



May 28, 2007
Announcement no. 7

Interim Financial Report for Q1 2008 for the BioPorto Group

BioPorto has decided to publish interim financial reports on a quarterly basis starting in 2008 and hereby presents the first financial report.

Summary of Q1 2008

Developments for BioPorto have been positive in the first three months of 2008 and have met the company's expectations within most areas: licensing negotiations, patent protection and process development. Revenue growth has been lower than expected, however. (Comparative figures for Q1 2007 are shown in parentheses.)

- Revenues generated in Q1 2008 rose by 17% to T.DKK 2,221 (T.DKK 1,898).
- The quarterly results were T.DKK -4,896 (T.DKK -3,615), of which the costs for warrants issued amounted to T.DKK 813 (computed according to the Black-Scholes model).
- BioPorto's main goals for 2008 are to achieve the best results from the ongoing negotiations for the sale of licensing rights to the company's NGAL patent applications. The negotiations with a number of leading companies in the diagnostics industry intensified in the first quarter. BioPorto's estimated expectations for a great market potential for NGAL as the new renal marker are now underpinned by the initiation by both BioSite and Abbott of large-scale, multicenter US studies in connection with clinical validation and application for FDA certification of their NGAL assays.
- The development of diagnostic instruments for measuring NGAL in experimental animals has resulted in a pair of antibodies specifically for NGAL from cynomolgus monkeys.
- Since the end of the first quarter, BioPorto has launched the pair of antibodies, developed in-house, targeting Monkey NGAL and thirteen new in-licensed, partly patented antibodies relevant to cancer research.

Expectations for the 2008 fiscal year

- BioPorto still anticipates that product sales will grow in 2008 by 35% to 45%, to DKK 11–12 million, not including revenues generated by license sales. The company endeavors to obtain this growth through a campaign specifically targeting the North American market in response to stiffening competition and impaired buying power caused by the downward exchange-rate trend. Revenue targets for in-licensed products and products developed in-house are still expected to be met despite minor delays in launches scheduled for Q1 2008.
- Before licensing income, the net financial result is still expected to be a loss of DKK 13–15 million, and after licensing income the financial result for the year is expected to be a profit.
- In relation to the company's IP rights for the NGAL assay method, BioPorto expects to obtain licensing income in the form of one or more down payments. A separate announcement will be issued once the company is able to assess with greater certainty the amount of possible licensing income and the period in which it will be generated. The company has not changed its forecast that licensing income will run into the double-digit millions of DKK from 2008 and the years ahead.

Key figures

Income statement

| (T.DKK) | 2008 first quarter | 2007 first quarter | 2007 12 months |
|---|-----------------------|-----------------------|-------------------|
| Net revenues | 2,221 | 1,898 | 8,340 |
| Net income/loss , ordinary operating act. (EBIT) ... | (5,114) | (3,266) | (14,045) |
| Income/loss from net financials | 218 | (349) | (219) |
| Net income/loss from ordinary operating activities before tax | (4,896) | (3,615) | (14,264) |
| Net income/loss for the period | (4,896) | (3,615) | (14,264) |

Balance sheet

| (T.DKK) | 2008 March 31 | 2007 March 31 | 2007 Dec. 31 |
|--------------------------------|------------------|------------------|-----------------|
| Long-term assets | 1,154 | 894 | 1,182 |
| Short-term assets | 28,209 | 4,251 | 32,719 |
| Total assets | 29,363 | 5,145 | 33,901 |
| Capital stock | 114,908 | 73,059 | 114,908 |
| Equity | 25,373 | (21,231) | 29,456 |
| Long-term liabilities | 0 | 10,764 | 0 |
| Short-term liabilities | 3,990 | 15,612 | 4,445,000 |
| Total liabilities | 29,363 | 5,145 | 33,901 |

Cash flow statement

| (T.DKK) | 2008 first quarter | 2007 first quarter | 2007 12 months |
|--|-----------------------|-----------------------|-------------------|
| Cash generated by operations | (3,925) | (4,755) | (14,129) |
| Cash generated by investment, net | (38) | (298) | (738) |
| Of which for investment in property, plant and equipment | (60) | (298) | (880) |
| Cash generated by financing | (15) | 22 | 46,377 |
| Total cash flow | (3,977) | (5,031) | 31,511 |

