic partnerships.

Both Tony and Neil assumed their new positions in BioPorto in November 2021.

November 2021
Enrollment for pediatric trial for The NGAL Test continues, but is delayed by COVID-19

Despite an increase in number of participating study sites, enrollment of patients was impacted and delayed by the continuation of the COVID-19 pandemic which shifted the health care sectors focus for those patients and combined with fewer qualified patients admitting to the ICU, and restricted access for research coordinators to obtain consents and samples

Based on enrollment figures and the COVID-19 outlook, BioPorto in November 2022 consequently revised the enrollment forecast and expected to finalize data collection during the first half of 2022.

Election of new member to board of directors and appointment of new chairmanship

In November 2021, BioPorto convened an extraordinary general meeting at which Peter Mørch Eriksen, CEO of BioPorto in the period 2013-2021, was elected to the Board of Directors of BioPorto A/S. In addition, Thomas Magnussen resigned as chairman and member of the Board of Directors. Following the event, Christopher Lindop was appointed as new chairman of the Board of Directors and John McDonough was elected as vice chairman.

In an effort to prioritize Emergency Use Authorizations (EUA), the FDA recommended that BioPorto not pursue an EUA for its NGAL assay for the prediction of renal replacement therapy in COVID-19 patients

In July 2021, BioPorto initiated a dialogue with the US Food and Drug Administration (FDA) on a potential EUA of an NGAL assay for use in predicting the need for renal replacement therapy in COVID-19 patients. The dialogue was based on results from a NGAL ELISA and dipstick study to screen for AKI in COVID-19 patients conducted by clinical researchers at Columbia University's Irving Medical Center. The study reported a 97% negative predictive value for the need of renal replacement therapy.

In November 2021, the FDA provided guidance to all in-vitro diagnostics manufacturers that the FDA would focus its reviews on at-home and point-of-care COVID-19 diagnostic tests, certain high-volume lab-based molecular COVID-19 tests from home collected specimens, and requests supported by US government stakeholders. In spite of the study results, based on a subsequent dialog with FDA, BioPorto decided to discontinue pursuit of an EUA for an NGAL assay with this application for COVID-19 patients.

December 2021
Updates on gRAD pipeline

In December 2021, BioPorto provided an update on the support to Rigshospitalet (RH), Copenhagen (DK) with quantitative thrombomodulin tests based on its gRAD technology. Thrombomodulin is a marker of endothelial injury that can occur as a result of sepsis, COVID, myocardial infarction, and other disease states and RH is investigating the use of a thrombomodulin assay in patients with sepsis to indicate who could benefit from treatment with the drug prostacyclin. RH is summarizing the results, which is expected to be published after the assessment is completed.

Furthermore, BioPorto announced that results from the previous data collection from the feasibility study to detect SARS-CoV-2 based on a gRAD test were not conclusive, and that the company extended the feasibility study into 2022.

Financial guidance

Executing strategic activities that together are focused on launching The NGAL Test as an FDA-cleared product in the US in 2023

The three strategic activities are:

- Drive Market Adoption of the NGAL Test & have a Pipeline of Products that Deliver High Medical Value;
- Strengthen the Company to Scale & Execute; and,
- Attract, Develop & Retain the Best and Brightest Employees aligned with our Values and with Clear Roles and Responsibilities.

For 2022, BioPorto expects:

- Revenue of approximately DKK 24 to 26 million.
- Operating (EBIT) loss of approximately DKK 95 to 100 million.
- Adjusted EBITDA loss of approximately DKK 76 to 81 million, excluding depreciation and amortization of approximately DKK 5 million and share-based compensation expense of approximately DKK 14 million.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) is an alternative measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. Adjusted EBITDA excludes non-cash share-based compensation and non-recurring costs (e.g., merger and acquisition integration costs).

Adjusted EBITDA is a non-IFRS financial measure that does not have a standard meaning prescribed by IFRS and may not be defined and calculated by other companies in the same manner and thus may not be comparable with such measure.

Following are the key assumptions relating to the 2022 guidance:

- EBIT from 2021 was favorably impacted on a non-cash basis by approximately DKK 4 million from the forfeiture of warrants and related reversal of equity compensation expenses for members of management and other team members that resigned. Such forfeitures are not expected in 2022, so EBIT for 2022 is assumed to be negatively impacted (also on a non-cash basis) by an additional approximately DKK 11 million for the full year, impact of equity compensation expenses related to new members of management and other team members, including certain of such expenses that will be amortized on an accelerated basis. The combined non-cash, negative impact of this accounting treatment is approximately DKK 15 million of EBIT loss compared to 2021.

- Costs related to clinical studies are assumed to be comparable to FY2021, which in turn assumes that the regulatory clinical trial of The NGAL Test in pediatrics can complete enrollment of patients at the selected clinical sites in the U.S. and thus not be further delayed by COVID-19.

- EBIT is assumed to be affected negatively by the full year impact of 2021 hires of management and other team members. Costs related to sales & marketing are assumed to increase compared to FY2021 associated with the preparation for commercializing The NGAL Test in the U.S. and increasing costs to expand support for distribution in the rest of the world.

- Cost related to R&D (including quality, regulatory, and non-clinical trial medical affairs costs) are assumed to increase compared to 2021, including as a result of the full year impact of 2021 hirings, investments in quality systems (e.g., in preparation of the coming into effect of the new in vitro diagnostic regulation in the European Union), and other costs related to preparing and submitting the De Novo application of The NGAL Test in the U.S. to the FDA. Costs related to production and depreciation are assumed at FY2021 levels.

BioPorto's performance and guidance for 2022 is dependent on the global development of the pandemic. The guidance above is predicated on an assumption of the continued opening of societies and the normalization of access to hospitals, research laboratories, and regulatory bodies.

	2021 financial guidance	2021 actual result [1]	2022 financial guidance
Revenue	Approximately DKK 24 million	DKK 24 million	Approximately DKK 24 to 26 million
EBIT Loss	Approximately DKK 63 million	DKK 65 million	Approximately DKK 95 to 100 million
Adjusted EBITDA Loss[2]	N/A	DKK 62 million	Approximately DKK 76 to 81 million

[1] 2021 actual results were consistent with the Company's most recent guidance as announced in the third quarter 2021 unaudited financial statements.

[2] See "Non-IFRS financial measure"

Events after the reporting period

On April 1, 2022, the Group raised gross proceeds of approximately DKK 100.4 million, with estimated net proceeds of DKK 93.1 million, from the issuance and sale of 66,938,601 shares of common stock (the Offering) pursuant to a Prospectus for a Rights offering with pre-emptive rights for existing shareholders that was filed on March 7, 2022 (the Prospectus).

Non-IFRS financial measure

Part of Management's review – unaudited

In the Annual Report, BioPorto discloses a financial measure of the Group's financial performance that reflects adjustments to the most directly comparable measures calculated and presented in accordance with IFRS. This non-IFRS financial measures may not be defined and calculated by other companies in the same manner, and may thus not be comparable.

The non-IFRS financial measure presented in the Annual Report is Adjusted earnings before interest, taxes, depreciation, and amortization (Adjusted EBITDA).

IFRS refers to an IFRS financial measure.

Adjusted EBITDA

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) is an alternative measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. Adjusted EBITDA excludes non-cash share-based compensation and non-recurring costs (e.g., merger and acquisition integration costs).

	2021 DKK thousand	2020 DKK thousand
Loss before financial items (EBIT)	(65,255)	(63,590)
Depreciation and amortization	4,329	3,994
Share-based compensation (income)/expense	(966)	5,316
Adjusted EBITDA	**(61,892)**	**(54,280)**

BioPorto's Strategy

BioPorto is an IVD (in vitro diagnostic) company focused on developing actionable biomarker tests – tools designed to help clinicians detect the onset of certain disease states and help direct appropriate therapy. BioPorto uses its expertise in antibody and assay development, as well as its platform for assay development, to create a pipeline of novel and compelling products that focus on conditions where there is significant unmet medical need, and where its tests may help improve clinical and economic outcomes for patients, providers and the healthcare ecosystem.

Well Established Key Strengths

BioPorto possesses several key strengths in relation to developing, sourcing and commercializing tests in the healthcare market.

- **Rapid Analytical and Clinical Development:** With the benefit of an experienced and seasoned leadership and team of scientists, many of which with 20+ years of experience in their related fields, BioPorto is nimble and agile in its product development, decision-making and execution.
- **Team with History of Successful Product Submissions:** Over the past 1-2 years, the Board has recruited a management team with a track record of successful clinical trials, product launch, and product commercialization.
- **Deep Clinical Relationships and Reputational Leadership:** BioPorto has longstanding collaborations with key opinion leaders (KOLs) and the target clinical audience in nephrology, critical care, cardiology, and other leading disciplines related to The NGAL Test. These relationships well-position BioPorto, and its reputation for the high quality of The NGAL Test, in advance of the planned commercialization process in the U.S.
- **Rapid Antibody-based Assay Development:** With the proprietary gRAD platform, BioPorto can quickly evaluate the efficacy of antibodies to accelerate the launch of research studies.

Clear Strategic priorities

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 become one of the world's leading companies in diagnostics that improve kidney health. This vision is supported by three strategic pillars.

Drive Market Adoption of The NGAL Test & have a Pipeline of Products that Deliver High Medical Value

To achieve this pillar in the US, BioPorto will focus on completing the clinical pivotal trials required to submit and obtain De Novo FDA approval for pediatrics (under age 22). Through BioPorto's own commercial team and distribution partnerships, it seeks to drive market adoption of the use of NGAL to assess kidney health in early stages of AKI. It intends to accomplish this by communicating and marketing the clinical and economic value of current and future NGAL products in a clear, efficient, and compelling manner. Further, BioPorto will continue to evaluate opportunities to develop and commercialize other high value, actionable biomarkers.

Strengthen the Company to Scale & Execute

BioPorto will work towards readying itself for a US product launch of The NGAL Test by building the required commercial and clinical organization, scaling production capacity, improving the robustness of its quality systems, working towards ensuring that it continues to comply with regulatory requirements applicable from time to time, expanding its intellectual property portfolio, and ensuring it has the financing to support operations.

It will also ensure that it prepares for future financing and expand the sources of capital. BioPorto has historically sought financing through equity offerings and applied the proceeds towards implementation of its strategic priorities. To realize its strategic priorities, BioPorto will need to seek additional financing. Its long term ambition is to gain access to the U.S. capital markets with the ultimate goal of a potential U.S listing. As a step towards this, BioPorto may explore opportunities in relation to a targeted cross-border offering, including potentially in the U.S.

Attract, Develop & Retain the Best and Brightest Employees aligned with our Values and with Clear Roles and Responsibilities

BioPorto will employ proactive efforts to recruit the most qualified people to drive success and embrace its core values. BioPorto will motivate employees to stay and contribute by employing consistent, long term incentive programs and flexible work arrangements that are aligned with personal and company needs, providing frequent feedback and clarity in their contribution to BioPorto's success, and celebrating successes.

Products and Pipeline

BioPorto's technical foundation is based on antibody expertise, leveraging a robust library of monoclonal antibodies to develop assays for both research and clinical diagnostics. Product formats range from enzyme-linked immunosorbent assay (ELISA) kits, IVD automated assays, to gRAD, a novel platform for the rapid development of lateral flow tests through the identification of the analyte(s) of interest.

Within the portfolio of clinically actionable biomarkers, the biomarker NGAL has been developed across each of these product formats. NGAL is a protein expressed in a variety of human tissues, including the lung, liver and kidney. BioPorto expects that the development of NGAL can create significant commercial opportunities based on its potential for broad clinical application.

