



BIOPORTO®

Annual report **2009**



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BioPorto A/S

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The precise format

In spite of the persistent world-wide credit crunch and economic crisis, 2009 was a successful year for BioPorto. The Group was able to maintain revenue growth and continue to reduce production costs. Growth was chiefly borne by the Group's NGAL product portfolio, which was augmented by 41% in 2009. Yet most of the positive features are related to the Group's achievement of successful results in developing the new "The NGAL Test"—in a format designed for existing instruments at central hospital laboratories. This assay format paves the way for rapid access to the NGAL market for most major vendors of diagnostic tests and analysis instruments. At the same time, the Group succeeded in warding off an unprecedented attack on the Group's important patent rights for using NGAL as a renal injury assay, which improved the basis for ongoing licensing negotiations concerning other players' use of the NGAL rights for marketing the immunoassay in other test formats.

NGAL immunoassay for diagnosing acute renal injury

When we look back on 2009 a few years from now, we will probably regard it as one of the most significant years in the Group's history and development. The year when BioPorto—by means of its own innovation, strategic planning, utilization of resources and perseverance—created a product capable of thrusting the Group directly into the routine diagnostics market—totally independent of other players' use of NGAL assays or patent licenses. After announcing the successful development of the Group's new homogeneous NGAL test, BioPorto has received many inquiries for the assay from both prospective customers and partners (both major renowned diagnostics companies and a number of smaller companies), and we expect to enter into the first agreements concerning the delivery and set up of various assay instruments during the course of 2010.

In March 2009, BioPorto's NGAL cutoff patent, which protects NGAL as a method for measuring acute renal injury, came under attack in the form of legal action filed with the Maritime and Commercial Court of Copenhagen by Cincinnati Children's Hospital (CCH). Six months later, however, the hospital withdrew its groundless claim that BioPorto had arrogated the invention relating to the cutoff patent, after which the European patent was issued on 11 November 2009. In the beginning of 2010, the patent has been validated in each country.

BioPorto's ISO 13485:2003 certification, achieved in February 2010, is another important milestone. The certification is not only an important prerequisite for registering the Group's own products, but also a decisive strategic element in becoming a certified supplier of major diagnostics companies seeking assurance that

BioPorto can provide reliable, regular deliveries. In 2010, the Group will continue its efforts to incorporate US standards with a view to registering The NGAL Test and other diagnostic assays with the US Food and Drug Administration.

At the same time, as anticipated, we were able to augment our animal NGAL product portfolio with a Mouse NGAL Kit and a Dog NGAL Kit. This was instrumental in enabling us to establish a distribution agreement with a major distributor in the US regarding the sale of the complete animal NGAL portfolio, which is expected to have a strong impact on sales in the years ahead.

APC-PCI

It was with great satisfaction we announced in March 2009 that BioPorto had succeeded in bringing one of the Group's focus products - the APC-PCI Kit - from R&D to the market. The assay is expected to enable the selection of sepsis patients for treatment using activated protein C (a treatment marketed by Eli Lilly under the brand name Xigris).

The clinical validation of the new marker has been initiated, and the first results of the clinical studies are expected to be announced in 2010. Many key opinion leaders and a number of companies in the sepsis sector have already expressed interest in the test, and collaboration on additional test validation and marketing will be established in 2010.

BioPorto - and what the future will bring

The completion of a private placement in the fall of 2009 ensured the Group's capital resources and laid the groundwork for finalizing the marketing of The NGAL Test and securing the most important patent rights. The capital infusion is expected to safeguard operations until the Group is prepared to launch the new NGAL test and thus achieve earnings that lead to a net profit. It is positive that many stockholders—in spite of the credit crunch—were willing and able to take part in the private placement and thus help to ensure the Group's liquidity.

It is worth emphasizing that, compared to the rest of the sector (OMX Copenhagen Biotech), BioPorto's stock price trend has been favorable with a 50% increase over the past year, compared to the general decline in the rest of the sector. We aim to continue creating sound value for the Group's investors, in 2010 and the years ahead.

BioPorto is aware of its social responsibility and endeavors to make efforts to improve its social and environmental conditions. For this reason, BioPorto has acceded to the UN Global Compact with the Ten Principles for corporate social involvement.

The market for in vitro diagnostics exceeds USD 37 billion. The market is not as vulnerable to market fluctuations as the research market, which is why growth is expected to continue in the years ahead, making it very lucrative. One of the factors contributing to growth is the enlargement that is occurring through establishing new diagnostics markers, including BioPorto's NGAL immunoassay, for instance. Another important factor for continued growth is the increasing wish for customized medical treatment for each patient, which intensifies the demand for more accurate comprehensive diagnoses, such as that provided by BioPorto's APC-PCI assay, for instance.

BioPorto will constantly seek to achieve greater access to the lucrative routine diagnostics market. Gaining a share of this market is quite relevant, because a new diagnostic immunoassay will retain its market shares for a long time once it has been accepted by and implemented on the market, thus providing the basis for a larger, more stable sales volume. Once BioPorto's immunoassays, including The NGAL Test, have gained a foothold on the diagnostics market, we will experience financially sustainable business that is independent of the licensing income generated by the Group's NGAL patents.

This year, I have good reason to express great satisfaction with the overall efforts of our employees. The Group's major tasks were performed and ambitious plans achieved with dedication, enthusiasm and great ingenuity. The common responsibility we shoulder and the perseverance we manifest in achieving our goals will ensure that BioPorto continues to achieve positive results. At the same time, we have benefitted from fine sparring with the entire board, both during the setting of our strategic goals and throughout the ongoing negotiations process.

2010 will be the year when we present the whole world with our precise format: The NGAL Test, a new routine-diagnostics marker for measuring acute renal injury, developed for use on assay systems already set up and in use at hospitals all over the world. For sales of this immunoassay and for entering into licensing agreements for the use of BioPorto's NGAL rights for our business associates' development of the NGAL immunoassay in other formats, we expect to achieve our own goals and meet our stockholders' expectations of entering the routine diagnostics market in 2010 or early 2011.



Thea Olesen, CEO

Highlights

2009 fiscal year

- The Group's net revenues increased in 2009 by 11% to a total of DKK 11.01 mill., from DKK 9.88 mill. in 2008. The net revenues are on a par with the most recently announced expectations.
- 2009 saw a loss of DKK 15.95 mill., compared to a loss of DKK 14.74 mill. in 2008. The loss is in line with the most recently announced expectations.
- The Group achieved successful results during the development of a new NGAL immunoassay (diagnostic renal injury assay, i.e. The NGAL Test), which was developed in a format targeting existing instruments at central hospital laboratories. This assay format paves the way for rapid access to the NGAL market for most major vendors of diagnostic tests and assay instruments.
- After the completion of ownership litigation, BioPorto's NGAL cutoff patent for protecting NGAL as a measurement method for acute renal injury was issued in Europe on 11 November 2009. In the beginning of 2010, the patent has been validated in the individual countries. By this means, BioPorto has bolstered its position in ongoing licensing-access negotiations for the utilization of the patent by other players in developing the NGAL immunoassay in other formats besides the homogeneous assay, for which the Group retains the rights to market The NGAL Test.
- The Group has launched an APC-PCI ELISA Kit. Studies in this area have spurred positive expectations for a new utilization of APC-PCI as a biomarker for sepsis patients with a view to qualifying them for treatment using activated protein C (Xigris, a drug marketed by Eli Lilly).
- A Mouse NGAL Kit and a Dog NGAL Kit were launched under the animal NGAL portfolio. One effect of this enlarged and comprehensive portfolio of animal NGAL products is that it has been possible to establish distribution collaboration with ALPCO Diagnostics in the US.
- A private placement was carried out by issuing 3.83 million new shares at a price of DKK 3.97 per share, equating to net proceeds of DKK 14.7 million. The capital infusion is expected to ensure operations for the launch of The NGAL Test (beginning of 2011).
- In 2009, BioPorto completed a quality-assurance certification audit and achieved ISO 13485:2003 certification in February 2010.

Expectations for 2010

- In 2010, BioPorto anticipates that product sales will continue to grow by around 15-25% and revenues are expected to be around DKK 12.5-14 mill., not including income from the sales of licenses.
- Without licensing income, a net loss of around DKK 14-15 mill. is expected for 2010.
- The most important task for 2010 will be the completion and marketing of The NGAL Test.
- In terms of the Group's IP rights to the NGAL measurement method, BioPorto expects to enter into agreements concerning other vendors' use of these for developing and marketing the NGAL immunoassay in other assay formats, and expects to achieve licensing income in 2010 in the form of one or more down payments.
- The Group expects to launch two more animal NGAL ELISA Kits and four to six new unique antibodies, developed in-house.

This annual report contains statements regarding forecasts for future developments, including in particular future revenues and net financial 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.

Please also note that this is a translated version. In case of discrepancy, the original Annual Report in Danish should be referred to for the correct wording and/or figures.

Financial Highlights

(DKK thousand)	2009	2008	2007	2006	2005
Net revenues	11,008	9,875	8,340	5,554	4,362
Net income/loss , ordinary operating act. (EBIT) .	(16,017)	(15,477)	(14,045)	(14,659)	(14,355)
Income/loss from net financials	63	735	(219)	(1,068)	(602)
Net income/loss from ordinary operating activities before tax	(15,954)	(14,742)	(14,264)	(15,727)	(14,957)
Net income/loss for the period	(15,954)	(14,742)	(14,264)	(15,727)	(14,957)
Long-term assets	882	1,206	1,182	694	867
Short-term assets	19,336	17,951	32,718	4,108	13,598
Total assets	20,218	19,157	33,901	4,802	14,464
Capital stock	126,398	114,908	114,908	73,059	73,059
Equity	15,411	15,501	29,456	(17,617)	(3,056)
Long-term liabilities	0	0	0	10,764	14,264
Short-term liabilities	4,807	3,655	4,445	11,654	3,256
Total liabilities	20,218	19,157	33,901	4,802	14,464
Cash generated by operations	(13,287)	(13,717)	(14,129)	(13,456)	(13,881)
Cash generated by investment, net	(22)	(363)	(738)	(69)	(516)
Of which for investment in property, plant and equipment	(15)	(391)	(880)	(265)	(251)
Cash generated by financing	14,746	(507)	46,377	248	20,403
Total cash flow	1,437	(14,587)	31,510	(13,277)	6,005
Gross margin ratio	57%	54%	45%	56%	-3%
Operating margin	-145%	-157%	-168%	-264%	-329%
Return on investment	-264%	-251%	-251%	-293%	-251%
Equity interest (equity ratio)	76.2%	80.9%	86.9%	Negative	Negative
Return on equity	Negative	Negative	Negative	Negative	Negative
Average no. of employees	22	20	20	16	16
Average no. of shares (1,000)	39,245	38,290	31,505	24,340	23,042
Earnings per share (EPS) DKK	-0.41	-0.39	-0.45	-0.65	-0.65
Cash Flow Per Share (CFPS), DKK	-0.34	-0.36	-0.45	-0.55	-0.60
Equity value per share, closing, DKK	0.39	0.40	0.77	-0.72	-0.13
Listed price, closing, DKK	7.05	5.25	4.91	3.94	5.20

See note 1 of the consolidated accounts for the calculation of the individual financial ratios.

Routine diagnostics market

The in vitro diagnostics (IVD) market is assessed at being more than USD 37 billion. The IVD market is more concentrated than the pharmaceutical market, and the ten biggest diagnostics players account for about 75% of the market. The market is expected to continue to grow in the years ahead. The most significant factor contributing to this growth is the establishment of new diagnostic markers, including BioPorto's NGAL Test, for instance. Another important factor for continued growth is a growing wish for customized medical treatment for each patient, which intensifies the demand for accurate, comprehensive diagnostics by using BioPorto's APC-PCI assay, for instance. The revenues from the NGAL immunoassay alone are expected to generate appreciable growth in the routine diagnostics market, growth which is not yet included in the existing market reports or estimates.

It is possible to develop these new biomarkers in different testing formats designed for the routine diagnostics market where the ideal format for one marker can easily be less suitable for another. BioPorto's core expertise is in antibody-based immunoassays and the market for three types of testing formats—fully automated assays, point-of-care, and manual methods—all of which are based on antibodies and will be described in more detail below. Overall, antibody-based tests account for roughly one-third of the entire IVD market.

The market for various types of immunoassay formats

Fully automated analyses, homogeneous and heterogeneous tests

Full automation means that a patient sample (blood or urine) is placed on a machine that reads a barcode, identifying the assay to be performed, after which the assays are carried out and the assay results are submitted to the hospital computer system. Typically, one instrument can perform 100 different assays, can process up to several thousand patient samples per hour, and is largely self-operating. Fully automated systems are expensive to buy, but it is estimated that roughly 83% of all assays at hospitals are run on such systems today.

More than ten billion test results are generated by fully-automated assay systems each year. The sales of these assay instruments and test reagents in the US and the EU amount to roughly 25% of the total world market for IVD.

The largest players in the market are Beckman Coulter, Siemens, Roche Diagnostics and Ortho-Clinical Diagnostics (Johnson & Johnson), Olympus America,

Bayer Diagnostics, and Abbott Diagnostics. Instrument sales are the smallest part of the turnover for these major market players, whereas their earnings are largely based on continuous assay sales. For this reason, it is crucial for diagnostics companies to bring innovative new biomarkers for their systems to market, which subsequently affects their instrument sales.

Two types of assays are available for fully automated systems: homogeneous and heterogeneous. A homogeneous test comprises only one analysis step. Fluids are mixed and the result is read. As a result, the test can easily be adapted to the systems offered by the vast majority of manufacturers of diagnostic equipment, and thus the instruments already set up at hospitals all over the world. By comparison, a heterogeneous test requires a separation step to determine the bonding of the marker with a surface. In practice, this means that the assay is developed for one specific analysis instrument and cannot be transferred to other systems.

Although the number of test results originating from homogeneous tests is far greater than the number of results generated by heterogeneous tests, the turnover of heterogeneous tests exceeds the turnover of homogeneous tests. This is because almost all previously known homogeneous tests are simple and inexpensive, and none is protected by patent rights, which typically causes the price of the assay to be strikingly lower than for heterogeneous tests.

Point-of-care

Point-of-care assays can be performed without having appreciable laboratory facilities. The best known is the pregnancy test where urine is dripped onto a testing stick and one or two visible lines indicate whether a woman is pregnant. The same principle can be used for most other biomarkers and the assay can be made quantitative, which usually requires an instrument with a display, however. As each sample must be individually processed and as only one assay can be performed at a time, point-of-care assays are best suited for situations where a few samples arrive at a time or where it is important to get a reply immediately, such as for coronary thrombosis. These assays are typically less accurate and more expensive than assays performed on fully automated systems. The point-of-care area is rapidly growing. This is because new individual assays are being implemented all the time, both as assay sticks and for reading devices, especially for use by general practitioners, emergency wards, and for home use, and because the use of these assays is constantly winning additional acceptance and proliferation.

The total point-of-care market amounts to USD 12.5 billion, of which 71% is composed of sales of patient self-testing kits. The three largest POC areas are diabetes, cardiac markers, and coagulation. The largest POC players are Roche Diagnostics, Abbott Diagnostics, Biosite, Siemens (Bayer, Dade Behring & DPC) and Johnson & Johnson/Lifescan.

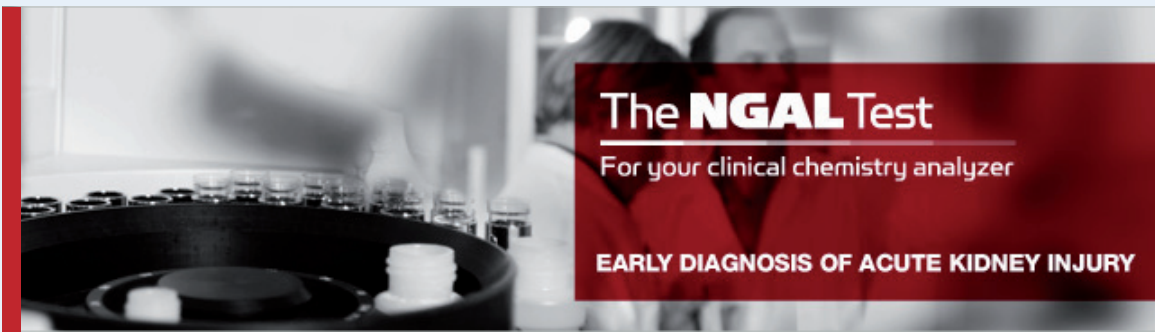
Manual methods

ELISA (enzyme-linked immunosorbent assay) is a simple, robust analysis that is relatively inexpensive to develop. It has been in use for more than forty years. This manual method must be performed by a well-trained technician, and it takes a relatively long time to analyze each sample. The price per assay is high if only one or a few samples a day are analyzed, and applying the method to a large number of samples requires lots of work. The automated ELISA technology has achieved widespread use and combines the benefits of the manual method with a robot for performing it. The robot reduces the number of technician hours required and makes it

possible to process a much larger number of samples. Compared to a manual ELISA assay, it takes a bigger effort to implement the method in a laboratory, but it requires a much lower investment than establishing a fully automated assay.

The ELISA-kit market is highly fragmented and typified by a large number of players, some of which specialize in supplying the research market and others the diagnostics market. In the industrialized markets, the ELISA format is used in routine diagnostics only to a limited extent and only for measuring markers that are measured infrequently. In new growth economies like China, India, Russia and Brazil, the ELISA format is still widely used for routine diagnostics, including in particular at small hospitals, which are unable to introduce fully automated assay equipment.





NGAL – the new diagnostic marker of acute kidney injury

- NGAL is relevant for the diagnosis of acute kidney injury
- 5 – 7 % of all hospitalized patients may develop acute kidney injury
- With present methods, kidney damage is diagnosed after 24-72 hours whereas measuring NGAL can diagnose it within few hours
- There is currently no competing test for diagnosing acute kidney injury
- BioPorto offers several NGAL tests and has obtained IP rights for the diagnostic method



NGAL – a marker of nephrotoxicity

- NGAL is important to the pharmaceutical industry for toxicological testing of new candidate drugs
- BioPorto markets products for measuring NGAL in rat, mouse, dog, pig and monkey



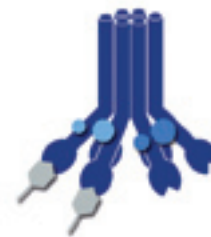
APC-PCI – a marker for severe sepsis treatment

- APC-PCI is a marker with potential for selecting severe sepsis patients
- There are an estimated 2.3 mil. severe sepsis cases per year in the western world
- Sepsis treatment is expensive and may have serious side effects. Only certain patients seem to benefit from the treatment and these may be identified by BioPorto's test
- BioPorto is the only company to market an APC-PCI ELISA Kit and has a patent application in the area currently undergoing examination



MBL – a marker of immunodeficiency

- MBL determination demonstrates a subtle defect in the innate immune system which contributes to susceptibility to infections
- More than 12% of the average population have MBL deficiency
- MBL determination is especially relevant in children with recurrent infections and patients undergoing chemotherapy
- BioPorto markets an MBL ELISA Kit



Monoclonal antibodies for research and development

BioPorto markets a large number of monoclonal antibodies, including antibodies focused on the following research areas:

- Type 2 diabetes / obesity
- Influenza
- Microbiology

Under the brand AntibodyShop® BioPorto markets a portfolio of approximately 300 antibodies and this is under continuing expansion



NGAL for human diagnostics

NGAL (neutrophil gelatinase-associated lipocalin) is a protein secreted by the kidneys when exposed to harmful action. NGAL is also excreted to a lesser extent by other organs or tissue in the presence of other illnesses, but in the event of renal injury, the level of NGAL rises sharply and quickly. Today, there is no competing technology for early diagnosis of acute renal injury. The existing methods for measuring renal injury, including the most frequently used measurement of serum creatinine, do not indicate renal failure as a consequence of a previous renal injury until much later (24 to 72 hours). By comparison, an NGAL assay can indicate a harmful renal effect only a few hours after the harmful effect occurs.

developed for all testing formats, fully automated assays (heterogeneous and homogeneous tests), point-of-care and manual methods such as ELISA kits. The homogeneous tests are expected to constitute the largest segment of the NGAL market due to the assay's utilization with most of the major automated assay instruments already set up in hospitals all over the world. The estimated breakdown of the NGAL market is shown in the table below:

NGAL in various assay formats

NGAL on fully automated assay equipment

In August, BioPorto announced positive development

	Manual methods Research	Fully automated systems	Point-of-care (near-patient)
Primary use	Research Central labs (hospitals)	Central labs (hospitals)	Specialist depts (hospitals)
Product type	ELISA, mAbs	Homogeneous (3/4) Heterogeneous (1/4)	Single tests
Primary markets	Emerging markets (China, India, a.o.)	Industrialized countries	Industrialized countries
Market share	2-5 %	70-80 %	20-25 %
Companies (current and potential)	BioPorto MBL Int. Corp. R&D Systems	BioPorto Siemens (Bayer, Dade Behring & DPC) Abbott Diagnostics Roche Diagnostics Beckman Coulter (Olympus Diagnostics) OCD (Johnson & Johnson)	Roche Diagnostics Abbott Diagnostics Biosite/Inverness Siemens Johnson & Johnson/ Lifescan

The patient base for NGAL utilization encompasses all critically ill patients, including post-operative patients after major surgery, including heart operations. More than 10% of all hospitalized patients risk suffering renal failure, and 5-7% of them will experience acute renal failure during hospitalization. The total number of NGAL immunoassays is estimated to be 150–200 million a year. The use of NGAL assays for diagnosing acute renal injury will strikingly improve treatment and make it possible to perfect new therapies.