Key figures

| | 2008 first quarter | 2007 first quarter | 2007 12 months |
|--------------------------------------|-----------------------|-----------------------|-------------------|
| Gross margin ratio | 41% | 44% | 45% |
| Operating margin | -230% | -172% | -168% |
| Return on investment | -80% | -73% | -251% |
| Equity interest (equity ratio) | 86.4% | Negative | 86.9% |
| Return on equity | Negative | Negative | Negative |
| Average no. of employees | 22 | 17 | 20 |

| | 2008 first quarter | 2007 first quarter | 2007 12 months |
|--|-----------------------|-----------------------|-------------------|
| Average no. of shares (1,000) | 38,290 | 24,340 | 31,505 |
| Earnings per share (EPS) DKK | -0.13 | -0.15 | -0.45 |
| Cash Flow Per Share (CFPS), DKK | -0.10 | -0.20 | -0.45 |
| Equity value per share, closing, DKK | 0.66 | -0.87 | 0.77 |
| Listed price, closing, DKK | 4.68 | 7.76 | 4.91 |
| Price/book ratio | 7.06 | Negative | 6.38 |

Current situation for Q1 2008

Sales and Marketing Activities

License sales

BioPorto's primary goals for 2008 are to obtain the best results from the ongoing negotiations regarding the sale of licensing rights to the company's NGAL patent applications, and the negotiations intensified in the first quarter with a number of leading companies in the diagnostics industry.

BioPorto's estimated expectations for a great market potential for NGAL as the new renal marker are now underpinned by the initiation by both BioSite and Abbott of large-scale, multicenter US studies in connection with clinical validation and application for FDA certification of their NGAL assays. Another effect of the concentrated effort by these diagnostics companies is that clinical validation of the renal test, and thus market acceptance, is rapidly progressing. At the same time, this strengthens the valuation of the marker, especially if only selected market players get access to market the test, which would be the case for a patented method.

In the first quarter, the NGAL patent situation changed in three significant areas:

- The NGAL patent application of Cincinnati Children's Hospital (CCH) for a urine-based assay (license issued to Abbott) has now been finally rejected as part of the case processing by the US patent authorities. Also, the European patent authorities have issued another negative assessment.
- In the US, CCH submitted new NGAL patent applications, which are continuations of the original applications, meaning that the patents are being applied for in a prioritized order on the basis of the original submissions. The common element of these applications is that they include the claims from BioPorto's cut-off patent application. The applications were submitted with the explicit desire to obtain the right to file interference litigation under US patent law. One of the criteria for being able to file an interference case is that the new claims submitted must be based on the application; in other words, it must be possible for text and data to lead to the patent claims specified. The texts and data are the same as those originally submitted by CCH, together with the claims from BioPorto's cut-off application. BioPorto's consultants have compared the two elements of the new applications and find it improbable that the patent case officer in the US will be able to find grounds to verify that the new claims are based on the application. Consequently, it is assumed that the new applications were only submitted to cast doubt on the rights in the US during the negotiation process. At the same time, it is positive to note that CCH will not seek to challenge BioPorto's cut-off patent application.
- In the first quarter, BioPorto published a follow-up NGAL patent application entitled "Diagnostic test to exclude significant renal injury", and soon after publication, the company received requests from negotiation parties to allow this new application to be included in the negotiations for license access, which has further strengthened BioPorto's negotiating position.

The licensing negotiations are still expected to result in the conclusion of several licensing agreements grouped, for instance, by assays of either urine or serum/plasma and/or divided into utilization for specific devices, e.g. point-of-care or central laboratory equipment. Alternately, a major market player would be able to acquire exclusive access by making the right bid and guaranteeing sufficiently large minimum sales (minimum royalty). Licensing income is expected from this in 2008 in the form of one or more down payments. A separate announcement will be issued once the company can assess the amount of possible licensing income and the period in which this will be generated. Overall, BioPorto still expects the company's NGAL licensing income to run into the double-digit millions of DKK from 2008 and beyond.