NGAL – an actionable biomarker for AKI

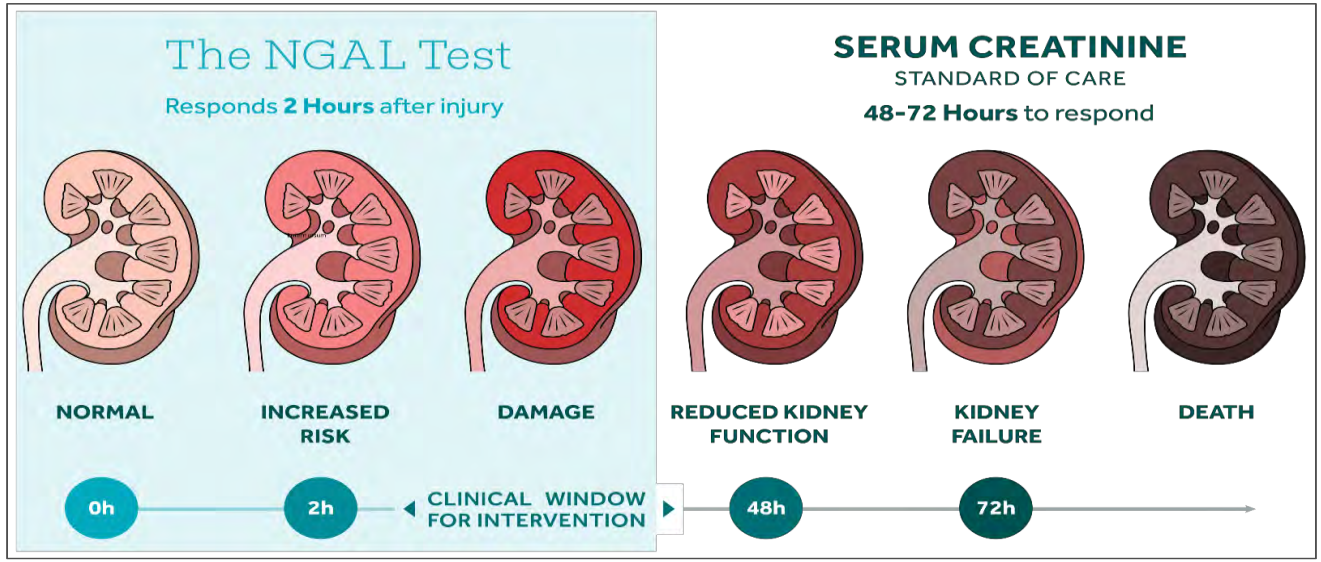
The NGAL Test is designed to help clinicians identify levels of NGAL, a biomarker that rises rapidly in response to acute kidney injury (AKI). AKI is a very rapid loss of kidney function that typically occurs in a matter of hours as a complication of another serious illness or intervention, such as sepsis, cardiac surgery, mechanical ventilation, solid organ or stem cell transplants or administration of nephrotoxic pharmaceuticals. Identification of AKI in critically ill patients is growing: from 2000-2014, the U.S.

saw a 230% increase among non-diabetics, and a 139% increase in patients with diabetes.[1]

AKI affects both adults and children, with one in five adults[2] affected with AKI during a hospital setting of care and one in four children[3] affected with AKI during their admissions to the ICU. The onset of AKI in hospitalized patients, will increase the chances of mortality by 25%[6]. AKI can be difficult to identify because acute symptoms, such as pain and other symptoms, do not usually occur. However, to preserve kidney function, it is essential that patients at risk for AKI are detected early and managed promptly. Patients that develop AKI are at an increased risk of poor outcomes, longer hospital stays[4], increased risk of developing chronic kidney disease, and increased mortality[5]. Based on recent studies, BioPorto estimates AKI to be the third largest cause of in-hospital death in the U.S after heart diseases and cancer[6]. It is also important to identify patients that are not at risk of AKI so inappropriate prophylactic treatment is not administered.

The NGAL Test is a particle-enhanced immunoassay for the quantitative determination of NGAL in human specimens. It uses an analytical method that can be run on most automated clinical chemistry systems that are used routinely in hospital laboratories. This facilitates laboratory adoption of the test and eventual market penetration. The test does not require any proprietary instrumentation, thereby avoiding any requirement for capital purchase arrangements by the customer that could otherwise add months to the sales cycle.

As illustrated below, The NGAL Test identifies the risk of damage to the kidney as quickly as two hours after insult to the kidney, whereas the current standard of care, serum creatinine (sCr), identifies potential kidney dysfunction after 48 to 72 hours[7] and after >50% of total glomerular filtration capacity is already lost[8]. This difference in both speed and more specific risk of of kidney injury is important for clinical patient management, as early detection of kidney damage can allow earlier and more tailored approaches such as close control of fluid levels, heightened attention to nephrotoxic drugs, and consideration of renal replacement therapy. Each of these can be initiated to improve the chances of kidney recovery. Also importantly, The NGAL Test identifies if the patient is not at risk of AKI, which can also change therapy decisions.



[1] Pavkov ME. (2018) 'Trends in Hospitalizations for Acute Kidney Injury — United States, 2000–2014', MMWR Morb Mortal Wkly Rep. 2018;67.

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[3] 7 Kaddourah A. (2017) 'Epidemiology of Acute Kidney Injury in Critically Ill Children and Young Adults', N Engl J Med. 2017;376(1)

[4] Maryland SID 2019

[5] Lo, LJ. Kidney Int. 2009;76(8):893-899

[6] Management estimates based on the following sources: Brown J.R. et al. (2016) 'Hospital Mortality in the United States following Akute Kidney Injury', https://www.hindawi.com/journals/bmri/2016/4278579/, and the National Center for Health Statistics for death and mortality in the U.S., https://www.cdc.gov/nchs/fastats/deaths.htm

[7] Haase-Fielitz A, et al. (2014) 'Neutrophil gelatinase-associated lipocalin as a biomarker of acute kidney injury: a critical evaluation of current status', Ann Clin Biochem, 2014 51(0 3): 335–351. doi:10.1177/0004563214521795

[8]) Küllmar M, et al. Crit Care Clin. 2020 Oct;36(4):691-704.

The NGAL Test Addresses A significant global market opportunity

BioPorto's initial focus with The NGAL Test is in the intensive care setting, and subsequently towards other long-term expansion into new indications, such as nephrotoxicity monitoring, testing in the emergency department, and other out-patient applications. BioPorto estimates that the total addressable opportunity in the US for pediatric and adult ICU/medical-surgical patients of approximately USD 500 million annually. Based on expanded indications for the emergency department and out-patient uses, the projection for the addressable market in the U.S. could increase to over USD 1 billion annually. As the U.S. constitutes approximately 40% of the Company's market, BioPorto estimates the global addressable market for The NGAL Test could have an annual value of approximately USD 3 billion.

Steady Focus on US Regulatory Pathway for The NGAL Test

The NGAL Test is currently CE marked for measurement of NGAL in adults in the ICU and is available for IVD use in Europe and other geographies. North America represents the largest share of the IVD market, with the U.S. as the driver behind the market growth in the region[9]. Accordingly, the U.S. is the focus of BioPorto's commercial strategy for The NGAL Test, which requires a De Novo Approval by the U.S regulatory body, the US Food and Drug Administration (FDA).

In 2020, as part of FDA's Breakthrough Device Designation program, BioPorto engaged with the FDA through the pre-submission process to align with the FDA on the analytical and clinical protocols necessary for the company's planned De Novo submission.

Following the FDA feedback in early 2020, the clinical protocol was finalized with FDA alignment, and the clinical study planning and contracting was conducted. Since the clinical study planning and contracting was concluded, enrollment of enrollment patients was initiated, but on several occasions in 2020 and 2021 delayed due to the COVID-19 pandemic. Despite these delays, the clinical study and analytical work are both currently underway, with the clinical study being conducted by a consortium of 15 leading U.S. hospitals, including Cincinnati Children's Hospital, Boston Children's Hospital, Children's Hospital of Colorado, Children's Healthcare of Atlanta, Stanford Health, Cohen's Children Hospital, and Texas Children's Hospital. Enrollment and sample analysis has now been completed for 2 of the 3 studies comprising the clinical trials. BioPorto expects to finalize data collection for the third study in the first half of 2022.

After the compilation of the study results and subject to the results meeting the primary outcomes previously committed to the FDA and demonstrating that the benefits of the device outweigh the associated risks, BioPorto expects to submit a De Novo application to the FDA.

As a next step, BioPorto plans to develop study protocols, sites, and contracts, engage with the FDA, and begin working on a submission for use of The NGAL Test in adult populations, with the intention of filing an appropriate submission using the pediatric test as its predicate.

US Commercial Strategy under Establishment

BioPorto's US commercial strategy for The NGAL Test has been designed to reflect the need to build a market for urinary biomarkers in AKI. Starting in the smaller, focused pediatric market will help to build awareness and momentum ahead of launch in the larger adult market. In addition to being a narrow target market, there is a well-established network of pediatric critical care physicians and nephrologists who are KOLs in AKI, and whom have favorable opinions of the use of NGAL as a biomarker for diagnosis of AKI, and as such the market potential for The NGAL Test.

The commercial strategy for the pediatric launch of NGAL rests on deploying initiatives in three focus areas:

- **Peer-to-peer education:** Leveraging KOLs and other experts to describe the value of using NGAL in daily practice to other doctors through grand round presentations, events, webinars, testimonials and presentations at scientific meetings.
- **Clinical sales representatives:** Having a dedicated sales team with clinical experience will allow BioPorto to engage with doctors at prospective accounts, have detailed clinical discussions about the product and its use and connect prospective customers with reference customers who are champions of The NGAL Test. This team will also ensure there is alignment and buy-in amongst all decision makers in the hospital system.
- **MSLs:** Building a dedicated MSL (Medical Science Liaison) team is critical to furthering deep clinical discussions with doctors. This team will be comprised of professionals with pediatric and adult ICU experience, for example former critical care nurses, who can engage in scientific discourse about how NGAL can be used in the medical management of AKI. This team will be armed with the step-by-step tools to guide the implementation of new kidney biomarker program.

Adult hospitals that also care for children are expected to provide a bridge to the adult ICU market, as the laboratories in these hospitals will already be exposed to The NGAL Test, and adult physicians will be able to speak to their pediatric colleagues

[9] Grand View Research (2019) 'In Vitro Diagnostics Market Size, Share & Trends Analysis Report By Product, By Technology (Molecular Diagnostics, Clinical Chemistry), By Application, By End Use, And Segment Forecast, 2020-2027, https://www.grandviewresearch.com/industry-analysis/in-vitro-diagnostics-ivd-market

about NGAL's utility. BioPorto estimates that this will give The NGAL Test a head-start on entering the adult market, speeding uptake if the expected FDA approval of The NGAL Test for adults is granted.

With a view to further penetrate the adult market over time, BioPorto's strategy will expand to include two additional strategic initiatives. Firstly, distribution partnerships with instrument manufacturers, for example, Roche, Siemens and Abbott, to enable laboratories with any instrument platform to order and run The NGAL Test. Secondly through collaboration with advocacy groups such as the National Kidney Foundation, KDIGO, a global organization to develop and implement evidence-based clinical practice guidelines in kidney disease, and ADQI, an international organization of academic researchers and clinicians focused on setting new standards for the diagnosis and management of AKI and other kidney-related disorders

The Generic Rapid Assay Device (gRAD) Platform

BioPorto's proprietary gRAD platform enables rapid development of lateral flow assays through the identification of the analyte(s) of interest. gRAD's features include optimization with two printed lines: a test line for a biotinylated antibody (or biotinylated protein), and a control line designed to capture an antibody.

gRAD is differentiated from most lateral flow assays because the biological recognition between the specific capture antibody, the antigen in the sample, and the detection antibody occurs in a solution. That means that specific antibodies do not need to be immobilized on the strip during the manufacturing process. The assay incubation time is typically short, about 10-15 minutes. Because a gRAD strip is not analyte dependent, it creates an open, flexible, and versatile platform that can be applied to a wide variety of antibodies – requiring only a matched antibody pair.

Leveraging the gRAD platform, BioPorto is currently performing feasibility studies, in conjunction with expert academic partners, on emerging applications, including:

NGALds for point-of-care application: BioPorto has used its gRAD platform to create a lateral flow test for semi-quantitative determination of NGAL levels, expanding the potential applications for this unique biomarker into settings beyond the hospital laboratory, such as in physician offices, urgent care clinics, or even on the battlefield for rapid triage of wounded soldiers.

This product, called The NGALds, has been tested in several research environments, including a study which compared NGALds results to results obtained with The NGAL Test and showed a 100% sensitivity and 89.3% specificity at the 300 ng/mL cutoff between the two methods.[10] This illustrates the potential clinical accuracy that a novel, near-patient test option may offer.

Thrombomodulin assay: BioPorto is supporting Rigshospitalet ("RH"), one of the largest hospitals in Denmark, with quantitative thrombomodulin tests based on its gRAD technology. Thrombomodulin is a marker of endothelial injury that can occur as a result of sepsis, COVID, myocardial infarction, and other disease states. RH is investigating the use of a thrombomodulin assay in patients with sepsis to indicate who could benefit from treatment with the drug prostacyclin. RH is investigating the use of a thrombomodulin assay in patients with sepsis to indicate who could benefit from treatment with the drug prostacyclin. RH is summarizing findings from its feasibility study and plans to publish the results after completing its assessment.

ELISA Kits and Antibodies

BioPorto's library of highly specific monoclonal antibodies for scientific, pharmaceutical, and clinical research includes specific antibodies for NGAL as well as for important areas such as allergy and immune system disorders. Off-the-shelf antibodies are available in small quantities, and BioPorto provides in-house scaled up production of custom antibodies in bulk volumes to meet specific program needs, such as for diagnostic kit manufacturers. The overall research antibodies market is expected to grow from USD 10.1billion in 2020 to USD 14.10 billion by 2025, at a CAGR of 6.7% from 2020 to 2025, as these are critical components in life sciences research.[11]

BioPorto offers NGAL ELISA kits for human use (CE marked) and six additional species, ranging from mouse to monkey, for research applications. These NGAL ELISA kits target different forms of NGAL and help scientists bridge their development work from preclinical study through clinical development. These research tools are often used to investigate nephrotoxicity during the development of new pharmaceutical compounds and to investigate additional potential applications of NGAL. At this time, BioPorto does not intend to either actively develop new ELISA kits as a driver of its business strategy or seek FDA approval for its ELISA kits. However, it will continue to include ELISA kits as part of its product offering, as these kits may serve as research tools that could evolve into future products in the form of FDA cleared or approved actionable biomarkers.