As described under the section on the routine diagnostics market, new biomarkers can be developed in different assay formats intended for the routine diagnostics market where the optimal format for one marker can easily be less suitable for another. NGAL can be

results for a new type of NGAL assay resulting from collaboration with one of the world's leading companies in the development of this type of assay. The assay, The NGAL Test, is homogeneous and designed for use at central hospital laboratories. The new assay is designed for use on a wide selection of fully automated systems, which are used for the vast majority of the millions of analyses performed at hospitals every day all over the world. This means the assay creates rapid access to the attractive NGAL market for most of the major vendors of assay systems.

The test is based on the Group's own antibodies and calibrator material. In 2009, appreciable resources were applied to optimizing and scaling up the production processes for these critical ingredients. The develop-

The **NGAL** Test

For your clinical chemistry analyzer

EARLY DIAGNOSIS OF ACUTE KIDNEY INJURY

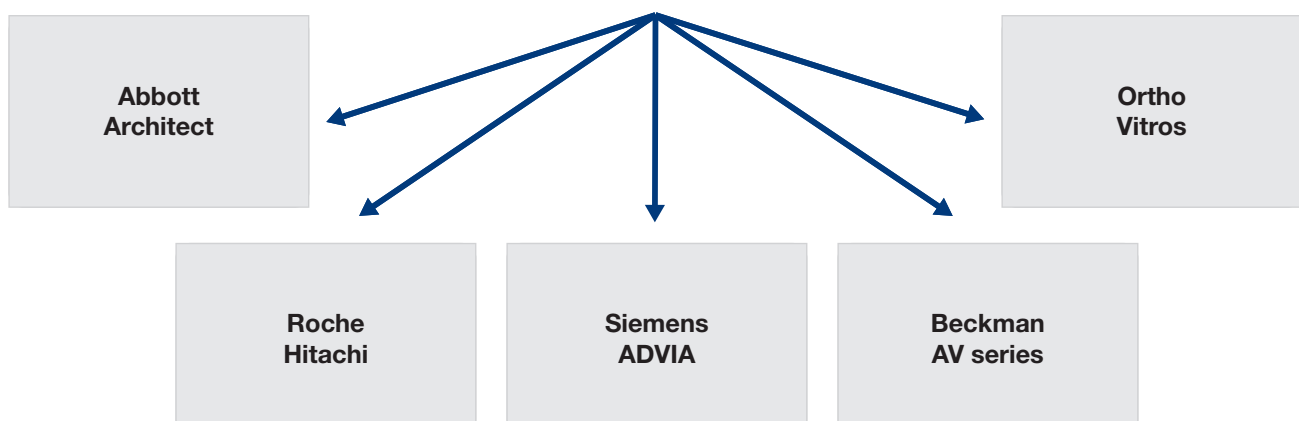
ment of the test has proceeded as planned, and all specifications were achieved within the expected timeframe. In the first half-year of 2010, the test will undergo the transfer process from development to production where large-scale production will be tested. In the course of the summer, validation batches of all reagents will be produced, and after this the testing of and adaptation to the various clinical chemical analyzers can commence, and the validation and registration tasks can be initiated. The NGAL Test is expected to be launched in early 2011.

BioPorto is already promoting The NGAL Test, and the initial interest expressed by prospective users (doctors) and customers (managers of clinical chemical laboratories) all over the world has been very positive. In 2009, meetings were held with several of the major diagnostics companies with a view to using the assay on their specific analyzer instruments. BioPorto wishes to establish delivery agreements with all existing vendors of homogeneous assays for their fully automated systems

for the purpose of covering the market segment to the greatest possible extent. The first agreements are expected to be established in 2010. Moreover, BioPorto will make a targeted effort to sell the assay under its own brand via existing and new distributors.

At the same time, BioPorto has obtained patent rights within the NGAL area, which is described in more detail in the section below on intellectual property rights. The Group's NGAL cutoff patent is the principal patent in BioPorto's portfolio of NGAL IP rights and is essential for the Group's access to the promising NGAL market. The NGAL patents make it possible to guarantee BioPorto's sales of its own products and to exercise BioPorto's rights vis-à-vis competitors in the event they sell NGAL immunoassays for acute renal injury diagnosis without having licensing access to the patents. It is unnecessary, however, to obtain a patent for all markets before selling BioPorto's own products, i.e. the new homogeneous NGAL assay and the existing ELISA kits. BioPorto expects to retain the patent rights to the homogeneous

The largest homogeneous assay systems



testing format but is open to issuing a license for NGAL assays in other assay formats.

Accordingly, BioPorto expects to be the only vendor of homogeneous NGAL assays for use on fully automated analyzers and expects to be capable of building up a sizeable turnover of its own products, which can be supplemented by the sale of licenses for using the Group's central NGAL cutoff patent.

An important prerequisite for implementing NGAL in the market is that knowledge of the new assay is established and that key opinion leaders accept the test in routine diagnostics. Abbott Diagnostics has developed a heterogeneous NGAL assay for use on Abbott's analyzers (which cannot be transferred to instruments other than those for which the assay is developed), and in this context has gone to great lengths to prepare the market for this new assay, including promoting it at conferences and trade fairs and by initiating NGAL studies. In other words, Abbott is highly instrumental in generating the requisite market acceptance of the new marker.

As mentioned, the total turnover of reagents for testing on fully automated equipment that can use homogeneous assays is less than the total turnover of reagents for heterogeneous assays. This is because the vast majority of homogeneous tests are low-cost chemical assays that are easy to produce and subject to tough competition. However, BioPorto expects it to be possible to price the NGAL test substantially higher than other homogeneous tests, as NGAL is protected by IP rights and is rather complicated to develop in the homogeneous assay format.

Needless to say, the profits from the sales of the Group's own assays are expected to be strikingly higher than the royalties generated by the sale of licenses. At the same time, The NGAL Test is expected to be capable of gaining the largest share of the overall NGAL market, as the assay is suitable for existing assay equipment and because it will be possible to produce and market it at competitive prices.

As a result, the completion and marketing of The NGAL Test will unquestionably be BioPorto's most important task in 2010 and subsequent years.

NGAL as a point-of-care (POC) assay

BioPorto does not market any POC assays today, but on the other hand, it is in BioPorto's interests in this sector to offer licensing access to the Group's patent rights for measuring NGAL for the diagnosis of acute renal injury.

One of the market players is Biosite, which has developed

an NGAL blood test for their triage POC platform.

NGAL – manual methods

BioPorto was the first player on the NGAL market to launch an NGAL ELISA kit in 2005, and the Group launched a rapid version of the kit (one-hour procedure) in 2006, which was CE-labeled so it could be used for routine diagnostics in Europe. The marketing and sales of BioPorto's NGAL ELISA kits has been crucial for analyzing samples from clinical studies and clinical documentation for NGAL as a fast, specific biomarker of acute renal injury.

Sales of BioPorto's ELISA kits for identifying NGAL in patient samples grew by 27% in 2009. Of this, the sales of kits certified for diagnostic use (IVD) grew by 76%.

Sales of Human NGAL ELISA Kits are expected to continue to grow in 2010. The Group is focusing its marketing efforts on large new growth economies like India, China, Russia and Brazil. The ELISA format is used for routine diagnostics more frequently in these countries than in mature markets where routine markers are typically implemented on fully automated analyzers. The growth economies are especially interesting for BioPorto at a time when the IVD market is notably growing in these countries by 10–15% a year, compared to 1–3% growth in the Western world.

ISO certification

In 2009, BioPorto completed a certification audit for the purpose of ISO certification of the Group's quality management system. Being certified is not only an important prerequisite for registering the Group's own products in the markets of preference, but also a decisive strategic element for becoming a certified supplier of major diagnostics companies seeking assurance that BioPorto can provide reliable, regular deliveries. The Group qualified for ISO certification in February 2010 according to ISO 13485:2003 and ISO 13485:2003 under CMDCAS (Canadian Medical Device Conformity Assessment System).

In 2010, BioPorto will continue its efforts to incorporate US standards for the purpose of getting The NGAL Test registered with the US Food and Drug Administration.

In 2010, efforts were also made to register BioPorto's diagnostic ELISA kits in a number of markets, such as China, Brazil and Russia, which is a prerequisite for sales for diagnostics use. In addition, there is now an opportunity for BioPorto itself to take over the existing registration of diagnostic kits in Canada.

Intellectual property rights

The Group expends many of its resources on continuously

seeking to protect the Group's technologies by acquiring patent rights and on defending, optimizing and extending these patent rights. In this respect, 2009 was an eventful year, which led to higher costs for lawyer fees resulting from two patent litigation cases which the Group had to conduct.

The most important events concerned BioPorto's NGAL cutoff patent for protecting NGAL as a measurement method for acute renal injury, which was the object of litigation filed by the Cincinnati Children's Hospital, the holder of other patent applications dealing with NGAL determination for renal injury diagnostics. The cutoff patent is the most important group of patents in BioPorto's portfolio of NGAL-related patents and patent applications. The patent family covers the cutoff above which NGAL is an indicator of acute renal injury and a higher cutoff which indicates renal injury requiring dialysis. This makes it possible to differentiate between "ordinary" renal injury, renal injury requiring dialysis and other diseases which cause slight increases in NGAL. To provide further insight into the protection of a cutoff, a more detailed description is found in the facts box on page 15.

Insofar as IP rights are concerned, it is naturally positive when a third party shows interest in them. On the other hand, this interest is not always expressed in positive terms, and BioPorto experienced the truth of this in 2010.

Since March 2009, BioPorto's NGAL cutoff patent has encountered resistance in the form of legal action filed with the Maritime and Commercial Court of Copenhagen by the Cincinnati Children's Hospital (CCH). The case prompted the European Patent Office (EPO) to suspend the cutoff patent issuance process shortly before the EPO had originally planned to announce its acceptance of the patent. In September 2009, after several rejections of CCH's claims, BioPorto received the positive, long-awaited announcement that CCH had dropped its case before the Maritime and Commercial Court and had thus withdrawn the unfounded charge that BioPorto had arrogated the invention of the cutoff patent in question. The issuance of the European patent was thus delayed by six months, but the attack is regarded as documenting the value of the cutoff patent.

The EPO's decision to issue the patent was announced on 11 November 2009. In the beginning of 2010, the patent has been validated and is now in effect in the following countries: Denmark, Germany, France, United Kingdom, Austria, Belgium, Switzerland, Czech Republic, Spain, Finland, Greece, Ireland, Italy, Luxembourg, Netherlands, Poland, Romania, Sweden, Slovenia and Turkey. Furthermore, the patent family includes patents issued in New Zealand, Singapore and South Africa. Patent applications

have also been submitted in a number of other countries, including the US, where they are either pending or being processed. In addition, BioPorto has submitted other patent applications in the NGAL area:

- The NGAL exclusion patent application is complementary to the cutoff patent and involves lower NGAL values, which preclude a direct risk of renal injury. The PCT application entered the national phase in Europe, the US and Japan in February 2009.
- The NGAL triage patent application involves the use of rapid point-of-care NGAL determination for triage (immediate assignment of degree of urgency to determine further examination or treatment) of persons injured in an accident, a natural disaster, or acts of war or terrorism. In November 2008, the PCT application entered the national phase in Europe and the US. Case processing has commenced in Europe.
- The NGAL ratio patent application involves the use of a ratio between NGAL concentrations in urine and plasma for achieving increased diagnostic specificity and predictive value for acute renal injury. The application received a favorable written opinion for the initial PCT processing. In October 2009, the PCT application entered the national phase in Europe, the US, Japan, China and India.
- The patent application for NGAL molecular types involves a determination of the individual molecular types of NGAL in urine and blood to increase the diagnostic specificity for acute renal injury. In February 2009, the initial PCT processing found prior-art citations in a previous patent application concerning a different diagnostic use of NGAL and, for this reason, the application is awaiting inclusion in the national phase with modified claims that clarify the difference between the inventions.

In 2009, Abbott and Inverness/Biosite launched their respective NGAL immunoassays—a heterogeneous urine assay on Abbott's Architect platform for central hospital laboratories, and a blood assay for Biosite's Triage POC platform. The products are accessible in certain European countries and a few other regions around the world, but not in the US where registration for diagnostic utilization has yet to take place. It is not possible to use these assays for diagnosing acute renal injury without using the cutoff values to differentiate between positive and negative results insofar as they relate to renal injury and other diseases resulting in elevated NGAL values and normal values. So far, Biosite and Abbott have been reluctant to specify the actual NGAL values for the diagnostic utilization of these new assays.

BioPorto remains open to entering into licensing agreements for NGAL IP rights for assay formats other than homogeneous. In the event of a patent violation,

the Group can file an injunction against competing vendors and claim compensation for damages. In this event, the compensation claim will apply for the period starting with the publication of the patent claims. As a result of the imminent issuance of the cutoff patent in Europe, BioPorto is in a stronger position in the ongoing licensing negotiations.

Other parties' NGAL rights

NGAL is widely accepted as a renal injury marker and has great market potential, which also explains the existence of patents and patent applications from other sector players.

The ongoing invalidity action filed by BioPorto against Phadia is still in process with positive progress, and in 2009, this primarily involved the completion of the first expert appraisal, carried out by a doctor with specialized knowledge of things like the molecular weight indication of proteins and by a patent expert. The results of this were predominantly in BioPorto's favor. BioPorto expects the Phadia patent—which in Europe covers the diagnostic use of NGAL for all human diseases—to be declared invalid due to its failure to fulfill the novelty claim. During the case, Phadia filed a claim that BioPorto violates Phadia's patent rights. Phadia has further demanded that BioPorto's NGAL products be withdrawn from the market and that compensation be paid for any units already sold. BioPorto's lawyer in the case considers it unlikely that the court will concur with Phadia's separate claim. At the same time, BioPorto's patent consultant, Høiberg A/S, has stated that it is highly probable Phadia's broad claims will be ruled invalid.

CCH's various NGAL patents and patent applications in Europe and the US are not expected to affect BioPorto's market access, in the event that, contrary to expectation, they are issued or upheld after a challenge to validity. BioPorto is constantly monitoring existing and new patent applications in the sector and assessing their potential impact on BioPorto's market access.

NGAL for measurements in animals

Today, the biomarker NGAL is in the process of becoming a recognized routine diagnostics marker for renal injury. As part of the process of recognizing a new biomarker, it is important to influence the greatest number of prospective users of the immunoassay. Exerting influence on several different market segments (the IVD market and the pharmaceutical industry) at the same time increases the probability of achieving widespread market acceptance more quickly. For this reason, it is important for BioPorto to aim the marketing of the NGAL immunoassay at the pharmaceutical industry, which constitutes a potential routine-

diagnostics market for an immunoassay like NGAL in connection with the development and testing of new medicines. Sales to the pharmaceutical industry can often provide a quicker route to recognition, because of the enthusiasm for trying out new, cost-saving methods. The cost of developing a new medicine can be reduced if the proper tools are available in an early development phase to weed out prospective medicines that are ineffective or produce undesirable side effects such as being harmful to the kidneys. This creates a large, important market for NGAL for testing on experimental animals. By comparison with present methods, the NGAL test could reduce the number of experimental animals used per prospective medicine, which would benefit the pharmaceutical industry both ethically and economically.

The further development of the animal NGAL product portfolio continued in 2009, as the two new NGAL ELISA kits planned for mouse and dog/cat, as well as a pair of Pig NGAL antibodies were launched. In 2010, the Group is planning to launch an additional two NGAL ELISA kits for pig and monkey. After this, BioPorto's NGAL portfolio will be complete for the most widely used experimental animals.

By virtue of the breadth achieved in the portfolio, BioPorto will be closer to disseminating NGAL as a renal injury marker in animal models like dog, pig and monkey. Activities in this area include distribution collaboration with ALPCO Diagnostics, which has concluded an exclusive distribution agreement for the US and Canada. ALPCO is widely experienced with the pharmaceutical customer segment. Collaboration has also been established with scientists all over the world to verify the diagnostic effect. The sales of animal NGAL products accounted for 6% of total revenues in 2009. Market acceptance of the existing products, the launch of new animal NGAL kits and collaboration with ALPCO are expected to substantially increase the revenues generated by this product category. All of BioPorto's animal NGAL kits are produced in-house. The production of these new kits contributes to amassing experience and expertise within these processes, which improved the production economy in 2009. Further optimization is expected in 2010 and 2011 in connection with the scaling up of batch sizes for these products.

BioPorto's launch of the Dog/Cat NGAL ELISA kit in November 2009 opened up the possibility of entering the veterinary diagnostics market. In 2010, BioPorto will seek to establish collaboration concerning the commercialization of BioPorto's NGAL assays relevant to veterinary diagnostics with a partner specialized in this area.

FACT BOX: IP and cutoffs

Diagnostic cutoffs

A cutoff is the same as a limit value and, in a diagnostic context, means the level which differentiates between the presence or absence of an illness with the lowest percentage of misdiagnoses, i.e. either sick people who fail to be diagnosed with an illness or healthy people who are incorrectly diagnosed as having an illness. A diagnostic cutoff is typically determined by measuring a biomarker in a specific patient category and relating the levels to the patients' diagnoses determined in a different manner using the most reliable methods up until now.

For determining the optimal cutoff for diagnostic use, an attempt will be made to achieve the lowest percentage of misdiagnoses. But it is possible to move the cutoff from the optimal level. If, for instance, the cutoff value is lowered, an even higher percentage of sick patients will be identified, but at the same time it will also generate an even larger number of false diagnoses of illness in people who are actually healthy. This means that the diagnostic sensitivity is increased at the expense of the assay's specificity and its positive predictive value. If the predictive value falls sharply, the assay is virtually useless. This results in misdiagnoses of the same number or more of healthy people than the number of sick people who are correctly diagnosed.

