



Remuneration Report 2023

BioPorto A/S
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Denmark
CVR DK-17500317

Contents

Introduction	3
Remuneration of the Board of Directors	4
Remuneration of Executive Management	6
Business Performance	9
Statement by the Board of Directors	10
Independent Auditor's Report	11

Introduction

This remuneration report (the “Report”) provides an overview of the total remuneration received from the Group by each member of the Board of Directors (the “Board”) and of the Executive Management of BioPorto A/S, CVR no. 17500317, (“BioPorto” or the “Company”) during the 2023 financial year. Tony Pare, CEO was registered with the Danish Business Authority as manager of the company and constitute the Executive Management of BioPorto in 2023.

The Report has been prepared in accordance with section 139b of the Danish Companies Act. The information provided in the Report has primarily been derived from the Consolidated Financial Statements of the Group for the financial years 2019-2023, all available on the Company’s website www.bioporto.com

The Remuneration Policy has been prepared pursuant to sections 139 and 139a of the Danish Companies Act. 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 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 consider 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 of members of the Board and Executive Management for 2023 was consistent with the scope of the remuneration policy. There were no deviations or derogations from the framework provided by remuneration policy in 2023.

According to the requirements under section 139b of the Danish Companies Act, the remuneration report will be subject to an advisory vote at the Company’s annual general meeting in 2024. Likewise, the remuneration report for 2022 was dealt with at the annual general meeting in 2023, where it was approved without comments.

The Board of Directors may change or phase out one or more incentive-based programs introduced pursuant to this Remuneration Policy. The assessment of whether this should be done includes the criteria laid out when establishing the program. However, such changes may only be made within the framework of this Remuneration Policy. More extensive changes require the approval of the general meeting.

The Board of Directors may, under special circumstances, amend the maximum value of the share-based instruments, if deemed necessary to achieve the Company’s long-term interests, and if the Board of Directors is in agreement in this respect. The Company’s future agreements concerning variable remuneration (participation in warrants programs and bonus schemes) will 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. Finally, there were no terminations in 2023 within Executive Management and therefore no need to use any claw back clauses as outlined in our remuneration policy.

The Company may take out liability insurance covering its directors and officers in the exercise of their duties. If the Company considers that the insurance coverage available is insufficient and/or unreasonably costly, the Company may by resolution of the Board of Directors offer to indemnify members of the Board of Directors and/or Executive Management in respect of third-party claims raised against them in relation to the exercise of their duties, provided in each case such claims are not caused by fraud, gross negligence or willful misconduct.

The remuneration of the Board of Directors is approved annually by the general meeting to avoid conflicts of interest. Remuneration of the Executive Management is based on the recommendation of the Company’s Nomination and Remuneration Committee and requires the approval of the Board of Directors. Thus, members of the Executive Management do not participate in board meetings regarding remuneration of the Executive Management. The Company and the Remuneration Committee shall be supported by external advisors, which are different from the external advisors used by the Executive Management.

The Board of Directors has the responsibility for preparing and reviewing the Remuneration Policy. The Remuneration Policy will be reviewed at least once a year by the Board of Directors. In case of substantial changes, the Board of Directors will, in cooperation with the Nomination and Remuneration Committee, prepare a proposal to be presented to the shareholders and approved at the Company’s general meeting.

Remuneration of the Board of Directors

The remuneration policy was approved by the Company's shareholders at the annual general meeting on April 27, 2023, where the following change to the policy was adopted: the Remuneration Policy be amended so that members of the Board of Directors may receive share-based instruments as remuneration, in each case subject to the approval of the General Meeting.

The remuneration of the Board of Directors is set at a level which is deemed competitive and reasonable compared to both the industry in general and the Company's current situation. Members of the Board of Directors are 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. The Board of Directors may submit a recommendation to the general meeting that alternates should also receive a fee.

In the event that a committee is established, or in the event that 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.

The Company covers the costs in relation to board meetings and may offer reimbursement for travelling costs, accommodation, etc. In respect of members of the Board of Directors that are not Danish tax residents, the Company pay contribution to achieve tax equalization whereby the relevant members of the Board of Directors are placed as if they were taxed only in the jurisdiction where they are tax resident. The Board of Directors does take part in the Company's share-option programs but does not receive any other type of incentive-based remuneration.

