

Remuneration Report 2021

Introduction

Remuneration policy

The purpose of the Remuneration Policy is to ensure alignment of interests between the Company's management and shareholders regarding the achievement of BioPorto's short- and long-term goals in order to support the Company's business strategy, sustainability, and value creation for the benefit of shareholders.

In its preparation and review of the Remuneration Policy and to guide individual agreements on remuneration, the Board of Directors will take into account the remuneration and employment conditions of other employees to ensure the appropriate balance between remuneration of the Board of Directors, the Executive Management and the Company's other employees.

The remuneration policy was approved without comments at the Annual General Meeting on April 29, 2021 and can be found on our website [Remuneration-Policy](#). The Remuneration Report for 2020 was approved without comments at the Annual General Meeting in 2021.

The Remuneration Policy has been prepared pursuant to sections 139 and 139a of the Danish Companies Act and the Danish Recommendations on Corporate Governance.

Compliance with Policy

There have been no deviations to the policy in relation to remuneration for the Board of Directors and the Board of Management in 2021.

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Remuneration Policy

Remuneration policy and Remuneration Report

This Section constitutes BioPorto's Remuneration Report for 2021.

Each year, at the Annual Meeting the remuneration of Executive Management, Board members, and any Board alternates for the prior fiscal year is approved. The Board does not participate in the company's share-based compensation.

The basic fee for the Board is set at a level assessed as being competitive and reasonable compared to the sector in general and the company's current situation. Board members are paid a fixed annual remuneration, while the Chairman and Vice Chairman, according to a specific decision of the shareholder meeting, can be remunerated with a higher fee.

If a committee is established, or if Board members are charged with performing special tasks for the Board, the Board may submit a recommendation to the shareholder meeting that supplementary remuneration be provided. The Board may submit a recommendation for the shareholder meeting that alternates should also receive remuneration.

In 2021 the Annual General Meeting approved a fee of DKK 250,000 per ordinary Board member, and a fee of DKK 350,000 for the Vice Chairman and DKK 500,000 for the Chairman. Further, it was approved that participation in a committee would be remunerated with a supplementary fee of DKK 25,000 per committee, but with an overall cap of DKK 50,000 per ordinary Board member, and the Chairman and Vice Chairman would not receive supplementary fees for committee participation.

As described further in this document, the Executive Management changed during November 2021. The remuneration of the Executive Management was set at a level deemed competitive and reasonable compared to the sector in general and the company's current situation. Former Executive Management received remuneration for management positions in US subsidiaries of BioPorto A/S. Current Executive Management does not receive any separate remuneration amounts.

The remuneration for Executive Management is comprised of a fixed salary, pension scheme (Danish Executive Only) annual bonus, and participation in share-based compensation. In the view of the Board, a combination of fixed and performance-dependent compensation for the Executive Management helps ensure that remuneration, which is in part incentive-based, motivates the Executive Management to create added value for the benefit of the shareholders.

The annual bonus could comprise up to 150% of the fixed yearly salary. This may also involve a retention bonus, loyalty bonus or similar. Bonus payments, awards, will depend on whether the terms, conditions and targets defined in the agreement were achieved in part or in full. These may include personal targets associated with the specific executive manager's own performance, BioPorto's results, or the occurrence of relevant events.

Board of Directors

Members of the Board of Directors and committees

At the Annual General Meeting on April 29, 2021, Torben A. Nielsen, Vice Chairman, and Kirsten Drejer, member, resigned from the Board of Directors. In addition, the Board of Directors was expanded from five to six members, and John McDonough, Jan Leth Christensen, and Don Hardison joined as members. Christopher Lindop took over the role as Vice Chairman of the board.

At the Extraordinary General Meeting on November 15, 2021, Thomas Magnussen, Chairman, resigned from the Board of Directors and Christopher Lindop, previously Vice Chairman, took over the role as Chairman. John McDonough took over the role as Vice Chairman. In addition, Peter Mørch Eriksen, former CEO, joined the Board of Directors as a member and took on roles as a member of various board committees.