Product sales

BioPorto's revenues in Q1 2008 amounted to T.DKK 2,221, and have thus risen by 17% compared to Q1 2007. The rise is lower than expected, primarily due to the following factors:

- **Competitive challenges within the NGAL area**

As mentioned under license sales, BioSite and Abbott have initiated large-scale, multicenter US studies relating to the application for FDA certification of their NGAL assays. This is particularly favorable for the clinical validation of NGAL as a renal marker in routine diagnostics and thus for the pending licensing negotiations and BioPorto's future sales of tests. At the same, however, these initiatives have an immediate and negative impact on BioPorto's sales of NGAL ELISA kits in the US, as prospective customers receive tests free of charge from BioSite and Abbott for their assays.

- **The exchange-rate ratio between the USD and EUR: impaired US buying power**

The company can note a general slowdown in sales growth in the US in Q1 2008, compared to extremely favorable growth in this same US market in Q1 2007. It is assumed that the slowdown is largely due to the exchange-rate ratio between the US dollar and the euro and thus to the impaired US buying power.

Accordingly, BioPorto still intends to carry out a campaign in the US market in the rest of 2008 to counteract in part the USD exchange rate's negative impact on sales.

- **Delayed launch**

The launch of a single, new, in-house-developed product has been postponed a few months in relation to the expected launch date, and a couple of in-licenses had been expected already in the first quarter. These minor delays have affected sales in Q1 2008. The yearly budgeted revenues for these products are expected to be made up for, despite the minor delays.

The distribution network was strengthened in the first quarter. BioPorto concluded two world-wide OEM distribution agreements, one with Abbiotech (US), which focuses specifically on distributing the antibody portfolio, and the other with Abnova Corporation (Taiwan). Furthermore, BioPorto has concluded distribution agreements with Dialabor (Italy) and Blossom Biotechnologies (Taiwan).

During the quarter, BioPorto took part in and presented products at the Arab Health Congress, Dubai (UAE), at ToxExpo, Society of Toxicology, Seattle (USA) and at the 28th International Symposium on Intensive Care and Emergency Medicine, Brussels (Belgium). The renal marker NGAL has been the primary area of focus for the company's conference activities, and NGAL has been promoted both in *in-vitro* diagnostics contexts and as a renal marker in connection with toxicological preclinical tests.

Since the end of the first quarter, BioPorto has launched an antibody, developed in-house, targeting Monkey NGAL, as well as and thirteen new in-licensed, partly patented protein-targeted antibodies relevant to cancer research, originally developed at the Finsen Laboratory, Copenhagen. The Monkey NGAL antibody is the second product in an anticipated series of antibodies for NGAL assays in mammals. The motive for developing and launching these animal antibodies is discussed in the 2007 Annual Report and described in more detail by BioPorto's NGAL product manager in the company's most recent newsletter of April 23, 2008, available on BioPorto's website.

Product pipeline, development activities and IPR protection

The company focuses on developing diagnostic instruments for NGAL assays involving experimental animals, which in the first quarter resulted in the final development of a pair of antibodies specifically for NGAL from cynomolgus monkeys. These monkeys are one of the frequently used primate species when toxicity studies of new medicines are transferred to animal species resembling human beings, prior to performing clinical trials on people. Efforts involving specific antibodies against NGAL from a number of experimental animals are proceeding as planned.

The first quarter also saw intense efforts to finalize the Rat NGAL ELISA Kit. Satisfactory performance of the assay was achieved, and a continuing effort is being made to ensure the kit's keeping qualities. Concurrently, efforts are being made to finish developing the APC-PCI ELISA Kit, and to develop new antibodies in-house, also in areas other than NGAL.

The expenditure of resources for intellectual property right protection, both in-house and by means of external consultancy, rose in the first quarter of 2008, primarily for consolidating and defending the NGAL patent applications and carrying on the Phadia case (discussed in the 2007 Annual Report).

Process development and production

In the first quarter, the process development group has made fine progress in setting up the in-house production of ELISA kits. The purpose of the small-scale in-house production is to amass know-how and expertise for the full-scale production process of ELISA kits. Also, BioPorto will be able to benefit from reducing the time to market for new kits manufactured in-house.

The project group – appointed for the purpose of identifying the requirements for adapting the company's NGAL and MBL ELISA kits for use on automated equipment – has set up some of the company's ELISA kits for testing and implementation on various automated devices, and the preliminary results are promising. The project is expected to be completed later this year, after which it will be possible to prepare and apply the recommended uses of BioPorto's ELISA kits on automated platforms in the company's marketing.

