

ANNUAL REPORT 2023



BIOHIT
Innovating for Health



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BIOHIT IN BRIEF

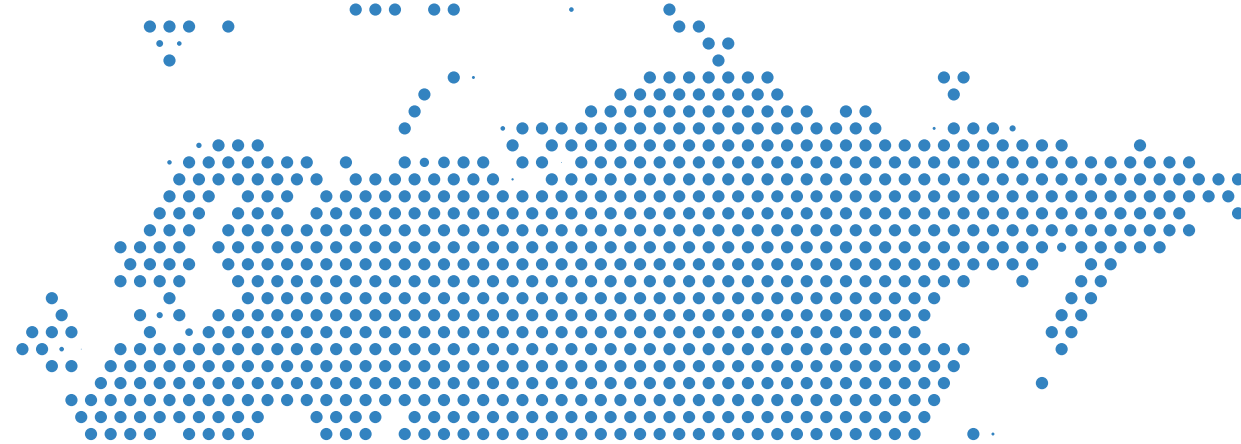
Biohit Oyj is a globally operating Finnish biotechnology company that develops diagnostic and other health products. Biohit's mission is "Innovating for Health". Biohit is headquartered in Helsinki and has subsidiaries in Italy and the United Kingdom. Biohit's Series B shares (BIOBV) have been listed on NASDAQ OMX Helsinki since 1999, in the Small Cap / Healthcare segment. The company was established in 1988.



" Globally operating Finnish
biotechnology company. "



GLOBAL OPERATIONS

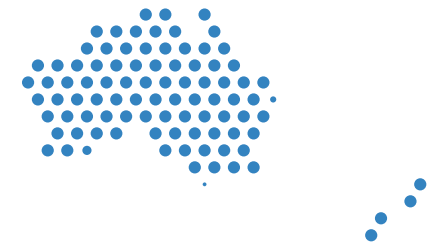
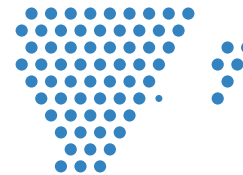
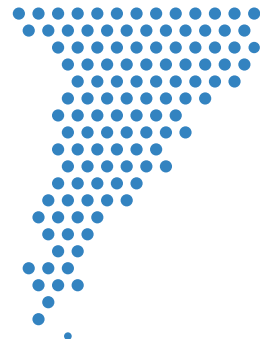


● Biohit is a Finnish health technology company with profitable growth in international markets. 98.4% of Biohit's business comes from exports.

● Biohit diagnostics is for sale in Europe, Asia and South America. In 2023, the most important regions in terms of sales were Europe and Asia.

● Biohit was actively involved in health technology trade fairs. Biohit had an impressive presence at MedLab in Dubai, UEGW in Copenhagen and Medica in Düsseldorf.

● Clinical trials for the flagship product GastroPanel are ongoing in countries such as Belgium, South Korea, India and Chile.





HIGHLIGHTS FROM 2023

• April

Biohit launches the GastroPanel® version using a fingerprick blood sample, GastroPanel® quick test NT. The GPQT NT gives results in 15 minutes and is therefore ideal for rolling tests.

• September

Biohit launches a new logo. The new logo creates a dynamic visual identity for the company to the present day while respecting its heritage of innovation.

• November

Biohit launches a new website. The website is functionally divided according to user groups. Investors, professionals and consumers will have easy access to the content that interests them.

• November

Biohit launches a new strategy for the years 2024-2028. The strategy defines the company as a premium specialist in the diagnosis and prevention of gastrointestinal diseases. The company aims to grow its turnover annually over the strategy period by 15-20% at least at an operating profit rate of 10.

“ Biohit launches the GastroPanel® version using a fingerprick blood sample, GastroPanel® quick test NT. ”





SUMMARY 2023

REVENUE

13.1 meur



EQUITY RATIO

73.0 %



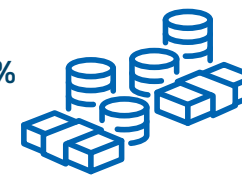
OPERATIVE EBITDA

2.4 meur



REVENUE FROM INTERNATIONAL OPERATIONS

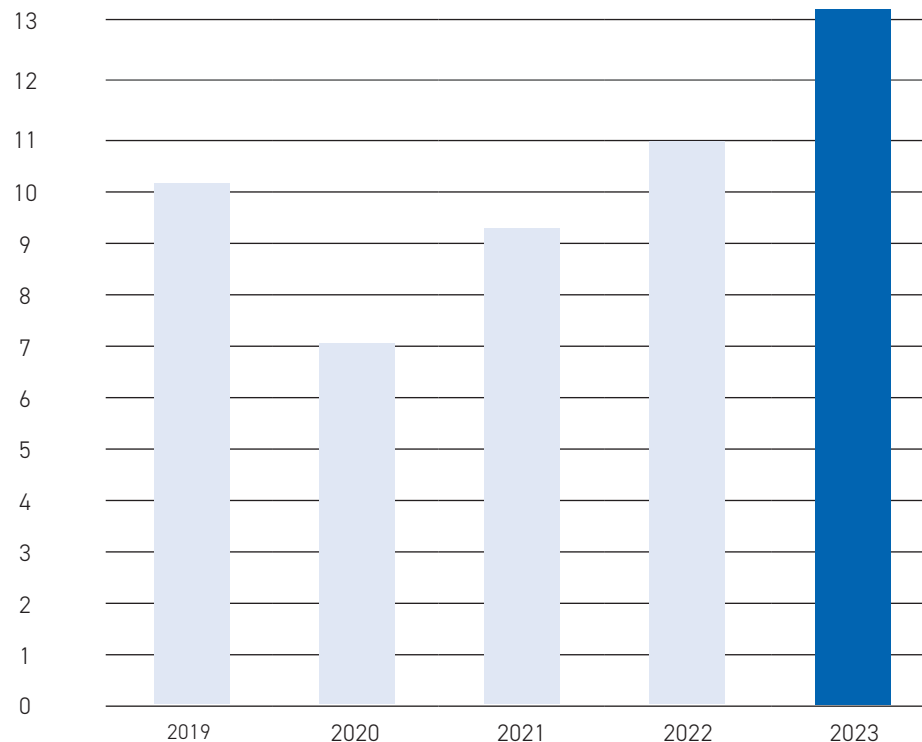
98.4 %



Key figures

	2023	2022
Revenue (MEUR)	13.1	11.0
EBITDA (MEUR)	2.2	1.6
Operative EBITDA (MEUR)	2.4	1.8
Operating profit/loss (MEUR)	1.8	1.1
Profit/loss before taxes (MEUR)	2.2	0.9
Profit/loss for the period (MEUR)	1.9	0.6
Average number of personnel	44	45
Number of personnel at the end of the period	46	43
Equity ratio (%)	73.0%	68.3%
Earnings per share (EUR), Undiluted	0.12	0.04
Earnings per share (EUR), Diluted	0.12	0.04
Shareholders' equity per share (EUR)	0.62	0.50
Average number of shares during the period	15,097,153	15,045,593
Number of shares at the end of the period	15,113,593	15,045,593

Revenue 2019-2023, MEUR





PRESIDENT AND CEO JUSSI HAATELA

Profitable growth

2023 was a financially strong year for Biohit. We accelerated the growth of our revenue and improved our operating profit percentage from what was also a financially strong 2022, and a turning point of a year for the company. In November, we published a new strategy with which we will ensure that we stay on a profitable growth path in the years 2024–2028.





In 2023, our revenue grew to EUR 13.1 million from EUR 11.0 million in the previous year. This is an increase of 19.4%. Operating profit amounted to EUR 1.8 million, up from EUR 1.1 million in the previous year. In addition to revenue, profitability also improved. The operating profit percentage was 14.0, while in 2022 it was 10.3%.

Broad-based growth

The parent company as well as the UK and Italian subsidiaries all improved their sales markedly. Quick tests sold well overall and the sales of all the product variations of the flagship product GastroPanel were strong.

Growth was the strongest in Europe. Regional and product diversification is a favourable development from the point of view of risk management.

Strategy for 2024–2028

Biohit's business has turned to profitable growth. In three years, our revenue has increased by EUR 6.0 million (83.1%) and the operating result by EUR 5.0 million. Prioritising sales, strict cost control and systematic development of operational efficiency have borne fruit.

With our new strategy, we are aiming for continued growth on a profitable path. In line with the strategy published in November, the financial targets for the years 2024–2028 are revenue growth of 15–20% annually, with the operating profit percentage being at least 10.

The five most important points to sum up the strategy are:

1. Expert of the diagnostics of the gastrointestinal tract
2. Widening the markets
3. Completing the product range
4. Active selling
5. A company that attracts investors and talents

The implementation of the strategy started already last year, and as one of the key measures, we separated the strategic management of sales from the management of the sales process. The change ensures that the strategic priorities are reflected in sales. With this more efficient group-level integration of sales, we are also enabling internal synergies and seeking scalability.

With confidence into the new year

We started 2024 confident and well prepared. There is a global need for diagnostics of the gastrointestinal tract, and Biohit has a global solution that produces added value. Biohit's diagnostics improve cost-efficiency and the effectiveness of treatment. This benefits both society and patients. Lack of resources in the public sector is a global and chronic fact. Fast, reliable, and minimally invasive diagnostics enable a more efficient allocation of the scarce resources.

Biohit is primed to achieve results, and the new strategy, which functions as a daily prioritisation tool, ensures that the focus stays on the right things.

Once again, a big thank you goes to our staff, Team Biohit, who have committed to moving the reforms forward. It is a joy and an honour to work with you all. Thanks also to our customers, owners and partners for your support!

In line with the financial targets we set in our strategy, we expect our revenue to rise to EUR 15.1–15.7 million in 2024 and our operating profit percentage to be at least 10.





STRATEGY 2024-2028

Global problems - Global solutions



Ageing population
Gastrointestinal related problems
Scarce health care resources

Gastrointestinal tract expert



Combining the business and the science
Innovations
R&D
Collaborations
Premium brand

Widening markets



Presence in all relevant markets
Europe, Asia, South America, North America

Attractive for talents and investors



Profitable growing healthtech
Active talent acquisition
Investor policy

Widening product portfolio



Sustainable high-quality offering
Dynamic portfolio management
Partnerships

Annual growth 15-20%

EBIT min 10%



Active sales



Market driven sales
Need - Solution - Value-add
Closer to the customer

INNOVATIVE PRODUCTS



Acetium® capsule

A unique innovation for protection of the stomach



Acetium® capsule is a patented product to protect the gastric mucosa from acetaldehyde in people who have an acid-free stomach. Acetium® capsule is indicated for gastric protection in three high-risk groups: i) those with atrophic gastritis, ii) those taking PPIs or H2 blockers, iii) those with chronic *Helicobacter pylori* infection.

Acetium® capsule slowly release L-cysteine, an amino acid that binds acetaldehyde derived from alcohol, food and microbes in the stomach. The Acetium® capsule effectively protects the stomach against the exposure to acetaldehyde and its carcinogenic effects. This can contribute to reducing the risk of gastric and oesophageal cancer in at-risk groups.

GastroPanel® quick test NT

Revolutionary quick test innovation of GastroPanel® is available as a Point-of-Care test

GastroPanel® quick test NT is the further development of the unique Biohit GastroPanel® examination. Sample can be easily taken from the fingertip and results are available within 15 minutes. GastroPanel® quick test NT allows fast diagnosis of and screening for *Helicobacter pylori*, atrophic gastritis with related risks as well as high acid output of stomach in symptomatic and asymptomatic patients.