[10] Goldstein S. et al. (2019), 'Point-of-Care Urinary Neutrophil Gelatinase-Associated Lipocalin Readings Are Highly Predictive of Formal Laboratory Levels', https://www.asn-online.org/education/kidneyweek/2019/program-abstract.aspx?controlId=3224791

[11] Markets and Markets 'Research Antibodies Market by Product (Antibodies (Primary, Secondary)(Mouse, Rabbit)), Reagents), Technology (Western Blot, Flow Cytometry, Elisa, Immunofluorescence, Immunohistochemistry), Application, & End User - Global Forecast to 2025', https://www.marketsandmarkets.com/MarketReports/research-antibodies-reagents-market-94212793.html

Proprietary rights

Through research and development efforts, the Company has developed expertise in the development of research and diagnostic assays to detect analytes present in various disease states. The Company's antibodies and other aspects of its diagnostic products are proprietary and fundamental to the Company's business.While the Company considers its intellectual property rights to be valuable, the Company does not believe that its competitive position in the industry depends solely on obtaining legal protection for its diagnostic products and technology. Instead, the Company believes that the success of its business also depends on the Company's ability to commercialize its current and future products, as well as maintaining a reputational leadership position in relation to NGAL by continuing to develop innovative antibodies and diagnostic products utilizing the NGAL biomarker and other health related biomarkers, including for kidney health.

Registration

For a diagnostic product to be marketed for clinical use, it must undergo a registration process with the Health Authorities in each country and/or region. The NGAL Test is CE marked in the EU as an IVD biomarker for AKI. It is also registered in and/or has received regulatory approval for IVD use in several other countries.

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 departments 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.

Since 2020, the Company was – as was most of the world – affected by the COVID-19 pandemic whereby the Company took measures to safeguard its employees and 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 was delayed and the expected timeline for finalizing enrollment of patients has moved to first half of 2022.

In 2022, the primary risks are 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.

The enrolment rate of patients for the NGAL pediatric trial will continue to 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 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. Key risks that are specific for the Company that, among others, could cause the Company's results, prospects and financial performance to differ materially from those expressed forward-looking statements are:

- The Company's products and future 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 and market penetration may be lengthy and difficult.
- Timing of clinical trials depends on many factors outside of the Company's control, including the impact of COVID-19, which may impair the Company's ability to complete clinical trials in a timely manner or at all.
- The results from the Company's ongoing clinical trial relating to pediatric use of The NGAL Test may not meet the primary outcomes previously committed to the FDA, which may prevent the Company from submitting the clinical trial's results to the FDA and/or ultimately obtaining FDA approval of The NGAL Test for risk assessment of AKI in pediatrics.
- A failure to obtain FDA approval of The NGAL Test for risk assessment of AKI would have a material adverse effect on the Company's prospective future revenues, future growth prospects, future cash-flows and future results of operations.
- A failure to successfully commercialize The NGAL Test for pediatric and later adult uses would have a material adverse effect on the Company's prospective future revenues, future growth prospects, future cash-flows and future results of operations.
- 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 future success depends in part on its ability to attract and retain its management team and key employees.
- The Company's products and future products are complex to manufacture, and the Company may encounter difficulties in manufacturing that could have a material adverse effect on the Company's revenues, cash flow, results of operations and future growth prospects.
- 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.
- Several patents used by the Company will expire in the near term, which may lead to increased competition and materially adversely affect the Company's business, financial condition, results of operations and prospects.
- 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 on the Company.
- To realize its strategic objectives, the Company will require additional capital to fund its operations, which may not be available to the Company on acceptable terms or at all.

- The Company has incurred net losses and may continue to do so.

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.

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 that 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.

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

At least annually, 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 not instituted an internal audit function at BioPorto, based on its assessment that the Company's size and complexity does not necessitate such a function.

Corporate Governance

BioPorto has a two-tiered management structure. In accordance with current practice in Denmark, responsibility is divided between the non-executive Board of Directors and the Executive Management Board, which are independent of each other. The Board of Directors determines the overall strategy and supervises BioPorto's activities, management and organisation, while the Executive Management Board is in charge of the day-to-day management. Members of the Executive Management Board do not serve on the Board of Directors.

The company's Board of Directors and Executive Management Board constantly strive to ensure transparency and accountability by building trusting relationships with shareholders, customers, suppliers, employees, and the local communities in which the company operates.

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 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 four 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 15 Board meetings in 2021. Five meetings are planned for 2022 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, and it currently consists of six members elected by the shareholders. The Board of Directors elects a Chairman and a Vice Chairman.

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, sales and marketing, as well as finance and economics. Not all current Board members are considered independent persons, but the Board of Directors can act independently. Board member Peter Mørch Eriksen is to be considered non-independent under the criteria defined by the Danish Committee on Corporate Governance. 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 established the following Committees: Remuneration, Nomination, Audit Committee, Strategy, and Business, Research and Development. 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 six members, all of whom are men.

BioPorto has adopted a Diversity Policy that 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 100/0 at the end of 2021. As the defined target has not yet been reached, BioPorto will stay committed to reach the target within the set deadline."

The general meeting did not consider it necessary to change the existing board of directors at the general assembly or at the extraordinary general assembly last year.

The nominating committee has a clear policy for evaluating candidates of both genders for vacant Board positions. For future vacant Board positions in 2022, 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 2021 is shown in the overview below:

2021	Female	Male
Board of Directors	0%	100%
Executive Management (two persons)	0%	100%
Management	60%	40%
Other employees	65%	35%

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 and are enumerated with commentary, below.

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.

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 17.

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. It is imperative for BioPorto 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 2021, 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. We will continue in 2022 to have all new employees trained in human rights and the Code of Conduct.

Also, we will in 2022 continue to conduct our clinical trials in a manner that recognizes the importance of respecting research participants while protecting their safety. We do this by applying good 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 2021. BioPorto expects to maintain the same level of no incidents and efforts regarding human rights for 2022 as for 2021.

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 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 with many procedures in place. Both the physical and mental working environments are monitored and continually improved to avoid accidents, injury and illness. Management ensures that employees also in 2022 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 work environment and encourages collaboration to the benefit of the staff and company efforts 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 2021, and BioPorto had no work related injuries in 2021. BioPorto

expects to maintain the same level of no Work-related injuries and efforts regarding labor rights for 2022 as for 2021.

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 committed to full compliance with all environmental laws, standards and guidelines in the jurisdictions where it operates and continuously seek to reduce its environmental impact as much as possible. 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 cut 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. 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. As in 2021, BioPorto continues to consume less paper by encouraging electronic copies and double-sided printing when hard copies are necessary. Management will continually in 2022 to encourage employees to embrace environmental and climate friendly initiatives as BioPorto aim to reduce BioPorto's environmental footprint.

Any environmental incident would be reported to the executive management team, and they would take prompt action to make sure the incident would not happen again.

BioPorto expects to maintain the same level of no incidents and efforts regarding enviroment for 2022 as for 2021.

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.BioPorto's activities must always be in compliance with all required country 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 up to now 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. 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.

In 2021 all new employees received training as part of their introductory program regarding anti-corruption and the Code of Conduct and BioPorto will maintain the same level of training in 2022.

Any incidents of corruption would be reported to the executive management, and they would prompt take action to ensure that a similar incident would not happen again.

BioPorto expects to maintain the same level of no incidents and efforts regarding anti-corruption for 2022 as for 2021.

Privacy and GDPR (G)

BioPorto focus on privacy and protection of personal data throughout BioPorto, covering the data of employees, partners, and other stakeholders. BioPorto has implemented strong measures to protect personal data and complies with the EU General Data Protection Regulation (GDPR) and national personal data protection legislation. BioPorto has in 2021 implemented a Data Ethics Policy. In this policy, BioPorto's approach to data ethics is defined pursuant to section 99 d of the Danish Financial Statements Act.

All new employees received GDPR and data training as part of their introductory program in 2021. I 2022 BioPorto will keep the same level of effort to secure that BioPorto complies with the above-mentioned policies and new employees receive the training in GDPR and data.

Shareholder matters

Investor relations

BioPorto aims to provide 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. The group endeavors to strike a reasonable balance so that the information it communicates is both technically correct and understandable to laypeople. All stakeholders should have rapid, equal access to material 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.

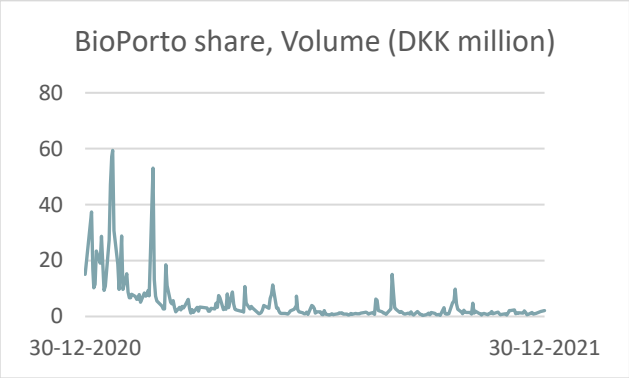
Shares

ISIN, capital stock and price trends

On December 31, 2021 BioPorto's capital stock had a nominal value of DKK 267,754,404 divided into 267,754,404 shares with a nominal value of DKK 1 each, equivalent to 267,754,404 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 660 million at the end of 2021 (end of 2020: DKK 1,077 million).

The closing price of BioPorto shares was DKK 2.47 on December 30, 2021, which equals a decrease of 39% in the fiscal year.

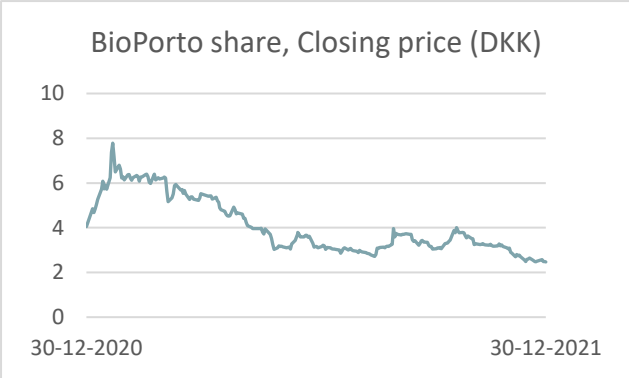
The value of traded shares was DKK 1,197 million in 2021 (2020: DKK 603 million), equivalent to average daily trading of DKK 4.8 million (2020: DKK 2.4 million) and an average daily volume of 970,371 shares (2020: 823,751 shares).



Capital increase

On April 8, 2021, the company's share capital was increased by normally DKK 1,172,500, corresponding to 1,172,500 new shares, as a result of exercise of warrants issued. As a result, the capital stock of BioPorto A/S was increased in the nominal amount of DKK 1,172,500, after which it nominally amounted to DKK 267,754,404.

Following the balance sheet date, BioPorto in March 2022 conducted an offering of 66,938,601 new shares with pre-emptive rights for existing shareholders. As a result, the capital stock of BioPorto A/S was increased in the nominal amount of DKK 66,938,601 on April 1, 2022, after which it nominally amounted to DKK 334,693,005.



Ownership

As of December 31, 2021, BioPorto had 19,536 registered shareholders (2020: 13,778), that in the aggregate owned 74.57% of the capital stock. As of December 31, 2021, the following shareholders stated that they owned 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 two warrant programs in 2021 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 21,050,000 warrants remained, which amounted to 7.9 % 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 analyst covers BioPorto:

H.C. Wainwright, US	Yi Chen

Annual Shareholder Meeting

BioPorto A/S will hold its annual shareholder meeting on April 28, 2022, at 1:00 pm at the company's address Tuborg Havnevej 15, DK-2900 Hellerup.