General corporate and management situation

The activities are directed at the further expansion of sales and marketing to increase the turnover of existing products and to market new products, as well as to optimize the utilization of the company's IP rights by selling licenses. The product portfolio is being enlarged at the same time.

BioPorto's previous class A and class B shares have been merged, according to the decision of the general meeting. All stockholders now have equal rights in BioPorto.

The guidelines proposed by the board for the company's incentive remuneration of board and management were adopted at the AGM in accordance with the new provision (69b) of the Danish Corporation Act. The guidelines adopted are found on BioPorto's website.

In addition, the entire board was re-elected at the AGM, and the board subsequently elected Carsten Lønfeldt as its chairman.

BioPorto has issued warrants to the management, employees and members of the board in accordance with the general meeting's authority adopted at the AGM. The warrant issue entitles the holder, in return for a cash payment, to subscribe to 517,500 shares with a nominal value of DKK 3.00 each in BioPorto A/S, equivalent to a nominal value of DKK 1,552,500. The issue rate for the management and employees is set at DKK 4.18, and the issue rate for members of the board is set at DKK 6.15. The warrants are being issued to retain existing employees and to attract new employees, and the warrant issue will also be used to remunerate the company's advisory board, which is in the process of being established.

Investor meetings were held in April, and the company plans to hold additional investor meeting(s) for all interested parties later this year.

Planned action areas in Q2 2008 and expectations for the whole year

BioPorto upholds its forecast for 2008. The following action areas deserve particular mention for the second quarter of 2008:

- Licensing negotiations regarding NGAL patent rights will continue and are expected to intensify. Concurrently, the company will continue to consolidate its own patents and to apply the requisite resources for this purpose.
- Intense efforts will be made to finish the Rat NGAL ELISA Kit. Satisfactory performance of the assay has been achieved, and a continuing effort is being made to ensure the kit's keeping qualities.
- During the quarter, particular emphasis will be given to continued progress in setting up in-house production of ELISA kits, for the purpose of determining a detailed description and schedule for the entire production process for all of the company's ELISA kits, and to reap the benefits of a shorter time-to-market for new kits produced in-house.

About BioPorto

BioPorto develops and markets antibodies and antibody-based products, including tests to diagnose human disease, both for the benefit of individual patients and to promote efficiency in the health sector. The Company's developments include a test (NGAL) to diagnose and monitor acute kidney damage.

BioPorto's strategy is to develop new methods based on its antibody portfolio that can be patented and achieve a wide use in the diagnosis of various diseases.

BioPorto was founded in 2000 and has about 25 employees. The Company's shares are listed on NASDAQ OMX Copenhagen (symbol: BIOP B). BioPorto is owned by a group of shareholders, none of whom owns more than 5%. www.bioporto.com

Financial statements

Revenues

The revenues generated in the first quarter of 2008 amounted to T.DKK 2,221, compared to T.DKK 1,898 in the same period last year, equivalent to a rise of 17%. The demand for the company's portfolio of GLP-1 antibodies rose in the first quarter of 2008. The sales of the company's ELISA kits in the US were adversely affected by the downward exchange-rate trend for the USD.

Operating costs

A total of 517,500 warrants were issued to the board, management and employees during the first quarter. The value of the warrants issued, measured using the Black-Scholes model, amounts to T.DKK 813, which is expensed in the income statement under the respective departmental costs. Share-based remuneration accounts for a substantial part of the total rise in costs for all departments, compared to the same period last year (warrants were not issued in the first quarter of 2007).

In the first quarter, production and distribution costs amounted to T.DKK 1,300, compared to T.DKK 1,057 in the same period last year. In addition to costs relating to rising sales, one-time expenditures were incurred in the first quarter for replacing printed packing material as part of the name change from AntibodyShop to BioPorto Diagnostics.

Sales and marketing costs amounted to T.DKK 1,592, compared to T.DKK 741 in the same period last year. Since early 2007, BioPorto has significantly strengthened the organization with a view to increasing the marketing effort. The activities are detailed in the 2007 Annual Report.

In the first quarter of 2008, research and development costs amounted to T.DKK 2,083, compared to T.DKK 1,668 in the same period last year. Additional resources were allocated for process development and production optimization in the first quarter of 2008.

Administration costs amounted to T.DKK 2,360, compared to T.DKK 1,698 in the same period last year. The rise is primarily attributable to the share-based remuneration of the board, management and staff in the administration department, and board fees (board fees were not disbursed in the first quarter of 2007).