GastroPanel® quick test NT saves costs and unnecessary clinical appointments. It helps to target endoscopic examinations to those patients, who need them most urgently. It significantly improves the patient safety, as it speeds up the referral to further examinations, treatment and follow-up.



Biohit's R&D cooperation across different scientific fields, innovations and applications have established valuable results for the healthcare worldwide.

GastroPanel® tests and Acetium® products are examples of our innovative products for the promotion of health and prevention of diseases.



CORPORATE GOVERNANCE STATEMENT 2023

INTRODUCTION

Biohit Oyj has prepared this Corporate Governance Statement based on Section 54 of the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association. The company will publish a separate remuneration report for the financial year 2023 for governing bodies according to the new shareholders right directive. The existing remuneration policy and information on the remuneration for the rest of the management team are published by Biohit at www.biohithealthcare.com.

The Report of the Board of Directors, Auditor's Report, full Corporate Governance Statement, remuneration policy and the rest of the management team's remuneration are available at www.biohithealthcare.com.

RULES OBSERVED BY BIOHIT

Biohit Oyj is a Finnish public limited company whose series B shares are listed on Nasdaq Helsinki in the Small cap/Healthcare group. Biohit Group (hereinafter referred to as "Biohit") comprises the parent company, Biohit Oyj and its foreign subsidiaries, which primarily focus on sales and marketing for Biohit Oyj's products. Biohit is headquartered in Helsinki.

Biohit's governance complies with the applicable legislation, standards and recommendations concerning public listed companies, the regulations of Nasdaq Helsinki Ltd and Biohit Oyj's Articles of Association. Biohit Oyj has administered its affairs in compliance with the corporate governance code 2020 for Finnish listed companies, and this Statement has been prepared in accordance with the code. The Corporate Governance Code is available at www.cgfinland.fi.

Three of the members of the five-person Board of Directors are independent of the company so that the company fulfils recommendation number 10 stating that the majority of the members of the Board of Directors must be independent of the company. Biohit's Board of Directors is one of the best of its size according to the Nordic Business Diversity Index, which measures Board diversity in Finland, Sweden and Denmark through four different variables: age, gender, education background and nationality.

The Board of Directors evaluates its independence annually.

The company strives to comply with high international standards of corporate governance

and the key principles of corporate governance among Finnish listed companies.

BIOHIT'S ADMINISTRATIVE BODIES IN 2023

The highest decision-making power at Biohit Oyj is exercised by the company's shareholders at the Annual General Meeting. The company's Board of Directors supervises the administration and organisation of the company and the Group's earnings trends. The President & CEO is responsible for operative management and is assisted by the Management Team.

Annual General Meeting

Biohit Oyj held its 2023 Annual General Meeting on 14 June in Helsinki. There were 2,018,310 A shares and 569,160 B shares represented at the meeting, corresponding to 17.12% of all the shares in the company and 57.13% of the votes. 28 shareholders were represented at the general meeting. The meeting was attended by two of the five members of the Board of Directors, the President & CEO and the principal auditor.



Board of Directors

The Board of Directors, which comprises 5–7 members elected by the Annual General Meeting, is responsible for the administration and appropriate organisation of Biohit's business operations. Proposals concerning membership of the Board of Directors are prepared by the Board of Directors. Biohit has defined the principles applying to diversity within the Board of Directors in accordance with recommendation 9 of the corporate governance code. Biohit's objective is for both sexes to be represented on the company's Board of Directors. In line with this objective, the Board of Directors had members of both sexes.

The Board of Directors elects a chairman from amongst its members. Board members' terms of office run from the date of their election by the AGM until the end of the next AGM.

The Board's areas of responsibility are stated in the written rules of procedure approved by the Board.

They are as follows:

- Increasing shareholder value
- Ensuring the appropriate organisation of accounting and financial management
- Approving Biohit Oyj's financial statements, consolidated financial statements and the Report of the Board of Directors for the most recent financial period

- Approving the half year financial report annually for the period ending at the end of June
- Deciding on Biohit's business plan, budget and investment plan
- Deciding on Biohit's financing and risk management policies
- Approving the remuneration and incentive schemes for senior managers
- Appointing the President & CEO
- Deciding on Biohit's strategy, organisational structure, investments and other wide-reaching and significant issues

The Board's decision-making is based on the reports prepared by the company's operative management on the operational development of the Group and its business units.

The Chairman is responsible for convening Board meetings and arranging the work of the Board. The Board convenes 5–12 times per year, usually meeting once every month or once every two months, and the meeting schedule for the entire term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference.

Board of Directors in 2023

Until the Annual General Meeting held on 15 June 2023, the following six people were on the Board of Directors: Lea Paloheimo (chairman), Franco Aiolfi, Liu Feng, Kalle Härkönen and Osmo Suovaniemi. At the Annual General Meeting, Liu Feng, Kalle Härkönen, Lea Paloheimo and Osmo Suovaniemi were re-elected to the Board of Directors to serve until the end of the Annual General Meeting in 2024. Vesa Silaskivi was elected as a new member to the Board of Directors. The Board of Directors elected Vesa Silaskivi as its chairman.

Biohit Oyj's Board of Directors convened 10 times in 2023 (6 times in 2022). The average attendance was 96 per cent (92 per cent).

Biohit Oyj's Board of Directors on 31 December 2023

Vesa Silaskivi, Chairman (b. 1968) LL.D, Lic (BA)

- Member of the Board since 2023
- Independent of the major shareholders and the company
- Professional board member since 2016, several senior management positions, for example in Valio, Elisa and HPP Attorneys Ltd
- Attended 6 Board meetings in 2023
- Direct shareholding: No shares



Lea Paloheimo (b. 1951), PhD

(clinical biochemistry), hospital chemist

- Member of the Board since 2019
- Independent of the major shareholders and the company
- Employed by Biohit Oyj during 2001-2019, recently working as a Production and Product Development Director and Business Development Director
- Attended 10 Board meetings in 2023
- Direct shareholding: series B shares: 7,000

Liu Feng (b. 1972), General Manager of Hefei Medicine Co., Ltd, Owner of Biohit Healthcare Hefei

- Member of the Board since 2018
- Non-independent of the major shareholders and of the company
- Special researcher at the Counsellor's Office of Anhui Provincial People's Government
- The vice chairman of the Chinese National Early Gastrointestinal-Cancer Prevention & Treatment Centre
- Alliance member of the council of the China Health Promotion Foundation
- Attended 9 Board meetings in 2023
- Indirect shareholding via Biohit Healthcare (Hefei) Co., Ltd.: series A shares: 850,000, B shares: 4,095,415

Kalle Härkönen (b. 1968), MSc (Tech.)

- Member of the Board since 2022
- Independent of the major shareholders and the company
- CEO at Foamit Oy
- Attended 9 Board meetings in 2023
- Direct shareholding: series B shares: 4,333

Osmo Suovaniemi (b. 1943), MD, PhD

- Member of the Board since 1988 and Chairman 2011-2021
- Non-independent of the major shareholders and of the company
- Founder of Biohit and its former President & CEO
- Attended 9 Board meetings in 2023
- Direct shareholding: series A shares: 2,018,310

Board committees

The Board of Directors have assessed that the scope of the Biohit Oyj's business does not require the appointment of a separate Audit Committee, and consequently no separate committees have been appointed to increase the efficiency of the Board.

President & CEO

The President & CEO is responsible for the day-to-day management of the company in accordance with the instructions and regulations

issued by the Board of Directors. The President & CEO of the parent company is elected by the Board and acts as Group President.

He also ensures the appropriate organisation and legality of the company's accounting and asset management. The terms of employment of the President & CEO are based on a written contract that is approved by the Board of Directors. The President & CEO cannot be elected Chairman of the Board. During the financial period, Jussi Hahtela MSc Econ. acted as the CEO.

Jussi Hahtela (b. 1973)

- MSc (Econ.)
- With Biohit Oyj since 2021 (CFO until 1 September 2022)
- Previously: Chief Strategist, Head of FX & Money Markets Sales Finland, Nordea Markets
- Direct shareholding: series B shares: 20,000

“ Biohit's business operations and administration aim to realise the company's values, of which the most important is to promote health and well-being through innovation. ”



Group Management Team

The composition and areas of responsibility of the Group's Management Team were as follows: Jussi Hahtela (President & CEO), Jussi Sorvo (finance, ICT, HR), Suvi Elomaa (production), Panu Hendolin (R&D), Ilari Patrakka (sales and marketing) and Daniela Söderström (quality and registration).

Jussi Sorvo (b. 1990)

- MSc (Econ.)
- CFO
- With Biohit Oyj since 2021
- Previously: Financial auditor, PwC
- Direct shareholding: series B shares: 8,000

Ilari Patrakka (b. 1980)

- MSc (Econ.)
- Chief Commercial Officer
- With Biohit Oyj since 2012, Sales and Marketing director until 22 November 2023
- Previously: retail sales channel manager at Marioff Corporation Oy, marketing and export manager at Gasmot Technologies Oy, sales manager at Gasmot Technologies (Asia) Ltd.
- Direct shareholding: series B shares: 12,116

Suvi Elomaa (b. 1985)

- Biotechnology and food engineer
- Production Director
- With Biohit Oyj since 2013
- Previously: Project engineer at the Institute

of Biomedicine, Department of Physiology at University of Turku

- Direct shareholding: series B shares: 8,000

Graham Johnson (b. 1977)

- BSc (Hons) Biomedical Science
- Head of Global Sales and Marketing, Managing Director Biohit Healthcare Ltd. (UK)
- With Biohit Oyj since 2002, e.g. as Sales and Marketing Director (UK)
- Previously: Virology in Public health laboratories
- Direct shareholding: No shares

Panu Hendolin (b. 1971)

- Ph.D. (Molecular medicine)
- R&D Director
- Previously: At Biohit as R&D and Production Director in 2007-2008 as well as 2012-2017, Head of Technical Product management at Biohit in February 2022 - December 2022. Production Director at United Medix Laboratories Oy, Chief Technology Officer at Sulapac Oy.
- Direct shareholding: series B shares: 5,177

Daniela Söderström (b. 1987)

- MSc (Tech.)
- Quality and Regulatory Affairs Director
- With Biohit Oyj in the field of quality management since 2014
- Direct shareholding: series B shares: 38,000

Management of subsidiaries

The Managing Directors of the subsidiaries are responsible for the management of subsidiary operations and they report to the President & CEO of the parent company. The subsidiaries are responsible for the sales and marketing of Biohit's products in their market areas. The managers of subsidiaries operate under the management and supervision of Biohit's President & CEO. In 2023, the Managing Directors of Biohit's subsidiaries were: Graham Johnson (United Kingdom) and Franco Aiolfi (Italy).

The personal details and shareholdings of Biohit Oyj's Board of Directors and operative management are available at <https://investors.biohithealthcare.com/en/>.

Decision-making procedure concerning remuneration

The remuneration policy and the rest of the management team's remuneration are available at www.biohithealthcare.com.



Remuneration of members of the Board of Directors

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. The remuneration paid to the other members of Biohit Oyj's Board of Directors is decided by the company's Board of Directors in accordance with the company's rules on related-party transactions, which are described in the section "related-party transactions".

President & CEO and other company management

The Board approves the President & CEO's remuneration and terms of employment. The severance payment is dependent on the duration of the CEO's term.

The Board approves the remuneration and terms of employment of members of the Management Team. Biohit Oyj's Board of Directors approves the principles of the incentive schemes for Management Team members and the President & CEO.

The President & CEO approves the salaries and profit-based incentives of subsidiaries' Managing Directors in accordance with the instructions provided by Biohit's Board of Directors. Profit-based incentives are dependent on sales and profitability trends for each unit.

Pension plans

No other pension arrangements, beyond those mandated by law, have been made with the Managing Directors of Group companies.

MAIN CHARACTERISTICS OF INTERNAL CONTROL OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

Biohit's internal control is responsible for ensuring that the Group carries out its business operations within the framework of the current regulations and legislation and in accordance with the instructions of the Board of Directors. Internal control seeks to ensure that the Group operates with maximum efficiency and that efforts are made at various levels of the organisation to achieve the objectives set in the strategy approved by the Board of Directors. Risk management is geared towards supporting the achievement of these objectives by anticipating and managing business-related risks.

Control environment

Biohit's business operations and administration aim to realise the company's values, of which the most important is to promote health and well-being through innovation. According to the strategy for 2024-2028, Biohit is a global

intestinal tract expert, relating to which it carries out manufacturing, sales and marketing activities.