The general meeting annually approves the remuneration of members of the Board of Directors, and any remuneration for alternates, for the current financial year in connection with the approval of the annual report. The Board of Directors finds that a 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 retain and attract qualified candidates to the Board.

In 2023, the Chairman earned a fixed annual fee of DKKt 500, and the Vice Chairman earned a fixed annual fee of DKKt 350, and other members earned a fixed annual fee of DKKt 250. For committee work, an additional annual fee of DKKt 25 was paid to each committee member for up to two committees per member except for the Chairman and the Vice Chairman, who did not receive any additional fees in accordance with the policy. The fees for each role were unchanged from 2022. Members of the Company's Board of Directors were not covered by severance or retention schemes.

Board Committee Membership

	Board of Directors	Audit Committee	Nomination and Remuneration Committee
John McDonough	Chairman	Member	Member
Don Hardison	Vice Chairman		Chairman
Michael Singer	Member	Member	
Ninfa Saunders	Member	Chairman	
Peter Mørch Eriksen	Member		Member

Overview and history of remuneration to the Board of Directors

DKK thousand	2023				2022	2021	2020	2019
	Base fee	Committees	Tax equalization ⁽¹¹⁾	Total	Total	Total	Total	Total
John McDonough, Chairman ⁽¹⁾	450	-	625	1,075	835	205	-	-
Don Hardison, Vice Chairman ⁽²⁾	326	7	462	795	715	199	-	-
Dr. Michael Singer ⁽³⁾	250	32	392	674	715	300	279	94
Ninfa Saunders ⁽⁴⁾	168	17	273	458	-	-	-	-
Peter Mørch Eriksen ⁽⁵⁾	250	18	-	268	292	34	-	-
Jan Leth Christensen ⁽⁶⁾	231	23	-	254	275	170	-	-
Christopher Lindop, former Chairman ⁽⁷⁾	162	-	270	432	1,329	352	279	94
Thomas Magnussen ⁽⁸⁾	-	-	-	-	-	438	500	500
Torben A. Nielsen ⁽⁹⁾	-	-	-	-	-	117	350	350
Kirsten Drejer ⁽⁹⁾	-	-	-	-	-	100	300	300
Britt Meelby Jensen ⁽¹⁰⁾	-	-	-	-	-	-	-	64
Total	1,837	97	2,022	3,956	4,161	1,915	1,708	1,402

⁽¹⁾ Joined the Board of Directors on April 29, 2021, took the role as Vice Chairman on November 15, 2021 and Chairman on April 27, 2023. ⁽²⁾ Joined the Board of Directors on April 29, 2021, took the role as Vice Chairman on April 27, 2023. ⁽³⁾ Joined the Board of Directors on August 15, 2019. ⁽⁴⁾ Joined the Board of Directors on April 27, 2023, took role as Chair of the Audit Committee. ⁽⁵⁾ Joined the Board of Directors on November 15, 2021. ⁽⁶⁾ Resigned from the Board of Directors on December 4, 2023. ⁽⁷⁾ Former Chairman that elected to not run for Chairman and role ended April 27, 2023. ⁽⁸⁾ Resigned from the Board of Directors on November 15, 2021. ⁽⁹⁾ Resigned from the Board of Directors on April 29, 2021. ⁽¹⁰⁾ Resigned from the Board of Directors on March 18, 2019. ⁽¹¹⁾ Paid in accordance with the resolution at the General Meeting on April 28, 2022 and the remuneration policy. Reflected amounts with reference to the tax equalization scheme, BioPorto is currently reviewing the implementation of the tax equalization scheme for 2022 and 2023. Any amendments resulting from this review will be communicated in the remuneration report for 2024.

Shareholdings of the Board of Directors

At year-end 2023, the number of shares held by the Board of Directors was 47,891,334, amounting to a total market value of DKKt 100,093 based on a year-end share price of DKK 2.09.

	January 1, 2023	Purchased	Sold	December 31, 2023	Market Value (DKKt)
Christopher Lindop	558,108	-	(558,108)	-	-
John McDonough	-	175,000	-	175,000	366
Michael Singer	209,291	36,933	(246,224)	-	-
Jan Leth Christensen (Ejendomsselskabet Jano ApS)	40,212,165	7,096,264	-	47,308,429	98,875
Don Hardison	-	20,000	-	20,000	42
Peter Mørch Eriksen (PME Holding ApS)	131,882	23,273	-	155,155	324
Ninfa Saunders	-	-	-	-	-
Total	41,111,446	7,351,470	(804,332)	47,658,584	99,606

Executive Management

The total remuneration of the Executive Management is set at a level which is deemed competitive and reasonable compared to the industry in general and the Company's current situation. According to the decision by the Board of Directors, the incentive-based remuneration comprises the following elements: (i) fixed annual salary; (ii) 401K scheme; (iii) annual cash bonus; (iv) participation in other incentive-based remuneration, such as share options, subscription rights (warrants), phantom shares and non-share-based bonus agreements and performance contracts; and (v) other customary benefits, such as company car, health insurance, newspapers, etc.