Financial income and expenses

In the first quarter of 2008, financials amounted to a total income of T.DKK 218, compared to a total expense of T.DKK 349 in the same period last year. The trend is attributable to the capital increase in the first quarter of 2007, and the associated reduction in interest-bearing debt, including the conversion of debt securities.

Equity

The equity fell in the accounting period by T.DKK 4,083 to T.DKK 25,373. The decline is attributable to the loss for the quarter of T.DKK -4,896 combined with an adjustment of the reserves for share-based remuneration of T.DKK 813.

Cash flow

In the first quarter of 2008, cash flow generated by operations amounted to T.DKK -3,925, compared to T.DKK -4,315 in the same period last year. The cash-flow trend for the period is attributable to the financials trend and to changes in operating capital. Cash flow generated by investment activities amounted to T.DKK -38, compared to T.DKK -298 in the first quarter of 2007.



Statements about the future

This Interim Financial Report contains statements regarding forecasts for future developments, including in particular future revenues and net results. Such statements are uncertain and risky as many factors, some of which are out of BioPorto's control, may cause actual trends to deviate from the forecasts contained in the report.

Financial Calendar

| | |
|--|-------------------|
| Interim report for the first half-year of the 2008 fiscal year | August 28, 2008 |
| Quarterly report for Q3 of the 2008 fiscal year | November 26, 2008 |

Further information:

Thea Olesen, CEO
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Statement by the Management and Board of Directors on the Annual Report

On today's date, the board and management have discussed and approved the Interim Financial Report for the period from January 1, 2008 to March 31, 2008 for the BioPorto Group.

The Interim Financial Report, which has not been audited or reviewed by the company's accountants, is presented in accordance with IAS 34, "Interim Financial Reporting", as approved by the European Union and in accordance with other Danish disclosure requirements for the interim reports of listed companies.

In our view, the Interim Financial Report presents a true and fair view of the Group's assets, liabilities and financial position as at March 31, 2008 and of the financial results of the Group's activities and cash flow for the period from January 1, 2008 to March 31, 2008.

It is also our view that the statement by the management includes a true and fair account of the trends in the Group's activities and financial situation, the financial results for the period and the Group's financial position in general, as well as a description of significant risks and elements of uncertainty facing the Group.

Gentofte, May 28, 2008

Executive Management:

Thea Olesen
CEO

Board of Directors:

Carsten Lønfeldt
Chairman

Peter Nordkild

Niels T. Foged

Ejner Bech Jensen

Income statement

The BioPorto group

| | First quarter 2008 T.DKK | First quarter 2007 T.DKK |
|--|---|---|
| Net Revenues | 2,221 | 1,898 |
| Production and distribution costs | <u>(1,300)</u> | <u>(1,056)</u> |
| Gross income/loss | 921 | 842 |
| Sales and marketing costs | (1,592) | (741) |
| Research and development costs | (2,083) | (1,668) |
| Administration expenses | <u>(2,360)</u> | <u>(1,698)</u> |
| Earnings before interest (EBIT) | (5,114) | (3,266) |
| Financial income | 260 | 14 |
| Financial expenses | <u>(42)</u> | <u>(363)</u> |
| Earnings before tax | (4,896) | (3,615) |
| Income taxes relating to net loss | <u>0</u> | <u>0</u> |
| Net income/loss for the year | <u>(4,896)</u> | <u>(3,615)</u> |
| Earnings per Share (eps) | <u>DKK</u> | <u>DKK</u> |
| Earnings per share (eps/deps) | <u>(0.13)</u> | <u>(0.15)</u> |

Balance sheet

The BioPorto group

| ASSETS | 2008 March 31 T.DKK | 2007 Dec. 31 T.DKK | 2007 March 31 T.DKK |
|---|------------------------------------|-----------------------------------|------------------------------------|
| Long-term assets | | | |
| Tangible assets | | | |
| Other plant, operating equipment and fixtures | 945 | 973 | 689 |
| Tangible assets | 945 | 973 | 689 |
| Other long-term assets | | | |
| Deposits | 209 | 209 | 206 |
| Other long-term assets, total | 209 | 209 | 206 |
| Long-term assets, total | 1,154 | 1,182 | 894 |
| Short-term assets | | | |
| Inventories | 3,087 | 3,148 | 3,147 |
| Receivables, sales | 911 | 809 | 605 |
| Other receivables | 694 | 1,267 | 500 |
| Receivables | 4,692 | 5,225 | 4,251 |
| Cash resources | 23,517 | 27,494 | 0 |
| Short-term assets, total | 28,210 | 32,718 | 4,251 |
| ASSETS, TOTAL | 29,363 | 33,901 | 5,145 |