Remuneration policy

The remuneration of the Board of Directors is set at a level that is deemed competitive in Danish companies, and reasonable compared to both the industry in general and the Company's current situation.

Members of the Board of Directors were paid a fixed annual fee, while the Chairman and Vice Chairman may be paid a higher fee, subject to a decision by the general meeting. In the event that a committee is established, or members of the Board of Directors are charged with performing specific tasks for the Board of Directors, the Board of Directors may submit a recommendation to the general meeting that supplementary remuneration be provided for this.

Members of the Board of Directors did not take part in the Company's share-option programs nor receive any other type of incentive-based remuneration.

Members of the Board of Directors did not receive remuneration from the subsidiaries in BioPorto.

For 2021, the Board of Directors concluded that the combination of fixed remuneration and ad hoc payment for committee work contributes to achieving the Company's strategy, sustainability, and value creation for the benefit of shareholders and to retaining and attracting qualified candidates to the Board.

The general meeting annually approves the remuneration of members of the Board of Directors for the most recently completed financial year in connection with the approval of the annual report.

Remuneration to the Board was in line with market practice and on the same level as in 2020.

Composition of board fees in 2021

All members of the Board of Directors earned a fixed annual fee of DKK 250 thousand in 2021, the Chairman earned a fixed annual fee of DKK 500 thousand, and the Vice Chairman earned a fixed annual fee of DKK 350 thousand.

For committee work, an additional annual fee of DKK 25 thousand is paid to each committee member, however the Chairman and the Vice Chairman of the Board do not receive any additional fee for committee work. Fees for committee work were only granted for up to two committees.

The fees for each role were unchanged from 2020.

Members of the Board of Directors and board committees	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee	Business, Research and Development Committee	Strategy Committee
Christopher Lindop	Chairman	Member	Chairman	Member	Member	Chairman
John McDonough (joined April 2021)	Vice Chairman	Chairman	Member	Member		Member
Dr. Michael Singer	Member	Member			Chairman	Member
Jan Leth Christensen (joined April 2021)	Member					Member
Don Hardison (joined April 2021)	Member		Member	Chairman		Member
Peter Mørch Eriksen (joined November 2021)	Member				Member	
Thomas Magnussen (resigned November 2021)	Former Chairman		Former Chairman	Former Chairman	Former Member	Former Chairman
Torben A. Nielsen (resigned April 2021)	Former Vice Chairman	Former Chairman	Former Member	Former Member		
Kirsten Drejer (resigned April 2021)	Former Member				Former Chairman	

Remuneration paid to the Board of Directors in 2018-2021

DKK thousand	2021			2020	2019	2018
	Board of Directors	Committees	Total	Total Fee	Total Fee	Total Fee
Christopher Lindop, Chairman ¹⁾	335	17	352	279	94	-
John McDonough, Vice Chairman ²⁾	179	26	205	-	-	-
Dr. Michael Singer ³⁾	250	50	300	279	94	-
Jan Leth Christensen ⁴⁾	167	3	170	-	-	-
Don Hardison ⁴⁾	167	32	199	-	-	-
Peter Mørch Eriksen ⁵⁾	31	3	34	-	-	-
Thomas Magnussen ⁶⁾	438	-	438	500	500	500
Torben A. Nielsen ⁷⁾	117	-	117	350	350	350
Kirsten Drejer ⁷⁾	83	17	100	300	300	300
Britt Meelby Jensen ⁸⁾	-	-	-	-	64	213
Niels Christian Nielsen ⁹⁾	-	-	-	-	-	88
Total	1,767	148	1,915	1,708	1,402	1,451

¹⁾ Joined the Board of Directors on August 15, 2019, took the role as Vice Chairman on April 29, 2021 and Chairman on November 15, 2021. ²⁾ Joined the Board of Directors on April 29, 2021, took the role as Vice Chairman on November 15, 2021. ³⁾ Joined the Board of Directors on August 15, 2019. ⁴⁾ Joined the Board of Directors on April 29, 2021. ⁵⁾ Joined the Board of Directors on November 15, 2021. ⁶⁾ Resigned from the Board of Directors on November 15, 2021. ⁷⁾ Resigned from the Board of Directors on April 29, 2021.