In the view of the Board of Directors, this combination of fixed and performance-based remuneration for the Executive Management serves the purpose of ensuring that the Executive Management is encouraged to contribute to the achievement of the Company's short-term and long-term goals and sustainability, to create value for the benefit of shareholders and to retain and attract qualified candidates to the Executive Management, including by setting relevant goals.

401K employer contributions may amount to a maximum of USDt 9.9 for each member of the Executive Management. For 2023, following practices in the US, contributions related to a 401(k) plan were 3% of eligible compensation subject to limits set by the US Internal Revenue Service. The Executive Management does not receive remuneration for directorships in BioPorto A/S' subsidiaries.

Incentive programs

For the purpose of establishing common interests between the Executive Management and shareholders, and considering the Company's short-term and long-term goals, which support the Company's business strategy and sustainability, the Board of Directors deems it suitable to establish incentive-based programs for the Company's Executive Management. The incentive-based programs may comprise any type of variable remuneration, including various share-based instruments such as share options, subscription rights (warrants), phantom shares and non-share-based bonus agreements and performance contracts, be they continuous, one-off or event-based.

The extent to which a member of the Executive Management is covered by an incentive-based program and the specific agreement(s) that is/are actually concluded, including the size and composition of the remuneration granted—will depend on whether the Board of Directors deems it appropriate in order to establish common interests between the Executive Management and the shareholders and to take due account of the Company's goals, including whether the specific remuneration supports the Company's short-term or long-term goals. In addition, other factors influencing this will be the Executive Management's previous and anticipated performance, the consideration of motivation and loyalty as well as the Company's situation and developments in general.

Non-share-based programs

Incentive-based remuneration may be granted on an ongoing or ad hoc basis, as well as on the basis of specific events. The Board of Directors may also set terms for adjusting and/or accelerating vesting or exercise in cases of acquisition or divestment of assets, take-over offers or other special events or in the event of changes to the Company's capital structure.

The purpose of the non-share-based incentive program is to give the Executive Management an annual incentive to meet specific targets set by the Board of Directors. A non-share-based instrument, typically a bonus scheme or performance-based contract, may have a duration of one or more years and/or depend on the occurrence of a specific event concerning BioPorto A/S or affiliated company. This may also be retention or loyalty bonus, or similar.

Whether a bonus is actually paid, and the size thereof, will depend on whether the conditions and targets defined in the agreement have been achieved in part or in full. This may involve quantifiable personal results associated with the performance of the member of the Executive Management concerned, the Company's financial results, sustainability, other financial key figures or the occurrence of relevant events ("KPIs") and continued employment in BioPorto A/S. KPIs are determined by the Board of Directors with consideration to the Company's own internal goals.

The annual non-share-based bonus can amount to up to 150% of the fixed annual salary (including pension) for the member of the Executive Management concerned.

Share-based programs

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. A share-based instrument may be share options, subscription rights (warrants) or phantom shares.

The exercise price of the share instrument may not be less than the price quoted for the Company's shares on Nasdaq Copenhagen A/S at the time of issue. The member of the Executive Management exercising the option may decide to keep all shares obtained by exercising the right or choose to sell the shares immediately after exercising the options. The member of the Executive Management does not pay a fee for the share instrument, unless the Board of Directors specifically decides otherwise.

At the earliest, the share-based instruments will be able to be exercised during a specified number of months after the time of grant, usually twenty-four (24) months, and will have to be exercised no more than five (5) years from grant. The length of the vesting period is determined by the Board of Directors in connection with the grant.

Subject to decision by the Board of Directors, the granting, duration, vesting and exercise of share-based instruments may depend on whether the conditions and goals defined in the agreement have been achieved wholly or in part. This may involve quantifiable personal results associated with the performance of the member of the Executive Management concerned, the Company's financial results, other financial key figures or the occurrence of relevant events and continued employment in BioPorto A/S. KPIs are determined by the Board of Directors with consideration of the Company's own internal goals.