IR contact

Neil Goldman, Executive Vice President & Chief Financial Officer
Tim Ericksen, Investor Relations

Tel.: +45 4529 0000
E-mail: investor@bioporto.com

Financial calendar for 2022

Date	Description
April 28, 2022	Annual General Meeting
May 11, 2022	Interim Report – for the three-month period ended March 31, 2022
August 17, 2022	Interim Report – for the six-month period ended June 30, 2022
November 9, 2022	Interim Report – for the nine-month period ended September 30, 2022

Company

Date	No.	Description
March 7, 2022	2	BioPorto A/S publishes prospectus in connection with a rights issue with pre-emptive subscription rights for its existing shareholders
March 7, 2022	1	BioPorto announces intention to initiate a rights issue with expected gross proceeds of up to approximately DKK 100.4M, updates on status of The NGAL Test clinical trials, and announces its financial estimate for 2021 and guidance for 2022
December 31, 2021	24	Grant of warrants
November 19, 2021	23	In an effort to prioritize Emergency Use Authorizations (EUA), the FDA does not recommend that BioPorto pursue an EUA for its NGAL assay for the prediction of renal replacement therapy in COVID-19 patients
November 19, 2021	22	New composition of the management board of BioPorto A/S
November 17, 2021	21	BioPorto Announces Q3 2021 Report
November 15, 2021	20	BioPorto A/S - Extraordinary General Meeting, New Board Member
November 3, 2021	19	Update on Patient Enrollment for Pivotal Study of NGAL in Pediatrics
October 22, 2021	18	Notice Convening the Extraordinary General Meeting
October 20, 2021	17	BioPorto A/S appoints new Chief Financial Officer
October 20, 2021	16	BioPorto A/S appoints new Chief Executive Officer and announces changes to the Board of Directors
August 31, 2021	15	BioPorto Successfully Completes Interim Analysis of Data from Pivotal Study of NGAL in Pediatrics with Encouraging Results
August 18,	14	BioPorto Announces Q2 2021 Report
June 29, 2021	13	Pipeline Update Regarding COVID-19 test
May 27, 2021	12	Managers' transactions
May 12, 2021	11	BioPorto Announces Q1 2021 Report
May 5, 2021	10	Peter Mørch Eriksen resigns as CEO of BioPorto A/S
April 29, 2021	9	BioPorto A/S – Annual General Meeting
April 26, 2021	8	BioPorto initiates search for new CFO as Ole Larsen resigns
April 8, 2021	7	Annual General Meeting. Amended proposal for election to the Board of Directors.
April 8, 2021	6	Increase in share capital following exercise of warrants – Notice of changes in share capital and voting rights pursuant to section 32 of the Danish Capital Markets Act
April 6, 2021	5	Notice Convening the Annual General Meeting
March 17,	4	BioPorto Announces the 2020 Annual Report
March 3, 2021	3	Pipeline Update from BioPorto
February 10, 2021	2	Incentive Warrants
January 21, 2021	1	Manager's transactions

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

BioPorto Inc.

BioPorto Diagnostics Inc.

117 Fourth Avenue, Suite 202
Needham, MA 02494
USA

Board of Directors

Christopher Lindop, *Chairman*
(M) (1957), Joined board in 2019, Independent

Participation in 15 board meetings in 2021 & participation in 8 committee meetings in 2021

Qualifications of relevance for BioPorto

Christopher James Lindop became chairman in 2021. 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. He took the position as chief financial officer of Inverness Medical Ltd., before being appointed chief financial officer and VP of Business Development at Haemonetics Corporation Ltd. (HAE). Christopher James Lindop was chief financial officer of Quotient Limited (QTNT) until his retirement in May 2020. Christopher Lindop was also a member of the board of directors of Parexel International (PRXL) where he served as chairman of the audit committee and as a member of the nominating and governance committee. As a result, he has considerable experience in the management of U.S. listed health care and diagnostic companies and within the functional areas of finance and reporting, corporate governance, mergers & acquisitions, public and private market financing and strategy development and execution.

Current directorships in other companies

None

John McDonough, *Vice-Chairman*
(M) (1959), Joined board in 2021, Independent

Participation in 11 board meetings in 2021 & participation in 5 committee meetings in 2021

Qualifications of relevance for BioPorto

John McDonough previously served as President and chief executive officer, of T2 BioSystems, Inc., a diagnostics company focused on the rapid detection of sepsis-causing pathogens. John held several positions at Cytyc Corporation, a company focused on women's health, and ultimately served as president of Cytyc Development Corporation. He also led the efforts that resulted in Cytyc's acquisition by Hologic Inc. for over $6 billion. John McDonough is currently a member of the board of directors at Solace Therapeutics and Cytrellis Biosystems. He earned his undergraduate degree in business from Stonehill College.

Current directorships in other companies

Cytrellis Biosystems, Inc., Chairman of the Board of Directors
Solace Therapeutics, Board member

Dr. Michael Singer
(M) (1973), Joined board in 2019, Independent

Participation in 15 board meetings in 2021 & participation in 4 committee meetings in 2021

Qualifications of relevance for BioPorto

Dr. Michael Singer is currently Chief Scientific Officer (CSO) and co-founder of Cartesian Therapeutics, Inc, a US biotech company that develops RNA-modified cell therapies. Prior to founding Cartesian, he was co-founder and CSO of two startups: Topokine and HealthHonors. Dr. Singer previously served as Director of Translational Medicine at the Novartis Institutes for Biomedical Research. He is a licensed physician and has been admitted to practice patent law. He serves as an adjunct professor at the Yale University School of Medicine. Dr. Singer completed residency at Harvard and holds a BS, MD, and PhD from Yale University.

Current directorships in other companies

Cartesian Therapeutics, Inc., Board member
Pykus Therapeutics, Inc., Board member
Anodyne Nanotech, Inc., Board member

Jan Leth Christensen
(M) (1963), Joined board in 2021, Independent
Participation in 4 board meetings in 2021 & participation in 0 committee meetings in 2021

Qualifications of relevance for BioPorto

Jan Leth Christensen is an attorney-at-law and is currently a board member and partner at Lønberg & Leth Christensen Advokataktieselskab. He serves as Chairman of Havnens Bygningsudlejnings A/S, Best Ejendomme A/S, and Advokaternes Ejendomsadministration A/S, and is also a member of the executive management and/or the board of directors of several other companies and foundations. Jan Leth Christensen holds a Master's degree in Law from the University of Copenhagen.

Current directorships in other companies

Murermester Willy Lynggard Petersens Familiefond, Board member
Rolf Krake Fonden, Board member
Hyldegårdsvej 40 A/S, Chairman of the Board of Directors
WRP-Holding A/S, Board member
K/S Hørsvinget, Board member
Esplanaden Berlin Holding A/S, Board member
Havnen Lersø Parkallé 107 ApS, Chairman of the Board of Directors
Lønberg & Leth Christensen Advokataktieselskab, Board member
Havnens Bygningsudlejning A/S. Chairman of the Board of Directors
W. Lynggard Petersen Holding A/S, Board member
Søborgstræde 2 A/S, Chairman of the Board of Directors
Best Ejendomme A/S, Chairman of the Board of Directors
Advokaternes Ejendomsadministration A/S, Chairman of the Board of Directors

Donnie McCoy Hardison Jr.
(M) (1950), Joined board in 2021, Independent
Participation in 11 board meetings in 2021 & participation in 3 committee meetings in 2021

Qualifications of relevance for BioPorto

Donnie McCoy Hardison Jr. most recently served as President, Chief Executive Officer, and as a member of the board of directors of Biotheranostics, Inc., an oncology-focused molecular diagnostics company which was acquired by Hologic Inc. Prior to Biotheranostics, he was the President and Chief Executive Officer and Director of Good Start Genetics, a molecular diagnostics company focused on reproductive health. Earlier in his career, he held many executive and senior management positions at a number of public companies including Laboratory Corporation of America and Quest Diagnostics, the two largest US clinical laboratories; Exact Sciences Corporation, a molecular diagnostics company; and SmithKline Beecham Corporation, a pharmaceutical company. He currently serves on the board of directors of publicly held companies HTG Molecular and MdxHealth and several privately held companies including Stemina Biomarker Discovery Inc., YourBio, and Iquity, Inc. He also served on the board of directors of Exact Sciences Corporation. He received his Bachelor of Arts in Political Science from the University of North Carolina, Chapel Hill.

Current directorships in other companies

HTG MOLECULAR, INC., Board member
IQUITY, Board member
MDXHEALTH, Board member
Stemina Biomarker Discovery Inc., Board member
YourBio, Board member

Peter Mørch Eriksen
(M) (1960), Joined board in 2021, Non-independent
Participation in 4 board meetings in 2021 & participation in 0 committee meetings in 2021

Qualifications of relevance for BioPorto

Peter Mørch Eriksen served as CEO of BioPorto from 2013 – 2021. Peter Mørch Eriksen has spent more than 20 years in the MedTech/life science industries, including as CEO of Sense A/S and VP of Medtronic. From these positions, Peter Mørch Eriksen has extensive experience in creating growth, restructuring and funding in technology-intensive and complex companies. Peter Mørch Eriksen 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. He is chairman of the board of directors in FluoGuide A/S, member of the Advisory Board at Lund University Diabetes Centre, member of the Advisory Board at the Medical Device and Diagnostics Advisory Committee of Cincinnati Children's Hospital Center in Cincinnati, Ohio (US) and member of the executive management in PME Holding ApS.

Current directorships in other companies

Fluo Guide, Chairman of the Board of Directors
Member of the Advisory Board at Lund University Diabetes Centre.
Medical Device and Diagnostics Advisory Committee of Cincinnati Children's Hospital Center in Cincinnati, Ohio (US).
MyBlueLabel Compliance Services ApS, Chairman of the Board of Directors

Executive Management

Anthony Paul Pare
(M) (1962)

Chief Executive Officer
Joined BioPorto as CEO in 2021

Qualifications of relevance for BioPorto

Anthony Paul Pare has led product development, commercialization, marketing, operations, and business development in leading medical device and diagnostic companies for 25 years. Previously, Anthony Paul Pare was the Chief Commercial Officer (CCO) at T2 Biosystems, a US Nasdaq-listed in vitro diagnostics company. He held the same role at Hemanext (US), a pre-commercial company marketing blood transfusion technology. He also held various leadership roles at Haemonetics (US), specializing in blood processing and diagnostic technologies. In addition to being CEO of BioPorto, Tony is actively participating on advisory boards, and mentoring startup medical technology companies in the Boston (US) area. Anthony Paul Pare holds a Bachelor of Science in Marine Engineering and a Master's of Engineering Administration from George Washington University (US).

Current directorships in other companies

None

Neil Allan Goldman
(M) (1967)

Executive Vice President & Chief Financial Officer
Joined BioPorto as EVP & CFO in 2021

Qualifications of relevance for BioPorto

Neil Allan Goldman previously served as the Executive Vice President and Chief Financial Officer of Chembio Diagnostics, Inc. (Nasdaq:CEMI). He has been the Executive Vice President-Corporate Development and Chief Financial Officer at J.S. Held LLC, a construction consulting firm. He was the Global Finance Director for the Delphi Data Connectivity division of Delphi Corp. (now Aptiv plc, NYSE:APTV), an automotive supplier, following Delphi's acquisition of Unwired Technology LLC (Unwired), a tier-1 global automotive electronics manufacturer and distributor, from a private equity firm. At Unwired, he was the Executive Vice President-Corporate Development and Chief Financial Officer, the Senior Vice President-Chief Operating and Financial Officer, and previously Chief Financial Officer. He also served as the Chief Financial Officer at EPPCO Enterprises, Inc., an importer and manufacturer of consumer and aftermarket products, and as a Senior Manager at Ernst & Young LLP and its successor Cap Gemini Ernst & Young LLC. Since 2010, Neil Goldman has been a member of the board of directors of Ohio Bridge Corp. He is a Certified Public Accountant and received a Bachelor of Science degree in Business-Accountancy from Miami University (Ohio).

Current directorships in other companies

Ohio Bridge Corp., Board Member

Financial review 2021

Income Statement

The financial review is based on the Group's consolidated financial information for the year ended December 31, 2021, with comparative figures for 2020 in brackets. There is no significant difference in the development of the Group and the Parent Company.

In 2021, BioPorto generated revenues of DKK 24.3 million (DKK 23.2 million). Earnings before interest and taxes (EBIT) showed a loss of DKK 65.3 million (loss of DKK 63.6 million). The cash position as of December 31, 2021 amounted to DKK 45.5 million (DKK 107.9 million).

Revenue

Revenue for 2021 was DKK 24.3 million (DKK 23.2 million).

Revenue from The NGAL Test was DKK 12.1 million (DKK 13.4 million) and was composed of DKK 7.6 million (DKK 6.7 million) from RUO sales in the US, DKK 4.5 million (DKK 6.7 million) from sales in the EU and the rest of the world.

Revenue from sale of antibodies amounted to DKK 9.1 million (DKK 6.8 million).

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

Revenues from other products, royalties and licenses amounted to DKK 0.6 million (DKK 0.4 million).

Production costs

Production costs amounted to DKK 9.2 million (DKK 9.9 million) bringing the gross profit for 2021 to DKK 15.0 million (DKK 13.3 million) and the gross margin to 62% (57%).

The decrease in production costs is primarily related to reduced spend on consumed goods of DKK 0.8 million.

Sales and marketing costs

Sales and marketing costs totaled DKK 17.4 million (DKK 20.8 million). The decrease in costs is primarily due to reduced staff related costs of DKK 3.4 million, as warrant- and LTI programs were reversed subsequent to employee resignations.

Research and development costs

Research and development costs amounted to DKK 30.3 million (DKK 28.1 million). The increase is mainly due to increased staff related costs of DKK 1.2 million and an increase in spend on consumed goods of DKK 1.0 million.

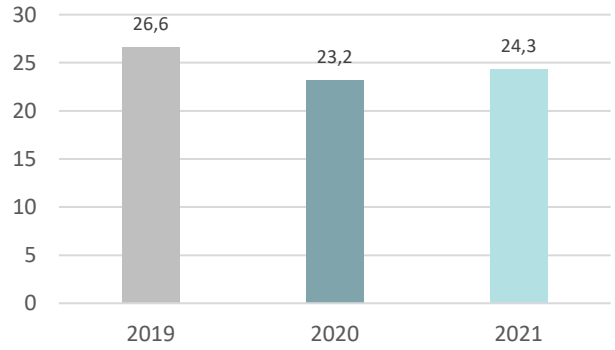
Administrative costs

Administrative expenses were DKK 32.7 million (DKK 28.0 million). In 2021 consultancy costs increased by DKK 5.0 million partly related to the replacement of the CEO and CFO. The increased costs was partly offset by decreased staff-related costs of DKK 2.3 million as share-based compensation expenses were reversed due to employee resignations.