⁸⁾ Resigned from the Board of Directors on March 18, 2019. ⁹⁾ Resigned from the Board of Directors on April 13, 2018.

Shareholdings of the Board of Directors

	January 1, 2021	Purchased	Sold	December 31, 2021	Market Value (DKK thousand)
Christopher Lindop	446,487	-	-	446,487	1,103
Dr. Michael Singer	167,433	-	-	167,433	414
Jan Leth Christensen (Ejendomselskabet Jano ApS)	32,169,732	-	-	32,169,732	79,459
Peter Mørch Eriksen (PME Holding ApS)	105,506	-	-	105,506	261
Total	32,889,158	-	-	32,889,158	81,236

Executive Management

Members of Executive Management

On November 20, 2021, Peter M. Eriksen resigned as CEO of BioPorto, and the role was taken over by Tony Pare. In addition Neil Goldman joined the company as Executive VP & CFO on November 20, 2021. To support the transition of Executive Management, Peter M. Eriksen supported the company on a full time basis until the end of January 2022.

Tony Pare and Neil Goldman are registered with the Danish Business Authority as managers of the company and constitute the current Executive Management of BioPorto.

Remuneration Policy

By following the principles in the Remuneration Policy, remuneration paid to Management in 2021 supported the long-term performance and achievement of the Company's strategic goals.

In line with the remuneration policy, the remuneration components and levels were based on a comparison with remuneration in other listed companies and consisted of the following components:

- Fixed annual salary
- Pension scheme
- Other customary benefits
- Annual cash bonus
- Other incentive-based remuneration, including subscription rights (Warrants)

Individual cash bonuses were incorporated in the remuneration as motivation for the Executive Management to achieve good results on predefined initiatives. Bonus agreements for the Executive Management are defined by the Board of Directors, subject to the level of achievement of predetermined performance targets (see page 8). The specified targets are deemed significant, in order to promote value creation for the shareholders, and essential for the Company's business and long-term performance.

DKK thousand	Fixed remuneration					Variable remuneration					IFRS value ⁽¹⁾	
	Fixed salary	Pension scheme	Other customary benefits	Total	%	Annual cash bonus	Other Incentive-based remuneration	Total	%	Total Remuneration		Special Remuneration
2021												
Tony Pare, CEO	374	-	39	413	7%	280	^{(2),(3)} 5,638	5,918	93%	6,331	-	729
Neil Goldman, EVP & CFO	299	-	47	346	10%	149	⁽²⁾ 2,819	2,968	90%	3,314	⁽⁴⁾ 1,312	588
Peter M Eriksen, Former CEO	3,420	591	211	4,222	83%	870	-	870	17%	5,092	⁽⁵⁾ 1,680	2,913
2020												
Peter M. Eriksen, Former CEO	3,268	554	156	3,978	80%	1,020	-	1,020	20%	4,998	-	7,037
2019												
Peter M. Eriksen, Former CEO	3,124	528	156	3,808	69%	360	1,364	1,724	31%	5,532	-	5,937
2018												
Peter M. Eriksen, Former CEO	2,870	483	156	3,509	36%	229	5,989	6,218	64%	9,727	-	3,582

⁽¹⁾ Remuneration of members of Executive Management included in the total staff costs in the Annual Report for 2021 (Note 4). ⁽²⁾ Represents the total value of warrants granted on December 28, 2021 that vest as described on page 9.