The value of the share-based instruments granted within a given financial year may amount up to 150% of the fixed annual salary (including pension) of the member of the Executive Management concerned. The estimated present value of the share-based incentive programs covered by this Remuneration Policy will be calculated in conformity with the International Financial Reporting Standards (IFRS). The grant may take place on terms whereby the gains of a member of the Executive Management are taxed at a lower rate than such would have otherwise been, in return for the Company not being able to deduct the costs associated with the grant.

Overview and history of executive remuneration

DKK thousand	Fixed remuneration			Variable remuneration			Total ⁽¹⁾
	Annual salary	Pension	Other customary benefits	Annual cash bonus ⁽⁴⁾	Other	Warrants granted ⁽⁵⁾	
2023							
Tony Pare, CEO	3,451	-	354	1,423	-	1,875	7,103
Neil Goldman, Executive VP & CFO	2,186	-	349	-	546 ⁽²⁾	-	3,081
2022							
Tony Pare, CEO	3,533	-	314	2,493	-	-	6,340
Neil Goldman, Executive VP & CFO	2,826	-	364	1,329	707 ⁽²⁾	-	5,226
2021							
Tony Pare, CEO	374	-	39	280	-	5,638	6,331
Neil Goldman, Executive VP & CFO	299	-	47	149	81 ⁽²⁾	2,819	3,395
Peter M Eriksen, Former CEO	-	-	-	870	1,680 ⁽³⁾	-	2,550
2020							
Peter M Eriksen, Former CEO	3,268	554	156	1,020	-	-	4,998
2019							
Peter M Eriksen, Former CEO	3,124	528	156	360	-	1,364	5,532

⁽¹⁾ Cash compensation and other customary benefits for Messrs. Pare and Goldman are paid in USD. Such amounts in this report are translated at the applicable average exchange rate in effect. Messrs. Pare and Goldman resigned effective January 9, 2024 and October 15, 2023, respectively. ⁽²⁾ To induce the Executive to enter into his employment agreement and incentivize him to remain employed by the Company, a sign-on bonus is being paid in 24 monthly installments through November 2023. ⁽³⁾ A one-off, non-pensionable bonus was granted to Mr. Eriksen to stay through the CEO transition period to January 31, 2022. ⁽⁴⁾ Bonus for the indicated year's performance – paid out in the following year. ⁽⁵⁾ Represents the fair value of warrants granted as of the date of grant per valuation in accordance with IFRS 2.

Annual cash bonus

The 2023 Annual cash bonus targets are defined by the Board for Executive management and Company employees were team based as: 20% FDA clearance for NGAL, 20% completing financing round, 15% for renegotiating a key contract, and 45% Group KPIs related to BioPorto's strategic objectives, with the financial results extrapolated in the event of over- or under-performance, subject to floors or caps. Messrs. Pare and Goldman had target bonus percentages of 75% and 50%, respectively, of their base salaries. Based on the 2023 weighted average results in these areas, Messrs. Pare and all employees earned a 55% overall payout of their target amounts. Messrs. Goldman resigned effective October 15, 2023, and did not receive a 2023 bonus payout.

Executive Management's 2023 warrant and share activity

During 2023, warrants were granted, forfeited and no exercises by the Executive Management as follows:

	January 1, 2023	Granted	Exercised	Forfeited	December 31, 2023
Tony Pare, CEO	5,600,000	3,604,058	-	-	9,204,058
Neil Goldman, Executive VP & CFO	2,800,000	1,383,663	-	(4,183,663)	-
Total	8,400,000	4,987,721	-	(4,183,663)	9,204,058

In addition to the warrants, Executive Management (Tony Pare) held 160,000 shares as of year-end of 2023. Upon termination on January 9, 2024, Tony Pare forfeited 5,978,973 warrants and has 3,225,085 vested warrants that he may exercise by April 8, 2024.