Cutoff values are necessary if a biomarker is to be used for diagnosing illness. Some means must of course be provided for differentiating between normal levels and changed levels, higher or lower, which exist in the illness condition. Such cutoff values can potentially be patented, and cutoff patents for the diagnostic use of biomarkers are far from uncommon in the diagnostics industry, exemplified by US736949, "Diagnostic exclusion of presence of deep venous thrombosis in patient at risk..."; US7229770, "Novel methods for detecting cancers and evaluating the prognosis of cancer..."; EP1807702B1, to name just a few.

The NGAL cutoff-patent

BioPorto has determined the NGAL cutoffs which permit the use of NGAL measurements in urine and blood for diagnosing renal injury: a cutoff which differentiates between higher values that characterize renal injury, and lower values that characterize other illnesses and a normal condition; and another higher cutoff above which the values show the presence of severe renal injury, which will in all probability require dialysis treatment.

As the cutoff patent concerns the use of NGAL diagnostics, this does not prevent competitors from selling NGAL assay methods, but it protects the use of the cutoffs mentioned for diagnosing renal injury. Thus, the cutoff patent is extremely relevant to the use of the

NGAL assay on the routine diagnostics market where the diagnosis of acute renal injury is especially interesting. The less dramatic increases in NGAL which occur in the presence of other illnesses are not as relevant to diagnostics or possible treatment measures as the higher increases prompted by renal injury.

It cannot be ruled out that competitors who have developed NGAL assays for the diagnostics market will violate BioPorto's cutoff patent. Attempts can also be made to circumvent the patent by refraining from using the cutoff terminology at first, and by indicating instead the increasing risks of renal injury at different NGAL levels. It is possible to recalculate such specifications into cutoffs, however. Furthermore, cutoffs far below those cited in the patent can be specified. Even so, this will result in a very low positive predictive value, i.e. the assay will yield far too many positive misdiagnoses, as completely healthy people or patients with other illnesses will be diagnosed as having renal injury. This will make it difficult to have the assay certified and implemented in routine diagnostics.

In the event licensing agreements are not entered into with a third party, BioPorto can file patent violation litigation against competing vendors. Patent violation cases are filed in the individual countries, and in order for a violation to take place, the patent must have been issued in the country in question. In certain countries, the case can be preliminarily brought before a lower court to have an injunction filed against the offending product, i.e. the product must be withdrawn. In other countries, the court may only act after the patent court in question has ruled that a violation has taken place, which usually takes somewhat longer. Once the patent court has adjudicated the violation, this usually involves the court ordering damages to be paid to the party in breach for all the offender's sales achieved after the publication of the patent, and that an injunction against further sales is brought into effect. In some countries, such as the US, triple damages are paid, i.e. three times the licensing income which could have been obtained if a licensing agreement had been entered into.

APC-PCI

APC-PCI stands for “Activated Protein C - Protein C Inhibitor Complex”, tiny amounts of which form in the blood once the blood coagulation process is triggered and Protein C (blood-coagulant regulator) is also activated. Activated Protein C (APC) has coagulating and anti-inflammatory effects.

In March, after years of development, BioPorto launched an APC-PCI ELISA Kit which measures the APC-PCI complex in blood plasma. Introductory studies in this area have spurred great expectations for the use of APC-PCI as a biomarker for sepsis patients with a view to qualifying them for treatment using activated protein C (Xigris, a drug marketed by Eli Lilly). Severe sepsis is a complex, dangerous condition with a very high mortality rate. The potential market for sepsis cases amounts to more than seven million assays a year in the Western world. After detailed validation, it is expected that BioPorto’s assay could be used for measuring Protein C activation both in patients with severe sepsis and patients with thrombotic conditions.

Xigris is the only medicine, except for antibiotics, to be approved by the FDA for reducing mortality among patients with severe sepsis. Xigris has not been commercially successful, however, because only a few patients respond to the treatment, yet most of all because it has not been possible to identify in advance which patients would benefit from the treatment. In addition, Xigris treatments are relatively expensive.

Because of its expected ability to select the minority of sepsis patients who can benefit from APC treatment, the APC-PCI assay could triple the cost-effectiveness

of sepsis treatment, making it possible to reduce by two-thirds the present costs of superfluous treatment of patients who cannot benefit from it, and thus also avoid serious, unnecessary side effects. At the same time, the cost reduction is expected to be able to establish APC treatment as an effective therapy for selected patients with severe sepsis, making hospitals and doctors more willing to use it, where it is not used at all at present.

BioPorto has applied for a patent concerning the diagnostic use of the APC-PCI marker for selecting patients with severe sepsis for special treatment. BioPorto has received positive indications for the issuance of a patent which covers this diagnostic method. In 2009, the PCT application entered the national phase in Europe, the US, Japan and Canada. BioPorto’s APC-PCI analysis uses a unique monoclonal antibody which reacts to a characteristic segment of the APC-PCI complex. In the sepsis area, BioPorto has achieved exclusive rights for the utilization of this, which is patented by Forskarpänt i Syd AB. The rights comprise all testing formats, i.e. ELISA, POC and fully automated systems.

BioPorto is the only company to commercially offer a method for measuring this marker in human plasma samples. APC-PCI, together with NGAL, now has a prominent position in our conference and exhibition calendar, and studies have been launched for clinical validation of this new marker which have initiated sales of the new ELISA kit. The validation of the assay, the examination of the prospects of establishing R&D collaboration and the concluding of licensing agreements with central players in the area are all scheduled for 2010.

MBL

Mannan-binding lectin (MBL) is an important molecule in the innate immune response. An MBL deficiency can affect a patient’s effective ability to combat a foreign organism such as a virus or a bacterium. For genetic reasons, 12% of the population of the Western world is fully or partially deficient in MBL. This is of no importance, provided that the adaptive immune response functions optimally, but during treatment or chemotherapy, for instance, the presence or deficiency of MBL can be crucial, as one’s immune response is severely weakened during such treatment. From the age of 0 to 2, children can in some instances be affected by MBL deficiency, which manifests itself as recurring severe or unusual

infections. In addition to the two categories already mentioned, the list of patient categories affected by MBL deficiency includes transplant patients, patients with cystic fibrosis and people suffering from other genetic immune deficiencies. The primary MBL market is estimated to be around 440,000 assays a year.

Since 2000, BioPorto has marketed an ELISA kit for measuring the level of MBL in humans, and the kit is the most frequently used product of the five to six on the market. In 2009, the MBL kit generated revenues of DKK 1.7 million, growing by 12%.

Antibody portfolio - AntibodyShop®

Under the AntibodyShop® trademark, BioPorto markets about three hundred different monoclonal antibodies, primarily to the basic research market. Sales of antibodies for research use stagnated in 2009, which is attributable to lower activity in the research market resulting from the credit crunch. BioPorto saw declining sales for the antibodies offered on both the American and European markets and also notices intensifying price-based competition, especially for bulk sales. BioPorto continues to have highly specific antibodies within the influenza and peptide hormone areas, which are expected to be in demand in large volumes in 2010 and the years ahead.

These two antibody categories also grew in 2009, in spite of the market situation. Thus, sales of the peptide hormone antibodies rose by 11%. These antibodies are primarily used by the pharmaceutical industry in connection with the development of medicines for treating type-2 diabetes and obesity. The portfolio of

influenza antibodies has manifested excellent growth of 118%, generating revenue of DKK 430,000 in 2009, and it is very likely that more of the Group's influenza antibodies will be used for developing new influenza POC analyses, which will strikingly increase sales of these antibodies.

The Group expects to develop four to six new antibodies under its own auspices in 2010, whereas the in-licensing of new research antibodies will be given lower priority.

In 2009, BioPorto chose to withdraw the Gc-globulin ELISA kit from the market, as achieving market acceptance, and thus commercial profitability of the kit, requires the setting up of additional clinical studies and validations and following them up with other renal injury markers. For the time being, the Group's resources are being applied differently.



Intellectual Resources

The biotech sector is characterized by high complexity, fluctuation and intense competition. Thus, the Group's success depends on having the appropriate intellectual resources. The management has identified and follows up the four key areas of importance to the Group's future development:

Scientific areas of focus

The group's scientific expertise must identify the types of products to be developed and also possess the knowledge required for successfully developing the product or to find relevant collaboration partners. In addition, it must be possible to assess the accessibility of intellectual property-right protection and the consequences of existing patent protection, if any.

Development and production processes

The Group's financing expertise must enable the Group to plan and act in relation to the scientific development process characterized by high complexity and low predictability, and in relation to the commercialization of

new markers including expectations of market potential and penetration, which may lead to significant deviations in relation to the budget. Knowledge of IR and communication serves to strengthen the relationship and dialogue with investors, analysts, the press and other stakeholders.

Financing and IR

Finansieringskompetencerne i koncernen skal kunne planlægge og agere i forhold til den videnskabelige udviklingsproces, som er kendetegnet ved en høj kompleksitet og svær forudsigelighed, samt koncernens kommerialisering af nye markører, herunder forventninger til markedspotentiale og penetration, der kan medføre betydelige afvigelser i forhold til det budgetterede. Viden om IR og kommunikation skal samtidig styrke forholdet til investorer, analytikere, presse og øvrige interessenter.

Commercialization

Knowledge of the diagnostics market is needed for commercializing new markers, including the estimate of market potential and penetration, and optimizing sales. Furthermore, insight into the sale of licenses to the company's own rights or products is essential, as is the ability to negotiate the proper terms and conditions for such licenses.

The group's existing intellectual resources are focused in the following areas: scientific development processes; methods for developing diagnostic analyses; negotiating and concluding contracts; financing and investment; commercialization; communications; providing information; quality and certification requirements; clinical relevance; immunology; antibody development; immunochemical analysis; molecular biology; protein chemistry; and manufacturing processes. In addition to the group's own expertise, the group's activities are conducted in close cooperation with permanent scientific employees and an external staff of senior researchers and alliance partners, as well as external consultants in business development, licensing, communications, etc., which thus increases the organization's knowledge base.

The company needs to continue developing, retaining and actively applying its knowledge. The group's HR accounting established for in-house use is part of the management's tools. The main achievements in 2009 were obtained know-how about the routine diagnostic market, in particular the specific use of tests, transfer of knowledge in patent and licensing area from the board, an increased focus on business development in the sales function, a stronger marketing position and progress in the development process.



Social responsibility

BioPorto is aware of its social responsibility and endeavors to improve its social and environmental conditions. In several areas, BioPorto fulfills its responsibility solely by complying with current law, but in other areas, the Group's responsibility has been expanded to include preventive activities for optimizing the various conditions. It is important to BioPorto to highlight these efforts to its customers, suppliers, stockholders, other stakeholders, etc., to ensure that the outside world trusts the Group to live up to its social responsibility. For this reason, this year BioPorto acceded to the Global Compact whose Ten Principles for social commitment, as defined by the UN, are a global frame of reference which it is expedient to be aware of, as the Group is operating all over the world. By acceding to the Global Compact, BioPorto undertakes to report every year on the Group's efforts and current status, a process that is instrumental in systematizing BioPorto's social responsibility tasks. At the same time, through our commitment, we will try to influence the players with whom we interact to also shoulder their share of these responsibilities.

BioPorto's activities affect a wide range of stakeholders in-house and externally, and the report below constitutes the point of departure for the Group's future Global Compact efforts:

Customers

BioPorto develops, manufactures and sells a number of antibodies and antibody-based diagnostic immunoassays for the benefit of patients and the effectiveness of the healthcare sector. The customer base is found within the research sector, the medical industry and the healthcare sector, and it is crucial for BioPorto's products to comply with the quality expected and contribute to providing accurate results wherever the products are used. BioPorto now has a fully-developed quality system and has become certified to the European ISO 13485 and ISO 13485 under CMDCAS (Canadian Medical Device Conformity Assessment System), as described in the Group's quality policy. As an integrated aspect of BioPorto's strategy, customer needs and preferences are used as the basis for the Group's initiation of new products for R&D.

Suppliers and partners

BioPorto supports and respects human rights. BioPorto has no external suppliers operating in countries which do not respect human rights or which use child labor or forced labor. Yet concurrent with the enlargement of the Group's activities, it may be necessary to draft guidelines and incorporate them into supplier contracts to ensure compliance with human rights and labor rights.

Moreover, BioPorto takes sharp issue with corruption, bribery and similar methods. Problems of this kind have not been encountered in BioPorto's activities up to now, but concurrent with internationalization and the Group's activities in new markets, it will become more relevant to draw up guidelines to deal with such issues. The guidelines must primarily be based on the Group's own conduct, but demands will also be placed on distributors, suppliers and other partners. Suppliers and partners are chosen with care and are included in BioPorto's quality system.

Employees

In the composition of the staff, BioPorto endeavors to achieve an equal gender breakdown as well as a diversity of educational backgrounds, nationalities and cultures. This diversity provides a dynamic workday and encourages a fine interplay of approaches for the benefit of staff and Group efforts alike. BioPorto has fair and equal employment terms and working conditions, including equality and non-discrimination. Both the physical and mental working environment are monitored and continually improved to avoid accidents, injury and illness. In 2010, BioPorto will especially spotlight staff health and the Group's possible role in upholding this.

Other stakeholders

BioPorto makes an active effort to disseminate information about the diagnostic methods and tests developed by the Group. The point of departure for this effort is a commercial goal, but it is largely intended to also meet the needs of patients and doctors for improved diagnostics and, thus, treatment. The Group's dialogue with investors and others interested in BioPorto is described under "Investor Relations".

Environment

BioPorto's in-house production is limited in scope and of such a nature that it has an insignificant environmental impact. Other possible environmental impacts, e.g. the consumption of water and electricity, will be incorporated into an environmental policy, the purpose of which is to reduce the impact on the environment wherever possible.

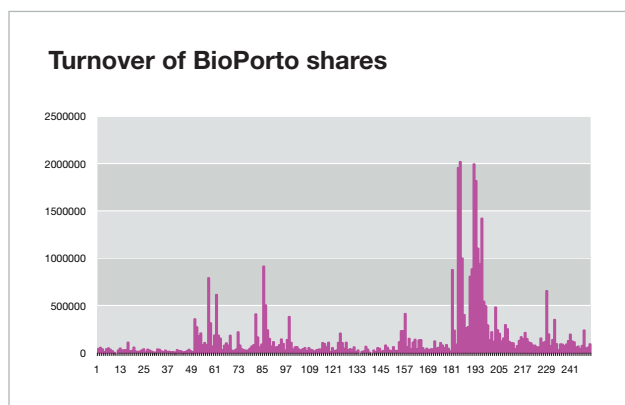
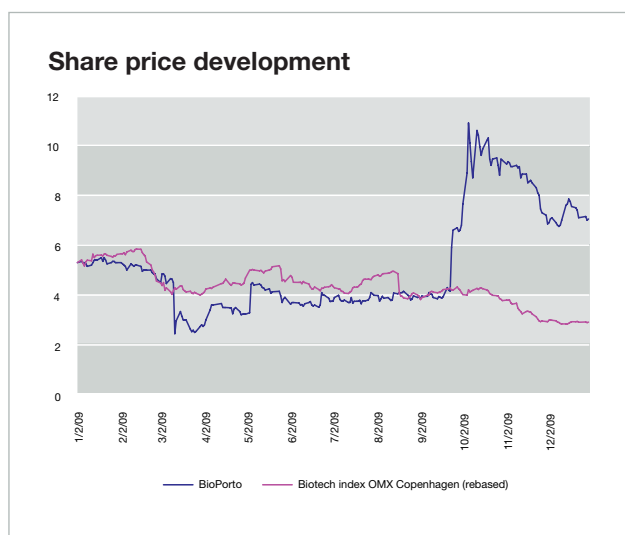


Shareholder Information

Capital, votes and share performance

The share capital is as of October 1, 2009 increased by 3,830,000 new shares at a nominal value of DKK 3.00, totally DKK 11,490,000, as a result of a private placement. After the capital increase, the share capital amounts to nominally DKK 126,397,872 comprised of 42,132,624 shares at a nominal value of DKK 3.00, each of which are entitled to one vote. BioPorto's shares are listed on the NasdaqOMX Copenhagen. The shares are traded under the symbol (BIOPOR). The securities identification code is DK0011048619.

On December 30, 2009, the closing price of BioPorto's shares was DKK 7.05 equivalent of a 33% rise in 2009. BioPorto's market capitalization on December 30, 2009 was DKK 297 million. In 2009, the turnover of shares was DKK 253 million and 39 million shares were traded.



Ownership structure

On December 30, 2009, the following investor has notified BioPorto of a share holding of 8.4%: *T. Bernt Nielsen and associates, Helsingør, Denmark.*

On December 30, 2009, BioPorto had 3,101 registered shareholders, whose accumulated shareholding equates to 61% of the share capital.

Warrantprogram

With a view to establish an incentive for retaining the current skilled employees and their active effort for the company and more attractive to prospective employees, the board established a new warrant program in 2008. At the same time, it serves as an incentive for the company's management and board of directors.

The board is authorized to issue, on one or more occasions, a number of warrants for shares at a nominal value of DKK 3.00, equivalent to up to 5% of the company's nominal share capital at the time in question with no priority subscription right for the company's shareholders.

On April 16, 2009, 483,250 warrants were issued, equivalent of 1.26% of the total nominal share capital.

The issued warrants are distributed as follows: The executive management is granted 56.675 warrants and the employees of BioPorto A/S and BioPorto Diagnostics A/S are granted 426.575 warrants, all at market price fixed as a weighted average of the listed price in the most recent ten days of trading on Nasdaq OMX Copenhagen prior to the issue on April 16, 2009, yet no less than a minimum price of DKK 3.50. The minimum price of DKK 3.50 applies. A term of maturity of two years is incorporated into the program which means that the warrants granted may at the earliest be exercised on April 16, 2011.

Thus, a total of 1,910,750 warrants have been issued. This includes 910,000 warrants issued in 2006 whereof 882,160 have lapsed unutilized. By the end of 2009, 1,000,750 warrants are outstanding equivalent of 2.38% of BioPorto's total 42,132,624 shares.

Dividend

BioPorto A/S's policy is that share holders should receive a return on their investment in the form of a price increase based on the group's performance. The payment of dividend must always consider the requisite consolidation of equity as the basis of the group's continued expansion.

In consequence of the group's need for capital for activities leading to the launch of The NGAL Test in the beginning of 2011 as well as the Group's other development programs, the management and the board of directors do not expect to disburse dividend in 2010.

Investor Relations (IR)

BioPorto aims to give the market open, satisfactory information about the company's operations, strategy and results with a view to ensuring fair pricing of the share and to contribute to ensuring good corporate governance. All stakeholders should have fast, equal access to important information about BioPorto's development and growth. One of the ways this is effectuated is by publicizing in-house knowledge in company announcements to NasdaqOMX, Copenhagen, which are subsequently made available at the company's website, www.bioporto.com.

Other publicized information, including general corporate and investor presentations, are made available to the general public at the website. BioPorto offers a news subscription service. Investors and other interested can sign up for notification of published company announcements, newsletters and other material in the investor section of the website.