Biohit's control environment is defined by the Board of Directors, which, as the highest administrative body, is responsible for organising internal control. The President & CEO is responsible for maintaining the efficiency of the control environment and the functionality of internal control. Biohit's financial department is responsible for the functionality of financial reporting as well as the interpretation and application of financial statement standards in line with the separately approved instructions.

Risk assessment

In the assessment of the risks related to financial reporting, Biohit's objective is to identify the major risks associated with the Group's business operations and environment. The cost-effective management and monitoring of these risks will then ensure that the company's strategic and operational targets can be reached as intended.

The Board of Directors carries the main responsibility for risk assessment and monitoring the implementation of risk management. The



President & CEO works with the parent company's operative management and subsidiaries' managers to ensure that the Group's risk management is duly arranged. The parent company's operative management is responsible for identifying and managing the risks involved within each business area, while the subsidiaries' Management Teams are responsible for those in their own market areas.

Risk management is one of the areas covered by Biohit's internal control processes, which regularly monitor the risks associated with the company's business operations, identify any changes and, if necessary, take appropriate action to hedge against them. Risk management focuses on ensuring the continuity of business operations and preventing financial misconduct.

Control measures

Internal control measures are integrated into the Group's general business management and reporting process. The subsidiaries report to Group Management on business and earnings trends and the most significant deviations on a monthly and quarterly basis. The Group's Management Team reports to the Board of Directors on the overall development of business; these two bodies, together with the

President & CEO, decide on overall corporate strategies and procedures guiding the operations of the Group.

The subsidiaries' Boards follow business developments and ensure that the parent company's approved instructions and guidelines are followed. As a rule, the Boards of Directors of the subsidiaries meet monthly. Board work in the subsidiaries is based on financial reports and the written monthly and annual reports drawn up by subsidiary management.

Biohit's business control is carried out in accordance with the management system described hereinabove. The company provides the reporting systems necessary for business and financial management. The financial department of the parent company provides instructions for drawing up annual and interim financial statements and prepares the consolidated financial statements.

The parent company's finance department retains central control of funding and administrative matters within the framework of the instructions provided by the Board of Directors and the President & CEO and is also responsible for the management of interest and exchange rate risks. The Managing Directors of the subsidiaries ensure that the subsidiaries' reporting is carried out in accordance with the instruc-

tions given by the Group's Management Team.

The parent company's administration department controls and provides instructions on Group-level personnel policies and any agreements made within the Group.

Disclosure policy

Biohit aims to provide all its stakeholders with information about the company's operations in a proactive, consistent and timely manner. The company seeks to take the special requirements and interests of all its stakeholders into account in its communications in order to increase confidence in the company and thereby promote its business operations. Biohit's Board of Directors has approved an information release policy with a view to ensuring the accuracy and reliability of any information released. The policy also specifies who is responsible for communications in different situations.

Biohit's financial department regularly provides information on processes related to financial administration reporting. This ensures the real-time availability of data, which is a prerequisite for efficient internal control.

Financial administration guidelines and the



company's information release policy aim to ensure the promptness and comprehensiveness of communications as well as the release of the information required for internal control purposes.

Monitoring

The efficiency of internal controls on financial reporting is overseen by the Board of Directors, the President & CEO, Management Team members and the Managing Directors of subsidiaries. Control focuses on following weekly and monthly financial reports and forecasts and analysing any deviations from business plans. Monitoring is performed at all Board and Management Team meetings where reports are reviewed. It is supported by regular contact between Group Management and the company's auditor, and analysis of any deviations, which occurs at least once per quarter.

The audit frameworks for the Group's subsidiaries and key audit areas are jointly defined by the Group's financial management and the chief auditor. Biohit has not appointed a separately organised function for internal auditing purposes, but Biohit's financial department has the responsibility to implement it in practice.

The Group has internal control reporting systems required for financial management and monitoring business development. The reporting systems produce monthly financial data so that financial management can ensure compliance with the parent company's approved instructions on matters such as authorisation.

The Group's auditor and the auditors of each subsidiary evaluate the effectiveness of the internal control system in connection with the external audit.

AUDIT 2023

The auditor elected by the AGM is responsible for Biohit's statutory audit. According to the Articles of Association, the company must have one auditing body approved by the Central Chamber of Commerce. The 2023 Annual General Meeting re-elected auditing firm PricewaterhouseCoopers Oy as the company's auditor for a one-year term, with Tiina Puukkoniemi, Authorised Public Accountant, as chief auditor.

Auditor and auditor's fees

The 2023 Annual General Meeting decided to pay auditor's fees in accordance with the auditor's invoice. The Group's invoiced auditors'

fees for the 2023 financial period totalled EUR 124,000 (EUR 127,000 in 2022). In addition to this, PricewaterhouseCoopers Oy was paid a total of EUR 3,000 for other services (EUR 0 in 2022).

RELATED-PARTY TRANSACTIONS

The company keeps a list of its related parties, and it regularly engages in transactions with some of these parties. These transactions are related to the company's ordinary business activities, they are appropriate in terms of the company's operations and they are executed on ordinary market terms. The company's financial management monitors and supervises related-party transactions as part of the company's normal reporting and supervision practices. Relevant transactions between the company and its related parties are reported annually in the notes to the company's consolidated financial statements. The company's Board of Directors makes all the relevant decisions concerning related-party transactions. Decision-making is based on particularly thorough preparation and appropriate reports, statements and estimates. Preparation of the related-party transactions, decision-making and approval have been arranged to take account of the disqualification rules and appropriate decision-making entities.



Biohit Oyj's Board of Directors made the following decision on 2023 related party transactions:

1. As part of his work as the head of scientific advisory board, Osmo Suovaniemi's compensation amounted EUR 144,000 (2022: EUR 129,000).
2. As part of his work as the managing director of Biohit Healthcare S.r.l, Franco Aiolfi will be paid a fixed fee of EUR 18,000 in 2023 (2022: EUR 18,000).
3. The members of the scientific advisory board will be paid EUR 85 per hour for the work outside the scientific advisory board.

INSIDERS

Biohit applies the Guidelines for Insiders approved by Nasdaq Helsinki Ltd as well as any relevant amendments.

Biohit's President & CEO is responsible for insider control. He ensures that those who handle insider information are aware of the insider regulations and that they adhere to the trading restrictions. Insiders are not allowed to trade Biohit Oyj securities for 30 days before the publication of the company's financial statement bulletin and interim reports. Insiders participating in projects are not allowed to trade shares in Biohit before an announcement has been made of the continuation or discontinuation of a project.

Information on the shareholdings of Biohit's insiders and their trading activity is available at <https://investors.biohithealthcare.com/en/>.





INFORMATION FOR SHAREHOLDERS

General meeting of shareholders

Biohit Oyj's Annual General Meeting has been planned for Wednesday 5 June 2024 in Helsinki. The Board of Directors will call the General Meeting at a later date.

Board's proposal for distributions of profit

The parent company's distributable funds (unrestricted equity) on 31 December 2023 are EUR 6,107,520.93 of which the period net profit is EUR 1,666,264.33. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year.

Shares

Total number of shares:

15,113,593 (15,045,593 in 2022)

Series A shares (20 votes per share):

2,975,500 (2,975,500 in 2022)

Series B shares (1 vote per share):

12,138,093 (12,070,093 in 2022)

Biohit Oyj's series B shares are listed in the Nasdaq Helsinki Ltd Small Cap group. The shares are traded under the symbol BIOBV. More detailed information about Biohit Oyj's shares is provided in the notes to the consolidated financial statements and on <https://sijoittajat.biohithealthcare.com/en/>.

Financial communication

The financial reviews and other stock exchange releases published by Biohit are available on <https://sijoittajat.biohithealthcare.com/en/>.

You can also subscribe to receive financial communications by email using the subscription form on the website.

Next financial report

The half-year financial report for January - June 2024 (H1) will be published on Wednesday 7 August 2024.

Silent period

Biohit observes a silent period of 30 days before results are published. During this period, Biohit's management and other personnel will not provide information about the company's financial position or market related comments, nor will they meet with representatives from equity markets or the financial media. However, if an event that requires immediate publication takes place during the silent period, Biohit will publish information without delay in accordance with disclosure regulations. In such cases, the company is able to comment on the event.



BOARDS OF DIRECTORS



Vesa Silaskivi

born in 1968

LL.D, Lic (BA)

Chairman of Biohit Oyj's Board of Directors

Member of the Board since 2023

Independent of the major shareholders and the company

Other relevant experience:

- Professional board member since 2016, several senior management positions, for example in Valio, Elisa and HPP Attorneys Ltd



Lea Paloheimo

born in 1951

PhD (clinical biochemistry), hospital chemist

Member of the Board of Biohit Oyj since 2019

Independent of the major shareholders and the company

Other relevant experience:

- With Biohit Oyj during the years 2001-2019. Production and Product Development Director, Business Development Director



Liu Feng

born in 1972

General manager of Hefei Medicine Co., Ltd,

Member of the Board of Biohit Oyj since 2018

Non-independent of the major shareholders and of the company

Other relevant experience:

- Special researcher at the Counselor's Office of Anhui Provincial People's Government
- The vice chairman of the Chinese National Early Gastrointestinal Cancer Prevention & Treatment Center Alliance
- Member of the council of the China Health Promotion Foundation.
- In 2013, Liu Feng and his companies and Biohit Oyj established a joint venture Biohit Healthcare (Hefei) Co., Ltd

BOARDS OF DIRECTORS



Kalle Härkönen

born in 1968

Foamit Group Oy, CEO, and MD Uusioaines Oy

Member of the Board of Biohit Oyj since 2022
Independent of the major shareholders and the company

Other relevant experience:

More than 25 years of experience in international business in various industries, especially in managing and developing companies and their global supply chains through digitalization and innovation.

- Teknos Group Oy, Deputy CEO, COO, Head of Group Operation and Logistics, 2016 – 2020
- Fazer Confectionery Ltd, Vice President Supply chain & sourcing, 2013 – 2016
- Sartorius Biohit Liquid Handling Oy, part of Sartorius Lab Holding GmbH, Vice President, Liquid Handling Operation, 2012 – 2013
- Biohit Oyj, Chief Operational Officer (COO), 2001 – 2012



Osmo Suovaniemi

born in 1943

MD, PhD, Professor

Member of the Board of Biohit Oyj since 1988, Chairman 2011-2021
Non-independent of the major shareholders and of the company

Other relevant experience:

- The founder of Biohit Oyj
- The founder, main shareholder, chairman, and CEO of Labsystems Oy and Eflab Oy
- Received an award in 1992 for having most patents in Finland.
- A board member, vice-chairman, and chairman of the General Industry Group in Finland in 1978-1986
- A board member of the Confederation of Finnish Industry in 1986
- A member of the Academy of Technical Sciences from 2003

GROUP MANAGEMENT TEAM



Jussi Sorvo

born in 1990

MSc (Econ.), CFO

With Biohit Oyj
since 2021.

Panu Hendolin

born in 1971

Ph.D.
(Molecular medicine),
R&D Director

With Biohit Oyj
since 2022.

Suvi Elomaa

born in 1985

Biotechnology and
food engineer,
Production Director

With Biohit Oyj
since 2013.

Jussi Hahtela

born in 1973

MSSc,
President and CEO

With Biohit Oyj
since 2021.

Graham Johnson

born in 1977

Head of Global Sales
and Marketing, Managing
Director Biohit
Healthcare Ltd. (UK)

With Biohit Oyj
since 2002.

Daniela Söderström

born in 1987

MSc (Tech.), Quality
and Regulatory
Affairs Director

With Biohit Oyj
since 2014.

Ilari Patrakka

born in 1980

MSc (Econ.),
CCO

With Biohit Oyj
since 2012.



FINANCIAL STATEMENTS

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* Part of the financial statements



1. REPORT BY THE BOARD OF DIRECTORS 2023

SUMMARY

- Revenue EUR 13.1 million (EUR 11.0 million)
- Revenue grew by 19.4% compared to year 2022
- Operative EBITDA EUR 2.4 million (EUR 1.8 million)
- Cash at the end of the period EUR 3.0 million (EUR 2.1 million)
- ROE 21.9% (8.1%)
- Fair value of Genetic Analysis AS investment EUR 0.1 million (EUR 0.3 million 31 December 2022)
- Revenue from international operations 98.4% (97.9%) of total revenue
- Equity ratio 73.0% (68.3%)

BIOHIT GROUP KEY FIGURES

	1-12/2023	1-12/2022
Revenue (MEUR)	13.1	11.0
EBITDA (MEUR)	2.2	1.6
Operative EBITDA (MEUR)	2.4	1.8
Operating profit/loss (MEUR)	1.8	1.1
Profit/loss before taxes (MEUR)	2.2	0.9
Profit/loss for the period (MEUR)	1.9	0.6
Average number of personnel	44	45
Number of personnel at the end of the period	46	43
Equity ratio (%)	73.0%	68.3%
Earnings per share (EUR), Undiluted	0.12	0.04
Earnings per share (EUR), Diluted	0.12	0.04
Shareholders' equity per share (EUR)	0.62	0.50
Average number of shares during the period	15,097,153	15,045,593
Number of shares at the end of the period	15,113,593	15,045,593

Biohit's revenue grew 19.4% from the previous year. Profitability has also improved. EBIT-% was 14.0% compared to 10.3% in 2022. The strong balance sheet creates good conditions to further develop business and to stay on the growth track. Biohit's equity ratio was 73.0% at the end of the financial year (68.3%). The company's financial assets totalled EUR 6.7 million (EUR 5.9 million).