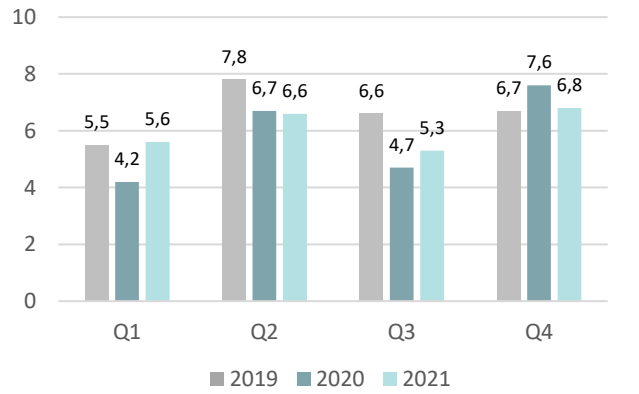
Financial income and expenses

Financial income was DKK 2.5 million and consisted of net income on exchange rate adjustments of DKK 2.5 million (net

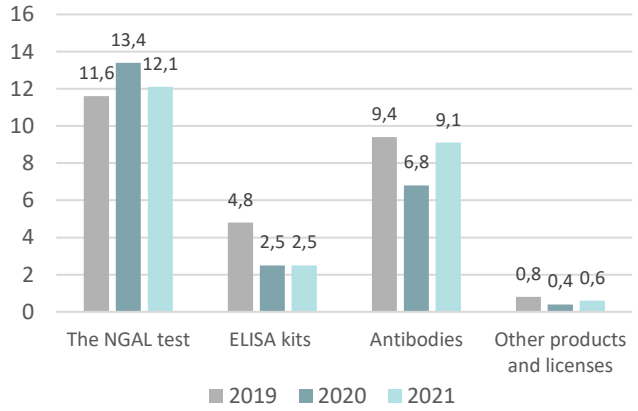
Revenue (DKK million)



Revenue by quarter (DKK million)



Revenue by product category (DKK million)



loss of DKK 2.4 million was realized from exchange rate adjustments).

Financial expenses amounted to DKK 1.0 million (DKK 3.2 million) and consists of interest on leasing liabilities DKK 0.6 million (DKK 0.6 million) and of bank charges and interest.

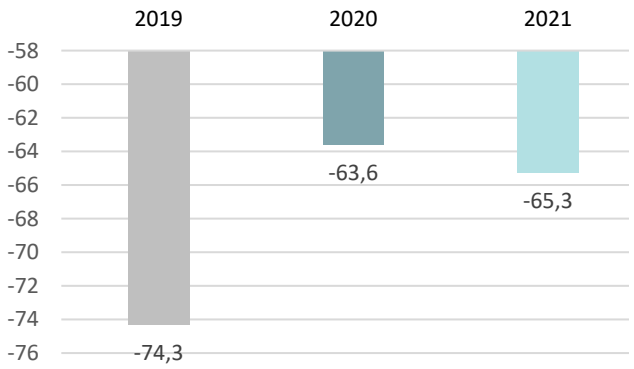
Tax on income for the year

Tax on income for the year was an income of DKK 6.7 million (income of DKK 5.3 million) which is primarily related to refunded tax losses originating from research and development costs.

Liquidity

As of December 31, 2021, BioPorto had a cash position of DKK 45.5 million (DKK 107.9 million). The Company has primarily funded cash requirements for 2021 with a combination of revenue from product sales in 2021 and capital increases completed in 2020.

EBIT (DKK million)



Cash flow

Net cash expenditure from operating activities amounted to DKK 64.6 million (DKK 35.6 million), the increase in expenditure was primarily driven by changes in working capital.

Net cash spent on investing activities was DKK 0.4 million (DKK 1.5 million) mainly following investment in software.

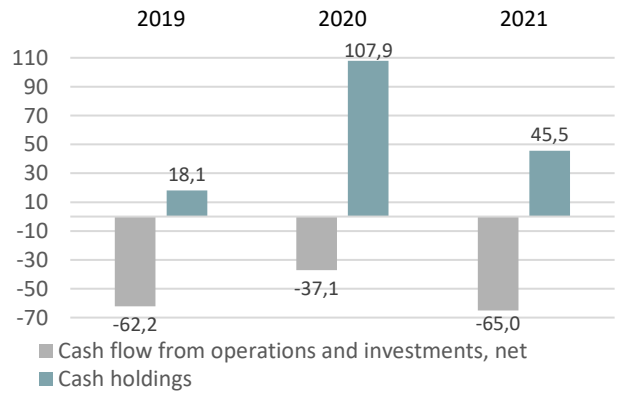
Net cash provided by financing activities totalled DKK 1.1 million (DKK 127.0 million) primarily related to proceeds from warrant programs exercised partly offset by reduction of lease obligations.

The net cash flow for 2021 was negative by DKK 63.9 million (positive by DKK 89.9 million).

Balance Sheet

The balance sheet total was DKK 81.3 million as of December 31, 2021 (DKK 140.3 million).

Cash flows and Cash holdings (DKK million)



Assets

Intangible assets in 2021 were DKK 1.0 million (DKK 1.2 million). The decrease is due to the amortization of intangible assets, partly offset by investments in software.

Fixtures and fittings, tools and equipment totaled DKK 1.9 million (DKK 2.4 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 12.3 million as of December 31, 2021 (DKK 10.3 million). The increase in 2021 consists of an extended office lease in Hellerup partly offset by depreciations.

Financial assets totaled DKK 1.7 million (DKK 1.6 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, 2021, the total writedown of the tax asset amounted to DKK 76.8 million (DKK 64.7 million). The Company retains the right to use the tax loss carry forward of DKK 74.6 million (DKK 63.0 million) and the other tax assets of net DKK 2.2 million (DKK 1.7 million) that were written down.

Inventories, net totaled DKK 2.7 million (DKK 3.2 million) of which finished goods amounted of DKK 2.7 million (DKK 3.3 million), raw materials and consumables amounted of DKK 1.7 million (DKK 1.8 million), offset by reserves of DKK 1.7 million (DKK 1.8 million).

Receivables totaled DKK 16.0 million (DKK 13.7 million), of which trade receivables, net amounted to DKK 7.2 million (DKK 6.9 million). The increase is mainly due to higher sales in December 2021 compared to December 2020 partly offset

by reductions in the balance of overdue trade receivables. Income tax receivables totaled DKK 6.3 million (DKK 5.3 million) and other receivables and prepayments DKK 2.5 million (DKK 1.5 million).

As of December 31, 2021, the cash position was DKK 45.5 million (DKK 107.9 million). BioPorto's cash is primarily invested in deposit accounts with two Nordic banks and one U.S bank.

Equity

After the transfer of the loss of the year, equity totaled DKK 46.0 million (DKK 100.9 million).

Liabilities

Non-current liabilities totaled DKK 10.5 million (DKK 8.4 million).

Current liabilities stood at DKK 24.8 million (DKK 30.9 million) of which trade payables amounted to DKK 4.3 million (DKK 4.6 million) and other payables amounted to DKK 17.5 million (DKK 23.4 million).

Capital allocation

The capital structure is reviewed continuously with due consideration for BioPorto's financial performance and strategic developments, including in-vestment requirements and shareholder interests.

The Company continues to anticipate the use of capital to fund its regulatory activities, commercialization, and product development activities, as reflected in the company's outlook for 2022.

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		2021 DKK thousand	2020 DKK thousand
3	Revenue	24,254	23,204
4,6,14	Production costs	9,213	9,865
	Gross profit	**15,041**	**13,339**
4,6	Sales and marketing costs	17,381	20,786
4,6	Research and development costs	30,258	28,125
4,6,7	Administrative costs	32,657	28,018
	Loss before financial items (EBIT)	**(65,255)**	**(63,590)**
8	Financial income	2,461	4
8	Financial expenses	1,046	3,248
	Loss before tax	**(63,840)**	**(66,834)**
9	Income taxes	6,727	5,272
	Net loss	**(57,113)**	**(61,562)**
		DKK	DKK
10	Loss per share (EPS & DEPS)	(0.21)	(0.30)

Statement of comprehensive income

Note		2021 DKK thousand	2020 DKK thousand
	Net loss	(57,113)	(61,562)
	Other comprehensive income:		
	Amounts which will be re-classified to the income statement:		
	Adjustment of foreign currency fluctuations on subsidiaries	(1,219)	1,772
	Other comprehensive income	**(1,219)**	**1,772**
	Comprehensive loss	**(58,332)**	**(59,790)**

Balance sheet

Note	ASSETS	2021 December 31 DKK thousand	2020 December 31 DKK thousand
	Non-current assets		
	Property, plant and equipment and intangible assets		
11	Rights and software	1,049	1,152
12	Fixtures and fittings, tools and equipment	1,925	2,448
13	Right-of-use assets	12,345	10,261
	Total property, plant and equipment and intangible assets	**15,319**	**13,861**
	Financial assets		
	Deposits	1,739	1,645
	Total financial assets	**1,739**	**1,645**
	Total non-current assets	**17,058**	**15,506**
	Current assets		
14,19	Inventories, net	2,718	3,165
15,18,19	Trade receivables, net	7,177	6,886
	Income tax receivable	6,272	5,279
15,18,19	Other receivables	738	577
15,19	Prepayments	1,769	930
	Total inventories and receivables	**18,674**	**16,837**
18	Cash and cash equivalents	45,523	107,943
	Total current assets	**64,197**	**124,780**
	Total assets	**81,255**	**140,286**

Note	LIABILITIES	2021 December 31 DKK thousand	2020 December 31 DKK thousand
	Equity		
16	Share capital	267,754	266,582
17	Treasury shares	-	-
	Exchange-rate adjustments	(119)	1,100
	Retained earnings	(221,671)	(166,770)
	Total equity	**45,964**	**100,912**
	Liabilities		
	Non-current liabilities		
18	Lease obligation	10,200	7,992
18	Other non-current liabilities	301	452
	Non-current liabilities	**10,501**	**8,444**
	Current liabilities		
18	Current portion of non-current liabilities	2,975	2,828
18,19	Trade payables	4,260	4,636
	Tax payables	84	77
18,19	Other payables	17,471	23,389
	Current liabilities	**24,790**	**30,930**
	Total liabilities	**35,291**	**39,374**
	Total equity and liabilities	**81,255**	**140,286**

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 January 1, 2021	266,582	-	1,100	(166,770)	**100,912**
Loss for the year	-	-	-	(57,113)	**(57,113)**
Other comprehensive income:					
Adjustment of foreign currency fluctuations on subsidiaries	-	-	(1,219)	-	**(1,219)**
Total comprehensive income	-	-	(1,219)	(57,113)	**(58,332)**
Transactions with owners:					
Issue	1,172	3,189	-	-	**4,361**
Issue costs	-	(11)	-	-	**(11)**
Share-based compensation	-	-	-	(966)	**(966)**
Transferred to retained earnings	-	(3,178)	-	3,178	**-**
Equity December 31, 2021	**267,754**	**-**	**(119)**	**(221,671)**	**45,964**

	Share capital DKK thousand	Share premium DKK thousand	Exchange-rate adjustments DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity January 1, 2020	174,944	-	(672)	(148,950)	**25,322**
Loss for the year	**-**	-	-	(61,562)	**(61,562)**
Other comprehensive income:					
Adjustment of foreign currency fluctuations on subsidiaries	-	-	1,772	-	**1,772**
Total comprehensive income	-	-	1,772	(61,562)	**(59,790)**
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 December 31, 2020	**266,582**	**-**	**1,100**	**(166,770)**	**100,912**

	2021 DKK thousand	2020 DKK thousand	2019 DKK thousand	2018 DKK thousand	2017 DKK thousand
Share capital January 1	266,582	174,944	165,688	155,510	142,494
Issue of new shares	1,172	91,638	9,256	10,178	13,016
Share capital December 31	**267,754**	**266,582**	**174,944**	**165,688**	**155,510**

Cash flow statement

Note		2021 DKK thousand	2020 DKK thousand
	Loss before financial items	(65,255)	(63,590)
6	Depreciation and amortization	4,329	3,994
4	Share-based compensation expenses	(966)	5,316
	Other non-cash items	310	915
	Cash generated from operations before working capital	**(61,582)**	**(53,365)**
19	Changes in working capital	(7,448)	15,012
	Cash generated from operations	**(69,030)**	**(38,353)**
	Financial income, received	145	634
	Financial expenses, paid	(1,425)	(2,640)
	Tax refund, net	5,733	4,743
	Cash flows from operating activities	**(64,577)**	**(35,616)**
12	Purchase of operating equipment	(130)	(1,315)
11	Purchase of rights and software	(259)	(184)
	Purchase of financial assets	(23)	(22)
	Cash flows from investing activities	**(412)**	**(1,521)**
	Proceeds from warrant programs exercised	4,361	-
20	Issue, gross proceeds	-	146,620
20	Issue costs	(11)	(16,556)
	Reduction of non-current liabilities	(150)	(170)
13	Reduction of lease obligation	(3,099)	(2,859)
	Cash flows from financing activities	**1,101**	**127,035**
	Net cash flow from operating, investing and financing activities	**(63,888)**	**89,898**
	Cash and cash equivalents at January 1	107,943	18,122
	Effect of exchange rate changes on cash	1,468	(77)
	Cash and cash equivalents at December 31	**45,523**	**107,943**

Notes - Group

Note 1

Basis of reporting

Basis of preparation

The financial statements of the BioPorto Group are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (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.