Date	Announcement
12.03.2009	BioPorto's cutoff patent for NGAL – grant proceedings stayed
16.03.2009	Annual Report 2008
17.03.2009	Launch of APC-PCI ELISA Kit
18.03.2009	Annual General Meeting
23.03.2009	Insider's dealings
24.03.2009	Insider's dealings
25.03.2009	Insider's dealings
26.03.2009	Insider's dealings
01.04.2009	Development of Annual General Meeting
02.04.2009	Insider's dealings
16.04.2009	Issue of warrants in BioPorto A/S
05.05.2009	Resumption of proceedings for BioPorto's patent
18.05.2009	Change of date for resumption
27.05.2009	Interim financial report for Q1
28.05.2009	Insider's dealings
09.06.2009	Insider's dealings
25.06.2009	Insider's dealings
04.08.2009	Objection from CCH against the resumption of grant proceedings
14.08.2009	EPO maintains October 1, 2009, as the date of resumption of patent grant proceedings
18.08.2009	BioPorto adopts new rapid route to widespread commercialization of kidney test
25.08.2009	Interim financial report for Q2
25.08.2009	Cash issue, private placement
24.09.2009	CCH drops lawsuit
25.09.2009	BioPorto completes cash issue
01.10.2009	Company articles
06.10.2009	EPO decides to issue BioPorto's NGAL cutoff patent on November 11, 2009
30.10.2009	Share capital and votes
26.11.2009	Interim financial statement for Q3
10.12.2009	Financial Calendar for 2010



BIOPORTO

In 2009, BioPorto increased the number of investor meetings and will continuously aim at a satisfactory flow of information including efforts to create awareness among media and analysts.

To ensure an efficient, expedient dialog with our share holders, BioPorto encourages its share holders to let their share holding be registered and to participate in annual general meetings. The IR Department is also responsible for ensuring that information from the company's IR stakeholders is passed on to the management and the board of directors.

Contact

Additional information is available at the company's website, www.bioporto.com. For Investor Relations, please contact:

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e-mail: investor@bioporto.com

Annual general meeting

The annual general meeting is held on April 20, 2010 at 3 p.m. at the company address.

Financial calendar

Date	Announcement
12.02.2010	Quiet period prior to the annual report begins
12.03.2010	Annual report from 01.01.2008 – 31.12.2008
20.04.2010	Shareholders meeting
12.05.2010	Quiet period prior to the interim report begins
26.05.2010	Interim report – 3 months
12.08.2010	Quiet period prior to the interim report begins
26.08.2010	Interim report – 6 months
10.11.2010	Quiet period prior to the interim report begins
24.11.2010	Interim report – 9 months

Corporate Governance

The management and board of directors of the company, BioPorto A/S, bring great focus to bear on investor relations, and the company's board of directors is committed to exercising good corporate governance. Following the recommendations for good corporate governance generates value for the company in the long term and ensures the immediate publicizing of information to share holders and the stock market.

The board is responsible for the overarching management and control of BioPorto A/S. Once a year, the board reviews its Rule of Procedure and the company's guidelines, policies and procedures, including the recommendations for good corporate governance for the purpose of ensuring that these are up to date and appropriate. Six board meetings were held in 2009, including one lengthy strategy meeting and 9 phone meetings. Six meetings and 3 phone meetings have also been planned for 2010, in accordance with the board's annual schedule, which obviously can be changed or added to at any time to allow for additional meetings, if the need arises.

Marianne Weile, Director of Patens and Licensing, Novozymes, joined the board of directors after last year's annual general meeting at which Ejner Bech Jensen, President, Novozymes Inc., had chosen to resign. The members of the board are selected and put up for election on the basis of their specific qualifications and experience that are relevant to BioPorto. Thus, the board is composed with a view to ensuring an optimal combination of professional experience in the sector in general, in research and development, in sales and marketing, as well as in finance and economy. The board meets the recommendation of diversity with a reasonable age distribution and gender balance. All board members are assessed by the board as being independent. The election term is one year at a time and the age limit is set at 70 years. The chairman of the board is responsible for evaluating the management and the board of directors every year. The evaluation also includes the working relationship with the management. The result of the evaluation process is subsequently presented to and discussed at a board meeting. In 2009, the overall result of the evaluation was favorable, reflecting order and structure in the work of the board, and only minor adjustments to be implemented in 2010.

Main elements of the Group's in-house control and risk-management systems

The board and management have the overarching responsibility for the Group's risk management and internal control related to financial reporting. BioPorto's policy is to identify and minimize the risks deriving from the Group's operations and to establish sufficient scope

of insurance coverage. The Group's control and risk management systems can create a reasonable, but not absolute, certainty that the unlawful use of assets, loss and/or material misstatements relating to the presentation of the financial statements are avoided.

Audit committee

The Group's board has chosen not to appoint a special audit committee, but to attend to the audit tasks specified as part of the general board tasks. The board meets the stipulated requirements of having at least one independent board member (Carsten Lønfeldt) with experience as an accountant or who has served as a CFO. The board attends to the audit tasks stipulated, including:

1. monitoring the process of the presentation of financial statements;
2. monitoring whether the Group's internal control system—and, where relevant, the internal audit and risk management systems are functioning efficiently;
3. monitoring the statutory audit; and
4. monitoring and verifying the auditor's independence.

The board approves yearly targets for the risk-management efforts, and a situational update is on the agenda of each board meeting. The management continuously monitors compliance with relevant legislation and other rules and provisions relating to the presentation of the financial statements and reports on this to the board on an ongoing basis.

Policies and procedures

Policies and procedures have been established for all significant functions and tasks relating to the presentation of the financial statements. The procedures in manufacturing and sales are also subject to the Group's quality system (ISO 13485:2003). All policies and procedures are accessible to the Group's employees via the Group's intranet. The separation of functions is striven for wherever possible and expedient in a control perspective. Wherever this is not possible, approval processes or manual controls have been implemented to minimize the risk of errors and fraud.

Risk management

BioPorto is exposed to a number of risks that could significantly affect the Group's activity, in the event these risks are not correctly assessed or controlled. BioPorto's policy is to identify and minimize the risks deriving from the Group's operations and to establish sufficient scope of insurance coverage. BioPorto has established risk-management as a formalized process for the purpose of generating a close correlation

between the Group's ongoing aims and activities and the individual risk elements of the Group's sphere of activity. The process comprises five sub-elements: identification, analysis, planning, action and follow-up. All department heads participate in efforts relating to the individual activities, where the individual risks are evaluated on the basis of probability and impact criteria. On this basis, the departments plan activities for the purpose of reducing, monitoring or controlling the elements of risk identified. The activities take place as an integrated aspect of departmental subgoals. These efforts include both financial and non-financial risks. The Group's insurance policies are also reviewed once a year with a view to maintaining optimal, expedient coverage. The management assesses that all significant elements of risk have been identified and addressed. See also the section relating to capital resources and note 16 (financial risks).

Reporting and follow-up

The Group's internal reporting was established with a view to achieving efficient follow-up on the Group's financial status. Monthly and quarterly reports are prepared for the board and management and focus on the key areas and activities identified, and any deviations in relation to budgets and planned activities are followed up.

Internal audit

Based on the size of the Group, the board has assessed that there is no need to establish an internal audit function. No whistleblower function has been established.

External audit

The presentation of the financial statements and the internal control procedures are reviewed and revised by an external auditor, elected at the Group's annual general meeting. The auditor reports on important conditions relating to the accounts or on significant weaknesses in the internal control environment and enters this report in the auditor's records for the board.

Corporate Governance

The Board has discussed the forthcoming response to the corporate governance recommendations that are expected to come into force for the annual report 2010. The board is ready to follow the new recommendations when they are adopted. BioPorto complies with the

recommendations for good corporate governance with the following few exceptions:

- As BioPorto is a small company, and the board of directors is made up of four members, the board has decided not to elect a vice-chairman. The close cooperation between the members of the board ensures the ability to take over in the event of the chairman's absence, just as the other board members serve as sparring partners for the chairman of the board.
- BioPorto's board has chosen not to set up any committees as there are no situations where the size of the board or the nature of the tasks would benefit from having a committee. In so doing, the board ensures that all information relating to the work performed by the board is received by all board members.
- The board participates in the company's warrant program, as the company has found it suitable to make use of this remuneration form for the board in the light of the company's current situation and based on general practice in the sector.

A detailed review of BioPorto's position in the individual recommendation can be found on www.bioporto.com Investor Relations/Corporate Governance.

Remuneration of the management and board of directors

The basic fee of the board is set at a level which is assessed as being competitive and reasonable compared to the sector in general and the company's current situation. In 2009, the annual board fee was set at DKK 125,000 and the chairman of the board receives twice this fee. For 2010, the board proposes that the fees remain unchanged. The board participates in the company's warrant program (see note 5). The annual general meeting considers the board's fees in connection with the discussion of the 2009 annual report. The management is made up of one person, employed on a contract basis. In 2009, the management received a salary of DKK 1,252,000 including pension. An agreement with the management continues for 2010 regarding the disbursement of bonus, if a down payment is achieved or milestone payments in conjunction with the ongoing negotiations regarding license access to the company's NGAL og APC-PCI IP rights or supply agreements for The NGAL Test are established. The management participates in the company's warrant program (see note 5). No extraordinary or unusual agreements exist regarding remuneration at the time of retirement.



Left to right: Carsten Lønfeldt, Peter Nordkild, Niels T. Foged and Marianne Weile

Board of directors and management

The company's members of the board and management have the following shareholdings in BioPorto A/S. They hold the following directorships in other companies. Directorships in wholly owned subsidiaries are not included.

Board positions	Share-holding	Directorship in other companies	Function
Carsten Lønfeldt (1947) Chairman Director in KCBL Management ApS Joined the board in 2007	93,000	Gypsum Recycling International A/S	CB
		Ciirecon ApS	CB
		Polaris Management A/S	MB
		Labflex A/S	MB
		Global Evolution Invest FMBA	MB
		ATP Invest	MB
		Investeringsforeningen Nykredit Invest	MB
		Nykredit AIDA II FMBA	MB
		Investeringsforeningen Investin	MB
		Investin Pro FMBA	MB
		Capital+ Management ApS	MB
		Nykredit MIRA II-VI F.M.B.A.	MB
		Fonden Dansk Standard	MB
		Bolux A/S	MB
		Pro-Target Invest F.M.B.A.	MB
		TA Management A/S	MB
Carmo A/S	MB		
NKB Invest 106 ApS	D		
Peter Nordkild (1955) Man. Director, Egalet A/S Joined the board in 2007	200,000	Dansk Biotek	MB
		K/S Asschenfeldt, Tyskland Super VIII	MB
		K/S Asschenfeldt, the Pentagon, Derby	MB
		K/S Asschenfeldt, Lange Strasse, Delmenhorst	MB
		K/S Asschenfeldt, Tyskland Super II	CB
		Ponticulus Lifescience Resources LTD. ApS	MB
Niels Tækker Foged (1961) CSO, Visiopharm A/S Joined the board in 2007	50,000	Visiopharm A/S	MB
		In Situ RCP A/S	MB
Marianne Weile (1960) Director, Patents & Licensing, Novozymes A/S Joined the board in 2009	35,000		
Direktion	Share-holding	Directorship in other companies	Function
Thea Olesen (1966) CEO, BioPorto A/S since 2005	235,664	Olesens A/S Wulff-Olesen ApS	CB D
<i>Chairman of the board</i>	<i>CB</i>	<i>Managing Director</i>	<i>D</i>
<i>Member of the board</i>	<i>MB</i>		

Strategy and future prospects

BioPorto will seek to achieve greater access to the routine diagnostics market—a market which is lucrative because once a new diagnostic assay has achieved market acceptance and implementation, the market share is upheld for a long time, providing the basis for a stable, large-scale sales volume.

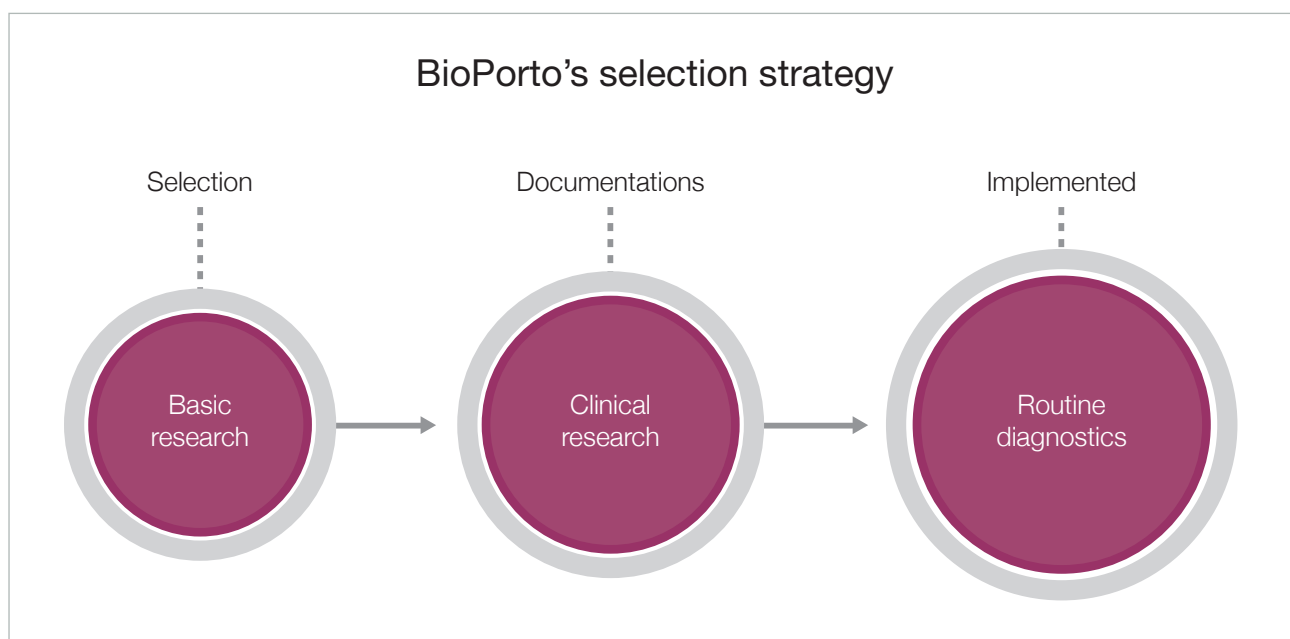
Firmly rooted in this overarching objective, and on the basis of the Group's existing portfolio of unique antibodies, BioPorto has up until now pursued a selection strategy focusing on the development of in-licensing and the sale of market-relevant monoclonal antibodies and antibody-based products for the basic research market. This ensured access to important market information which was commercially utilized in the diagnostic areas of interest for clinical research and routine diagnostics. Antibodies with potential as IVD assays were selected on the basis of the knowledge obtained by the Group, and from here, the company endeavored to develop and patent new assays of this sort with a view to sales for routine diagnostics. Such new assays, like NGAL, were to be implemented in the routine diagnostics market by entering into licensing agreements with major diagnostics companies. At the same time, BioPorto would achieve a niche market with in-house-developed and IVD-registered ELISA kits, especially in areas where expensive measuring equipment is not available.

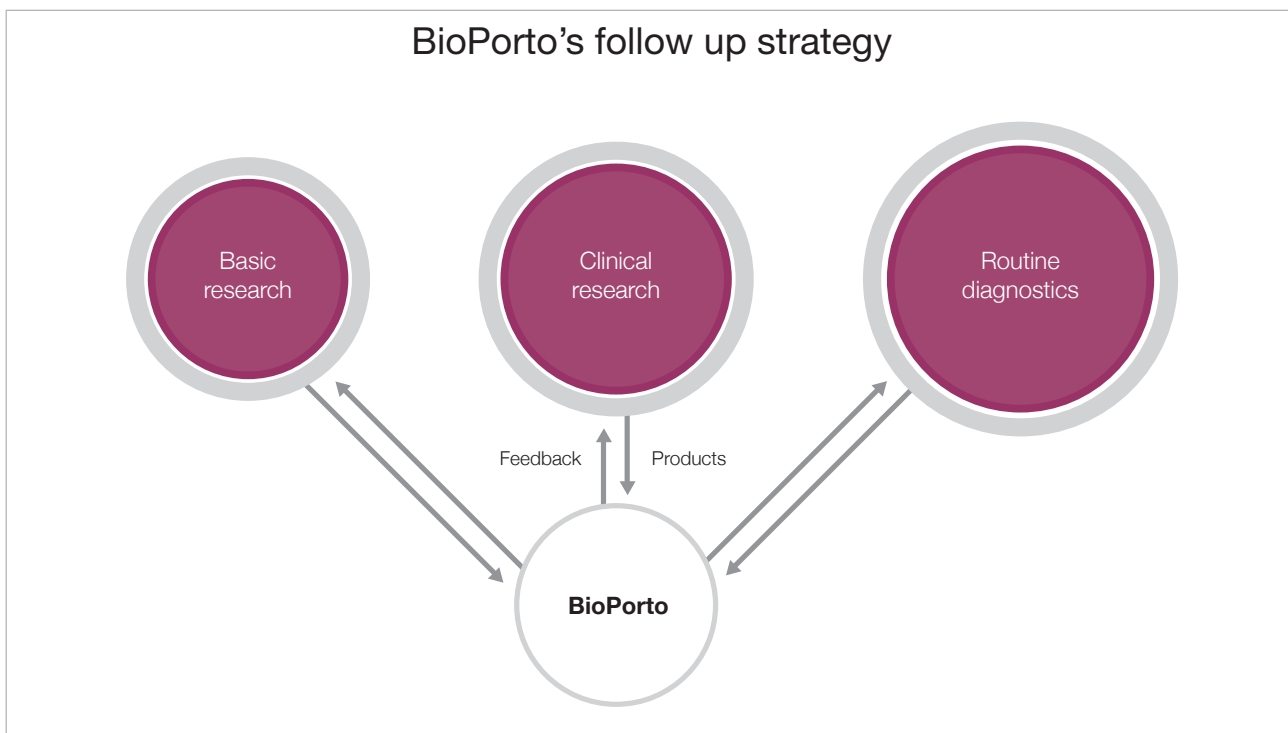
Follow-up strategy

The Group's goal for 2010 and the years ahead remains the same: to achieve a greater share of the routine-diagnostics market. However, due to the development of the new homogeneous NGAL assay, the goal is much closer to achievement, and the path to getting there has become more navigable. In light of The NGAL

Test's market potential of 150–200 million assays a year, BioPorto's strategy will naturally be concentrated on moving forward and following up within this specific area.

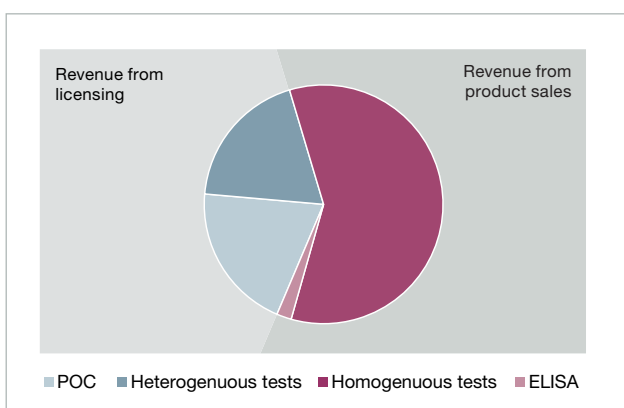
In the event of major activity in the clinical research market and in the event new knowledge emerges in the routine diagnostics market, BioPorto will be kept continually informed of the Group's existing markers and areas of focus. In other words, information flows to the Group from all three markets, and not only, as previously, from the basic research market. Other sources of information, as well as BioPorto's strikingly improved situation insofar as access to the routine-diagnostics market with an in-house-developed renal marker is concerned, have prompted this strategic angle to be modified, whereby we, by collecting data from all three markets, seek to develop, validate and market new and improved markers in the correct assay formats. The selection will continue to be made under consideration of market potential and the option of protecting intellectual property rights or any other competitive advantage. The Group will continue to operate on all three markets, but will concentrate its strategy more on follow-up and development within existing areas of focus. This will be done to ensure the products' access to the routine diagnostics market, possibly by developing the existing assays for the correct assay format, by continually seeking to optimize and secure important patent rights and to achieve access to or develop new and improved markers within an existing field of interest, where BioPorto has already gained knowledge and expertise. By virtue of the existing products and IP rights BioPorto possesses today, the Group expects to follow two routes for obtaining shares of the routine diagnostics market,





both via sales of its own products and by entering into licensing and collaboration agreements with major diagnostics companies.