REPORTING

Biohit's product portfolio consists of diagnostic tests, analysis systems, products binding carcinogenic acetaldehyde into a harmless compound and monoclonal antibodies. The entire product and service portfolio is reported under a single segment.

REVENUE AND EBIT

Revenue grew by 19.4% from 2022. Revenue from international operations was 98.4% (97.9%) of total revenue. EBIT was EUR 1.8 million (EUR 1.1 million).

CONSOLIDATED REVENUE AND OPERATING PROFIT

	2023	2022
Revenue MEUR	13.1	11.0
Operating income MEUR	1.8	1.1

ALTERNATIVE PERFORMANCE MEASURES

Bridge calculation of EBITDA

EUR million	1-12/2023	1-12/2022
Operating profit/loss	1.8	1.1
Depreciation and amortization	0.4	0.5
EBITDA	2.2	1.6

Bridge calculation of operative EBITDA

EUR million	1-12/2023	1-12/2022
Operating profit/loss	1.8	1.1
Depreciation and amortization	0.4	0.5
IFRS 2 Share based payments	0.2	0.2
Operative EBITDA	2.4	1.8

BALANCE SHEET, FINANCING AND OPERATIONAL CONTINUITY

On 31 December 2023 the balance sheet totalled EUR 12.9 million (EUR 11.0 million on 31 Dec 2022). At the end of the reporting period our equity ratio stood at 73.0% (68.3% 31 December 2022).

Profitable financial period increased the balance sheet.

Biohit Oyj has a stable financial position. On 31 December 2023, the company's financial assets totalled EUR 6.7 million (EUR 5.9 million) which does not include Genetic Analysis AS shares.

The company has managed to keep its working capital on a good level and the management believes that working capital will cover the operations for the next 12 months and the company is not dependent on external financing to be able to guarantee the continuity of its operations.

Cash flow from operating activities was EUR 0.9 million during the review period and EUR 1.3 million during the second half of the year. The company's management assessment is that the company's ability to continue its operations is good and there are no indications of events or circumstances that alone or combined might give a significant reason to doubt the organisation's ability to continue its operations.



INVESTMENTS

Gross investments during the 1-12/2023 reporting period totalled EUR 0.3 million (EUR 0.1 million).

PERSONNEL

During the review period, the Biohit Group employed on average 44 (45) people of whom 35 (36) were employed by the parent company and 9 (9) by the subsidiaries.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Biohit's key risks are related to the success of product registrations as well as the selection and development of new market areas and distribution channels.

The diagnostic industry is heavily regulated, and this may have an effect on Biohit's sales. The duration of the product registration process is different in each market area. For this reason, conquering new markets may be slow.

It is also critical to implement the changes required by the new IVDR EU regulation so that sales of the existing products can continue.

When investing liquid assets, the objective is to gain a return on investment with a low risk of equity loss. The investment portfolio consists of deposits, investment funds and corporate loans. A fundamental aspect in portfolio management is sufficient diversification across different asset classes, investment instruments and counterparties. The investment portfolio is subject to equity risk that is managed by diversification and allocation decisions. The portfolio is also subject to interest rate

risk, which is managed by adjusting the duration of the portfolio. In addition, general instability in the financial markets may have a negative impact on the value of the investment portfolio.

The Group's investment in listed Genetic Analysis AS is subject to changes in share price and the EUR/NOK foreign exchange rate.

Biohit's customer base is widely diversified, with the exception of GastroPanel® sales in China, which currently represents a major single business for Biohit. Biohit HealthCare (Hefei) Co. Ltd. has, based on a security agreement signed on 8 February 2022, pledged to Biohit 1,500,000 class B Biohit shares as security for its obligations referred to therein. The pledge significantly decreases the risks that are related to sales in China.

Otherwise, the company is not significantly dependent on individual customers or project deliveries.

The balance sheet and sales of the Biohit's UK subsidiary are in GBP. As a result, Biohit is exposed to the risk of GBP weakening. Otherwise, most of the company's business is conducted in EUR and the indirect effects of the currency exchange rate fluctuations are considered insignificant.

“ The most significant contributor to the sales was GastroPanel® with its many variants. ”



OUTLOOK FOR 2024

Biohit expects its revenue to grow according to the strategy to 15.1 – 15.7 million euros and EBIT-% to be at a minimum of 10.

MAIN EVENTS IN THE FINANCIAL YEAR

Biohit's revenue continued to grow reaching EUR 13.1 million (2022: EUR 11.0 million, growth 19.4%). The profitability also improved. Operative EBITDA was EUR 2.4 million. Growth from the previous year was EUR 0.6 million. EBIT rose to EUR 1.8 million from EUR 1.1 million in 2022. Gross margin was 61.6% (62.2% in 2022).

Growth in revenue was broad-based both regionally and product wise. The most significant contributor to the sales was GastroPanel with its many variants. The ELISA version is a fit for large scale laboratory use. Quick-test version analyses health of the stomach mucosa in just 15 minutes in Point-of-Care use.

Biohit was granted funding for two R&D projects by the European Union and Business Finland in 2021. The total amount of these grant fundings is EUR 0.9 million, of which EUR 0.2 million was deferred as revenue to the reporting period. Centre for Economic Development, Transport and the Environment decided to grant Biohit Oyj EUR 0.2 million support for corporate development. This support had no financial impact on the reporting period.

In 2022 the Italian subsidiary made EUR 0.3 reservation regarding the Italian state's demand of ex post compensation from suppliers of medical equipment for the budget overruns of the Italian administrative regions in the years 2015-2019. Like other operators in the field, Biohit has denied the demands. Reservation decreased the 2022 revenue. This is still an unfinished business, which means that reservation was not recognised as revenue or cost in 2023.

Biohit owns 5.71% of the listed Norwegian Genetic Analysis AS. Valuation of the shareholding decreased by EUR 0.2 million to EUR 0.1 million in 2023.

Strategy for 2024-2028

In November Biohit released a strategy for 2024-2028. The strategy-driven financial targets are annual revenue growth of 15%-20% and EBIT-% of minimum 10.

Five key cores of the strategy are:

1. Gastrointestinal tract expert
2. Widening markets
3. Widening portfolio
4. Active in sales
5. Attractive for talents and investors

Changes in the management group

Ilari Patrakka was appointed Chief Commercial Officer. Patrakka has previously worked as Biohit's Director of Sales and Marketing. Patrakka's responsibility is to make sure that strategic cores will be prioritised in sales.

Graham Johnson, Managing Director of Biohit's UK subsidiary, was appointed Head of Global Sales and Marketing as well as a member of the Management Group. Johnson will continue to lead the UK subsidiary.

The target of the group level integration in sales is to utilise internal synergies and scalability.



RESEARCH AND DEVELOPMENT AS WELL AS CLINICAL STUDIES

R&D operations focus on innovations, as well as product development and further improved usability. Biohit also employs external experts and subcontractors in its R&D operations.

In 2023 EUR 0.2 million of development expenditure was capitalised (EUR 0 million). Research and development expenditure during the 1-12/2023 reporting period amounted to EUR 1.2 million (EUR 1.2 million) of which the second half-year accounted for EUR 0.6 million (EUR 0.7 million).

R&D of the new products proceeded as planned in 2023. IVDR and MDR related regulation compliance consumed extensive resources, but this was provided for.

FINANCIAL REPORTING

In 2024 Biohit will publish the half-year financial report for period January - June 2024 (H1) at 9:30 am on Wednesday 7 August 2024.

MAJOR EVENTS AFTER THE CLOSE OF THE REVIEW PERIOD

The company's management is not aware of any other material events which have occurred since the balance sheet date.

RELATED PARTY LOANS

The CEO of the group has been granted a market-based long-term loan of EUR 20 thousand (EUR 0) and the management team EUR 97 thousand (EUR 57 thousand). The loan interest rate is 12-month Euribor plus 0.3%. Interest is paid annually in arrears. The loan period is five years. The borrower is entitled to pay back the loan early.

GOVERNMENT

Annual General Meeting in 2023

AGM decided on 14 June, 2023, as suggested by the Board of Directors, that no dividend will be paid for financial year 2022.

The AGM resolved that five (5) members are elected to the Board of Directors and that CEO Liu Feng, CEO Kalle Härkönen, PhD Lea Paloheimo, LL.D, Lic (BA) Vesa Silaskivi and professor h.c., MD, PhD Osmo Suovaniemi are elected as members of the Board of Directors until the end of the next AGM.

AGM decided to choose PricewaterhouseCoopers as the audit firm.

Biohit Oyj's Management Team

The members of Biohit's Management Team are: CEO Jussi Hahtela, CFO Jussi Sorvo, CCO Ilari Patrakka, Production Director Suvi Elomaa, Research and Development Director Panu Hendolin, Head of Global Sales and Marketing Graham Johnson and Quality and Regulatory Affairs Director Daniela Söderström.



SHARES AND SHAREHOLDERS

Biohit Oyj's number of shares is 15,113,593 (15,045,593), of which 2,975,500 (2,975,500) are Series A shares and 12,138,093 (12,070,093) are Series B shares. The Series B shares are quoted on NASDAQ Helsinki in the Small cap/Healthcare group under the code BIOBV.

BIOBV/NASDAQ OMX Helsinki	1-12/2023	1-12/2022
High (EUR)	2.22	2.15
Low (EUR)	1.57	1.05
Average (EUR)	1.93	1.71
Latest (EUR)	1.89	1.57
Turnover (EUR)	5,163,409	6,398,774
Turnover volume	2,680,632	3,751,374

Shareholders

At the end of the reporting period on 31 December 2023 the company had 7,923 shareholders (7,734 on 31 December 2022). Private households held 60.3% (60.2%), companies 5.3% (6.7%) and public sector organisations 0.0% (0.0%). Foreign ownership or nominee registrations accounted for 34.5% (33.1%) of shares.

Further information on the shares, major shareholders and management shareholdings is available on the company's website. <https://investors.biohithealthcare.com/en/>

BOARD'S PROPOSAL FOR DISTRIBUTIONS OF PROFIT

The parent company's distributable funds (unrestricted equity) on 31 December 2023 are EUR 6,107,520.93.02 of which the period net profit is EUR 1,666,264.33. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year.

AGM in 2024

Biohit Oyj's Annual General Meeting has been planned for Wednesday 5 June 2024. The Board of Directors will call the General Meeting later.