Balance sheet

The BioPorto group

| LIABILITIES | 2008 | 2007 | 2007 |
|---|-----------------|----------------|-----------------|
| | March 31 | Dec. 31 | March 31 |
| | T.DKK | T.DKK | T.DKK |
| Equity | | | |
| Capital stock | 114,908 | 114,908 | 73,059 |
| Convertible bond loans | 25 | 25 | 736 |
| Share-based payment | 1,856 | 1,043 | 1,166 |
| Treasury stock | (44) | (44) | (44) |
| Retained income/loss | 91,372 | 86,476 | 95,707 |
| Equity, total | 25,373 | 29,456 | (21,231) |
| Liabilities | | | |
| Long-term liabilities | | | |
| Convertible Bond Loans | 0 | 0 | 10,764 |
| Long-term liabilities, total | 0 | 0 | 10,764 |
| Short-term liabilities | | | |
| Short-term segment of long-term liabilities | 467 | 483 | 3,500 |
| Suppliers of goods and services | 1,291 | 1,886 | 1,292 |
| Bank debt | 0 | 0 | 8,607 |
| Other debt | 2,232 | 2,076 | 2,213 |
| Short-term liabilities, total | 3,990 | 4,445 | 15,612 |
| Liabilities, total | 3,990 | 4,445 | 26,376 |
| LIABILITIES, TOTAL | 29,363 | 33,901 | 5,145 |

Statement of changes in equity

The BioPorto group

| | Capital stock T.DKK | Treasury stock T.DKK | Convertible loan T.DKK | Share-based payment T.DKK | Retained income/loss T.DKK | Total T.DKK |
|---|------------------------|-------------------------|------------------------------|---------------------------------|----------------------------------|-----------------|
| Equity, January 1, 2007 | 73,059 | (44) | 736 | 1,166 | (92,532) | (17,616) |
| Changes in equity, first quarter 2007 | | | | | | |
| Net income/loss for the period | 0 | 0 | 0 | 0 | (3,615) | (3,615) |
| Total income | 0 | 0 | 0 | 0 | (3,615) | (3,615) |
| Changes in equity, first quarter 2007, total . | 0 | 0 | 0 | 0 | (3,615) | (3,615) |
| Equity March 31, 2007 | 73,059 | (44) | 736 | 1,166 | (96,147) | (21,231) |
| | | | | | | |
| | Capital stock T.DKK | Treasury stock T.DKK | Convertible loan T.DKK | Share-based payment T.DKK | Retained income/loss T.DKK | Total T.DKK |
| Equity, January 1, 2008 | 114,908 | (44) | 25 | 1,043 | (86,476) | 29,456 |
| Changes in equity, first quarter 2008 | | | | | | |
| Net income/loss for the period | 0 | 0 | 0 | 0 | (4,896) | (4,896) |
| Total income | 0 | 0 | 0 | 0 | (4,896) | (4,896) |
| Share-based payment | 0 | 0 | 0 | 813 | 0 | 813 |
| Changes in equity, first quarter 2008, total . | 0 | 0 | 0 | 813 | (4,896) | (4,083) |
| Equity March 31, 2008 | 114,908 | (44) | 25 | 1,856 | (91,372) | 25,373 |