Following December 31, 2021, as discussed in Note 22 – Subsequent event, the Group undertook to improve its liquidity position:

- On April 1, 2022, the Group raised estimated net proceeds of DKK 93.1 million from the issuance and sale of 66,938,601 shares of common stock (the Offering) pursuant to a Prospectus for a Rights offering with pre-emptive rights for existing shareholders (the Prospectus).

This measure was designed to provide the Group with adequate liquidity to meet its obligations for at least the twelve-month period following the date of this annual report, and pursuant to the Prospectus for at least the twelve-month period following the Prospectus date of March 7, 2022. The assessment as to the adequacy of liquidity relies *inter alia* on assumptions applied in the Company's budgets and forecasts as well as customary sensitivities, existing capital resources and assumptions concerning the timing, costs and resources required to undertake the Company's strategic priorities, including the Company's ongoing clinical trials and planned FDA submission of The NGAL Test in the U.S all of which under current circumstances remain difficult to predict. Further, this assessment is subject to the risk factors applicable to the Company. In the event that any of the risk factors relating to the Company materialize, including if the adverse U.S. clinical trial environment associated with the outbreak of COVID-19 worsen or persist longer than expected, the Company's capital resources (including the proceeds from the Offering) may be significantly and adversely affected to an extent where they are insufficient to meet the Company's capital requirements considering a twelve-months period after the Prospectus Date. In such case, the Company will take mitigating actions to seek to protect or further strengthen its financial position, including reducing costs and potentially by raising further capital, although there can be no assurance that any such future cost reduction efforts will be successful or that additional capital will be available to the Company on acceptable terms, or at all.

In the event that the Company's ongoing R&D, ongoing clinical trials and planned FDA submission of The NGAL Test in the U.S, and/or commercialization efforts are more positive than expected, the Company may choose to accelerate projects and/or increase spending, in which case the Company may be required or may choose to raise additional capital prior to the twelve month period after the Prospectus Date.

The accompanying consolidated financial statements have been prepared on the basis that the Group will continue as a going concern, which contemplates continuity of operations, realization of assets and the satisfaction of liabilities in the normal course of business for the twelve-month period following the date of the accompanying consolidated financial statements. As such, the accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and their carrying amounts, or the amount and classification of liabilities that may result should the Group be unable to continue as a going concern.

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 both the parent company and its most significant subsidiary.

The accounting policies set out below have been used consistently with respect to the financial year and comparative figures, except as described below regarding changes in accounting policies. Certain comparative figures have been reclassified to conform to the current year presentation

Applying materiality

Significant items are presented individually in the financial statements as required by IAS 1.

Items that are not individually significant but support the understanding of BioPorto's business model and performance in the reporting period are also presented in the financial statements.

Currency

The Group's consolidated financial statements are presented in Danish kroner (DKK). Figures are rounded to the nearest DKK thousand unless otherwise stated.

Basis of consolidation

The consolidated financial statements are prepared as a consolidation of the financial statements of the Parent Company, BioPorto A/S, and its subsidiaries in accordance with the Group's accounting policies.

Note 1, continued

All intra-group income, expenses, shareholdings, balances and dividends are eliminated on consolidation. The accounting items of subsidiaries are included in full in the consolidated financial statements.

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, 2021 have been adopted by the BioPorto Group. The BioPorto Group has adopted the following revised standards and interpretations:

- Amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16, IBOR-reform phase 2
- Postponement of adoption of IFRS 9
- Amendments to IFRS 16, Covid-19-related rent concessions

The amendments to IFRS standards that became effective on January 1, 2021 did not have a material impact on the consolidated financial statements of the BioPorto Group.

Standards and interpretations not yet in force

As of the publishing of this Annual Report, several new or modified standards and interpretations have been issued by the IASB but which are not yet required to be implemented. Therefore, they have not yet been adopted by the Group and arenot reflected in the consolidated financial statements. The new or modified standards and interpretations will be implemented when they become mandatory, and none are presently expected to have a material impact on the consolidated financial statements of the BioPorto Group.

Translation of foreign currency

A functional currency is determined for each of the Group's reporting entities. The functional currency of the Parent Company is Danish kroner (DKK). Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Differences arising between the exchange rates at the transaction date and at the date of payment are recognised as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the receivable or payable arose or the exchange rate in the latest consolidated finan-cial statements is recognised as financial income or expenses.

Upon recognition in the consolidated financial statements of entities with a functional currency other than the presentation currency (DKK), the income statement and statement of cash flows are translated at the exchange rates prevailing at the transaction date, and the statement of financial position items are translated at the exchange rates prevailing at the reporting date.

Differences arising from the translation of the opening balance of equity of foreign entities at the exchange rates prevailing at the reporting date, and on translation of the income statement from the transaction date to the reporting date, are recognised in other comprehensive income and attributed to a separate transla-tion reserve in equity.

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.

Issue costs associated with the exercise of warrants are recognized in equity.

Segment information

The BioPorto Group does not prepare segment reporting internally and therefore only reports one operating segment externally.

Geographic spilt of revenue and revenue from major customers is disclosed in note 3 to the consolidated financial statements.

46% of non-current assets are located in Denmark (34% in 2020).

Note 1, continued

Income statement and statement of comprehensive income

Revenue

Revenue from contracts with customers comprises sale of goods, licence fees and royalty income. Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally takes place on shipment. Contracts generally do not provide customers with a right of return.

Licence fees and royalty income are recognised when earned according to the terms of the licence agreements.

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Amounts disclosed as net revenue exclude discounts, VAT and other duties.

The Group considers whether contracts include other promises that constitute separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration. No element of financing is deemed present.

Discounts generally arise from sales transactions where the customer receives an immediate reduction in the selling price.

Payment terms are generally net 30 days.

Production costs

Production costs include 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 include 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 associated with current year results is recognized in 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.

Note 1, continued

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. 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.

Note 1, continued

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 to the extent that it is estimated to be 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 the lower of FIFO cost or net realizable 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 transaction price less allowance for lifetime expected credit losses. Trade receivables are grouped based on business area and age to estimate credit losses. Trade receivables are written off when there is no reasonable expectation of recovery. Allowances for expected credit losses and write-offs are classified in sales and marketing 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 subject to a statutory limit of 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, and other costs associated with the issuing of new shares.

Note 1, continued

Issue costs incurred during 2021 associated with the rights offering discussed in Note 22 – Subsequent events are recorded as prepayments

Warrants

Proceeds received from the exercise of warrants are reflected in equity.

Financial liabilities

Lease liabilities

The group leases office space and vehicles. 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 on a straight-line basis over the lease term.

Lease liabilities are initially recognized at the present value of future lease payments. Initial recognition each lease is assessed individually to determine the probability of exercising any potential extension options. 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 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 expensed 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, 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.

Note 1, continued

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. See also “Non-IFRS financial measures”.

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

Critical 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, accounts receivable, and deferred taxes.

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 from the product development cannot be estimated with sufficient certainty until the associated development activities have been completed and received applicable regulatory clearances. Accordingly, development costs are expensed as incurred.

Tax assets

The Group has a significant deferred tax asset (see Note 9). However, Management has concluded in accordance with IFRS, that it is not sufficiently probable that the tax asset could be utilized in the foreseeable future. Management has therefore not recognized the calculated tax asset on the balance sheet.

Note 3

Business area reporting

GEOGRAPHIC DISTRIBUTION	2021 DKK thousand	2020 DKK thousand
Europe	7,708	10,016
North America	13,451	10,374
Asia	3,065	2,806
Other countries	30	8
Revenue	**24,254**	**23,204**

Geographic distribution is based on the customer's registered office.

PRODUCT GROUPS	2021 DKK thousand	2020 DKK thousand
NGAL Revenue:		
Product sales	12,092	13,430
Total NGAL revenue	**12,092**	**13,430**
Other products and licenses:		
ELISA kits	2,495	2,541
Antibodies	9,096	6,791
Royalty	63	19
Other products and licenses	508	423
Total other products and license revenue	**12,162**	**9,774**
Revenue	**24,254**	**23,204**

Product groups are defined as sale of goods, royalties, and licenses. One customer was responsible for more than 10% of BioPorto's revenue in 2021: The customer is based in Europe and represented sales of DKK 3,197 thousand in 2021. The customer primarily purchases NGAL kits. One customer was responsible for more than 10% of BioPorto's revenue in 2020. The customer is based in Europe and represented sales of DKK 2,391 thousand in 2020. The customer primarily purchases NGAL kits. Of total net revenue, 55% was invoiced to customers based in North America (2020: 45%) and 32% to customers based in Europe (2020: 43%).

Note 4

Staff costs

	2021 DKK thousand	2020 DKK thousand
Wages and salaries	40,378	39,266
Defined contribution pension plans	2,455	2,179
Share-based compensation expenses	(966)	5,316
Other social security costs	1,798	1,538
Other staff costs	659	498
Staff costs	**44,324**	**48,797**
Average number of employees	29	28

SPECIFICATION OF STAFF COSTS	2021 DKK thousand	2020 DKK thousand
Production costs	2,904	3,466
Sales and marketing costs	12,298	15,536
Research and development costs	12,950	12,238
Administrative expenses	16,172	17,557
Staff costs	**44,324**	**48,797**

REMUNERATION FOR KEY MANAGEMENT PERSONNEL	2021 DKK thousand	2020 DKK thousand
Board of Directors		
Remuneration	1,915	1.708
Board of Directors, Total	**1,915**	**1.708**
Executive Management [1]		
Salary	4,093	3,268
Bonus [2]	1,873	1,020
LTI bonus	(1,398)	609
Contribution based pension	591	554
Other employee benefits	297	156
Remuneration, total	**5,456**	**5,607**
Share-based compensation expenses	(1,230)	1,430
Executive Management, Total	**4,226**	**7,037**
Other Corporate Management		
Salary	11,208	10,203
Bonus	3,690	3,583
LTI bonus	(699)	304
Contribution based pension	658	530
Other employee benefits	568	561
Remuneration, total	**15,425**	**15,181**
Share-based compensation expenses	(45)	3,424
Other Corporate Management, Total	**15,380**	**18,605**
Remuneration for key management personnel	**21,521**	**27,350**

[1] The remuneration for Executive Management is further described in the Remuneration Report for 2021.

[2] Bonus consists of annual cash bonus, stay-on bonus for the former member of Executive Management, and sign-on bonus for new member of the Executive Management.

Note 5

Incentive schemes

For the purpose of motivating and retaining Management and key staff and aligning their interests with those of its shareholders, BioPorto A/S uses warrants as an incentive scheme. The arrangements, which are exercised by the issuance of new shares (equity-settled share-based payment transaction), entitle the recipient to subscribe for new shares in the parent company at a price defined on the date of grant.

Share-based compensation expense totaled income of DKK 1.0 million (2020: expense of DKK 5.3 million) due to forfeited warrants associated with employee resignations during 2021.

The warrant terms are included in the company's Articles of Association, which can be found at www.bioporto.com.

In 2021 the Board of Directors in BioPorto used its authorization and issued 12,500,000 warrants. Upon vesting, each warrant entitles the recipient to subscribe for one share in BioPorto A/S.

Overview of exercise periods

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
February 2021	February 11, 2023 to February 10, 2026
December 2021	December 28, 2022 to September 28, 2026

Note 5, continued

Overview of outstanding warrants on December 31, 2021

Warrants overview 2021	Outstanding at January 1	Granted	Exercised	Expired	Forfeited	Reclassified	Outstanding at December 31	Exercisable at December 31
April 2016	2,432,500	-	(1,172,500)	(1,260,000)	-	-	-	-
June 2018	900,000	-	-	-	(900,000)	-	-	-
August 2018	4,100,000	-	-	-	(2,000,000)	-	2,100,000	-
December 2018	2,500,000	-	-	-	(700,000)	-	1,800,000	-
April 2019	5,100,000	-	-	-	(3,750,000)	-	1,350,000	-
August 2019	1,250,000	-	-	-	-	-	1,250,000	1,250,000
December 2019	250,000	-	-	-	-	-	250,000	250,000
May 2020	2,150,000	-	-	-	(800,000)	-	1,350,000	-
Feb 2021	-	350,000	-	-	-	-	350,000	-
Dec 2021	-	12,150,000	-	-	-	-	12,150,000	-
Total	**18,682,500**	**12,500,000**	**(1,172,500)**	**(1,260,000)**	**(8,150,000)**	**-**	**20,600,000**	**1,500,000**

	Outstanding at January 1	Granted	Exercised	Expired	Forfeited	Reclassified	Outstanding at December 31	Exercisable at December 31
Executive Management	5,760,000	8,400,000	-	(910,000)	-	(4,850,000)	8,400,000	-
Management	9,850,000	3,450,000	-	-	(7,850,000)	250,000	5,700,000	1,250,000
Other employees	3,072,500	650,000	(1,172,500)	(350,000)	(300,000)	4,600,000	6,500,000	250,000
Total	**18,682,500**	**12,500,000**	**(1,172,500)**	**(1,260,000)**	**(8,150,000)**	**-**	**20,600,000**	**1,500,000**

Reclassified represents warrants held by employees for whom their classification changed during the year.