Corporate governance statement

Biohit Oyj will release a separate Corporate Government Statement at: https://investors.biohithealthcare.com/en/investors/corporate_governance

Helsinki 13 February 2024

Biohit Oyj
Board of Directors





2. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Comprehensive Income Statement

€ 1,000	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Revenue	2.3	13,076	10,951
Change in inventories of finished and unfinished products		90	-16
Other operating income	2.5	279	299
Materials and services	2.6	-4,702	-3,823
Expenses arising from employment benefits	2.7	-4,086	-3,618
Other operating expenses	2.8	-2,468	-2,184
EBITDA		2,188	1,610
Depreciation and amortization	2.10	-364	-481
Operating profit/loss		1,825	1,129
Financial income	2.11	530	92
Financial expenses	2.11	-159	-352
Profit/loss before taxes		2,195	868
Income taxes	2.12	-344	-267
Profit/loss for the financial period		1,851	601
Other items of comprehensive income			
Items that may later be reclassified through profit and loss			
Translation differences		12	-31
Items that will not be reclassified through profit and loss			
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		-173	-609
Total comprehensive income for the period		1,691	-39
Distribution of profit/loss for the financial period			
To the owners of the parent company		1,851	601
Total		1,851	601
Distribution of comprehensive income for the financial period			
To the owners of the parent company		1,691	-39
Total		1,691	-39
Earnings per share calculated from earnings attributable to the owners of the parent company			
Undiluted earnings per share (EUR)	2.13	0.12	0.04
Diluted earnings per share (EUR)	2.13	0.12	0.04



Consolidated Balance Sheet

€ 1,000	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	2.14	183	41
Property, plant and equipment	2.15	140	140
Right-of-use assets	2.15, 2.16	626	853
Other non-current financial assets	2.17	118	58
Deferred tax assets	2.19	20	22
Total non-current assets		1,087	1,115
Current assets			
Inventories	2.20	890	920
Trade and other receivables	2.17, 2.21	4,129	2,753
Other current financial assets	2.17	3,787	4,105
Cash and cash equivalents	2.17, 2.18	3,027	2,122
Total current assets		11,833	9,900
Total assets		12,920	11,015



€ 1,000	Note	31 Dec 2023	31 Dec 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2.22	2,350	2,350
Fair value reserve	2.22, 2.23	-1,873	-1,701
Invested unrestricted equity fund	2.22, 2.23	5,206	5,138
Translation differences		-95	-107
Retained earnings		3,837	1,777
Shareholders' equity attributable to shareholders of the parent company		9,426	7,458
Total shareholders' equity		9,426	7,458
Long-term liabilities			
Lease liabilities	2.16, 2.18, 2.24	427	686
Deferred tax liabilities	2.19, 2.25	2	2
Other liabilities	2.18, 2.25	7	8
Total long-term liabilities		436	696
Short-term liabilities			
Trade payables	2.17, 2.25	465	676
Tax liabilities	2.17, 2.25	371	139
Short-term interest-bearing liabilities	2.16, 2.18, 2.24	275	257
Other liabilities	2.25	1,947	1,789
Total short-term liabilities		3,059	2,862
Total shareholders' equity and liabilities		12,920	11,015



Statement of Changes in Consolidated Shareholders' Equity

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

€ 1,000	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 1 January 2023	2,350	5,138	-107	-1,701	1,777	7,458
Share-based payments	-	-	-	-	209	209
Exercise of share options	-	68	-	-	-	68
Adjustments of translation differences	-	-	-	-	0	0
Total comprehensive income for the period	-	-	12	-173	1,851	1,691
Shareholders' equity 31 December 2023	2,350	5,206	-95	-1,873	3,837	9,426

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

€ 1,000	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 1 January 2022	2,350	5,138	-76	-1,092	979	7,300
Share-based payments	-	-	-	-	195	195
Adjustments of translation differences	-	-	-	-	1	1
Total comprehensive income for the period	-	-	-31	-609	601	-39
Shareholders' equity 31 December 2022	2,350	5,138	-107	-1,701	1,777	7,458



Consolidated Cash Flow Statement

€ 1,000	Note	2023	2022
Cash flow from operating activities			
Profit/loss for the financial period		1,851	601
Adjustments to profit for the financial period			
Business activities with no payment transactions*		224	206
Depreciation and impairment	2.10	364	481
Unrealised exchange rate gains and losses		2	-2
Financial income and expenses		-371	248
Income taxes	2.12	344	267
Total adjustments to income for the financial period		563	1,199
Change in working capital			
Increase (-)/ decrease (+) in short-term interest-free trade receivables		-1,392	-29
Increase (-)/ decrease (+) in inventories		34	-165
Increase (+)/ decrease (-) in short-term interest-free liabilities		-16	547
Total change in working capital		-1,375	353
Interest paid		-361	-106
Interest received		355	122
Realised exchange rate gains and losses		28	-9
Income tax paid		-160	-313
Net cash flow from operating activities		902	1,848



€ 1,000	Note	2023	2022
Cash flow from investments			
Investments in tangible and intangible assets		-248	-59
Income from disposal of tangible and intangible assets		-	-
Investments in funds and deposits		-1,924	-2,900
Profit from the sale of investments in funds and deposits		2,425	2,334
Loans		-60	-
Net cash flow from investments		192	-625
Cash flow from financial activities			
Repayment of lease liabilities		-267	-186
Excercise of share options		68	-
Net cash flow from financial activities		-199	-186
Change in financial assets			
Cash and cash equivalents at the beginning of the period		2,122	1,102
Effects of changes in exchange rates		10	-16
Cash and cash equivalents at the end of the period		3,027	2,122

* Includes EUR 209 thousand options costs (EUR 195 thousand year 2022)



NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

2.1 BASIC INFORMATION ON THE COMPANY

Biohit Oyj is a Finnish public limited company that manufactures that bind acetaldehyde, diagnostic products and systems for diagnostic analysis for the use of research institutions, healthcare and industry. The parent company's domicile is Helsinki, Finland.

A copy of the consolidated financial statements is available on the website, www.biohithealthcare.com and at the headquarters of the Group's parent company at Laippatie 1, Helsinki, Finland.

Biohit Oyj's Board of Directors approved the financial statements for publication on 14 February 2024. In accordance with the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting, which is to be held after the financial statements have been published. At the Annual General Meeting, it is also possible for a decision to be made to alter the financial statements.

2.2 ACCOUNTING PRINCIPLES

Accounting principles

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union. The IAS and IFRS standards that were valid on 31 December 2023 have been followed, as well as SIC and IFRIC interpretations. The IFRS refer to standards and interpretations thereof approved for application in the EU in compliance with the proceedings stipulated in Regulation (EC) 1606/2002, as referred to in the Finnish

Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared in compliance with the principle of operational continuity. Despite its loss-making financial periods, the company has succeeded in keeping its working capital at a good level and the company believes that it is sufficient to cover the next 12 months of operations. The company is not dependent on external financing to guarantee operational continuity. In the assessment of the company's senior management, the company's capacity to continue operating is good, and there are no foreseeable events or conditions that could occur individually or in combination to give major cause to doubt the company's ability to continue operating.

The consolidated financial statements have been prepared on the basis of acquisition cost with the exception of equity investments recognised at fair value through other comprehensive income and financial assets and liabilities recognised at fair value through profit or loss. The financial statements are presented in thousands of euros. The figures presented in the financial statements are rounded from precise figures, so the combined total of individual figures may differ from the total sum presented. Indicators have been calculated using precise values.

The preparation of IFRS-compliant financial statements requires the Group management to make certain estimations and judgments when applying the Group's accounting policies. Information on judgments that the management has made when applying the Group's accounting principles and that have the most significant effect on the figures pre-



sented in the financial statements are presented under "Accounting policies calling for judgements by the management and key sources of estimation uncertainty".

Presentation method

The Group's income statement is presented as a single calculation in which the share of the income accounted for by the Group's ongoing operations is presented first and income due to discontinued operations is then presented on a single line. In the 2022 and 2023 financial periods Biohit had no discontinued operation to present.

Consolidation principles

The consolidated financial statements include the parent company, Biohit Oyj, and all its subsidiaries. Subsidiaries are companies over which the Group exercises control. The Group has a controlling interest in a company if, by being involved in the company, it is exposed to fluctuating returns or is entitled to such fluctuating returns and it is able to influence these returns by exercising its control over the company.

Mutual shareholdings of Group companies have been eliminated using the acquisition cost model. Acquisition costs include transferred assets at fair value, generated or assumed liabilities and equity-based instruments that are issued. Acquired subsidiaries are consolidated from the moment that the Group gains control over them and divested subsidiaries are consolidated until this control ends. All internal Group business transactions, receivables, liabilities, unrealised profits and internal profit distribution are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss results from impairment. The distribution of profits for the financial period to the parent company's owners and minority interest-holders is

presented in the income statement, and the minority interest-holders' share of equity is presented as a separate item in the balance sheet under equity. The minority interest-holders' share of accumulated losses is recognised in the consolidated financial statements up to the amount of the investment. The Group has no associated companies or minority shareholders.

Subsidiaries

Subsidiaries are consolidated into the financial statements from the moment that the Group gains control over them until this control ends. The consolidated financial statements have been prepared using the acquisition-cost method. The Group's share of assets, liabilities and contingent liabilities on the date of acquisition is recognised at fair value and the amount in excess of the fair-value acquisition cost is recognised as goodwill. If the acquisition cost of a subsidiary is less than the value of the net assets on the date of acquisition, the difference is recognised in the income statement. Internal Group business transactions, receivables, liabilities and unrealised profits from internal sales are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless an internal business transaction demonstrates that an asset has become impaired. The share of a subsidiary owned by minority interest-holders is presented in the consolidated balance sheet under equity, separately from shareholders' equity. The accounting principles applied by subsidiaries have been adapted to correspond to the Group's principles. On 31 December 2023 the company had no goodwill on its balance sheet.

Translating items denominated in foreign currencies

The profit and financial position of the Group's units are measured in the currency of the main operating region of the unit in question. The



consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Foreign currency business transactions are recorded in the functional currency at the exchange rate on the date of transaction. Monetary receivables and liabilities are translated at the exchange rate on the closing date of the financial period. Non-monetary foreign currency items have been translated into the functional currency at the exchange rates on the transaction date. Any exchange differences arising from translation are recognised in the income statement. Any exchange differences arising from the translation of accounts receivable and accounts payable within the Group are recognised as financial items, also corresponding external items are treated as financial items. The income statements of foreign subsidiaries have been translated into euro at the average exchange rate for the financial period and the balance sheets have been translated at the exchange rate on the closing date of the financial period. The exchange difference resulting from translating income statement items using the average exchange rate and balance sheet items at the exchange rate on the closing date of the financial period has been recognised as a separate item under translation differences in equity.

Business segments

Biohit's product portfolio consists of diagnostic tests, analysis systems, products that bind carcinogenic acetaldehyde into harmless compounds and monoclonal antibodies. The company classifies its entire product portfolio into one segment.

Segment information is provided to the most senior operative decision-making body as part of internal reporting in a consistent manner. The Group's Management Team is the most senior operative decision-making body. It is responsible for allocating resources to business segments.

Revenue recognition

The Group applies IFRS 15 Revenue from contracts with customers. The new standard establishes a five-step model for recognizing revenue from contracts with customers. Revenue is recognised on a gross basis, as Biohit acts as a principal towards customers.

Revenue is recognised on a gross basis, as Biohit acts as a principal towards customers. The transaction price is estimated separately for each contract at the amount of consideration that Biohit is expected to be entitled to in exchange of the goods or services transferred. The determination of the transaction price is normally straightforward, as Biohit's contracts include no variable consideration such as retrospective discounts. Biohit applies the practical expedient and therefore does not recognise a significant financing component, i.e. does not adjust the promised consideration for time value of money when the time between the delivery of the promised good or service to the customer and the payment by the customer is less than one year.

Revenue for each good or royalty from license-based business is recognised as a distinct performance obligation, as those are separately identifiable and Biohit's customers can benefit from them individually. Revenue from goods sold is recognised at a point of time when control over them is transferred to the customer in accordance with the commercial terms of delivery, i.e. when the goods leave the warehouse in accordance with "ex-works".

Biohit also has licensing agreement, in which Biohit fulfills the performance obligation at one point in time. In that case, the sales revenue is recorded in full when the license is granted to the customer. The consideration is then variable up to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved. Biohit values



the variable consideration as an expected value that corresponds to the sum of the amounts weighted by probabilities. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive.

Biohit has a contractual obligation to withdraw defective goods from the market and replace them with new products without a separate compensation. Costs relating to the withdrawal are accounted for in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. The amount of costs relating to goods withdrawn has not been material in Biohit's business.

Biohit recognises a contract asset when the right to a consideration is not unconditional. The asset is recognised within sales receivables when the right to a consideration is unconditional, i.e. when only passage of time is required before payment of the consideration is due. A contract liability is recognised for payments received from customers for which no goods or services have yet been delivered by Biohit.

Biohit has not incurred any significant costs to obtain the contracts, such as sales commissions. Biohit applies a practical expedient and recognises the incremental costs of obtaining a contract as an expense as incurred, if the amortisation period for the related asset would be one year or less.

Biohit applies the practical expedient and does not disclose information about partly or completely unsatisfied performance obligations that relate to contracts with a duration one year or less. Biohit's contracts with a duration of more than one year consist of distribution agreements that are framework contracts by nature and do not meet the criteria in IFRS 15 for the existence of a contract without specific purchase orders for quantities to be delivered. In this case, future sales relating to distribution agreements are not accounted for as unsatisfied performance obligations, and no transaction price is allocated to them.