Income from sales on the routine-diagnostics market is expected to be generated by direct sales of NGAL IVD products and by licensing agreements concerning partners' sales of either NGAL IVD products in other assay formats or APC-PCI assays. The profits from sales of the Group's own assays are estimated to be higher than royalties which could be generated by selling licenses. At the same time, The NGAL Test is expected to be capable of gaining the largest share of the overall NGAL market, as the assay is suitable for already existing measuring equipment and because it will be possible to produce and market it at competitive prices. In addition, it is assumed that the NGAL assay will be marketed in other formats, such as heterogeneous assays and POC assays, and in a smaller market for ELISA, especially in areas where expensive assay equipment is not available.



Expected revenue from the routine diagnostic market

Future Prospects

Once BioPorto's immunoassays, including The NGAL Test, have been established on the diagnostics market, we will experience, already within a few years, a financially sustainable business which is independent of the licensing income generated by the Group's patents. The Group's aims are:

- to generate organic growth, including by selling The NGAL Test, so that revenue within a few years ensures an economically viable business, also without licensing income from intellectual property rights;
- to follow up and develop products within our existing areas of focus;
- to lay the groundwork for selling new products, including especially The NGAL Test;
- to establish optimal licensing agreements concerning access to the Group's patent rights (NGAL, APC-PCI, etc.);
- to expand our activities by purchasing technologies or by means of acquisitions, provided that such expansions are favorable for growth and earnings.

As the Group gradually achieves the goals it has set, and sufficient capital is available for the envisioned enlargements, the Group expects to strengthen its toehold on individual markets and expand its activities. The primary aim in the years ahead, however, is to have The NGAL Test implemented on the various automatic analyzers, thereby gaining a larger share of the total NGAL market, which will secure the successful implementation of The NGAL Test in the routine diagnostics segment and thus also secure BioPorto's exceptionally positive development and growth.

Expectations for 2010

- In 2010, BioPorto anticipates that product sales will continue to grow by around 15-25% and revenues are expected to be DKK 12.5-14 million, not including income from selling licenses. *These expectations are based on additional acceptance and market penetration of BioPorto's primary products of focus in the Human NGAL area, and a striking growth in the sales of animal NGAL products, including unchanged sales of the MBL kit and the antibody portfolio.*
 - Without licensing income, a net loss of around DKK 14-15 million is expected for 2010. *It is estimated that the Group's existing capital resources are sufficient for implementing the activities planned for the launch of The NGAL Test—which is expected to occur in early 2011.*
 - The primary task in 2010 will be the perfection and marketing of The NGAL Test, including testing and adapting the assay to various clinical chemistry analyzers, commencing the validation and registration processes and the negotiating of delivery and distribution agreements.
 - In terms of the Group's IP rights to the NGAL measurement method, BioPorto expects to enter into agreements concerning other vendors' use of these for developing and marketing the NGAL immunoassay in other assay formats, and expects to achieve licensing income in 2010 in the form of one or more down payments. *If a patent is violated, competing vendors can face an injunction/claim for damages. A separate announcement will be issued via NASDAQ OMX Copenhagen, once the Group can assess with greater certainty the amount of any licensing income and the period in which it will be generated.*
 - The Group expects to launch two new animal NGAL ELISA kits. *After this, the Group will market the entire range of animal NGAL ELISA kits, which are used in preclinical studies of pharmaceutical products.*
 - In 2010, the Group expects to launch four to six new unique antibodies developed in-house.
- In 2010, BioPorto will also:**
- In continuation of the ISO 13485:2003 certification achieved, work to include US standards with a view to registering The NGAL Test in the US.
 - Within our areas of focus, expend adequate resources for maintaining, enlarging and achieving every possible form of intellectual property right protection for products and/or utilization methods.
 - Carry out initial validation studies for the APC-PCI assay, look into the possibility of establishing R&D collaboration and entering into licensing agreements with central players in the sepsis area.
 - BioPorto's highly specific antibodies within the influenza and peptide hormone areas are expected to be in demand in large volumes in 2010 and the years ahead, and sales and marketing resources concerning the antibody portfolio will naturally be focused on these two areas.
 - BioPorto has established an efficient in-house production of ELISA kits. However, it is necessary to implement the entire production process for all existing kits in order to be able to convert the Group's kit production, at the same time that greater flexibility is achieved in the choice of production partners. Efforts in this area will continue in 2010.
 - It is anticipated that it will be possible to sell BioPorto's NGAL ELISA immunoassay in areas where expensive analyzing devices are unavailable, e.g. in parts of China, India and Russia. For this reason, efforts will be made in 2010 to register BioPorto's ELISA kits in these markets.
 - Seek to establish collaboration concerning the commercialization of BioPorto's NGAL assays relevant to veterinary diagnostics with a partner specialized in this area.

Financial Statements

Income statement

Net revenues

The group's net revenues increased in 2009 by 11% to a total of DKK 11.0 million (DKK 9.9 million). Sales of monoclonal antibodies increased by 2% to a total of DKK 6.6 million. Sales of ELISA kits increased by 29% to a total of DKK 4.0 million.

The increased sales of the Group's NGAL products represented 43%. Total revenue for the area in 2009 was thus DKK 2.7 million (DKK 1.9 million). Both the existing Human NGAL ELISA kits as well as the introduction of new animal NGAL ELISA kits contributed to the continuing growth.

Sales of peptide hormone antibodies (PHMABS) was DKK 2.7 million (DKK 2.5 million) representing an increase of 11%. In second half of 2009 however, sales were lower than expected and was instrumental in the downward adjustment for 2009.

In 2009, revenue increased in all geographic regions. In Asia the increase was 78%, primarily in Japan and China. The breakdown is shown in figure 4.

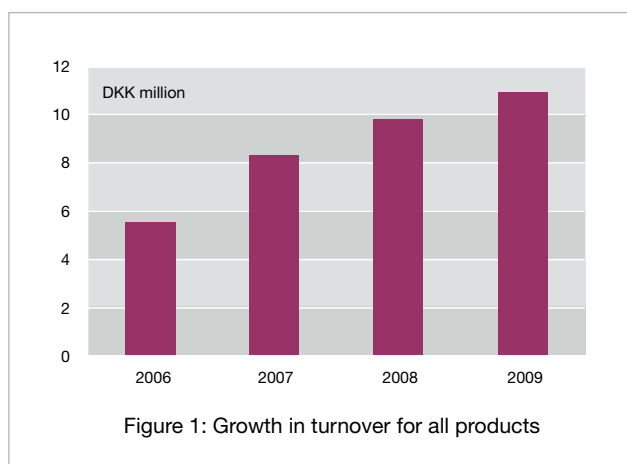


Figure 1: Growth in turnover for all products

Production and distribution costs

In 2009, gross income was DKK 6.0 compared to DKK 5.3 million the previous year. The gross margin ratio was improved to 57% compared to 54% in 2008. Improved internal production processes continue to contribute to this progress. The result is partially offset by a changed product mix, with ELISA kits which have a lower gross margin represents a growing share of total sales. Write-downs resulting from obsolescence amounted to DKK 36 thousand in 2009 (DKK 0.6 million).

Production costs amounted to DKK 4.8 million in 2009 (DKK 4.5 million).

Sales and Marketing costs

Sales and marketing costs amounted to DKK 5.7 million in 2009 (DKK 5.6 million). BioPorto began the marketing of The NGAL Test already in 2009 with a view to launching in 2011. The products was introduced at several meetings and congresses in the US and Europe.

Research and development costs

Research and development costs amounted to DKK 8.6 million in 2009 (DKK 7.2 million). Costs increased

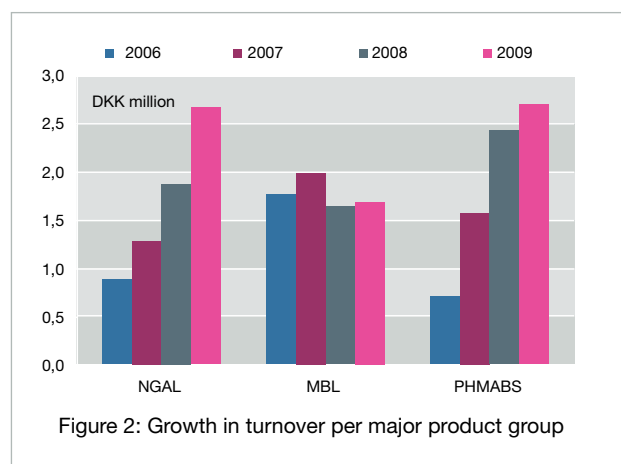


Figure 2: Growth in turnover per major product group

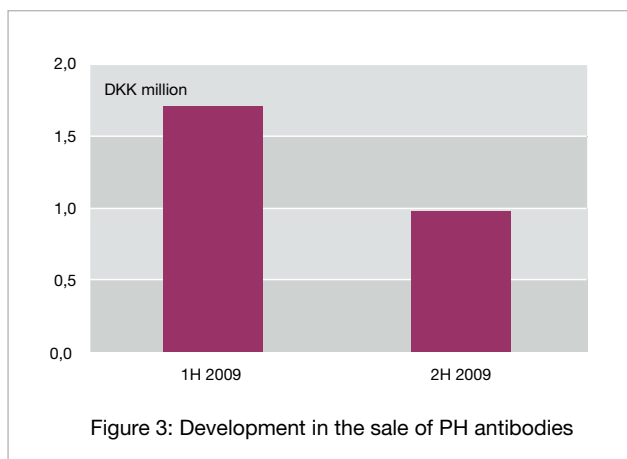


Figure 3: Development in the sale of PH antibodies

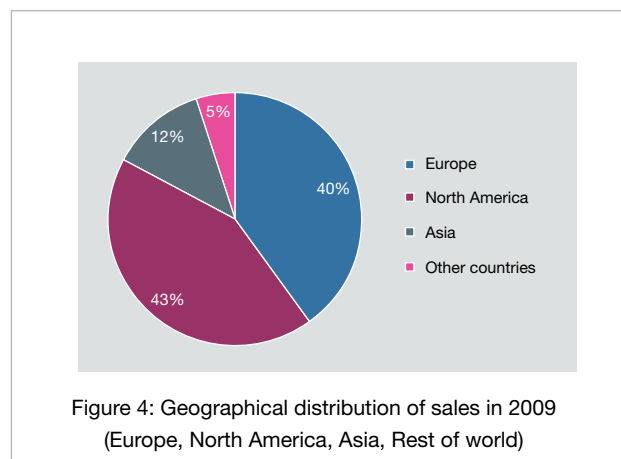


Figure 4: Geographical distribution of sales in 2009 (Europe, North America, Asia, Rest of world)

by 20% primarily due to the turbidimetric test, The NGAL Test, which was developed in collaboration with an external partner. In addition to costs related to the partner's development BioPorto has had significant internal costs for antibody production and prototype validation. Furthermore, two new ELISA kits and several new monoclonal antibodies were fully developed in 2009.

Administration expenses

Administration expenses amounted to DKK 8.0 million in 2009 (DKK 8.1 million).

In 2009, the defense of BioPorto's IP rights in the action brought by CCH in the Maritime and Commercial Court and subsequently the EPO incurred significant costs.

In 2009, warrants were granted to employees and management in BioPorto A/S and BioPorto Diagnostics A/S. The granting is valued according to the Black-Scholes model and recognized under staff costs. The value of share-based payment amounts to DKK 1,117 thousand (DKK 813 thousand), distributed as follows:

1. Production and distribution costs	DKK 156 thousand
2. Sales and marketing costs	DKK 274 thousand
3. Research and development costs	DKK 438 thousand
4. Administration expenses	DKK 249 thousand

Financial income and expenses

Financial income amounted to DKK 124 thousand in 2009 (DKK 860 thousand). The average cash resources in 2009 were significantly less than in 2008. Coupled with low interest rates in 2009 this resulted in less interest income from cash resources. Financial expenses were DKK 61 thousand (DKK 125 thousand), primarily in the form of realized foreign currency losses.

Net loss

The net loss for 2009 was DKK 15.9 million (DKK 14.7 million).

BioPorto adjusted the 2009 expectations for revenue and profit downward as a result of the stagnant sales of antibodies to the research market and the significant additional costs incurred in relation to the CCH trial.

Balance sheet

By the end of 2009 the balance sheet total amounted to

DKK 20.2 million (DKK 19.2 million).

In 2009, a private placement was completed. The net proceeds from the issue after deduction of issue costs amounted to DKK 14.8 million. The capital injection offset the operating profit's negative effect on the balance sheet total.

Tangible assets

Property, plant and equipment in the amount of < DKK 0.1 million were purchased in 2009 (DKK 0.4 million).

The book value of tangible assets amounted to DKK 0.7 million as of December 31, 2008 (DKK 0.9 million).

Inventories

Inventories amounted to DKK 3.3 million as of December 31, 2009 (DKK 3.1 million). Production overhead totaling DKK 0.3 million is recognized in the inventories (DKK 0.3 million).

Sales receivables and other receivables amounted to DKK 1.7 million as of December 31, 2009 (DKK 1.9 million). BioPorto had no bad debts in 2009.

Equity

The group's equity amounted to DKK 15.4 million at the end of 2009 (DKK 15.5 million).

Early in 4th quarter a private placement totalling 3.83 million shares at a price of DKK 3.97 per share (nominal DKK 3.0 per share) was completed. Issue net proceeds after deduction of issue costs amounted to DKK 14.8 million. Premiums totalled DKK 3.3 million is transferred to "Retained earnings".

The reserve relating to share-based payment is by year end determined at DKK 1.985 thousand (DKK 1.855 thousand). This year, further allowances for the aforementioned warrants program for management and employees was implemented in 2nd quarter, totalling DKK 1,117 thousand. A previous warrant program (2006) lapsed in august, representing a value of DKK 987 thousand in the equity reserve.

The Group has 13,000 shares of treasury stock, equivalent to 0.03% of the share capital.

As of December 31, 2009, the share capital amounted to DKK 126.4 million dispersed over 42,132,624 shares.

Short-term liabilities

The short-term liabilities amounted to DKK 4.8 million as of December 31, 2009 (DKK 3.7 million). The Group's liabilities consist primarily of trade payables, provisions wage and holiday pay obligations, and accrued expenses, including accountant and lawyer. The Group

has no lease obligations, loan or other bank debt.

Cash Flow Statement

Cash generated by the group's operating activities amounted to DKK -13.3 million in 2009 (DKK -13.7 million).

Cash generated by the group's financing activities amounted to DKK 14.7 million in 2009 (DKK -0.5 million). The net proceeds from the private placement was DKK 15.2 million. Costs related to registering, financial advisors, auditor and lawyer totaled DKK 0.5 million.

As of December 31, 2009, the group's cash resources are primarily in the form of bank deposits, totaling DKK 14.3 million (DKK 12.9 million).

Capital resources

The management and board of directors aim to ensure the BioPorto Group's continued development through maintaining adequate capital resources for meeting long-term needs.

At the end of 2009, cash funds, in the form of bank deposits, totaled DKK 13.4 million. The group's cash flow amounted to DKK -13.3 million in 2009. In the 4th quarter a private placement was completed. The net proceeds after issue costs was DKK 14.8 million.

The Group's negative cash flows from operating and investing activities is expected to decline in 2010. Sales of own products is expected to grow 15-25% in 2010 and thus contribute positively with estimated DKK 1-2 million. License revenue from the Group's NGAL and APC-PCI patent rights from one or more agreements is expected in 2010. At the same time though, BioPorto is expected to use additional resources for development and marketing of The NGAL Test.

It is the management's assessment that the Group's current capital resources are sufficient to implement the planned activities in 2010 and early 2011 until the expected launch of BioPorto's homogeneous test for routine diagnostics, The NGAL Test, and the Group's accounts for 2009 have been prepared under the assumption of going concern.

From 2011, the funding of the group's operating activities are expected to be supplemented by sales revenue from The NGAL Test and royalty revenue from licensing of IP rights, both NGAL and APC-PCI. BioPorto will seek to cover minor liquidity fluctuations in relation to time lags between production and sales through the establishment of normal operation credit facilities with the Group's bank.

It may also be necessary to seek external capital if BioPorto are forced to an aggressive defense of NGAL access to IP rights.

Statement by the Management and Board of Directors

As of today, the management and the board of directors have discussed and approved the annual report for BioPorto A/S for January 1 – December 31, 2009.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The parent company financial statements are presented in accordance with the Danish Financial Statement Act. In addition, the annual report has been prepared in accordance with the additional Danish disclosure requirements for annual reports by listed companies.

In our opinion, the selected accounting policies are appropriate, so that the Annual Report presents a true and fair view of the company's assets, liabilities and financial position as of December 31, 2009, and of the financial result of the group's and parent company's activities and cash flow for the fiscal year from January 1 – December 31, 2009.

In our opinion, the Statement by the Management and the Board of Directors on the Annual Report presents a true and fair view of developments in the group's and the parent company's activities, economic factors, financial result and financial position, and also describes the most significant risks and elements of uncertainty facing the group and the parent company.

The annual report is hereby submitted to the annual general meeting for approval.

Gentofte, Denmark, March 12, 2010

Executive management:

Thea Olesen
CEO

Board of Directors:

Carsten Lønfeldt
Chairman

Peter Nordkild

Niels T. Foged

Marianne Weile

Report of the Independent Auditor

To the stockholders of BioPorto A/S

Endorsement of the financial statements

We have audited the consolidated financial statements and the annual financial statements for BioPorto A/S for the fiscal year January 1 – December 31, 2009, comprising the income and comprehensive income statement, the balance sheet, and the statement of changes in equity and notes, including the accounting policies applied for both the Group and the parent company and the cash flow statement for the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as approved by the EU, and the annual financial statements for the parent company are prepared in compliance with the Danish Financial Statements Act. In addition, the consolidated financial statements and the annual financial statements are prepared in compliance with other Danish disclosure requirements for listed companies.

Management's responsibility for the financial statements

The management is responsible for preparing and presenting the consolidated financial statements and the annual financial statements which give a true and fair view in conformity with the International Financial Reporting Standards as approved by the EU insofar as this concerns the consolidated financial statements and with the Danish Financial Statements Act insofar as this concerns the financial statements of the parent company, as well as with other Danish disclosure requirements for listed companies. This responsibility includes the wording, implementation and maintenance of internal controls relevant to preparing and presenting consolidated financial statements and annual financial statements which give a true and fair view without material misstatement, regardless of whether the misstatement is due to fraud or error, as well as the choice and application of appropriate accounting policies and the exercise of accounting estimates that are reasonable under the circumstances.

Responsibility of the auditor and the audit performed

We are responsible for submitting our opinion of the consolidated financial statements and the annual financial statements on the basis of our audit. We have performed our audit in accordance with Danish and international auditing standards. As demanded by these standards, we live up to ethical requirements, as well as plan and carry out our audit for the purpose of obtaining a high degree of certainty that the consolidated financial statements and the annual financial statements are free of material misstatement. An audit includes actions performed to obtain audit evidence of the amounts and information specified in the consolidated financial statements and the annual financial statements. The actions chosen depend on the auditor's assessment, including the assessment of risk of material misstatement in the consolidated financial statements and the annual financial statements, regardless of whether the misstatement is due to fraud or error. In making the assessment of risk, the auditor considers the internal controls that are relevant to the Group's preparation and presentation of the consolidated financial statements and the annual financial statements

that provide a true and fair view for the purpose of drawing up audit procedures that are suitable under the circumstances, but not for the purpose of expressing a conclusion regarding the efficiency of the company's internal control. Our audit also includes an assessment and an opinion of whether the accounting policies applied by the management and the board of directors are appropriate, whether the accounting estimates of the management and board of directors are reasonable, as well as an assessment of the overall presentation of the consolidated financial statements and the annual financial statements. In our view, the audit evidence is sufficient and suitable as a basis for our conclusion. Our audit has not given cause for qualification.