Cash flow statement

The BioPorto group

| | First quarter 2008 T.DKK | First quarter 2007 T.DKK |
|--|--------------------------------|--------------------------------|
| Earnings before tax | (4,896) | (3,615) |
| Adjustment for non-cash operating items: | | |
| Depreciation, amortization, write-downs and impairment | 89 | 98 |
| Share-based payment | 813 | 0 |
| Financial income | (260) | (14) |
| Financial expenses | 42 | 363 |
| Cash generated by primary operations before change in working capital | (4,212) | (3,168) |
| Change in working capital | 69 | (798) |
| Cash generated by primary operations | (4,143) | (3,966) |
| Interest income, included | 260 | 14 |
| Interest expenses, paid | (42) | (363) |
| Cash generated by operating activities | (3,925) | (4,315) |
| Purchase of tangible assets | (60) | (298) |
| Prepayment | 23 | 0 |
| Cash generated by investment activities | (37) | (298) |
| Loan financing: | | |
| Change to debt at related parties | 0 | 30 |
| Change regarding convertible bonds | 0 | (173) |
| Stockholders: | | |
| Cash issue, private placement, including exercise of warrants | (15) | 165 |
| Cash generated by financing activities | (15) | 22 |
| Cash flow for the period | (3,977) | (4,591) |
| Cash resources at the beginning of the year | 27,494 | (4,017) |
| Cash resources at the end of the period | 23,517 | (8,608) |

Specifications

1. Accounting Policies

The Interim Financial Report is presented in accordance with IAS 34 “Interim Financial Reporting” as approved by the European Union and in accordance with other Danish disclosure requirements for the interim financial reports of listed companies.

2. Judgments and estimates

The preparation of interim financial reports requires the management and board of directors to perform accounting estimates that affect the application of accounting policies and recognized assets, liabilities, income and costs. The actual financial results may deviate from these estimates.

The significant judgments performed by management and board of directors for applying the Group’s accounting policies and the significant discretionary uncertainty relating to this are the same as for the preparation of the 2007 Annual Report.

3. Segment information

| | First quarter 2008 T.DKK | First quarter 2007 T.DKK |
|--|---|---|
| The geographical dispersion of the net revenues is as follows: | | |
| Denmark | 41 | 26 |
| EU Member States | 756 | 749 |
| Other | <u>1,424</u> | <u>1,124</u> |
| Net revenues, total | <u>2,221</u> | <u>1,898</u> |

4. Share-based payment

For the purpose of motivating and retaining employees, senior staff, management and board, BioPorto A/S established a warrant program on March 31 2008, as an incentive and bonus scheme. The scheme, which solely may be exercised by the issuance of new shares (equity scheme) entitles the holder to subscribe to a number of new shares in the parent company at a prearranged price fixed as the average of the price of the share in the most recent 5 trading days. Warrants may be exercised from 2 and up to 5 years after the granting date, though only for a period of 4 weeks after the date of the parent company’s preliminary announcement of financial statements for the previous fiscal year. Unexercised warrants lapse on March 31 2013.

4. Share-based payment (cont.)

| The granting of warrants breaks down as follows: | No. | Fair value T.DKK |
|--|------------------|---------------------|
| Outstanding warrants, January 1, 2008 | 771,160 | 1,043 |
| Granted the Board in the period | 130,000 | 158 |
| Granted the management in the period | 45,000 | 76 |
| Granted the employees in the period | 342,500 | 579 |
| Outstanding warrants, March 31, 2008 | <u>1,288,660</u> | <u>1,856</u> |

| | Nominal value ea. DKK | subscriptions price ea. DKK | no. of warrants stk. | Nominal value, total T.DKK |
|---------------------------------------|-----------------------------|-----------------------------------|----------------------------|----------------------------------|
| Employees | 3.00 | 4.66 | 341,460 | 1,024 |
| Management | 3.00 | 4.66 | 69,700 | 209 |
| Board of Directors | 3.00 | 4.66 | 360,000 | 1,080 |
| Total, December 31, 2007 | | | <u>771,160</u> | <u>2,313</u> |
| Employees | 3.00 | 4.18 | 342,500 | 1,028 |
| Management | 3.00 | 4.18 | 45,000 | 135 |
| Board of Directors | 3.00 | 6.15 | 130,000 | 390 |
| Total, March 31, 2008 | | | <u>1,288,660</u> | <u>3,866</u> |

| | Fair value ea. 31 Mar. 2008 |
|--|-----------------------------------|
| Fair value, according to the Black-Scholes model - Board of Directors | <u>1.21</u> |
| Fair value, according to the Black-Scholes model - management and employees .. | <u>1.69</u> |

The fair value is determined on the date on which the year's warrants were granted. For valuation according to the Black-Scholes model, the average anticipated terms of 48 months, expected volatility of 45%, estimated on the basis of the standard deviation of the share's final price in the past 250 days and a risk-free interest of 3.91% based on Danish treasury bonds at the time of granting.