Public grants

Public grants are recognized according to the IAS20-standard. Public grants are recognized as fair value when it is reasonably certain that they will be granted and that the company fulfils the requirements for them. Public grants are accrued and recognised in the profit and loss statement for the financial period in which the right to receive the grant is fulfilled based on actual costs. Product development grants e.g., Business Finland, are recognized as Other operating income. Cost support e.g. The State Treasury's business cost support is recognized as Other operating costs deductibles.

Estimates made relating to revenue recognition

Biohit uses management's estimate when recognizing sales revenue from customer contracts that include a variable amount of money. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive. The management uses the customer's previous payment behavior as the basis for the estimate.

Property, plant and equipment

Property, plant and equipment are recognised at original acquisition cost, less accumulated depreciation and impairments. Acquisition cost includes the direct costs arising from acquisition. Costs that arise subsequently are included in the book value of the asset or recognised as separate assets only if it is likely that the future financial benefit associated with the asset will benefit the Group and the acquisition cost of the asset can be reliably determined. Other repair and maintenance costs are recognised through profit or loss in the period during which they have materialised.



Straight-line depreciation is applied to assets according to the estimated useful life. No depreciation is made on land. The estimated useful lives are as follows:

Machinery and equipment: 3–10 years.

The residual value and the useful life of assets are checked in every financial statement and, if necessary, adjusted to represent changes that have occurred in the expectations of financial benefit. Sales gains and losses accumulated from the disposal or transfer of tangible fixed assets are included in other operating income or expenses.

Leases

Biohit Group applies IFRS 16 Leases standard. It will result in almost all leases being recognised on the balance sheet by lessee as the distinction between operating and finance leases is removed.

Under the new standard, lessee recognises a right-of-use asset (the right to use the leased item) and a lease liability to pay rentals. The standard includes optional recognition exemptions for short-term leases (12 months or less) and leases for which the underlying asset is of low value. Biohit has decided to apply the optional exemptions and recognises these expenses as straight-line basis over the period of the lease. According to IFRS 16 -standard, the lessee's lease period is the period during which the lease cannot be terminated. Also, a potential extension or termination option should be considered, if the use of such option is estimated to be reasonable certain. The lease term for ongoing contracts is based on estimate by Biohit's management. Management regularly estimates the length of those leases.

The lessee should value the lease agreement by discounting the future lease payments to the present value at the inception of the contract. The internal interest rate implicit in the lease is not easily available which is why the future minimum lease payments are discounted using Biohit's incremental borrowing rate. According to the standard, the incremental borrowing rate is defined as the interest that the lessee would have to pay when borrowing for a similar term and with similar security to obtain an asset of an equivalent value to the right-of-use asset in similar economic environment. Biohit has determined the incremental borrowing rate for leases based on the debt based financing offers received from the 3rd party. Biohit has applied a single discount rate to a portfolio of leases with similar characteristics.

INTANGIBLE ASSETS

Research and development expenses

Research expenditure is recognised as an expense in the income statement. Development costs are capitalised on the balance sheet in accordance with IAS38 when Biohit can demonstrate that the development of the product is considered to meet the following criteria: 1) The product is considered to bring financial benefit beyond its useful life, 2) The product has already been developed, and Biohit intends to sell the product beyond its useful life, 3) The intangible asset will produce a probable economic benefit, 4) Biohit has adequate and available resources to complete the asset, 5) Biohit is able to determine the costs incurred during the development phase of the asset. Development expenditure that has previously been recognized as an expense cannot be capitalised at a later date. Depreciation is booked for an asset from the time it is ready for use. In 2023, the costs related to the two development projects have been capitalised.



Other intangible assets

Intangible assets are only entered in the balance sheet if the acquisition cost of the asset can be reliably determined and if it is likely that the expected financial benefit from the asset will benefit the company. Other intangible assets with a limited useful life are entered in the balance sheet at original acquisition cost, and costs are booked in the income statement based on straight-line depreciation over the course of the known or estimated useful life of the asset. The Group has no intangible assets with indefinite useful lives.

The depreciation periods are as follows:

Patents: 4–10 years

IT software: 3 years

Other intangible assets: 5–10 years

Impairments of tangible and intangible assets

On the closing day of each financial period, the Group assesses whether there are indications of impairment in the value of a particular asset. If there are such indications, the recoverable amount from the said asset is estimated. Additionally, the recoverable amount is estimated annually for goodwill, regardless of whether there is any indication of impairment. The need for impairment is reviewed at the level of cash-generating units, that is, the lowest unit level that is largely independent of other units, and whose cash flow can be separated from other cash flows. The discount rate used is the interest rate that is determined before taxes and that describes the market's view of the time value of money and the risks incorporated in the tested asset.

The recoverable amount is the asset's fair value, less costs arising from transfer or a higher utility value. Value in use is the estimated future

net cash flow from the asset or cash-generating unit, which is discounted to its present value. Impairment loss is recognised if the book value of the asset is higher than the recoverable amount. Impairment loss is recognised immediately in the income statement. If the impairment loss is allocated to a cash-generating unit, it is first allocated to reduce the goodwill of the cash-generating unit and then to reduce the other assets of the unit pro rata. The impairment loss is cancelled if there is a change in the conditions and the recoverable amount from the asset has changed since the impairment loss was booked. However, the impairment loss may not be reversed in excess of what the asset's book value would be without the recognition of the impairment loss. Impairment losses recognised for goodwill are never reversed.

Inventories

Inventories are measured at acquisition cost or net realisable value, whichever is lower. The acquisition cost is determined using the FIFO method. The acquisition cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs, and the appropriate share of manufacturing-related variable overheads and fixed overheads at a normal level of operations. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completing the product and costs related to sales.

Pension obligations

In Group companies, pension cover is arranged in accordance with the pension legislation and practices of the country in question. The pension



arrangements are defined-contribution plans. The payments related to defined-contribution pension plans are recognised as costs in the financial period in which they arise.

Share-based payments

In the future the Group might have incentive plans where payments are made in the form of equity instruments. The benefits granted under the plans are recognised at fair value on the date on which they were granted and entered as costs evenly throughout the period during which they were earned. The effect of the plans on profit or loss is presented under costs of employee benefits.

The cost determined on the date on which the options were granted is based on the Group's estimate of the number of options for which rights are presumed to arise at the end of the incentive-earning period. The Group updates the presumption of the final number of options on the final day of every reporting period. Changes in estimates are treated through profit or loss. The fair value of option plans is defined on the basis of the Black-Scholes option pricing model. Terms that are not market-based, such as profitability and specific growth targets, are not taken into consideration when determining the fair value of options. Instead, they affect the estimate of the final number of options.

When option rights are exercised, the assets obtained from share subscriptions are entered into the invested unrestricted equity fund in accordance with the terms of the plan.

Provisions

A provision is entered when the Group has, due to a past event, a legal or factual obligation, and the obligation is likely to materialise and the

sum of the obligation can be reliably estimated. The amount to be recognised as a provision corresponds to the best estimate of the costs required to meet existing obligations on the closing date of the financial period. If the time value of money has a material impact, the amount of the provision is recognised as the present value of anticipated expenses.

Taxes based on taxable income for the period and deferred taxes

The tax expense in the income statement consists of the current tax expense and deferred tax. The amount of tax based on the taxable profit for the period is calculated from the taxable profit based on the applicable tax rate in each country. The tax is adjusted by possible taxes related to previous periods. Deferred taxes are calculated from all temporary differences between the book value and tax base. The biggest temporary differences arise from the depreciation of property, plant and equipment, deferred tax assets and internal margins on inventory.

No deferred tax is recognised for non-deductible goodwill impairment or for the undistributed profits of subsidiaries if the temporary difference is not likely to dissolve in the foreseeable future.

Deferred tax is calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognised to the amount for which it is likely that taxable profit will be generated in the future against which the temporary difference can be utilised.

Financial Assets

Group's financial assets are classified in the following measurement categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification depends on used business model for managing the financial assets and the con-



tractual terms of the cash flows. Assets are classified as current assets, except for maturities over 12 months after balance sheet date, which are classified as non-current assets. Purchases and sales of financial assets are recognised on the settlement date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Amortised cost category consists of cash and cash equivalents, trade receivables and loan receivables where the business model is to hold the asset to collect the contractual cash flows. Financial assets recognised at amortized cost are valued using the effective interest method.

Assets at fair value through profit or loss consist of interest or equity funds or investments into listed bonds. All gains or losses of fair value changes investments in the category is included in financial income and expenses.

Assets at fair value fair value through other comprehensive income consist from equity investments to unlisted Genetic Analysis AS shares. Dividends of equity investments are recognised at profit and loss statement. Genetic Analysis AS was listed on the Swedish Spotlight Stock Market on October 1, 2021. Despite the Swedish trading location, Genetic Analysis AS's share price is quoted in Norwegian kroner.

Financial Liabilities

Group's financial liabilities are classified as amortized cost and measured at fair value net of transaction cost at settlement date. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities at amortized cost consist of loans of financial institutions. Financial liabilities are included in non-current

liabilities, except for items with maturities less than 12 months after the balance sheet date, which are included in current liabilities. A financial liability is derecognised when the related obligation is discharged, cancelled or expires. The group does not have any derivative liabilities. Currently, financial liabilities consist of accounts payable.

Impairment

The credit loss is recognised based on individual assessment of receivable. The simplified expected credit loss model is applied for trade receivables. The impairment process is based on historical credit loss experience combined with current conditions and forward looking macroeconomic analysis. Realised loss levels are adjusted based on history, so that they represent the current and future information and macroeconomic factors, that influence the customers ability to make the payments for receivables.

Financial items based on trade receivables and contracts are recognised off the balance sheet as final credit loss, when it is not plausible to expect to receive payment e.g. in the process of bankruptcy. The impairment or credit loss is recognised in the consolidated statement of income within other expenses. Maturity analyses for trade receivables, movement in allowance account and general provisioning matrix is presented at note 2.26 under section "Age distribution of trade receivables". The Other financial assets at amortized cost consist of cash at banks.

Concept of operating profit and loss

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: operating profit or loss is a net total that can be calculated by adding other operating income to net sales, subtracting purchase expenses adjusted



by the change in the stock of finished and unfinished products as well as expenses caused by production for own use, subtracting expenses from employee benefits, depreciation and potential impairment losses, as well as other operating expenses. All other items, including discontinued operations, are presented beneath operating profit or loss. Exchange differences and changes in the fair value of derivatives are included in operating profit or loss providing they arise from business-related items. Otherwise, they are recognised as financial items. Exchange differences related to the Group's internal receivables and liabilities are recognised as financial items.

Accounting policies calling for judgements by the management and key sources of estimation uncertainty

When preparing the financial statements, the management must make assessments and assumptions concerning the future, and the outcome may deviate considerably from the original assessments and assumptions. In addition, discretion must be used in applying the accounting policies. Although the estimates are based on the most recent information available, the realised values may differ from these estimates. The most important areas in which estimates, and discretion are used are described below.

Revenue recognition of license agreements

If the consideration of the license agreements includes a variable amount of money, Biohit values the amount of money as an expected value, which corresponds to the sum of the amounts of money weighted by probabilities. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive.

Impairment testing

The Group conducts impairment tests as required on intangible assets. It also assesses any indication of impairment in accordance with the aforementioned accounting policies. The recoverable amounts of cash-generating units are measured on the basis of value-in-use calculations. Preparing these calculations requires the use of estimates.

Deferred tax assets

Deferred tax assets for unused tax losses and temporary differences in regard to recognised deferred tax assets are estimated by the Group at least once per year to determine the likelihood of the company in question generating sufficient taxable income before the unused tax losses expire.

Other liabilities

Biohit uses judgement when evaluating the size of the expense provision for the subsidiary Biohit Healthcare S.r.l. The expense provision is based on the compensation demanded by the Italian state from suppliers of medical equipment for the budget overruns of the Italian administrative regions in 2015-19. There is uncertainty about the size of the actual cost effect, but since the counterparty is the Italian state, the provision has been recorded in full under other liabilities and to reduce turnover.

Measurement of assets at fair value fair value through other comprehensive income where senior managers' judgement is required

After being listed on 1.10.2021 the Genetic Analysis AS share price is based on the stock quote, and as follows does not require the senior



managers' judgement anymore. Before being listed, the input data for the valuation of Genetic Analysis AS consisted of transactions involving the company's shares on market terms between third parties. If there were no third-party transactions the assessment was based on the discounted cash-flow model based on the budgets by the management of Genetic Analysis AS.