Opinion

In our opinion, the consolidated financial statements and the annual financial statements present a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2009, and of the financial result of the Group's activities and cash flow for the fiscal year from January 1 – December 31, 2009, in accordance with the International Financial Reporting Standards as approved by the EU and with additional Danish disclosure requirements for listed companies. It is also our opinion that the annual financial statements present a true and fair view of the parent company's assets, liabilities and financial position as of December 31, 2009, and of the financial result of the parent company's activities for the fiscal year from January 1 – December 31, 2009, in accordance with the Danish Financial Statements Act and other Danish disclosure requirements for listed companies.

Opinion of the Review by the Management and Board

The management is responsible for preparing a Review by the Management and Board which includes a true and fair account in conformity with the Danish Financial Statements Act.

The audit did not include the Review by the Management and Board, but pursuant to the Danish Financial Statements Act, we have read the Review by the Management and Board. We have not taken other measures in addition to the audit performed of the consolidated financial statements and the annual financial statements.

On this basis and in our view, the information in the Review by the Management and Board is in conformity with the consolidated financial statements and the annual financial statements.

Copenhagen, Denmark, March 12, 2010

Deloitte
Statsautoriseret Revisionsaktieselskab

Jens Sejer Pedersen
State Authorized Public Accountant

Martin Faarborg
State Authorized Public Accountant

Income and Comprehensive Income Statement

The BioPorto Group

January 1 – December 31, 2009

Note	<u>2009</u> DKK thousand	<u>2008</u> DKK thousand	
3	Net Revenues	11,008	9,875
	Production and distribution costs	<u>(4,750)</u>	<u>(4,533)</u>
	Gross income/loss	6,258	5,342
4-7	Sales and marketing costs	(5,666)	(5,550)
4-7	Research and development costs	(8,642)	(7,204)
4-7	Administration expenses	<u>(7,967)</u>	<u>(8,065)</u>
	Earnings before interest (EBIT)	(16,017)	(15,477)
8	Financial income	124	860
8	Financial expenses	<u>(61)</u>	<u>(125)</u>
	Earnings before tax	(15,954)	(14,742)
15	Income taxes relating to net loss	<u>0</u>	<u>0</u>
	Net income/loss for the period	<u>(15,954)</u>	<u>(14,742)</u>
15	Net income/loss for the period	(15,954)	(14,742)
	Comprehensive income	<u>(15,954)</u>	<u>(14,742)</u>
	Earnings per Share (eps)	<u>DKK</u>	<u>DKK</u>
9	Earnings per share (eps/deps)	<u>-0.41</u>	<u>-0.39</u>

Balance Sheet

The BioPorto Group
December 31, 2009

Note	2009 Dec. 31 DKK thousand	2008 Dec. 31 DKK thousand
ASSETS		
Long-term assets		
Tangible assets		
10	649	981
	649	981
Other long-term assets		
	233	225
	233	225
	882	1,206
Short-term assets		
11	3,296	3,129
12	1,166	1,067
	0	0
12	530	848
	4,992	5,044
	14,344	12,907
	19,336	17,951
	20,218	19,157

Balance sheet

The BioPorto Group

December 31, 2009

Note		2009 Dec. 31 DKK thousand	2008 Dec. 31 DKK thousand
	LIABILITIES		
	Equity		
13	Capital stock	126,398	114,908
5	Share-based payment	1,985	1,855
14	Treasury stock	(44)	(44)
	Retained income/loss	(112,928)	(101,217)
	Equity, total	15,411	15,502
	Liabilities		
	Short-term liabilities		
16	Suppliers of goods and services	1,516	1,327
16	Other debt	3,291	2,328
	Short-term liabilities, total	4,807	3,655
	Liabilities, total	4,807	3,655
	LIABILITIES, TOTAL	20,218	19,157
	Other notes:		
15	Deferred tax		
17	Operational lease commitments		
19-21	Other notes without reference		

Statement of Changes in Equity

The BioPorto Group
December 31, 2009

	Capital stock DKK thousand	Treasury stock DKK thousand	Premium DKK thousand	Convertible loan DKK thousand	Share-based payment DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2008	114,908	(44)	0	25	1,042	(86,475)	29,456
Comprehensive income for the period	0	0	0	0	0	(14,742)	(14,742)
Convertible bonds	0	0	0	(25)	0	0	(25)
Share-based payment	0	0	0	0	813	0	813
Equity December 31, 2008	<u>114,908</u>	<u>(44)</u>	<u>0</u>	<u>0</u>	<u>1,855</u>	<u>(101,217)</u>	<u>15,502</u>

	Capital stock DKK thousand	Treasury stock DKK thousand	Premium DKK thousand	Convertible loan DKK thousand	Share-based payment DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2009	114,908	(44)	0	0	1,855	(101,217)	15,502
Comprehensive income for the period	0	0	0	0	0	(15,954)	(15,954)
Capital increase	11,490	0	3,715	0	0	0	15,205
Issue costs	0	0	(459)	0	0	0	(459)
Share-based payment	0	0	0	0	1,117	0	1,117
Transferred to "retained income"	0	0	(3,256)	0	(987)	4,243	0
Equity December 31, 2009	<u>126,398</u>	<u>(44)</u>	<u>0</u>	<u>0</u>	<u>1,985</u>	<u>(112,928)</u>	<u>15,411</u>

Cash Flow Statement

The BioPorto Group

January 1 – December 31, 2009

Note	2009 DKK thousand	2008 DKK thousand
Earnings before interest (EBIT)	(16,017)	(15,477)
Adjustment for non-cash operating items:		
Depreciation, amortization, write-downs and impairment	345	384
Share-based payment	1,117	813
Cash generated by primary operations before change in working capital	(14,555)	(14,280)
18 Change in working capital	1,204	(172)
Cash generated by primary operations	(13,351)	(14,452)
Interest income, included	124	860
Interest expenses, paid	(61)	(125)
Cash generated by operating activities	(13,286)	(13,717)
Purchase of tangible assets	(14)	(392)
Prepayment	(9)	31
Cash generated by investment activities	(23)	(361)
Change regarding convertible bonds	0	(508)
Cash issue, direct placement, incl. exercise of warrant	15,205	0
Issue cost	(459)	0
Cash generated by financing activities	14,746	(508)
Cash flow for the period	1,437	(14,586)
Cash resources at the beginning of the year	12,907	27,493
Cash resources at the end of the period	14,344	12,907

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Note 1

Accounting Policies

The annual report for the BioPorto Group is presented in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and in accordance with additional Danish disclosure requirements for the annual reports of listed companies as per the Executive Order on IFRS issued pursuant to the Danish Financial Statements Act.

The annual report for the group also meets the International Financial Reporting Standards (IFRS) issued by IASB.

The annual report is presented in Danish kroner (DKK), which is regarded as the primary currency for the group's activities and the functional currency of the parent company and the subsidiary alike.

The annual report is presented on the basis of historical costs, except for share-based payment, which is measured at fair value.

The accounting policies, which remain unchanged compared to last year, are otherwise as described below.

Implementation of new and modified standards and interpretations

The following new and modified standards and new interpretations, that apply to fiscal years beginning on January 1, 2009, are implemented in the annual report for 2009.

Standards affecting presentation and disclosure

The amended IAS 1, Presentation of Financial Statements (September 2007)

IAS 1(2007) has introduced terminology changes (including revised titles for the financial statements and changes in the format and content of the financial statements).

The amendments to IFRS 7 - Improving Disclosures about Financial Instruments (March 2009) expand the disclosures required in respect of fair value and liquidity risk.

IFRS 8 Operating Segments (November 2006)

IFRS 8 is a disclosure Standard that has resulted in a redesignation of the Group's reportable segments (see note 3).

Other standards

IAS 23 Borrowing Costs (March 2007). Adopting the amended IAS 23 means that the group recognizes

borrowing costs in the cost of qualified assets in the form of intangible and tangible assets and inventories, with longer production periods. This change has had no impact on these financial statements.

The new standards and interpretations have not affected recognition, measurement and result in 2009.

Standards and Interpretations in issue not yet in force
At the time of publishing this report, a number of new or modified standards and interpretations have yet to take effect or have not been approved by the EU and for this reason are not incorporated into the annual report.

In the assessment of the management and the board of directors, the application of these new and modified standards and interpretations has no material effect on the annual report for forthcoming fiscal years.

General principles of recognition and measurement

Earnings are recognized in the income statement concurrent with their realization. In addition, all costs incurred to achieve the income for the year are recognized in the financial statements, including depreciation, amortization, write-downs, impairment and provisions, as well as carry backs resulting from modified accounting estimates of amounts previously recognized in the financial statements.

Assets are recognized on the balance sheet when it is likely that future financial benefits will accrue to the company and the asset's value can be measured reliably.

Liabilities are recognized on the balance sheet when it is likely that future economic benefits will flow from the company and the liability's value can be measured reliably.

Assets and liabilities are measured at the cost on initial recognition. Subsequently assets and liabilities are measured as described below for each item.

For recognition and measurement, predictable gains, loss and risk occurring before the submission of the annual report and which confirm or disprove the situation on the balance sheet date are taken into consideration.

Consolidated financial statements

The consolidated financial statements include the parent company, BioPorto A/S, and the subsidiaries in which BioPorto A/S has a controlling interest, i.e. controlling influence on financial and operating policies for achieving returns or other benefits for its activities. Controlling interest is achieved by directly or indirectly owning or having at one's disposal more than 50% of the voting rights or otherwise controlling the company

concerned. Companies in which the group exercises significant but not controlling influence are regarded as affiliated companies. Significant influence is typically achieved by directly or indirectly owning or having at one's disposal more than 20% but less than 50% of the voting rights. The assessment of whether BioPorto A/S has controlling or significant influence considers potential voting rights that could be exercised on the balance sheet date.

The consolidated financial statements integrate the financial statements for the parent company and the individual subsidiaries, which are accounted for in accordance with the group's accounting policies, with the elimination of intercompany income and expenses, intercompany share holdings, intercompany balances and dividends, as well as realized and unrealized earnings for transactions between the consolidated companies. Unrealized earnings from transactions with affiliated companies are eliminated in proportion to the group's ownership interest in the company. Unrealized losses are eliminated according to the same procedure as unrealized earnings to the extent that an impairment has not occurred.

Foreign currency translation

A functional currency is determined for each of the group's reporting companies. The functional currency is the currency used in the primary financial environment in which the specific reporting company operates. Transactions in other currencies than the functional currency are transactions in foreign currency.

Transactions in foreign currency are translated on initial recognition to the functional currency according to the exchange rate prevailing on the date of the transaction. Currency differences arising between the rate on the date of the transaction and the rate on the date of payment are recognized in the income statement under financial income or expenses.

Receivables, debt and other monetary items in foreign currency are translated into the functional currency according to the exchange rate prevailing on the balance sheet date. The difference between the rate on the balance sheet date and the rate on the date on which the receivable or debt arose or was recognized in the most recent annual report is included in the income statement under financial income and expenses.

Incentive programs

The company has granted warrants (share subscription rights) to the board of directors, the management and employees. Share-based incentive programs in which the employees alone have the option of choosing to subscribe to new shares in the parent company (equity-settled share-based payment arrangements) are

measured at the fair value of the equity instruments on the date of granting and are recognized in the income statement when the employees acquire the right to subscribe to the new shares. The set-off for this is recognized directly in the equity as a separate reserve until utilized.

Leases

Payments in conjunction with operating leases are recognized in the income statement over the term of the lease.

Segment information

Segmentation reflects the main product groups in the group: monoclonal antibodies and ELISA kits. The product groups are measured primarily on gross margin level as distribution, sales and marketing, research and development, and administration relates to both segments. There is no internal settlement between the segments.

As in 2008, information is included on the break down of net revenues into geographical and therapeutic areas.

There are no long-term assets or investments outside Denmark.

Income statement

Revenues

Revenues from sales of finished goods are recognized in the income statement if the goods have been delivered and the risk has been passed on to the customer before the end of the year, and if said income can be reliably accounted for and receipt of payment is expected.

Net revenues from development and cooperation contracts are recognized in the income statement if the general criteria for revenue recognition are observed.

This is considered to be the case when:

- delivery has taken place before the end of the fiscal year;
- a binding sales agreement exists;
- the selling price is fixed; and
- payment has been received or is expected to be received with reasonable certainty.

The revenues are recognized exclusive of VAT and after the deduction of any discount connected to the sale.

Production and distribution costs

Production costs include costs incurred for achieving the year's net revenues, including fixed and indirect overhead for raw materials and consumables, wages and salaries, freight, royalties, rent and leasing as well as depreciation of plant.

Sales and marketing costs

Costs recognized under sales and marketing costs are those incurred for marketing products sold during the year and sales campaigns, etc., that have been carried out. Costs for sales staff, advertising and exhibition costs, as well as depreciation and amortization are included here.

Research and development costs

Wages and salaries, laboratory materials, patent expenses, rent, leasing and other costs relating to the company's research and development activities are recognized under research and development costs.

Administration expenses

Costs incurred during the year for the management and administration of the company, including costs for administrative staff, management, office facilities and office costs, depreciation, amortization, etc., are recognized under administration expenses.

Financial income and expenses

Financial income and expenses include interest, capital gains and losses, as well as write-downs and impairment concerning debt, securities and foreign currency transactions, amortization of financial assets and

liabilities, as well as charges and refunds under the tax prepayment scheme, etc.

Income taxes relating to the net loss

The tax for the year, consisting of the year's current tax and the change in the deferred tax, is recognized in the income statement by the amount attributable to the net loss and directly to the equity by the amount attributable to entries under equity.

To the extent the group obtains deductions by means of the accounting of the taxable income resulting from share-based payment, the tax effect of the schemes is recognized under income taxes relating to net income. If the total tax deduction exceeds the total accounting cost, the tax effect of the surplus deduction is recognized directly to the equity, however.

Balance Sheet

Intangible 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 where technical utilization options are demonstrated and adequate resources can be documented for completing the development work and marketing or using the product, and the company’s management has acknowledged its intention to manufacture and market or use the product.

Finally, it must be possible to document with adequate certainty that the future earnings from the development project will exceed the costs of production and development as well as for selling and administering the product. Development costs concerning individual projects are only recognized as assets in the event it is adequately certain that the future income of the individual projects will exceed not only the production, selling and administration costs, but also the development costs for the product.

In the opinion of the management and board of directors, a large risk is generally associated with the company’s products and for this reason it is not possible to obtain adequate certainty for future earnings at present. The future financial advantages associated with product development cannot be calculated with reasonable certainty until the development activities have been completed. As a result of this, development costs are expensed concurrent to being incurred during the year.

Tangible assets

Other plant, machinery and equipment are measured at the original cost, minus the accumulated depreciation, amortization, write-downs and impairment.

The cost includes the acquisition price as well as expenses directly associated with the acquisition up to the date on which the asset is ready for use.

Depreciation and amortization are carried out on a straight-line basis over the expected useful life of the assets, which are assessed as having the following terms of years:

Other plant, operating equipment and fixtures
3 - 5 years

The basis for depreciation and amortization is the original cost, minus the expected residual value at the end of the useful life. The original cost of a total asset is divided into smaller components that are depreciated/amortized separately if their useful life differs. Depreciation and amortization methods, useful lives and residual values are reassessed each year.

Depreciation and amortization are recognized in the income statement under production costs, research and development costs, selling and marketing costs and administration expenses respectively to the extent the depreciations/amortizations are not included in the original cost for inventory as indirect production overhead (IPO).

Impairment of assets

Intangible assets with an indefinable useful life are reviewed at least once a year for impairment, the first time before the end of the year of acquisition. Ongoing development projects are similarly reviewed for impairment once a year.

The accounting value of intangible assets with an indefinable useful life and development projects in process is reviewed at least once a year for impairment together with the other qualifying assets belonging to the cash-generating unit to which the asset is allocated and written down to the recoverable amount in the income statement, in the event the accounting value is higher. The recoverable amount is usually accounted for as the present value of the anticipated future net cash flow from the enterprise or activity (cash-generating unit) to which the asset is associated.

Deferred tax assets are assessed yearly and recognized only to the extent it can be rendered probable that they will be utilized in the near future.

The book value of other qualifying assets (including investments in subsidiaries) is assessed annually to determine whether there is an indication of impairment. If an indication is present, the asset’s recoverable value is calculated. The recoverable value is the highest value of the asset’s fair value, minus the expected costs of disposal and the value in use.

An impairment loss is recognized when the book value of an asset or a cash-generating unit respectively exceeds the asset’s or the cash-generating unit’s recoverable value. Impairment loss is recognized in the income statement under production, selling and distribution costs respectively or administration costs. Write-down relating to goodwill is recognized on a separate line of the income statement, however.

Write-downs relating to other assets is reversed to the extent changes occur in the prerequisites and estimates that led to the impairment. Impairment is only reversed to the extent that the asset's new book value does not exceed the book value the asset would have had after depreciation or amortization if the asset had not been impaired.

Inventories

The cost of inventories is measured according to the FIFO method. If the net realizable value is lower than the cost, the inventory in question is written down to this lower value.

The cost for raw materials and consumables is calculated at cost with the addition of transportation and similar costs.

The cost of finished goods and goods in progress includes the cost of raw materials, consumables, direct wages and indirect production overhead (IPO). Indirect production overhead includes indirect costs such as materials and wages, as well as costs for maintenance of and depreciation/amortization of machinery and equipment used in the production process, as well as costs for production administration and management.

The net realizable value of inventories is calculated as the selling price minus completion costs and costs incurred to effectuate sales and is determined under consideration of marketability, obsolescence and developments relating to the loss expected.

Receivables

Receivables are measured at the amortized cost or a lower net realizable value, which usually equates to the nominal value, minus impairment for meeting a loss. Write-downs for bad and doubtful debts are based on an individual assessment of each receivable.

Prepaid expenses

Prepaid expenses recognized under assets include expenses to be incurred in the subsequent fiscal year. Prepaid expenses are measured at cost.

Equity

Treasury stock

Acquisition and disposal costs as well as the dividend for treasury stock are recognized directly in equity. The capital reduction by cancelling treasury stock reduces the share capital by an amount equivalent to the nominal value of the equity investment.

Warrants

Proceeds received from the exercise of warrants are booked directly under equity.

Payable and deferred tax

Current tax liabilities and payable current tax are recognized in the balance sheet as the tax calculated for the year's taxable income, adjusted for the tax on taxable earnings of previous years and for tax paid on account.

Deferred tax is measured according to the balance-sheet liability method by temporary differences between the book value and the tax value of assets and liabilities. However, deferred tax is not recognized for temporary differences concerning tax-related non-deductible goodwill and other entries in which temporary differences – apart from corporate acquisitions – have occurred after the date of acquisition without affecting the financial results or the taxable income. In the cases where the determination of the tax value can be performed according to different taxation rules, deferred tax is measured on the basis of the utilization of the asset or repayment of the debt respectively as planned by the management and board of directors.

Deferred tax assets, including the tax value of tax losses allowed to be carried forward, are recognized under other qualifying assets by the value at which they are expected to be used, either by means of an elimination in tax of future earnings or by offsetting in deferred tax liabilities within the same legal tax unit or jurisdiction (joint taxation).