Executive Management warrant programs

	Grant date	KPIs ⁽³⁾	Vesting period	Expiration date	No. of warrants granted	No. Of warrants vested	Exercise price (DKK)	Grant date fair value (DKK) ⁽²⁾	Market value (DKK) ⁽¹⁾
Tony Pare	Aug 25, 2023	FDA approval & expanded indication	Performance-Based Criteria	Apr 25, 2028	3,604,058	-	1.53	2,513,877	7,532,481
Neil Goldman	Aug 25, 2023	FDA approval & expanded indication	Performance-Based Criteria	Apr 25, 2028	1,383,663	-	1.53	965,123	-
Tony Pare	Dec 31, 2021	Time-based vesting (retention)	Dec 31, 2022 to Oct 1, 2025	Dec 31, 2026	5,600,000	3,150,000	2.47	5,637,520	-
Neil Goldman	Dec 31, 2021	Time-based vesting (retention)	Dec 31, 2022 to Oct 1, 2025	Dec 31, 2026	2,800,000	-	2.47	2,818,760	-

⁽¹⁾ Market value was DKK 0 for the Dec 2021 grants, as the share price was DKK 2.09 as of year-end, 2023 on Nasdaq Copenhagen.

⁽²⁾ All of Neil Goldman's warrants were forfeited as part of his resignation.

⁽³⁾ 50% vest on the date the company achieves marketing rights from the FDA for the NGAL Test and 50% vest upon expanded pediatric use outside ICU or adult indication in the US.

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 2023.

Severance, Notice, and Tax Matters

The Executive Management are employed without a time limit, but with the right to mutual termination. Executive Management each have a notice of termination of twelve months from the Company, and their notice of termination to the Company is two months. In connection with certain defined events constituting a change of control where a member of Executive Management is subsequently terminated within twelve months thereof without cause, any unvested warrants held by such member shall immediately vest. The Company has not assumed any obligation to disburse severance pay to the Executive Management at the time of the termination of the employment relationship, except for compensation for a previously concluded non-competition clause with consideration for the CEO of 50% of the annual salary.

Executive Management achieves tax equalization whereby the members are placed as if they were taxed only in the jurisdiction where they are tax resident.

Business performance

Business performance

DKK millions	2023	2022	2021	2020	2019
Group					
Revenue	31.0	29.0	24.3	23.2	26.6
Revenue growth	7%	19%	5%	-13%	2%
Adjusted EBITDA	(56.1)	(67.3)	(62.0)	(54.3)	(68.3)

The Parent Company's results are limited to intercompany activities, and therefore the Group results are presented above.

Remuneration development

The following table reflects the change in total remuneration taking into consideration the fair value of warrants awarded in the year of grant. As Messrs. Pare and Goldman began their employment in November 2021, percentage comparisons of their remuneration for 2022 vs. 2021 is not meaningful. No changes were made in either their fixed base salaries or bonus eligibility percentages since their start dates, Cf. "Overview and history of executive remuneration" and "Executive management warrant programs". The change in average full-time equivalent (FTE) remuneration for 2023 vs. 2022 reflects reduction in work force as part of restructuring in Q2 2023.

	2023 vs 2022	2022 vs 2021	2021 vs 2020
Tony Pare, CEO	12%	n/a	n/a
Neil Goldman, Executive VP & CFO	-41%	n/a	n/a
Fixed fee to Board of Directors ⁽¹⁾	-4%	5%	12%
BioPorto Group, Average FTE (excl. Executive Management)	-14%	0%	10%

⁽¹⁾ Excludes tax equalization in accordance with the resolution at the General Meeting on April 27, 2023 and the remuneration policy.

The Parent Company's results are limited to intercompany activities, and therefore the Group results are presented above.

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 2023.

The Remuneration Report is prepared in accordance with section 139b of the Danish Companies Act. In our opinion, the remuneration report is in accordance with the remuneration policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

Hellerup, April 4, 2024

Board of Directors:

John McDonough
Chairman

Don Hardison
Vice Chairman

Michael Singer

Ninfa Saunders

Peter Mørch Eriksen

Independent auditor's report on the Company's 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 2023 contains the information required under section 139 b(3) of the Danish Companies Act.

We express a conclusion providing reasonable assurance.

The Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3) of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further, the Board of Directors is responsible for the internal control that the Board of Directors considers necessary to prepare the remuneration report without material misstatement and omissions, whether due to fraud or error.

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 audit regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject International Standard on Quality Control 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and statutory requirements.

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

As part of our examinations, we have checked whether the remuneration report, to the extent relevant, includes the information required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of the Executive Management and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion.

Our examinations have not included an examination 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 contains, in all material respects, the information required by section 139b(3) of the Danish Companies Act.

Hellerup, April 4, 2024

Deloitte

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