Note 5, continued

Overview of outstanding warrants on December 31, 2020

Warrants overview 2020	Outstanding at January 1	Granted	Exercised	Expired	Forfeited	Reclassified	Outstanding at December 31	Exercisable at 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 at January 1	Granted	Exercised	Expired	Forfeited	Reclassified	Outstanding at December 31	Exercisable at 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**

Specification of parameters for Black- Scholes model

Specification of parameters for Black-Scholes model	Apr 2016 [1]	Jun 2018	Aug 2018	Dec 2018	Apr 2019	Aug 2019	Dec 2019	May 2020	Feb 2021	Dec 2021
Exercise price (DKK)	3.72	2.05	2.28	2.47	2.54	1.70	1.67	1.48	6.11	2.47
Expected volatility rate	59.8%	37.6%	37.3%	50.1%	47.3%	47.2%	50.1%	63.5%	61.8%	72.1%
Expected vesting period (months)	24	36	36	24	24	24	24	24	24	12-48
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%	-0.58%	-0.58%
Fair value at grant (DKK thousand)	7,509	575	2,868	2,561	5,151	1,102	197	2,005	715	12,231

[1] Part of the warrant program was exercised on April 8, 2021. The traded share price at the exercise date was DKK 5.42.

Note 6

Amortization and depreciation

RIGHTS AND SOFTWARE	2021 DKK thousand	2020 DKK thousand
Intangible assets	335	294
Total amortization	**335**	**294**
Specification of amortization:		
Production costs	40	-
Sales and marketing costs	139	201
Research and development costs	40	-
Administrative expenses	116	93
Total amortization	**335**	**294**

PROPERTY, PLANT AND EQUIPMENT	2021 DKK thousand	2020 DKK thousand
Property, plant and equipment	719	568
Total depreciation	**719**	**568**
Specification of depreciation:		
Production costs	114	113
Sales and marketing costs	163	108
Research and development costs	369	305
Administrative expenses	73	42
Total depreciation	**719**	**568**

RIGHT-OF-USE ASSETS	2021 DKK thousand	2020 DKK thousand
Right-of-use, assets	3,275	3,132
Total depreciation	**3,275**	**3,132**
Specification of depreciation:		
Sales and marketing costs	1,447	1,389
Administrative expenses	1,828	1,743
Total depreciation	**3,275**	**3,132**

Note 7

Fees to auditors appointed by the general meeting

	2021 DKK thousand	2020 DKK thousand
Fees to auditors appointed by the general meeting	**831**	**1,472**
Breakdown of fees:		
Fees for statutory audit	589	548
Total audit fees	**589**	**548**
Other assurance engagements	-	15
Tax advisory services	200	524
Other services	42	385
Total non-audit fee	**242**	**924**
Total fees to auditors appointed by the general meeting	**831**	**1,472**

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 0.2 million (2020: DKK 0.5 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. In 2020 non-audit services also included services relating to the rights issue completed.

Note 8

Financial income and expenses

FINANCIAL INCOME	2021 DKK thousand	2020 DKK thousand
Interest income from bank	-	4
Interest income from financial assets measured at amortized cost	**-**	**4**
Exchange rate adjustments, net	2,461	-
Total financial income	**2,461**	**4**

FINANCIAL EXPENSES	2021 DKK thousand	2020 DKK thousand
Interest expenses, other debt	284	166
Interest expenses, leasing debt	628	614
Interest expenses on financial liabilities measured at amortized cost	**912**	**780**
Exchange rate adjustments, net	-	2,403
Other financial expenses	134	65
Total financial expenses	**1,046**	**3,248**

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.

	2021 DKK thousand	2020 DKK thousand
Calculated tax asset	76,769	64,661
Writedown to assessed value	(76,769)	(64,661)
Carrying amount	**-**	**-**

DEFERRED TAX ASSETS NOT RECOGNISED IN THE BALANCE SHEET	2021 DKK thousand	2020 DKK thousand
Intangible assets	751	678
Property, plant and equipment	1,026	907
Right-of-use assets	(1,012)	(350)
Current assets	416	92
Leasing liabilities	1,024	371
Tax loss carryforwards	74,564	62,963
Deferred tax at December 31, net	**76,769**	**64,661**

INCOME TAX BENEFITS	2021 DKK thousand	2020 DKK thousand
Net result before tax	(63,840)	(66,834)
Computed, 22%	**(14,045)**	**(14,703)**
Valuation allowance	12,108	9,618
Income/expenses not taxable/deductible for tax purposes	(2,463)	(435)
Non-recognized deferred tax assets on current year losses in foreign subsidiaries	-	224
Tax foreign subsidiaries	(365)	-
Adjustment of tax from previous years	(1,962)	24
Total income taxes	**(6,727)**	**(5,272)**

In accordance with the Danish tax credit scheme (Skattekreditordningen) BioPorto is eligible to receive DKK 5,500 thousand (2020: DKK 5,299 thousand) in cash relating to the surrendered tax loss for 2021 of DKK 25,000 thousand (2020: DKK 24,084 thousand) based on qualifying research and development expenses.

Note 10

Earnings per share

	2021 DKK thousand	2020 DKK thousand
Loss for the period	(57,113)	(61,562)
BioPorto Group's share of loss	**(57,113)**	**(61,562)**
Average number of shares	267,436	205,391
Average number of treasury shares	(13)	(13)
Average number of shares in circulation	267,423	205,378
Diluted average number of shares in circulation	267,423	205,378
Earnings per share (EPS)	(0.21)	(0.30)

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

	2021 DKK thousand	2020 DKK thousand
Cost at January 1	2,773	2,589
Additions during the year	259	184
Transfer	(27)	-
Cost at December 31	**3,005**	**2,773**
Amortization at January 1	1,621	1,327
Amortization during the year	335	294
Amortization at December 31	**1,956**	**1,621**
Carrying amount at December 31	**1,049**	**1,152**

Note 12

Fixtures and fittings, tools and equipment

	2021 DKK thousand	2020 DKK thousand
Cost at January 1	5,411	4,110
Transfer	27	-
Additions during the year	130	1,315
Disposals during the year	(14)	-
Currency adjustments	67	(14)
Cost at December 31	**5,621**	**5,411**
Depreciation at January 1	2,963	2,400
Depreciation during the year	719	568
Currency adjustments	14	(5)
Depreciation at December 31	**3,696**	**2,963**
Carrying amount at December 31	**1,925**	**2,448**

Note 13

Right-of-use assets

	2021 DKK thousand	2020 DKK thousand
Cost at January 1	15,083	5,639
Additions during the year	5,018	9,856
Disposals during the year	(1,602)	(326)
Currency adjustments	856	(86)
Cost at December 31	**19,355**	**15,083**
Depreciation at January 1	4,822	2,102
Depreciation during the year	3,275	3,132
Disposals during the year	(1,303)	(283)
Currency adjustments	216	(129)
Depreciation at December 31	**7,010**	**4,822**
Carrying amount at December 31	**12,345**	**10,261**

LEASE LIABILITIES	2021 DKK thousand	2020 DKK thousand
Current	2,834	2,687
Non-current	10,200	7,992
Lease liabilities at December 31	**13,034**	**10,679**

2021	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Lease obligations	2,834	9,562	638	13,034
Total	**2,834**	**9,562**	**638**	**13,034**

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**

AMOUNTS RECOGNIZED IN STATEMENT OF COMPREHENSIVE INCOME	2021 DKK thousand	2020 DKK thousand
Depreciation charge of right-of-use assets	3,275	3,132
Interest expense (included in financial expenses)	628	614
Expense related to short-term leases	7	67
Carrying amount at December 31	**3,910**	**3,813**

BioPorto has had no low-value lease contracts in 2021 or 2020.

The total cash outflow for leases in 2021 was DKK 3,032 thousand (2020: DKK 2,859 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

	2021 DKK thousand	2020 DKK thousand
Finished goods	2,690	3,254
Raw materials and consumables	1,702	1,754
Reserves	(1,674)	(1,843)
Inventories, net	**2,718**	**3,165**
Write downs recognized as an expense in the year	548	474

Cost of sales included in production costs	2,650	3,514

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 estimated that the product group will not contribute substantially to the company's future revenue. Inventories estimated to be non-marketable within the next two years are written off and recognized in Production costs. The cost of inventories are recognized as Research and development costs in the period when they are identified as being expected to be used in R&D activities.

Note 15

Receivables

	2021 DKK thousand	2020 DKK thousand
Trade receivables	8,076	7,306
Other receivables	738	577
Prepayments	1,769	930
Provision for bad debts	(899)	(420)
Total receivables	**9,684**	**8,393**

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.

An overview of trade receivables is included in Note 18.

Note 16

Share capital

NUMBER OF SHARES	2021 Number	2020 Number
January 1	266,581,904	174,944,375
Issue	1,172,500	91,637,529
December 31	**267,754,404**	**266,581,904**

CAPITAL INCREASES IN 2021	Number of shares	Nominal value DKK	Share price DKK/share
Warrant exercise	1,172,500	1.00	3.72

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

The share capital consists of 267,754,404 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.

Note 17

Treasury shares

NOMINAL VALUE	2021 DKK thousand	2020 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	0.00%	0.01%
December 31	**0.00%**	**0.00%**

At present, BioPorto A/S is not authorized to acquire treasury shares.

BioPorto A/S did not acquire treasury shares in 2021 or 2020.

Note 18

Financial risks and financial instruments

FINANCIAL INSTRUMENT CATEGORIES	2021 DKK thousand	2020 DKK thousand
Trade receivables	7,177	6,886
Other receivables	738	577
Cash and cash equivalents	45,523	107,943
Financial assets at amortized cost	**53,438**	**115,406**

	2021 DKK thousand	2020 DKK thousand
Lease liabilities	13,034	10,679
Other non-current liabilities	442	593
Trade payables	4,260	4,636
Financial liabilities at amortized cost	**17,736**	**15,908**

Financial liabilities

Liabilities under trade payables generally fall due within one year after the end of the financial year. Their carrying amount is assumed to equal the fair value.

Financial risks

Currency risk

The Group's presentation currency is DKK, but part of its activities are denominated in other currencies than DKK, primarily USD and EUR.

The Group is primarily exposed to currency risks through sales and production- or R&D contracts denominated in currencies other than Danish kroner.

Based on its transaction volume, the company has concluded that it is not feasible to hedge its USD exposure. As the Danish kroner is pegged to the EUR, hedging of the Company's transactions in EUR is not necessary.

	Currency	Exchange rate as of December 31	2021 DKK thousand	2020 DKK thousand
Trade receivables settled in	EUR	7.44	4,553	5,185
Sensitivity to change in exchange rates	1.00%	0.07	46	52
Trade receivables settled in	USD	6.56	3,251	1,175
Sensitivity to change in exchange rates	10.00%	0.66	325	118

Interest rate risk

The Group's exposure to interest rate risk is considered to be limited. The Group's interest bearing assets consisted of bank deposits totalling DKK 45.5 million (2020: 107.9 million) at the end of the financial year.

	Currency	Effective rate of interest	2021 DKK thousand	2020 DKK thousand
Floating-rate deposits	DKK	-0.5% to 0.5%	45,523	107,943
Sensitivity to change in interest rates		0.01	767	630

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 and U.S. banks. The financial situation and ability of customers to pay trade receivables are regularly evaluated, with payment upon placement of an order required if ability-to-pay is evaluated to be low. Expected credit losses are estimated by grouping trade receivables by customer type and days past due. An estimated loss percentage is calculated based on historical credit losses. Trade receivables are written off when there is no reasonable expectation of recovery.

2021	Expected credit loss rate	Trade receivables DKK thousand	Expected loss DKK thousand	Total DKK thousand
Not due	0.8%	2,941	24	2,917
1-30 days overdue	0.9%	1,626	14	1,612
31-60 days overdue	1.3%	472	6	466
61-90 days overdue	4.1%	291	12	279
More than 90 days overdue	30.7%	2,746	843	1,903
December 31, 2021		**8,076**	**899**	**7,177**

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

2020	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**

BioPorto has recognized a bad debt provision of DKK 0.9 million (DKK 0.4 million in 2020) based on the simplified expected credit loss model.