⁽³⁾ Awarded in accordance with article 2.2.3 of the Remuneration Policy. ⁽⁴⁾ A sign-on bonus to induce the Executive to enter this Agreement and to incentivize the Executive to remain employed by the Company. The bonus will be paid out in semi-monthly instalments through November 2023. ⁽⁵⁾ A stay-on bonus if the CEO remained with the Company through January 31, 2022. The bonus was not pensionable and was paid on January 31, 2022.

The purpose of the Company's share-based incentive program is to encourage the Executive Management to contribute to fulfil the Company's long-term goals determined by the Board of Directors, including long-term value creation. The new Executive Management became covered by a warrant program during 2021.

Composition of Remuneration of Executive Management in 2021

Other customary benefits

During 2021 members of Executive Management received non-monetary benefits such as company car, health insurance, telephone, newspaper, etc. in line with the remuneration policy.

Annual cash bonus

The targets for Executive management for the Annual Cash bonus were earned as shown in the table below.

Peter M. Eriksen, Former CEO, achieved a fulfilment of KPIs equaling 56% of the maximum potential bonus and the annual cash bonus in 2021 totaled DKK 870. The annual cash bonus was paid in 2022.

	Target	Weight	Performance in 2021
Tony Pare, CEO			
Individual ⁽¹⁾	n/a	n/a	n/a
Neil Goldman, EVP & CFO			
Individual ⁽¹⁾	n/a	n/a	n/a
Peter M Eriksen, Former CEO			
Group financial targets	Revenue	30%	Below
	EBIT	40%	Above
Individual	Individual targets	30%	2 out of 3 targets met

⁽¹⁾ For Tony Pare and Neil Goldman, it was contractually agreed that the Annual Cash bonus for 2021 was paid on a non-discretionary basis, pro-rated for the actual number of days the Executive was employed in the year.

Other incentive-based remuneration

Executive Management did not participate in the February 2021 warrant program.

New Executive Management, Tony Pare and Neil Goldman, participated in the December 2021 warrant program.

Clawback

The Company's agreements concerning variable remuneration (participation in warrants programs and bonus schemes) specifically establish a right for the Company to reclaim, in full or in part, variable remuneration paid on the basis of information that can subsequently be documented as being incorrect.

There were no clawbacks in 2021.

Executive Management's holding of warrants

	January 1, 2021	Granted	Expired	Reclassified	December 31, 2021	Market Value (DKK thousand)
Tony Pare	-	5,600,000	-	-	5,600,000	-
Neil Goldman	-	2,800,000	-	-	2,800,000	-
Peter M. Eriksen ⁽¹⁾	5,760,000	-	(910,000)	(4,850,000)	-	-
Total	5,760,000	8,400,000	(910,000)	(4,850,000)	8,400,000	-

⁽¹⁾ As described in the section Members of Executive Management, Peter M Eriksen resigned as a CEO in 2021 but supported the company on a full time basis until the end of January 2022.

Overview of warrant programs for Executive Management from 2019-2021

	Grant date	KPIs	Vesting dates	Expiration date	No. of warrants granted	Exercise price (DKK)	Market value (DKK thousand)
Tony Pare, CEO							
December 2021	Dec 28, 2021	Time-based vesting (retention)	Dec 28, 2022 to Sep 28, 2026	Dec 28, 2026	5,600,000	2.47	(1) -
Neil Goldman, EVP & CFO							
December 2021	Dec 28, 2021	Time-based vesting (retention)	Dec 28, 2022 to Sep 28, 2026	Dec 28, 2026	2,800,000	2.47	(1) -
Peter M. Eriksen, Former CEO							
August 2018	Aug 20, 2021	Conditions for exercising of all warrants apply in case the Company achieves FDA approval of The NGAL Test before the subscription period, if 50 new hospital customer sites in the USA are achieved before December 31, 2019, and if the company achieve NGAL revenue growth of 100 % (in local currency in the USA) in 2019 compared to 2018	Aug 20, 2022	Aug 19, 2023	1,700,000	2.28	(2) -
December 2018	Dec 20, 2020	Conditions for exercising of all warrants apply in case the Company achieves FDA approval of The NGAL Test before the subscription period, if 50 new hospital customer sites in the USA are achieved before December 31, 2019, and if the company achieve NGAL revenue growth of 100 % (in local currency in the USA) in 2019 compared to 2018	Dec 20, 2022	Dec 19, 2023	1,800,000	2.47	(2) -
April 2019	Apr 15, 2019	No KPI	Apr 16, 2021	Apr 15, 2024	1,350,000	2.54	-