Application of new or amended IFRS standards and IFRIC interpretations

Biohit will begin applying new or amended IFRS standards and interpretations as of the date on which they enter into force or when they are approved for adoption in the EU. The consolidated financial statements were prepared in compliance with the same principles used in 2022, with exception of the standard IAS 38 – Intangible assets and the following new standards, interpretations and changes to the existing accounting standards, which the group has applied as of January 1, 2023:

Changes to IAS 1 - Presentation of financial statements, to IFRS Practice Statement 2, to IAS 8 - Accounting principles, changes in accounting estimates and errors: Presentation of accounting principles and definition of accounting estimates. Changes or interpretations of the new standards do not have a significant impact on the financial statements.

2.3 REVENUE AND SEGMENT INFORMATION

The company's product portfolio consists of diagnostic tests, products that bind acetaldehyde and monoclonal antibodies. The company classifies its entire product portfolio into one segment.

REVENUE BY MARKET AREA

€ 1,000	2023	2022
Finland	211	235
Europe, Other	5,700	4,591
North and South America	324	274
Asia	4,565	4,731
Other Countries	2,276	1,121
Revenue from contracts with customers total	13,076	10,951

The majority of Biohit's revenue is generated from distributor agreements for diagnostic products. Biohit's customers, i.e. the distributors, buy and resell the products. Biohit has no post-sales rights or obligations relating to the control over the products, except for a right of return relating to some distribution agreements. The goods that are sold include several various tests for diagnostics of diseases in the gastrointestinal tract, such as celiac quick test, lactose intolerance test, Vitamin D test, GastroPanel® test for the first-line diagnosis of dyspepsia measured on simple blood test. Furthermore, the product portfolio includes Acetium® lozenge and Acetium® capsule, which are acetaldehyde-binding products sold under the trademark Acetium.

In licencing agreements, Biohit transfers licensed immaterial rights to a customer, and the customer both produces and sells the products. Licencing agreements cover both diagnostic products and Acetium products.

Biohit also has contracts that include both a distribution agreement and a licencing agreement. In this case, Biohit sells to the customer finished products and raw materials needed for production and, in addition, receives a royalty fee based on the sale of the product. Revenue from the sale of finished products, raw materials and royalty income



from licences are recognised as separate performance obligations. In the case of the licensing agreement, Biohit fulfills the performance obligation at one point in time. In that case, the sales revenue is recorded in full when the licence is granted to the customer. The consideration is then variable up to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved. Biohit values the variable consideration as an expected value that corresponds to the sum of the amounts weighted by probabilities. The variable amount of money is based on the management's estimate of the annual payments that Biohit will likely receive.

Sales to one of the most important customers is presented in note 2.27 (Related party transactions)

Contract assets and liabilities:

Biohit recognises revenue at a point of time when goods are delivered. The payment terms in Biohit's contracts with customers vary from a payment to be made one month in advance to payment in 60 days.

A contract liability is recognised for payments received where the goods have not yet been delivered. This is the case, among others, with countries outside Europe, where as a result of a higher credit risk relating to customers, an advance payment is received, on the average, one month before the delivery of the goods. The timing difference between the receipt of the advance payment by Biohit and the delivery of the products does not exceed one year.

€ 1,000	31 Dec 2023	31 Dec 2022
Contract Assets	2,400	1,200
Trade receivables	1,257	1,140
Contract assets and receivables total	3,657	2,340

€ 1,000	31 Dec 2023	31 Dec 2022
Contract liabilities	4	104
Contract liabilities total	4	104

The items included in contract liabilities at the beginning of the period have been recognised as revenue during the financial year.

2.4 ACQUIRED BUSINESSES

No new businesses were acquired in the 2023 and 2022 financial periods.

2.5 OTHER OPERATING INCOME

€ 1,000	2023	2022
Subsidies	277	294
Others	2	5
Total	279	299



2.6 MATERIALS AND SERVICES

€ 1,000	2023	2022
Materials, supplies and goods	3,317	2,630
External manufacturing services	1,565	1,194
Total	4,702	3,823

2.7 EXPENSES ARISING FROM EMPLOYMENT BENEFITS

€ 1,000	2023	2022
Salaries	3,266	2,889
Pension expenses – defined-contribution plans	515	441
Options and share bonuses realised and paid in shares	209	195
Other personnel expenses	96	94
Total	4,086	3,618

Average number of Group employees in the financial period

	2023	2022
Group total	44	45

Details of the employment benefits enjoyed by senior managers are presented in note 2.27 (Related-party transactions).

2.8 OTHER OPERATING EXPENSES

€ 1,000	2023	2022
Travel expenses and other personnel expenses	262	212
Rents and maintenance expenses	122	139
Sales and marketing expenses	544	448
Other external services	1,244	1,008
Other operating expenses	297	376
Total	2,468	2,184

Other operating expenses include research and development expenses of EUR 1,173 thousand (EUR 1,238 thousand).

2.9 AUDITORS' FEES

€ 1,000	2023	2022
Companies belonging to the PricewaterhouseCoopers chain		
Auditors' fees	124	127
Other services	3	-
Total fees paid to the auditor	127	127

2.10 DEPRECIATION AND IMPAIRMENT

€ 1,000	2023	2022
Intangible assets	37	106
Right-of-use assets	256	269
Plant and equipment	70	105
Total	364	481



2.11 FINANCIAL INCOME AND EXPENSES

€ 1,000	2023	2022
Financial income		
Exchange rate gains from financial assets and liabilities	32	20
Net loss on investments recognised at fair value through profit or loss	90	69
Other financial income	408	3
Total	530	92
Financial expenses		
Net loss on investments recognised at fair value through profit or loss	-27	-34
Exchange rate losses from financial assets and liabilities	-1	-29
Other financial expenses	-131	-289
Total	-159	-352
Total financial income and expenses	371	-260

Year 2023: other financial expenses EUR 131 thousand mainly consists of impairment of investments.

2.12 INCOME TAXES

€ 1,000	2023	2022
Direct taxes		
Tax based on taxable income for the financial period	-132	-77
Withholding tax liabilities	-208	-204
Change in deferred taxes	-4	14
Total Direct taxes	-344	-267

Reconciliation of tax expenses on the income statement

€ 1,000	2023	2022
Profit before taxes	2,195	868
Consolidated income taxes at Group's domestic tax rate (20%)	-439	-174
Impact of different tax rates of foreign subsidiaries	-26	3
Non-deductible expenses	-10	-81
Tax-exempt income	78	0
Non-creditable withholding taxes	-208	-204
Effect of deferred tax assets not recognised	266	189
Other items	-6	-
Taxes on the income statement	-344	-267

The group has depreciation expenses that have been entered in accounting but not in taxation. Of these, no deferred tax assets have been recorded.



2.13 EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the profit attributable to shareholders of the parent company in the financial period by the weighted average number of shares in circulation during the financial period.

	2023	2022
Profit for the period attributable to the owners of the parent company (EUR thousand)	1,851	601
Average number of shares, undiluted	15,097,153	15,045,593
Average number of shares, diluted	15,127,361	15,065,486
Earnings per share, undiluted (EUR)	0.12	0.04
Earnings per share, diluted (EUR)	0.12	0.04

2.14 INTANGIBLE ASSETS

2023	Intangible rights	Total
Acquisition cost 1 January 2023	8,997	8,997
Decreases from previous years	-7,592	-7,592
Increases	178	178
Acquisition cost 31 December 2023	1,583	1,583
Accumulated depreciation and impairment 1 January 2023	-8,955	-8,955
Accumulated depreciation on decreases	7,592	7,592
Depreciation	-37	-37
Accumulated depreciation and impairment 31 December 2023	-1,400	-1,400
Book value 1 January 2023	41	41
Book value 31 December 2023	183	183

2022	Intangible rights	Total
Acquisition cost 1 January 2022	8,986	8,986
Increases	11	11
Acquisition cost 31 December 2022	8,997	8,997
Accumulated depreciation and impairment 1 January 2022	-8,849	-8,849
Depreciation	-106	-106
Accumulated depreciations and impairment 31 December 2022	-8,955	-8,955
Book value 1 January 2022	137	137
Book value 31 December 2022	41	41

Intangible rights consist of patents and capitalized product development costs.



2.15 TANGIBLE ASSETS

2023 € 1,000	Right-of-use assets	Plant and equipment	Total
Acquisition cost 1 January 2023	1,820	1,777	3,598
Decreases from previous years	-	-501	-501
Increases	81	70	151
Decreases	-52	-	-52
Acquisition cost 31 December 2023	1,850	1,346	3,196
Accumulated depreciation and impairment 1 January 2023	-967	-1,637	-2,604
Accumulated depreciation on decreases	-	501	501
Depreciation	-256	-70	-327
Accumulated depreciation and impairment 31 December 2023	-1,223	-1,207	-2,430
Book value 1 January 2023	853	140	993
Book value 31 December 2023	626	140	766
2022 € 1,000	Right-of-use assets	Plant and equipment	Total
Acquisition cost 1 January 2022	917	1,733	2,650
Increases	904	44	948
Acquisition cost 31 December 2022	1,820	1,777	3,598
Accumulated depreciation and impairment 1 January 2022	-698	-1,532	-2,230
Depreciation	-269	-105	-375
Accumulated depreciation and impairment 31 December 2022	-967	-1,637	-2,604
Book value 1 January 2022	219	201	420
Book value 31 December 2022	853	140	993



2.16 LEASES

Below stated information is based on the leasing contracts where the Biohit Group is the lessee.

Right-of-use assets		
€ 1,000	31 Dec 2023	31 Dec 2022
Buildings	493	649
Equipment	3	5
Vehicles	130	199
Total	626	853
Depreciation charge of right-of-use assets		
€ 1,000	31 Dec 2023	31 Dec 2022
Buildings	185	196
Equipment	3	9
Vehicles	69	65
Total	256	269
Amounts recognised in the income statement		
€ 1,000	31 Dec 2023	31 Dec 2022
Depreciation of right-of-use assets	256	269
Expenses relating to short-term leases and leases of low value assets	1	14
Interest expenses on lease liabilities	27	33
Total	284	317
Amounts presented in the consolidated cash flow statement		
€ 1,000	31 Dec 2023	31 Dec 2022
Payment of principal portion of lease liabilities	241	186
Interest expenses on lease liabilities	27	33
Total	268	219

The maturity analysis of lease liabilities is presented in note 2.26 (Management of financing risks).



The Group leases mainly company cars and premises. Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- the exercise price of a purchase option if the group is reasonably certain to exercise that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

According to the standard, the incremental borrowing rate is defined as the interest that the lessee would have to pay when borrowing for a similar term and with similar security to obtain an asset of an equivalent value to the right-of-use asset in similar economic environment. Biohit has determined the incremental borrowing rate for leases based on the debt-based financing offers received from the 3rd party. Biohit has applied a single discount rate to a portfolio of leases with similar characteristics.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The standard includes optional recognition exemptions for short-term leases (12 months or less) and leases for which the underlying asset is of low value. Biohit has decided to apply the optional exemptions and recognises these expenses as straight-line basis over the period of the lease.

According to IFRS 16 -standard, the lessee's lease period is the period during which the lease cannot be terminated. Also, a potential extension or termination option should be considered, if the use of such option is estimated to be reasonably certain. The lease term for ongoing contracts is based on estimate by Biohit's management. Management regularly estimates the length of those leases.



2.17 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The Group categorised its financial assets and liabilities into the following categories on 31 December 2023:	Amortized cost € 1,000	Fair value through profit and loss € 1,000	Fair value through OCI € 1,000	Hierarchical level
Non-current assets				
Other non-current assets	118			Level 2
Current assets				
Fund shares	-	255	-	Level 1
Investment to Genetic Analysis AS	-	-	180	Level 1
Bonds and fund shares	-	2,924	-	Level 2
Current deposits	500	-	-	
Trade receivables	1,257	-	-	
Contract assests	2,400	-	-	
Other receivables	472	-	-	
Cash and cash equivalentents	3,027	-	-	
The Group categorised its financial assets and liabilities into the following categories on 31 December 2022:				
	Amortized cost € 1,000	Fair value through profit and loss € 1,000	Fair value through OCI € 1,000	Hierarchical level
Non-current assets				
Other non-current assets	58			Level 2
Current assets				
Fund shares	-	1,374	-	Level 1
Investment to Genetic Analysis AS	-	-	280	Level 1
Bonds and fund shares	-	2,451	-	Level 2
Current deposits	-	-	-	
Trade receivables	1,140	-	-	
Contract assests	1,200	-	-	
Other receivables	413	-	-	
Cash and cash equivalentents	2,122	-	-	



The company has classified the hierarchies of financial assets according to the availability of data on market terms and other price data.