Deferred tax concerning eliminations of unrealized intercompany profits and losses is adjusted.

Deferred tax is measured on the basis of the tax rules and rates of income tax that will apply when the deferred tax is expected to create a tax liability as a current tax according to the law in force on the balance sheet date. Any change to the deferred tax resulting from changes to rates of taxation is recognized in the income statement. The tax rate used for the current fiscal year is 25%.

Financial liabilities

Debts to banks etc. are recognized at the time of taking out the loan at the fair value of the obligation component, minus the transaction costs incurred. In subsequent periods, the financial liabilities are measured at the amortized cost by applying the effective interest method so the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses during the term of the loan.

Other liabilities are measured at net realizable value.

Advance receipts

Advance receipts recognized under liabilities include payments received for income in subsequent years. Advance receipts are measured at cost.

Cash Flow Statement

The cash flow statement is presented according to the indirect method and shows cash flow broken down by operating, investment and financing activities for the year, the year's change in cash and cash equivalents and the company's cash and cash equivalents at the beginning and end of the year.

The cash flow from operating activities is accounted for as EBIT, adjusted for non-cash operating items, changes in working capital and corporate income tax paid.

Cash generated by investment activity includes the purchase and sale of intangible, tangible and financial assets.

Cash generated by financing activity includes changes to the amount or composition of BioPorto A/S's share capital and costs connected with this, as well as the raising of loans, payments on interest-bearing debt and the payment of dividends to share holders.

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

Financial Ratios

Earnings per share (eps) and diluted earnings per share (deps) are accounted for in accordance with IAS 33.

The financial ratios stated under the key financial data are calculated as follows:

Operating margin	$\frac{\text{EBIT} \times 100}{\text{Net revenues}}$
Return on investment	$\frac{\text{EBIT} \times 100}{\text{Average investment}}$
Equity ratio	$\frac{\text{Equity, closing} \times 100}{\text{Total liabilities, closing}}$
Return on equity	$\frac{\text{Result for the year} \times 100}{\text{Average equity}}$
Earnings per share (eps)	$\frac{\text{Result for the year}}{\text{Average number of shares}}$
Cash flow per share	$\frac{\text{Cash generated by operations}}{\text{Average number of shares}}$
Equity value per share, closing	$\frac{\text{Capital and reserves, closing}}{\text{No. of shares, closing}}$
Price/book ratio	$\frac{\text{Listed price, closing}}{\text{Equity value per share}}$

The financial ratios were prepared in accordance with "Anbefalinger & Nøgletal 2005" (Recommendations & Financial Ratios 2005) of the Den Danske Finansanalytikerforening (Danish Association of Financial Analysts).

Note 2

Accounting Estimates and Assessments

An assessment of how future events will affect the value of certain assets and liabilities on the balance sheet date is required for determining the book value of these assets and liabilities. Assessments significant to the financial reporting are performed by determining development costs, incentive schemes, inventories, deferred tax, etc.

The assessments used are based on assumptions deemed justifiable by the management and the board of directors, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate and unforeseen events or circumstances may occur. In addition, the company is subject to risks and uncertainties that could cause the actual results to deviate from the estimates. BioPorto's special risks are discussed in the management review.

The financial statements are prepared assuming going concern. See also the management review on capital resources.

BioPorto has chosen to file an invalidity action against Phadia's European patent, initially in Denmark. During the case, Phadia filed a claim that BioPorto violates Phadia's patent rights and demanded that BioPorto's NGAL products be withdrawn from the market and that compensation be paid for any units already sold. The Phadia patent case and the management's expectations are described in further detail in the management review, intellectual property rights. The management does not expect the patent case to result in any financial obligations for the group.

A significant deferred tax asset has been calculated (see note 15). In the view of the management and the board of directors, however, the option of using the tax asset in the near future is not sufficiently plausible, taking the IFRS as the point of departure. For this reason, the management and board of directors have chosen not to recognize the calculated tax asset on the balance sheet.

The other notes disclose information about the assumptions and prerequisites for the future and other discretionary uncertainties on the balance sheet date that entail a significant risk for changes that could lead to a significant adjustment of the book value of assets or liabilities within the next fiscal year.

Note 3

Segment information

2009	ELISA	MABS	Shared	Total
	DKK thousand	DKK thousand	DKK thousand	DKK thousand
Net revenues	3,998	6,562	448	11,008
Production and distribution costs	<u>(2,011)</u>	<u>(2,351)</u>	<u>(388)</u>	<u>(4,750)</u>
Gross income/loss	1,987	4,211	60	6,259
Sales and marketing costs	0	0	(5,666)	(5,666)
Research and development costs	0	0	(8,642)	(8,642)
Administration expenses	<u>0</u>	<u>0</u>	<u>(7,967)</u>	<u>(7,967)</u>
Earnings before interest (EBIT)	<u>1,987</u>	<u>4,211</u>	<u>(22,215)</u>	<u>(16,017)</u>
Purchase of tangible assets	0	0	14	14
Investment activities, total	<u>0</u>	<u>0</u>	<u>14</u>	<u>14</u>
2008	ELISA	MABS	Shared	Total
	DKK thousand	DKK thousand	DKK thousand	DKK thousand
Net revenues	3,103	6,440	332	9,875
Production and distribution costs	<u>(1,706)</u>	<u>(2,506)</u>	<u>(321)</u>	<u>(4,533)</u>
Gross income/loss	1,397	3,934	11	5,342
Sales and marketing costs	0	0	(5,550)	(5,550)
Research and development costs	0	0	(7,204)	(7,204)
Administration expenses	<u>0</u>	<u>0</u>	<u>(8,065)</u>	<u>(8,065)</u>
Earnings before interest (EBIT)	<u>1,397</u>	<u>3,934</u>	<u>(20,808)</u>	<u>(15,477)</u>
Purchase of tangible assets	0	0	392	392
Investment activities, total	<u>0</u>	<u>0</u>	<u>392</u>	<u>392</u>

MABS - monoclonal antibodies

Note 3

Segment information, cont.

	2009	2008
	DKK thousand	DKK thousand
The geographical dispersion of the net revenues is as follows:		
Denmark	244	208
EU Member States	4,191	3,943
North America	4,685	4,561
Asia	1,288	724
Other	600	439
Net revenues, total	11,008	9,875
Allocation of net revenues:		
NGAL products	2,684	1,901
Peptide hormone products	2,703	2,458
MBL products	1,702	1,653
Other products	3,919	3,863
Net revenues, total	11,008	9,875

Major customers

Revenues from the largest customer in BioPorto Diagnostics A/S totals 22% of the total revenue (26% in 2008).

Note 4

Staff costs

	2009 DKK thousand	2008 DKK Thousand
Wages and salaries	9,987	10,390
Contribution based pensions	1,523	725
Other social security costs	136	137
Other staff costs	675	426
Share-based payment	<u>1,117</u>	<u>813</u>
Staff costs	<u><u>13,438</u></u>	<u><u>12,491</u></u>
Average number of employees	<u><u>22</u></u>	<u><u>20</u></u>
Staff costs are comprised of the following:		
Production and distribution costs	1,744	1,481
Sales and marketing costs	3,979	3,454
Administration expenses	4,241	4,376
Research and development costs	<u>3,474</u>	<u>3,180</u>
	<u><u>13,438</u></u>	<u><u>12,491</u></u>
Payment to the management and board of directors breaks down as follows:		
Management		
Salaries and pensions	1,252	1,220
Share-based payment	<u>131</u>	<u>76</u>
	<u><u>1,383</u></u>	<u><u>1,296</u></u>
Board of directors		
Remuneration	594	625
Share-based payment	<u>0</u>	<u>158</u>
	<u><u>594</u></u>	<u><u>783</u></u>

Note 5

Incentive Schemes

For the purpose of motivating and retaining employees, senior staff, management and board, BioPorto A/S established a warrant program on April 16, 2009, 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 prior to April 16, 2009. Warrants may be exercised from 2 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 April 16, 2014.

	No.	Fair value 2009 DKK thousand	No.	Fair value 2008 DKK thousand
The granting of warrants breaks down as follows:				
Outstanding warrants, January 1	<u>1,288,660</u>	<u>1,855</u>	<u>771,160</u>	<u>1,042</u>
Granted in the period	483,250	1,117	517,500	813
Lapsed in the period	<u>(771,160)</u>	<u>(987)</u>	<u>0</u>	<u>0</u>
Outstanding warrants, December 31	<u>1,000,750</u>	<u>1,985</u>	<u>1,288,660</u>	<u>1,855</u>
	Nominal value ea. DKK	subscriptions price ea. DKK	no. of warrants stk.	Nominal value, total DKK thousand
Employees	3.00	4.66	341,460	1,024
Management	3.00	4.66	69,700	209
Board of Directors	3.00	4.66	<u>360,000</u>	<u>1,080</u>
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	<u>130,000</u>	<u>390</u>
Total, December 31, 2008			<u>1,288,660</u>	<u>3,866</u>
Employees	3.00	3.50	426,575	1,280
Management	3.00	3.50	56,675	170
Lapsed	3.00	4.66	<u>(771,160)</u>	<u>(2,313)</u>
Total, December 31, 2009			<u>1,000,750</u>	<u>3,003</u>

Note 5

Incentive Schemes, cont.

	Fair value DKK thousand
Fair value, according to the Black-Scholes model - granted in 2009	<u>2,31</u>

The fair value is determined on the date of grant, April 16. . The following are used for making the valuation: an average anticipated term of 48 months; an expected volatility of 95% estimated on the basis of the standard deviation of the share's final price in the past 250 days; and a risk-free interest rate of 3.02% based on Danish treasury bonds at the time of granting.

The exercise period for the Company's first warrant program from 2006 expired on August 1. Thus a total of 771,160 warrants, with a nominal value of T.DKK 2,313, have lapsed.

Note 6

Depreciation, Amortization, Write-downs and Impairment

	2009 DKK thousand	2008 DKK thousand
Tangible assets (see note 10)	<u>(345)</u>	<u>(384)</u>
Depreciation, amortization, write-downs and impairment, total	<u>(345)</u>	<u>(384)</u>
Depreciation, amortization, write-downs and impairment are recognized in the income statement as follows:		
Production and distribution costs	(148)	(149)
Sales and marketing costs	(22)	(39)
Research and development costs	(148)	(149)
Administration expenses	<u>(27)</u>	<u>(47)</u>
	<u>(345)</u>	<u>(384)</u>

Note 7

Fee for Accounting Firms

	2009 DKK thousand	2008 DKK thousand
Total fees, Deloitte State authorized partnership of public accountants	<u>304</u>	<u>346</u>
Itemized as follows:		
Audit	252	243
Assurance engagements	48	10
Tax consultancy	16	14
Other services and regulation relating to previous years	<u>(12)</u>	<u>79</u>
Total audit fees	<u>304</u>	<u>346</u>

Note 8

Financial income and expenses

	2009 DKK thousand	2008 DKK thousand
Interest income from bank	119	838
Interest income, financial activities not measured at fair value	119	838
Exchange rate adjustments	5	18
Other financial income	0	4
Financial income, total	124	860

	Koncern	
	2009 DKK thousand	2008 DKK thousand
Interest expenses, convertible bonds	0	(13)
Interest costs, financial activities not measured at fair value	0	(13)
Exchange rate adjustments	(26)	(32)
Other financial expenses	(35)	(80)
Financial expenses, total	(61)	(125)

Note 9

Earnings per Share (eps)

	2009	2008
	DKK thousand	DKK thousand
Net income/loss for the year	<u>(15,954)</u>	<u>(14,742)</u>
	<u>no.</u>	<u>no.</u>
Average number of shares	39,257,501	38,302,624
Average number of treasury stocks	(13,000)	(13,000)
Average number of shares in circulation	<u>39,244,501</u>	<u>38,289,624</u>
Diluted average number of shares in circulation	<u>39,244,501</u>	<u>38,289,624</u>
	<u>DKK</u>	<u>DKK</u>
Earnings per share (eps/deps)	(0.41)	(0.39)

The eps for 2009 is calculated on the basis of the equivalent main figures for eps:

BioPorto A/S' shareholders' share of:

Net income/loss for the year	<u>(15,954)</u>	<u>(14,742)</u>
---	------------------------	------------------------

There is no difference between the earnings per share (eps) and diluted earnings per share (deps) as the net earnings for the year are negative. In the long term, warrants may have a diluting effect on both financial ratios. Further details about the incentive scheme are found in note 5.

Note 10

Other Plant, Operating Equipment and Fixtures

	2009 DKK thousand	2008 DKK thousand
Cost, January 1	3,835	3,443
Addition during the year	<u>14</u>	<u>392</u>
Cost, December 31	<u>3,849</u>	<u>3,835</u>
Depreciation and amortization, January 1	(2,854)	(2,470)
Depreciation and amortization for the year	<u>(345)</u>	<u>(384)</u>
Depreciation and amortization, December 31	<u>(3,199)</u>	<u>(2,854)</u>
Book value, December 31	<u>650</u>	<u>981</u>

Note 11

Inventories

	2009 DKK thousand	2008 DKK thousand
Finished products	3,006	2,834
Indirect production overhead	<u>290</u>	<u>294</u>
	<u>3,296</u>	<u>3,128</u>

The following adjustments were made to inventories

Opening inventory	3,128	3,148
Cost of sales, recognized under production costs	(1,934)	(1,527)
Consumption and depreciation of goods for development purposes	(46)	(72)
Write-downs for slowly marketable products	(36)	(558)
Adjustment for indirect production overhead	(4)	20
Addition to inventories	<u>2,188</u>	<u>2,118</u>
Closing inventory	<u>3,296</u>	<u>3,129</u>

All product categories have been individually assessed with a view to historical marketability and future sales potential. A product category has been written down if the category is deemed not to contribute substantially to the company's future revenues. Products that are not deemed marketable within the next three years are written down to zero.

Inventory that is expected to be sold after twelve months	<u>2,101</u>	<u>1,994</u>
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Note 12

Receivables

	2009 DKK thousand	2008 DKK thousand
Receivables from sales and services	1,216	1,118
Other receivables	530	848
Write-downs for meeting loss	(50)	(50)
	<u>1,696</u>	<u>1,916</u>

For receivables that fall due for payment within one year after the end of the fiscal year, the nominal value is deemed equivalent to the fair value

	2009 DKK thousand	2008 DKK thousand
Write-down account for meeting loss		
Opening balance of write-down account for meeting loss	(50)	(50)
Change during the year	0	0
Closing balance or write-down account for meeting loss	(50)	(50)

Note 13

Share capital

The capital stock comprises 42,132,624 shares @ DKK3.00. The shares are fully paid for.

No.	2009 ea.	2008 ea.
January 1	38,302,624	38,302,624
Capital increase by means of cash issue	3,830,000	0
December 31	<u>42,132,624</u>	<u>38,302,624</u>

The capital increase in the 2009 fiscal year is made up of the following:

	No. of shares	Nominal DKK	Price DKK
Cash issue, private placement	3,830,000	3	3.97

The capital increase in the 2007 fiscal year is made up of the following:

	No. of shares	Nominal DKK	Price DKK
Cash issue, private placement	10,322,225	3	4.84
Conversion of bonds	3,539,708	3	4.10
Capital increase by means of exercising warrants	87,840	3	4.66
	<u>13,949,773</u>		

The capital increase in the 2005 fiscal year is made up of the following:

	No. of shares	Nominal DKK	Price DKK
Cash issue, private placement	2,212,077	3	4.33

Note 14

Treasury Stock

	2009 DKK thousand	2008 DKK thousand
Nominal value		
January 1	39	39
December 31	<u><u>39</u></u>	<u><u>39</u></u>
Antal stk.	stk.	stk.
January 1	13,000	13,000
December 31	<u><u>13,000</u></u>	<u><u>13,000</u></u>
% of share capital	%	%
January 1	0.03	0.03
December 31	<u><u>0.03</u></u>	<u><u>0.03</u></u>

Pursuant to the annual general meeting's mandate, BioPorto A/S may acquire treasury stock equivalent to not more than 10% of the capital stock

BioPorto A/S has not acquired treasury stock in the fiscal year or in the base year

Note 15

Deferred Tax

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Tax asset value	22,852	19,137
Write-down to assessed value	<u>(22,852)</u>	<u>(19,137)</u>
Book value	<u>0</u>	<u>0</u>

A substantial deferred tax asset has been calculated. In the view of management and the board, however, the option of using the tax asset in the near future is not sufficiently plausible, taking the IFRS as the point of departure. For this reason, the management and board have chosen not to recognize the calculated tax asset on the balance sheet, see Note 2.

Deferred tax assets unrecognized on the balance sheet

Intangible assets	4,285	4,016
Tangible assets	555	466
Shortterm assets	147	137
Tax losses allowed to be carried forward	<u>17,865</u>	<u>14,518</u>
Deferred tax, December 31, net	<u>22,852</u>	<u>19,137</u>

Reconciliation of year changes

Earnings before tax	(15,954)	(14,742)
Calculated (25%) tax	(3,988)	(3,685)
Adjustments, non-deductible expenses/income	277	10
Changes in tax assets not recognized as income	<u>3,711</u>	<u>3,675</u>
Total	<u>0</u>	<u>0</u>
Tax rate	0.00%	0.00%

Note 16

Financial Instruments and Financial Risks

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Receivables, sales	1,166	1,067
Other receivables	530	848
Cash resources	14,344	12,907

Receivables, sales

In 2009, there has been no bad debts

Non-written-down receivables for sales are recognized as follows:

Not overdue	1,006	966
Overdue 0-90 days	145	90
Overdue more than 90 days	15	11

For receivables due for payment within one year after the end of the fiscal year, the nominal value is deemed equivalent to the fair value

Cash resources

	<u>Valuta</u>	<u>Effektiv rente</u>	<u>Dec 31 2009</u>	<u>Dec 31 2008</u>
	DKK	0.3%	DKK thousand	DKK thousand
Deposits with variable interest	DKK	0.3%	14,344	12,907
Sensitivity at the time of variable interest fluctuation		1.0%	143	129

Financial liabilities

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Trade accounts payable	1,516	1,327
Other creditors	1,816	1,003
Bank debt	0	0

For liabilities that fall due for payment within one year after the end of the fiscal year, the nominal value is deemed equivalent to the fair value

Note 16, continued

Financial Instruments and Financial Risks

See the general sections of the Annual Report regarding the Group's risk-management policy and objectives as well as the section regarding the Group's capital resources and management

Currency risk

As the Group exports its products to a number of different markets, it is vulnerable to changes in currency exchange rates. All foreign customers are invoiced in EUR, which reduces the direct risk. Indirectly, the fluctuations can influence BioPorto's competitiveness which is not recognized in the sensitivity analysis. Otherwise, the Group does not hedge exposure til currency fluctuations.

	<u>Currency</u>	<u>Exchange rate</u>	<u>2009</u> DKK thousand	<u>2008</u> DKK thousand
Revenue settled in	EUR	7.45	10,316	9,334
Sensitivity to change in currency	0.15%	0.01	115	104

Interest rate exposure

The Group's cash resources earn interest at a variable interest rate on market terms. The Group's risk is limited, according to the statement in this note under financial instruments.

Credit risk

At present, the Group's credit risk is primarily related to the subsidiary's receivables. The customers' financial situation and ability to pay are known by the Group and the credit risk entailed by each receivable is assessed as modest. Prepayment of deliveries may be necessary for new customers. Otherwise, the Group does not hedge the credit risk in any other way.

Liquidity risk

See the general sections of the Annual Report regarding the Group's capital resources in which the management and board's long and short term expectations to the Group's liquidity is described.

Note 17

Operational Lease Commitments

A lease has been concluded for the lease of office, laboratory and production facilities. BioPorto has a notice period of 6 months. The lease is non-terminable by the lessor until 2010, with fixed lease payments, which are annually index linked.