Liquidity risk

In connection with BioPorto's ongoing financing of operations, efforts are made to ensure sufficient financial resources are available . As of December 31, 2021, BioPorto's cash and cash equivalents amounted to DKK 45.5 million (2020: DKK 107.9 million).

Provided that the presented guidance for 2022 is achieved and with the financing completed in March 2022 the liquid assets and capital resources are deemed sufficient for completing collecting the additional data and submitting the application for the FDA clearance of The NGAL Test in pediatrics in 2022 and preparing for commercialization of The NGAL Test in the US market.

Flexibility is guaranteed by placing free funds in deposits.

Maturities for financial liabilities are presented below by the time intervals applied in the Group's cash management. The amounts listed 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 its shareholders.

Note 18, continued

Financial risks and financial instruments

2021	Less than 1 year DKK thousand	Between 1 and 5 years DKK thousand	More than 5 years DKK thousand	Total DKK thousand
Lease obligations	3,539	10,727	646	14,912
Other non-current liabilities	141	301	-	442
Trade payables and other payables	21,731	-	-	21,731
Financial liabilities	**25,411**	**11,028**	**646**	**37,085**

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**

Note 19

Change in working capital

	2021 DKK thousand	2020 DKK thousand
Change in inventories	616	565
Change in receivables	(1,770)	(1,104)
Change trade payables	(376)	1,399
Change in other payables	(5,918)	14,152
Total change in working capital	**(7,448)**	**15,012**

Note 20

Capital increase

	2021 DKK thousand	2020 DKK thousand
Issue, gross proceeds	4,361	146,620
Issue costs	(11)	(16,556)
Net proceeds	**4,350**	**130,064**

The gross proceeds in 2021 relates to exercised warrants. See Note 22 – Subsequent event.

Note 21

Commitments and Contingencies

The Company has a 401(k) plan established for its US-based employees whereby it makes a non-elective safe harbor contribution of 3% of eligible earnings. Contribution expenses totaled DKK 272 thousand for the year ended December 31, 2021 (2020: DKK 207 thousand).

All of the Company's existing and proposed diagnostic products are regulated by the FDA and similar regulatory bodies in other countries and/or regions. Most aspects of development, production and marketing, including product testing, authorizations to market, labeling, promotion, manufacturing and record keeping, are subject to regulatory review.

After marketing approval has been granted, the Company must continue to comply with governmental regulations. Failure to comply with applicable requirements can lead to sanctions, including withdrawal of products from the market, recalls, refusal to authorize government contracts, product seizures, civil money penalties, injunctions, and criminal prosecution.

From time to time the Company may become involved in legal proceedings or may be subject to claims arising in the ordinary course of its business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on its business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

Note 22

Subsequent event

On April 1, 2022, the Group raised gross proceeds of approximately DKK 100.4 million, with estimated net proceeds of DKK 93.1 million from the issuance and sale of 66,938,601 shares of common stock.

Note 23

Related parties and ownership

BioPorto - The Group's related parties are:

Board of Directors and Executive Management

Christopher Lindop, Chairman (elected August 15, 2019)

John NcDonough (elected April 29, 2021)

Dr. Michael Singer (elected August 15, 2019)

Jan Leth Cristensen (elected April 29, 2021)

Don Hardison (elected April 29, 2021)

Peter Mørch Eriksen (elected November 15, 2021)

Anthony Paul Pare, CEO (appointed November 20, 2021)

Neil Allan Goldman, Executive Vice President & Chief Financial Officer (appointed November 20, 2021)

Group-owned companies

BioPorto Diagnostics A/S, 2900 Hellerup, Denmark. Ownership: 100%

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

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

Veterinary Diagnostics A/S, 2900 Hellerup, Denmark. Ownership: 100%

Related party transactions

Other than Management remuneration, there have been no transactions with related parties during 2021.

Income statement

Note		2021 DKK thousand	2020 DKK thousand
2	Revenue	9,600	9,600
	Gross profit	**9,600**	**9,600**
3	Sales and marketing cost	912	4,130
3,4	Administrative expense	29,312	26,943
	Loss before financial items (EBIT)	**(20,624)**	**(21,473)**
5	Loss from investments in subsidiaries	(51,990)	(43,638)
6	Financial income	15,252	8,363
6	Financial expenses	385	5,873
	Loss before tax	**(57,747)**	**(62,621)**
7	Income taxes	634	1,059
	Net loss	**(57,113)**	**(61,562)**

Balance sheet

Note	ASSETS	2021 December 31 DKK thousand	2020 December 31 DKK thousand
	Non-current assets		
	Financial assets		
	Fixtures and fittings, tools and equipment	-	14
	Right-of-use assets	4,600	1,590
5	Investments in subsidiaries	973	22
	Receivables from subsidiaries	64,814	46,714
	Deposits	819	796
	Total financial assets	**71,206**	**49,136**
	Total non-current assets	**71,206**	**49,136**
	Current assets		
	Income tax receivables	5,500	5,299
	Prepayments	971	137
	Total receivables	**6,471**	**5,436**
	Cash	34,624	98,909
	Total current assets	**41,095**	**104,345**
	Total assets	**112,301**	**153,481**

Note	EQUITY AND LIABILITIES	2021 December 31 DKK thousand	2020 December 31 DKK thousand
	Equity		
	Share capital	267,754	266,582
	Exchange rate adjustments	(119)	1,100
	Retained profit/loss	(221,671)	(166,770)
	Total equity	**45,964**	**100,912**
	Provisions		
	Investments in subsidiaries with negative equity	52,694	37,789
	Total provisions	**52,694**	**37,789**
	Liabilities		
	Non-current liabilities		
	Lease obligation	3,094	255
	Non-current liabilities	**3,094**	**255**
	Current liabilities		
	Current portion of non-current liabilities	1,560	1,432
	Trade payables	2,039	835
	Payables to subsidiaries	21	62
	Other payables	6,929	12,196
	Current liabilities	**10,549**	**14,525**
	Total liabilities	**13,643**	**14,780**
	Total equity and liabilities	**112,301**	**153,481**

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 January 1, 2021	266,582	-	1,100	(166,770)	**100,912**
Comprehensive income					
Loss for the year	-	-	-	(57,113)	**(57,113)**
Adjustment of foreign currency fluctuations on subsidiaries	-	-	(1,219)	-	**(1,219)**
Transactions with owners					
Issue	1,172	3,189	-	-	**4,361**
Issue costs	-	(11)	-	-	**(11)**
Share-based compensation	-	-	-	(966)	**(966)**
Transferred to Retained earnings	-	(3,178)	-	3,178	**-**
Equity December 31, 2021	**267,754**	**-**	**(119)**	**(221,671)**	**45,964**

	Share capital DKK thousand	Share premium DKK thousand	Exchange rate adjustment DKK thousand	Retained earnings DKK thousand	Total DKK thousand
Equity January 1, 2020	174,944	-	(672)	(148,950)	**25,322**
Comprehensive income					
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 December 31, 2020	**266,582**	**-**	**1,100**	**(166,770)**	**100,912**

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.

Share-based compensation

In addition to the requirements of the Danish Financial Statements Act, IFRS has been applied for equity settled share-based compensation.

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, a cash flow statement is not presented, as it 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	2021 DKK thousand	2020 DKK thousand
Denmark	9,600	9,600
Revenue	**9,600**	**9,600**

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

Note 3

Staff costs

	2021 DKK thousand	2020 DKK thousand
Wages and salaries	13,749	15,975
Share-based compensation expenses	(966)	5,316
Defined contribution pension plans	1,343	1,280
Other social security costs	1,574	48
Other staff costs	198	80
Staff costs	**15,898**	**22,699**
Average number of employees	6	6

SPECIFICATION OF STAFF COSTS	2021 DKK thousand	2020 DKK thousand
Sales and marketing costs	872	4,122
Administrative expenses	15,026	18,577
Staff costs	**15,898**	**22,699**

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

Note 4

Fees to auditors appointed by the general meeting

	2021 DKK thousand	2020 DKK thousand
Audit fee	496	548
Total audit fees	**496**	**548**
Other assurance engagements	-	15
Tax advisory services	196	130
Other services	42	385
Total non-audit fee	**238**	**530**
Total fees to auditors appointed by the shareholders	**734**	**1,078**

Note 5

Investments in subsidiaries

	2021 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	(456,001)	(414,135)
Income from investments in subsidiaries	(51,990)	(43,638)
Exchange rate adjustments investments in subsidiaries	(1,219)	1,772
Equity changes in subsidiaries	-	-
Revaluation on December 31	**(509,210)**	**(456,001)**
Value on December 31	**(457,846)**	**(404,637)**
Negative value of investments set off against receivables from group	406,125	366,870
Negative value of investments recognized as a provision	52,694	37,789
Value on December 31	**973**	**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 2021 of 2.14%, 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, and 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, 2900 Hellerup, Denmark. Ownership: 100%

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

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

Veterinary Diagnostics A/S, 2900 Hellerup, Denmark. Ownership: 100%

Note 6

Financial income and expenses

FINANCIAL INCOME	2021 DKK thousand	2020 DKK thousand
Interest income from subsidiaries	9,490	8,359
Interest income from bank	-	4
Exchange rate adjustments, net	5,762	-
Total financial income	**15,252**	**8,363**

FINANCIAL EXPENSES	2021 DKK thousand	2020 DKK thousand
Interest expense to subsidiaries	-	1
Interest expenses, leasing debt	110	145
Interest expenses, other debt	275	160
Exchange rate adjustments, net	-	5,567
Total financial expenses	**385**	**5,873**

Note 7

Deferred tax

A deferred tax asset has been calculated. However, Management has concluded 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.

	2021 DKK thousand	2020 DKK thousand
Calculated tax asset	3,219	1,944
Writedown to assessed value	(3,219)	(1,944)
Carrying amount	**-**	**-**

DEFERRED TAX ASSETS NOT RECOGNIZED IN THE BALANCE SHEET	2021 DKK thousand	2020 DKK thousand
Right-of-use assets	(1,012)	(350)
Leasing liabilities	1,024	371
Tax loss carryforwards	3,207	1,923
Deferred tax on December 31, net	**3,219**	**1,944**

Note 7, continued

TOTAL INCOME TAXES	2021 DKK thousand	2020 DKK thousand
Net result before tax	(57,747)	(62,621)
Computed 22%	**(12,704)**	**(13,777)**
Valuation allowance	1,275	1,917
Income from investments in subsidiaries	11,438	9,600
Income/expense not taxable/deductible for tax purposes	(643)	1,177
Adjustment of tax from previous years	-	24
Total income taxes	**(634)**	**(1,059)**

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 2022. The contingent liability is estimated to be approximately DKK 48-53 million.

Note 9

Distribution of the year’s result

The Board of Directors proposes that BioPorto A/S’s loss for the year 2021 of DKK 57,113 thousand (2020: loss of DKK 61,562 thousand) 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 22 in BioPorto's consolidated financial statements with respect to a subsequent event.

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

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, 2021.

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, 2021 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, 2021.

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.

In our opinion, the Annual Report of the Group and the Parent Company for the financial year 1 January to 31 December 2021, identified as 5299004SWFL5JAN4W830-2021-12-31-en.zip, has been prepared, in all material respects, in compliance with the ESEF Regulation.

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

Hellerup, April 6, 2022

Executive Management:

Anthony Paul Pare
CEO

Neil Allan Goldman
EVP & CFO

Board of Directors:

Christopher Lindop
Chairman

John McDonough
Vice Chairman

Michael Singer

Jan Leth Christensen

Don Hardison

Peter Mørch Eriksen

Independent auditor's report

To the shareholders of BioPorto A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 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 Parent Company Financial Statements of BioPorto A/S for the financial year 1 January to 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and 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 8 years including the financial year 2021.

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 and parent company 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 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 gives a true and fair view.
- 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, actions taken to eliminate threats or safeguards applied.

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.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of BioPorto A/S for the financial year 1 January to 31 December 2021 with the filename 5299004SWFL5JAN4W830-2021-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of BioPorto A/S for the financial year 1 January to 31 December 2021 with the file name 5299004SWFL5JAN4W830-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, April 6, 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33771231

Mads Melgaard
State Authorised Public Accountant
mne34354

Henrik Kyhnauv
State Authorised Public Accountant
mne40028

BioPorto is an in vitro diagnostics company focused on saving lives and improving the quality of life with actionable biomarkers – tools designed to help clinicians make changes in patient management. The Company uses its expertise in antibodies and assay development, as well as its platform for assay development, to create a pipeline of novel and compelling products that focus on conditions where there is significant unmet medical need, and where the Company's tests can help improve clinical and economic outcomes for patients, providers, and the healthcare ecosystem.

The Company's flagship product is The NGAL Test, which has been designed to aid in the risk assessment of Acute Kidney Injury (AK), a common clinical syndrome that can have severe consequences, including significant morbidity and mortality if not identified and treated early. With the aid of The NGAL Test, physicians can identify patients potentially at risk of AKI more rapidly than is possible with current standard of care measurements, enabling earlier intervention and more tailored patient management strategies.

www.bioporto.com

bioporto

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