(1) Market value for the program is DKK 0, as the exercise price is DKK 2.47 per warrant (corresponding the closing price on December 30, 2021 on Nasdaq Copenhagen). (2) The estimated likelihood for meeting the conditions for exercising the warrants before Peter M. Eriksen's departure on January 31, 2021 is considered very low and the market value is estimated to be DKK 0.

Executive Management's holding of shares

Other than the warrants granted, the Executive Management (constituting Tony Pare and Neil Goldman) did not hold any shares as of end of 2021.

Business performance

Business performance

DKK thousand	2021	2020	2019
Group			
Revenue	24,254	23,204	26,622
Revenue growth	5%	(13%)	2%
EBIT	(65,256)	(63,590)	(74,299)
EBIT margin	(269%)	(274%)	(279%)
Parent			
Revenue	9,600	9,600	9,600
Revenue growth	0%	0%	0%
EBIT	(20,624)	(21,473)	(18,785)
EBIT margin	(215%)	(224%)	(196%)

Remuneration development based on annualized amounts

	2021	2020	2019
Board of Directors			
Christopher Lindop, Chairman	⁽¹⁾ 26%	⁽²⁾ 12%	n/a
John McDonough, Vice Chairman ⁽³⁾	n/a	n/a	n/a
Dr. Michael Singer	8%	⁽²⁾ 12%	n/a
Jan Leth Christensen ⁽³⁾	n/a	n/a	n/a
Don Hardison ⁽³⁾	n/a	n/a	n/a
Peter Mørch Eriksen ⁽⁴⁾	n/a	n/a	n/a
Thomas Magnussen, Former Chairman	0%	0%	0%
Torben A. Nielsen, Former Vice Chairman	0%	0%	0%
Kirsten Drejer, Former member	0%	0%	0%
Britt Meelby Jensen, Former member	n/a	n/a	0%
Niels Christian Nielsen, Former member	n/a	n/a	n/a
Executive Management ⁽⁵⁾			
Tony Pare, CEO	n/a	n/a	n/a
Neil Goldman, EVP & CFO	n/a	n/a	n/a
Peter Mørch Eriksen, Former CEO	2%	(10%)	(43%)
BioPorto's employees			
Group	10%	11%	14%
Parent	8%	1%	(16%)

⁽¹⁾ Christopher Lindop took over as Chairman, and the increase is reflecting the change in role in 2021.

⁽²⁾ The increase is related to entering Committees in 2020.

⁽³⁾ Joined the Board of Directors on April 29, 2021.

⁽⁴⁾ Joined the Board of Directors on November 15, 2021.

⁽⁵⁾ Tony Pare and Neil Goldman joined the Executive Management on November 20, 2021 as Peter M. Eriksen stepped down.

Statement by the Board of Directors

The Board of Directors has today considered and adopted the Remuneration Report of BioPorto A/S for the financial year 2021.

The Remuneration Report is prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report is submitted to the General Meeting for an indicative vote.

Hellerup, April 6, 2022

Board of Directors:

Christopher Lindop
Chairman

John McDonough
Vice Chairman

Michael Singer

Jan Leth Christensen

Don Hardison

Peter Mørch Eriksen

Independent auditor's report on Remuneration Report

To the shareholders of BioPorto A/S

We have examined whether the remuneration report for BioPorto A/S for the financial year 1 January - 31 December 2021 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with *ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and additional requirements under Danish auditor regulation to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Companies Act, section 139 b, subsection 3.

Hellerup, April 6, 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

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