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Less than 1 year	<u>472</u>	<u>448</u>

Research and licensing agreements:

BioPorto Diagnostics A/S' agreement for the use and storage of cell lines at Statens Serum Institut runs until 2017. The minimum royalty agreed for the period is included in the overview. The agreement is non-terminal within the period mentioned, after which the right of use continues without a fixed minimum royalty.

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Less than 1 year	<u>563</u>	<u>536</u>
1-5 years	<u>2,060</u>	<u>2,188</u>
Over 5 years	<u>1,438</u>	<u>1,872</u>

Other research and licensing agreements: A fixed annual minimum royalty is included in the obligation. The agreement is non-terminable within the period mentioned and includes a renewal option.

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Less than 1 year	<u>15</u>	<u>25</u>
1-5 years	<u>60</u>	<u>100</u>

The parent company did not have research or licensing agreements in 2008 or 2007.

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Minimum lease payment recognized in the net income/loss	<u>1,477</u>	<u>1,428</u>

Note 18

Change in Working Capital

	<u>2009</u> <u>DKK thousand</u>	<u>2008</u> <u>DKK thousand</u>
Change in inventories	(168)	19
Change in receivables	220	118
Change in supplier debt	189	(560)
Change in other debt	<u>963</u>	<u>251</u>
	<u>1,204</u>	<u>(172)</u>

Note 19

Contingent Liabilities

Bioporto has chosen to take legal action against the company Phadia for revocation of the company's European NGAL patent, initially in Denmark. Phadia has countered this by claiming that BioPorto violates Phadia's patent rights and has demanded that BioPorto's NGAL kits be withdrawn from the market and that compensation be paid for units already sold.

The Phadia case and the expectations of the management are described in the management review under Intellectual property rights.

The management does not expect the patent case to lead to financial or other liabilities for the Group.

Note 20

Related Parties and Ownership

BioPorto - the Group's related parties include the following:

Management and board of directors

Carsten Lønfeldt	Boards of directors, Chairman
Peter Nordkild	Board of directors
Niels Foged	Board of directors
Marianne Weile	Board of directors
Ejner Bech Jensen	Board of directors
Thea Olesen	Management
Lars Otto Uttenthal	Board of directors, BioPorto Diagnostics A/S

Group-owned companies

BioPorto Diagnostics A/S, Grusbakken 8, DK-2820 Gentofte

Transactions with related parties

The Group has purchased consultancy assistance from the following board members in BioPorto A/S or BioPorto Diagnostics A/S on market terms:

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Scientific management: Lars Otto Uttenthal	942	944

In addition to remuneration (see note 4) no transaction have been carried out during the course of the year with the board, management, senior staff, leading stockholders, affiliated companies or related parties

Income Statement

BioPorto A/S

January 1 – December 31, 2009

Note	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
3	1,680	1,620
	1,680	1,620
4-5	(5,116)	(5,301)
	(3,436)	(3,681)
6	4,599	4,503
6	(5)	(60)
	1,158	762
10	0	0
	1,158	762
Recommended appropriation of profit:		
	1,158	762
	1,158	762

Balance Sheet

BioPorto A/S
December 31, 2009

Note		2009 Dec. 31 DKK thousand	2008 Dec. 31 DKK thousand
	ASSETS		
	Long-term assets		
	Tangible assets		
7	Other plant, operating equipment and fixtures	1	5
	Tangible assets, total	<u>1</u>	<u>5</u>
	Financial assets		
9	Receivables, subsidiary	84,754	69,630
8	Investment in subsidiary	48,000	48,000
	Deposits	<u>231</u>	<u>224</u>
	Financial assets, total	<u>132,985</u>	<u>117,854</u>
	Long-term assets, total	<u>132,986</u>	<u>117,859</u>
	Short-term assets		
9	Other receivables	<u>22</u>	<u>388</u>
	Receivables	<u>22</u>	<u>388</u>
	Cash resources	<u>13,843</u>	<u>12,380</u>
	Short-term assets, total	<u>13,865</u>	<u>12,768</u>
	ASSETS, TOTAL	<u><u>146,851</u></u>	<u><u>130,627</u></u>

Balance sheet

BioPorto A/S

December 31, 2009

Note	2009 Dec. 31 <u>DKK thousand</u>	2008 Dec. 31 <u>DKK thousand</u>
LIABILITIES		
Equity		
Capital stock	126,398	114,908
Retained income	<u>19,191</u>	<u>14,777</u>
Equity, total	<u>145,589</u>	<u>129,685</u>
Liabilities		
Short-term liabilities		
Supplier of goods and services	378	55
Other debt	<u>884</u>	<u>887</u>
Short-term liabilities, total	<u>1,262</u>	<u>942</u>
Liabilities, total	<u>1,262</u>	<u>942</u>
LIABILITIES, TOTAL	<u>146,851</u>	<u>130,627</u>
Other notes		
10	Deferred tax	
11	Operational lease commitments	

Statement of Changes in Equity

BioPorto A/S

January 1 – December 31, 2009

	Capital stock DKK thousand	Premium DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2008	<u>114,908</u>	<u>0</u>	<u>14,014</u>	<u>128,922</u>
Net income/loss for the year	<u>0</u>	<u>0</u>	<u>762</u>	<u>762</u>
Equity December 31, 2008	<u>114,908</u>	<u>0</u>	<u>14,776</u>	<u>129,684</u>

Moder

	Capital stock DKK thousand	Premium DKK thousand	Retained income/loss DKK thousand	Total DKK thousand
Equity, January 1, 2009	<u>114,908</u>	<u>0</u>	<u>14,776</u>	<u>129,684</u>
Net income/loss for the year	<u>0</u>	<u>0</u>	<u>1,158</u>	<u>1,158</u>
Capital increase	<u>11,490</u>	<u>3,715</u>	<u>0</u>	<u>15,205</u>
Issue costs	<u>0</u>	<u>(459)</u>	<u>0</u>	<u>(459)</u>
Transferred to "retained income"	<u>0</u>	<u>(3,256)</u>	<u>3,256</u>	<u>0</u>
Change in equity 2009, total	<u>11,490</u>	<u>0</u>	<u>4,414</u>	<u>15,904</u>
Equity December 31, 2009	<u>126,398</u>	<u>0</u>	<u>19,190</u>	<u>145,588</u>

Note Index

1. Accounting policies
 2. Accounting estimates and assessments
 3. Net revenues
 4. Staff costs
 5. Depreciation, amortization, write-downs and impairment
 6. Financial income and expenses
 7. Other plant, operating equipment and fixtures
 8. Investment in subsidiaries
 9. Receivables
 10. Deferred tax
 11. Operational lease commitments
 12. Fee for accounting firms
- Other notes

Note 1

Accounting Policies

The annual report for the parent company BioPorto A/S is prepared in accordance with the Danish Financial Statement Act's provision for large corporations, class D.

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

The accounting policies for the parent company are unchanged from last year.

Differences from the consolidated accounting policies

The company's accounting policies for recognition and measurement are in accordance with the consolidated accounts with the following exceptions:

Income statement

Investment in subsidiaries

In the income statement for the parent company, investment in subsidiaries is recognized when the shareholder's right to receive dividend is approved with a deduction of write-downs of investments, if any.

Share-based remuneration

The value of share-based remuneration is not recognized in the income statement. An account of the management's share-based remuneration is found in the notes.

Balance sheet

Investment in subsidiaries

Investment in subsidiaries is measured at cost in the parent company's accounts. If the cost exceeds the investment's recoverable amount, the investment is written down to this lower value. The cost is also written down to the extent the distributed profit exceeds the accumulated earnings after the date of acquisition.

Cash flow statement

In accordance with the Danish Financial Statement Act article 86, 4 a cash flow statement is not prepared as it is part of the consolidated cash flow statement.

Tax

The parent company and inland subsidiaries are jointly taxed. Danish jointly taxed companies form part of the tax prepayment scheme. Tax for the current year is recognized in the jointly taxed companies respectively.

Note 2

Accounting Estimates and Assessments

The management and board of directors have assessed the investment in the subsidiary BioPorto Diagnostics A/S and the parent company's receivable in the subsidiary with a view to possible impairment of the assets recognized. The two items comprise the following:

Investment, January 31, 2009	DKK 48,000 thousand
Receivables, January 31, 2009	DKK 84,754 thousand

The management and board of directors have assessed the following areas of the subsidiary:

Products and product development

BioPorto Diagnostics' sales of own products grew by 11% in 2009. The sales of the company's own products are expected to continue growing in 2010.

The subsidiary's method for diagnosing acute renal injury (NGAL) turned out to have appreciable potential within the routine diagnosis of patients in intensive care. BioPorto Diagnostics is in dialog with several market-leading companies in the routine diagnostics field with a view to using the NGAL method for their specific systems. Thus, there is a good possibility of achieving one or more licensing agreements of great significance to the subsidiary's earnings.

Financing

The company has a financial reserve of DKK 14,343 thousand as of December 31. By way of comparison, the group's cash generated by operating and investment activities amounted to DKK -13,309 in 2009. See the part about capital resources for further detail.

Market value

The share holders' assessment of the group represents a market-related measurement for the group's combined activities and assets. As the majority of the group's activities and IP rights are placed in the subsidiary, the measurement (reduced for cash at bank and in hand) is also an approximate value for BioPorto Diagnostics A/S.

The conclusions are as follows:

- The expectations for the earnings potential of the existing products are positive. Sales are rising and potential licensing income makes it possible to achieve a profit in 2010.

- The company’s pipeline of new products is promising. The company creates new products on an ongoing basis and has also obtained a number of intellectual property rights that will contribute substantially to the company’s future development.
- The financial reserves are deemed adequate for implementing the company’s activities in accordance with the planned strategy, including for ensuring a solid base in the licensing negotiations relating to the utilization of the company’s IP rights.
- The market value of BioPorto A/S at the end of 2009 was approximately DKK 297 million. After deducting cash at bank and cash in hand, this leads to a derivative “market value” of approximately DKK 283 million.
- In 2009, a private placement at a price of DKK 3.97 corresponding to a pre-money market value of DKK 152 million was completed. The private placement was oversubscribed by more than 50%.

On the basis of this, the management and board of directors assess that there is no incentive for writing down the parent company’s investment in BioPorto Diagnostics A/S or the parent company’s receivable in the same company.

For accounting estimates and assessments, see note 2 in the consolidated accounts.

Note 3

Net revenue

	2009 DKK thousand	2008 DKK thousand
The geographical dispersion of the net revenues is as follows:		
Denmark	1,680	1,620
Net revenues, total	<u>1,680</u>	<u>1,620</u>
The net revenues break down as follows:		
Sale of services	<u>1,680</u>	<u>1,620</u>
	<u>1,680</u>	<u>1,620</u>

The sale of services in the parent company solely comprises intercompany sales.

Note 4

Staff costs

	2009 DKK thousand	2008 DKK thousand
Wages and salaries	2,962	3,352
Defined contribution, pensions	606	188
Other social security costs	27	26
Other staff costs	<u>211</u>	<u>178</u>
Staff costs	<u>3,806</u>	<u>3,744</u>
Average number of employees	<u>5</u>	<u>5</u>
Staff costs are recognized as:		
Administration expenses	<u>3,806</u>	<u>3,744</u>

See also notes 4-5 in the consolidated accounts for details on remuneration of board of directors and management as well as share-based payment.

Note 5

Depreciation, Amortization, Write-downs and Impairment

	2009 DKK thousand	2008 DKK thousand
Tangible assets (see note 8)	<u>(4)</u>	<u>(4)</u>
Depreciation, amortization, write-downs and impairment, total	<u>(4)</u>	<u>(4)</u>
Depreciation, amortization, write-downs and impairment are recognized in the income statement as follows:		
Administration expenses	<u>(4)</u>	<u>(4)</u>
	<u>(4)</u>	<u>(4)</u>

Note 6

Financial Income and Expenses

	2009	2008
	DKK thousand	DKK thousand
Interest income, subsidiaries	4,486	3,689
Interest income from bank	<u>113</u>	<u>814</u>
Interest income, financial activities not measured at fair value	4,599	4,503
Financial income, total	<u>4,599</u>	<u>4,503</u>

	2009	2008
	DKK thousand	DKK thousand
Interest expenses, convertible bonds	<u>0</u>	<u>(13)</u>
Interest costs, financial activities not measured at fair value	0	(13)
Foreign currency translation adjustments	0	(1)
other financial expenses	<u>(5)</u>	<u>(46)</u>
Financial expenses, total	<u>(5)</u>	<u>(60)</u>

Note 7

Other Plant, Operating Equipment and Fixtures

	2009 DKK thousand	2008 DKK thousand
Cost, January 1	174	174
Addition during the year	<u>0</u>	<u>0</u>
Cost, December 31	<u>174</u>	<u>174</u>
Depreciation and amortization, January 1	(169)	(165)
Depreciation and amortization for the year	<u>(4)</u>	<u>(4)</u>
Depreciation and amortization, December 31	<u>(173)</u>	<u>(169)</u>
Book value, December 31	<u>1</u>	<u>5</u>

Note 8

Investment in Subsidiaries

		2009 DKK thousand	2008 DKK thousand
Cost, January 1		48,000	48,000
Cost, December 31		<u>48,000</u>	<u>48,000</u>
Book value, December 31		<u>48,000</u>	<u>48,000</u>
Name	Registered office	Ownership and voting interest 2009	Ownership and voting interest 2008
<hr/>	<hr/>	<hr/>	<hr/>
BioPorto Diagnostics A/S	Gentofte, Copenhagen	100%	100%

BioPorto Diagnostics A/S works with the development, production and sale of antibodies and diagnostic kits for analysis purposes

	2008 DKK thousand
Recent accounts for BioPorto Diagnostics A/S	
Equity	(66,184)
Net loss	(14,692)

Note 9

Receivables

	2009 DKK thousand	2008 DKK thousand
Intercompany receivables	84,754	69,630
Other receivables	<u>22</u>	<u>388</u>
	<u>84,776</u>	<u>70,018</u>

For receivables that fall due for payment within one year after the end of the fiscal year, the nominal value is deemed equivalent to the fair value

	2009 DKK thousand	2008 DKK thousand
Intercompany receivables	84,754	69,630

BioPorto A/S invests capital in the subsidiary BioPorto Diagnostics A/S on an ongoing basis to support the subsidiary's operating activities. The receivable amount carries an annual interest of 6% which is charged once a year on December 31. The management of BioPorto A/S and BioPorto Diagnostics A/S coincide. As the subsidiary's activities constitute the majority of the Group's activities, see the review by the management and board of directors, including the description of risks.

Note 10

Deferred Tax

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Tax asset value	1,167	1,442
Write-down to assessed value	<u>(1,167)</u>	<u>(1,442)</u>
Book value	<u>0</u>	<u>0</u>

A substantial deferred tax asset has been calculated. In the view of management and the board, however, the option of using the tax asset in the near future is not sufficiently plausible, taking the IFRS as the point of departure. For this reason, the management and the board have chosen not to recognize the calculated tax asset on the balance sheet, see note 2.

Deferred tax assets unrecognized on the balance sheet:

Tangible assets	59	58
Tax losses allowed to be carried forward	<u>1,108</u>	<u>1,384</u>
Deferred tax, December 31, net	<u>1,167</u>	<u>1,442</u>

Note 11

Operational Lease Commitments

Leases

A lease has been concluded for the lease of office, laboratory and production facilities. BioPorto has a notice period of 6 months. The lease is non-terminable by the lessor until 2010, with fixed lease payments, which is annually index linked.

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Less than 1 year	<u>472</u>	<u>448</u>

	2009	2008
	<u>DKK thousand</u>	<u>DKK thousand</u>
Minimum lease payment recognized in the net income/loss	<u>926</u>	<u>893</u>

Note 12

Fee for Accounting Firms

	2009 DKK thousand	2008 DKK thousand
Total fees, Deloitte State authorized partnership of public accountants	<u>220</u>	<u>260</u>
Itemized as follows:		
Audit	176	164
Assurance engagements	48	10
Tax consultancy	8	7
Other services and regulation relating to previous years	<u>(12)</u>	<u>79</u>
Total audit fees	<u>220</u>	<u>260</u>

Other notes

Refer to note 21-22 of the BioPorto consolidated accounts for further details concerning related parties, as well as the management's and the board of directors' managerial posts.

Glossary

APC-PCI	The complex between activated protein C and the protein C inhibitor. Analyzing this complex in plasma will contribute to the diagnosis of thrombosis and related diseases and the complex also has other utilization possibilities for which BioPorto has patent applications pending.
Biomarker/diagnostic marker	Theoretically, any analyzable phenomenon that can be used for indicating a biological condition (e.g. pulse, body temperature). Most often used for a molecule whose level in a patient sample (blood, tissue) indicates the existence of a disease and possibly its seriousness.
Central laboratory	Many hospitals have a central laboratory which handles a wide range of analyses and typically many at a time – by contrast with the relatively few analyses that can be carried out in the individual wards. A central laboratory usually has a number of large automated machines for handling the analyses.
Diagnostics	Diagnostics is the process whereby a disease and possibly its cause are identified. Fast, accurate diagnostics are decisive for the subsequent treatment (therapy). Certain diagnostic tests can be used for monitoring the patient's response to treatment and possible needs for changing the treatment.
ELISA kit	"Enzyme-linked immunosorbent assay" kit, a laboratory assay format that can determine the content of a biomarker in body fluids such as blood or urine samples.
FDA-approval	The "Food and Drug Administration", is the US authority that authorizes the use of medicines, including diagnostic products.
GLP-1	"Glucagon-like peptide-1", is a peptide hormone secreted from the intestines during eating. GLP-1 stimulates the secretion of insulin and is relevant for the treatment of type-2 diabetes and other diseases.
In-licensing	Buying rights for the producing and selling of a product developed by others, for instance.
IVD	"In vitro diagnostic(s)", a diagnostic procedure that takes place outside the body, e.g. by analyzing blood and urine samples in a laboratory, as opposed to "in vivo diagnostics", which are performed on the patient, such as a prick test in the skin or an X-ray.
MBL	"Mannan-binding lectin", a blood protein that binds to foreign organisms and contributes to congenital (innate) immune response.
Monoclonal	Derived from a single "clone", in this case a single cell line. A monoclonal antibody thus consists of antibody molecules which are all identical, whereas a polyclonal antibody consists of many different antibody molecules produced by many different cell lines in the body.
National phase (patent)	That phase of the processing of a patent application in which the application is submitted to the patent offices of the individual countries in which protection is sought.
NGAL	"Neutrophil gelatinase-associated lipocalin", a biomarker that can indicate renal injury already at an early stage.
OEM	"Original equipment manufacturer", used in the opposite sense of the word for distributors, for instance, who market products of other companies under their own name.
PCT application/ treatment	"Patent Cooperation Treaty" deals with international patent cooperation that makes it possible to apply for patents in a large number of countries in one application.
Routine diagnostics	Diagnostic analyses that are performed on a routine basis at the time of hospitalization.
Sandwich antibody pair	A pair of antibodies targeting the same biomarker which can be used in the sensitive and specific "sandwich" ELISA method whereby the biomarker is identified by two different antibodies.
Specificity	The degree to which an antibody molecule, for example, binds only to a unique structure on another molecule and not to other structures or molecules, or the degree to which a diagnostic procedure only diagnoses a given pathological condition and does not give a positive result in other conditions, including the normal state.
Therapy/Therapeutic products	Treatment of diseases and the products used for this, typically medicines.
Toxicology	Study of the toxicity of substances and the way in which they are capable of causing harmful effects in the body. Toxicological studies are an indispensable part of developing registerable medicines.



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