The fair values on level 1 of the hierarchy are based on the quoted (unadjusted) prices of identical assets or liabilities on active markets. The group has mainly used valuations provided by its asset management partner as a source of price data for determining the fair value of these instruments, and the company has verified that the price data represents genuine, frequent market transactions involving the instruments in question.

In significant part, the fair values of level 2 instruments are based on other input data than the quoted prices included in level 1, although this data can be obtained for the assets or liabilities in question either directly (as a price) or indirectly (as a derivative of the price). The Group uses generally accepted valuation models to determine the fair values

of these instruments, and the input data for these models are based in significant part on observable market data.

The level in the fair value hierarchy at which a certain item measured at fair value is classified overall is determined on the basis of the significant input data on the lowest level with regard to the entire item measured at fair value. The significance of input data is evaluated in its entirety in relation to the item valued at fair value.

The original book value of other receivables corresponds to their fair value because the effect of discounting is negligible in view of the maturity of the receivables.

Financial liabilities include trade payables EUR 465 thousand (EUR 676 thousand).

2.18 NET LIABILITIES

€ 1,000	2023	2022
Cash and cash equivalents	3,027	2,122
Other investments	3,679	3,825
Non-current liabilities	-7	-8
Lease liabilities	-702	-943
Net liabilities	5,997	4,996
Liquid assets and other financial assets	6,706	5,947
Gross liabilities - fixed interest	-709	-951
Net liabilities	5,997	4,996

Other investments are short-term money market investments that are traded on active markets and that are measured at fair value through profit and loss. In addition, other investments include short-term deposits, which are valued at amortised cost.



2.19 DEFERRED TAXES

Deferred tax assets € 1,000	1 Jan 2023	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2023
Internal inventory margin	7	0	-	-	7
Other items	16	-4	-	2	13
Total	22	-4	-	2	20
Deferred tax liabilities € 1,000	1 Jan 2023	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2023
Capitalisation of tangible assets	2	-	-	0	2
Financial securities measured via the fair value reserve	0	-	-	-	0
Total	2	-	-	0	2

Deferred tax assets € 1,000	1 Jan 2022	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2022
Internal inventory margin	8	-1	-	-	7
Other items	6	15	-	-5	16
Total	14	14	-	-5	22
Deferred tax liabilities € 1,000	1 Jan 2022	Recognised through profit and loss	Recognised under other items of compre- hensive income	Other adjustments	31 Dec 2022
Capitalisation of tangible assets	2	1	-	-	2
Financial securities measured via the fair value reserve	0	-	-	-	0
Total	2	1	-	-	2

The Group has tax-deductible losses of EUR 19.9 million for the periods from 2013 to 2022 for which no deferred tax assets have been recognised. In addition the group has entered R&D costs for EUR 4.7 million in accounting but not in tax deduction. No deferred tax assets has been recognised for these R&D costs.

The table for tax losses carried forward is presented below.

Tax losses carried forward	
€ 1,000	
Expiring year	Losses
2023	2,828
2024	4,241
2025	3,395
2026	2,421
2027	1,684
2028	2,247
2029	296
2030	2,188
2031	299
2031	299
2032	288
2033	-

2.20 INVENTORIES

€ 1,000	2023	2022
Materials and supplies	433	533
Work in progress	5	13
Finished products/goods	451	374
Total inventories	890	920

The amount of inventories recognised as an expense during the period was EUR 151 thousand (EUR 56 thousand).

2.21 TRADE AND OTHER RECEIVABLES

Short-term receivables	2023	2022
€ 1,000		
Trade receivables	1,257	1,140
Contract assets	2,400	1,200
Accrued income	452	383
Other receivables	20	30
Total	4,129	2,753

The most substantial item included in the accrued income is cost support receivables of EUR 180 thousand (EUR 126 thousand).

The age analysis of the trade receivables is presented in note 2.26 (Management of financing risks).

2.22 NOTES RELATED TO SHAREHOLDERS' EQUITY

Biohit Oyj's share capital is EUR 2,350,350.81 (EUR 2,350,350.81) and there are 15,113,593 (15,045,593) shares, of which 2,975,500 (2,975,500) belong to Series A and 12,138,093 (12,070,093) belong to Series B. Series B is listed on the stock exchange.

The shares have no nominal value. Shares in Series A and B differ from each other in that each Series A share entitles its holder to twenty (20) votes at general meetings, while each Series B share carries one (1) vote. The dividend paid for Series B shares is, however, two (2) per cent of the nominal value higher than that paid for Series A shares. When this regulation is applied, the nominal value of the shares is taken to be EUR 0.17, which was the nominal value of the company's shares when it decided to discontinue using nominal values for shares.

The shareholders' equity has been paid in full.



Description of shareholders' equity funds:

The translation differences reserve includes the translation differences arising when the financial statements of foreign subsidiaries and joint ventures are translated into euros.

The invested unrestricted equity fund includes other investments similar to shareholders' equity and the subscription prices of shares insofar as no specific decision is taken to recognise these under shareholders' equity.

The fair value reserve consists of Genetic Analysis AS stocks. Dividends on equity investments are recognised in the income statement.

Capital management

For capital management purposes Biohit defines capital as total equity and interest-bearing liabilities less cash and cash equivalents and current financial investments.

The main objectives of Biohit's capital management are to maintain a solid overall financial position and to ensure sufficient financial flexibility to implement long-term business strategy.

2.23 SHARE-BASED PAYMENTS

Share-based payments terms and conditions

During the financial period 2021 Biohit Oyj established an option programme within the framework of the share-based incentive scheme. In accordance with the terms of the option programme, options are granted without cash payment, but a subscription price is set for the shares. The key terms and conditions of the incentive scheme are shown in the table below.

Options granted during the 2021 financial period:

Scheme	I 2021	I 2021
	Types A, B, C, D, E	Types A, B, C, D
Nature of the scheme	Share options	Types A, B, C, D, E
Date of granting	7 December 2021	7 December 2021
Number of instruments granted	440,000	440,000
Subscription price	EUR 1.00	EUR 2.00
Share price at the time of granting	EUR 1.93	EUR 1.93
Period of validity (years)	6.24	6.24
Realisation	In shares	In shares

Options granted during the 2022 financial period:

Scheme	I 2022	I 2022
	Types A, B, C, D, E	Types A, B, C, D
Nature of the scheme	Share options	Share options
Date of granting	29 November 2022	29 November 2022
Number of instruments granted	80,000	80,000
Subscription price	EUR 1.00	EUR 2.00
Share price at the time of granting	EUR 1.76	EUR 1.76
Period of validity (years)	5.26	5.26
Realisation	In shares	In shares

For series I 2021 and I 2022 the share subscription is 1.3.2023-1.3.2028 and for series II 2021 and II 2022 1.3.2024-1.3.2028. The right to exercise shares requires the fulfilment of specifically determined profit objectives. If a option rights holders employment ends for whatever reason, they are obligated to return those option rights whose subscription period has not begun when the employment or management position ceases to the Company.



Options in circulation

Number of options	2023	2022
In circulation at the beginning of the financial period	760,000	880,000
Granted during the financial period		160,000
Forfeited		-280,000
Options in circulation at the end of the financial period	760,000	760,000

Determining fair value

The Group uses the Black-Scholes model to determine the fair value of its option schemes.

Presumptions used to determine fair value during the 2022 financial period

Scheme	I 2022	II 2022
Anticipated volatility	44.4%	44.4%
Anticipated average period of validity of options on the issue date (years)	5.26	5.26
Risk-free rate (%)	2.25%	2.25%
Fair value of the instrument defined on the date of issue (EUR)	1.05	0.68

Presumptions used to determine fair value during the 2021 financial period

Scheme	I 2021	II 2021
Anticipated volatility	36.4%	36.4%
Anticipated average period of validity of options on the issue date (years)	6.24	6.24
Risk-free rate (%)	0.00%	0.00%
Fair value of the instrument defined on the date of issue (EUR)	1.09	0.65

The amount recognised as expenses is included in note 2.7 (Expenses arising from employment benefits).



2.24 INTEREST-BEARING LIABILITIES

Balance sheet values of interest-bearing liabilities € 1,000	2023	2022
Long-term interest-bearing liabilities		
Lease liabilities	427	686
Total interest-bearing long-term liabilities	427	686
Short-term interest-bearing liabilities		
Lease liabilities	275	257
Total interest-bearing short-term liabilities	275	257
Total interest-bearing liabilities	702	943

Covenants connected to long-term loans

There are no special covenants attached to the company's long-term financial lease liabilities.

Subordinated loans

The company has no subordinated loans.

2.25 TRADE PAYABLES AND OTHER LIABILITIES

Long-term interest-free liabilities € 1,000	2023	2022
Other long-term liabilities	7	8
Total	7	8
Short-term interest-free liabilities € 1,000	2023	2022
Trade payables	465	676
Other payables	250	250
Advances received	4	104
Tax liabilities	371	139
Accruals and deferred income	1,693	1,435
Total	2,783	2,604
Total interest-free liabilities	2,790	2,612

The most substantial items included in accruals and deferred income are the deferral of employment benefits EUR 916 thousand (EUR 666 thousand) and withholding tax liability EUR 240 thousand (EUR 127 thousand).

Other payables include Biohit Healthcare S.r.l. cost accrual EUR 250 thousands. This accrual has been recognised in revenue. The Italian state is demanding ex postcompensation from suppliers of medical equipment for the budget overruns of the Italian administrative regions in the years 2015–2019.



2.26 MANAGEMENT OF FINANCING RISKS

Biohit's management of financing risks focuses on analysing and minimising the following financing risks:

Exchange rate risk

Exchange rate risks are associated with international business activities. When calculated using comparable currencies, Biohit's net revenue not materially different to the reported values. Overall, exchange rate changes did not significant affect the company's profitability in the last financial period. The company's sales are primarily denominated in euros and the company does not have any exchange rate hedging. Most of the Group's trade receivables and payables are in functional currency of each group company and do not involve significant transaction risk. The Group monitors the translation risk related to Biohit Healthcare Ltd, but the risk is not hedged.

Analysis of the maturities of financial liabilities in 2023

€ 1,000	<1 year	1-5 years	>5 years	Total
Trade payables	465	-	-	465
Lease contracts	275	427	-	702
Total	741	427	-	1,167

Analysis of the maturities of financial liabilities in 2022

€ 1,000	<1 year	1-5 years	>5 years	Total
Trade payables	676	-	-	676
Lease contracts	276	719	-	995
Total	952	719	-	1,671

Interest rate risk

Interest rate changes have a minor effect on Biohit's earnings. For this reason, the Group did not use any separate hedging against this risk in the financial period.

Liquidity risk

Liquidity risk management aims to safeguard the Group's finances under all circumstances. The Group's current financial assets on the balance sheet date amounted to EUR 6.7 million (EUR 5.9 million). The company also holds shares in Genetic Analysis AS worth EUR 0.1 million (EUR 0.3 million). The aim of the investment activities related to the company's current liquid assets is to achieve profit at very low risk of capital loss.

The Group's equity ratio was 73.0% (68.3%).



Commodity risk

The company is not using derivatives to hedge against commodity risks because the company is not exposed to commodity risks by virtue of the nature of its business.

Credit and counterparty risk

The business units are responsible for the credit risks connected to their trade receivables, and they have evaluated the risk of credit losses for each customer. Biohit's customer base primarily consists of solvent companies. As such, Biohit's risk of credit losses cannot be considered significant. The company has not used credit insurance. The majority of customer relationships are long-term in nature and business relations are active, so the company will become aware of changes in customers' creditworthiness at an early stage.

The investment portfolio consists of direct corporate bond loans, structured products, corporate loan funds, money market funds and cash in bank accounts. Some of the products in the investment portfolio are listed, while others are not. Sufficient diversification of investments between asset categories, investment instruments and counterparties is essential. The company uses at least two partners in its investment activities. Approximately 35% of the investment portfolio is cash, low-risk money market fund investments and investment-grade investments. Approximately 50% of the portfolio is investments rated BB-B, while investments without credit ratings account for 15%.

On 31 December 2023, trade receivables totalled EUR 1.3 million (EUR 1.1 million). The maximum amount of credit risk is the book value of the trade receivables.

“ Biohit's customer base primarily consists of solvent companies. ”



Age distribution of trade receivables € 1,000	Impairment			Impairment		
	2023	loss	Net 2023	2022	loss	Net 2022
Not yet at maturity	613	-1	613	800	-1	799
Less than 30 days overdue	115	0	115	101	0	101
30–60 days overdue	348	-7	341	89	-5	85
61–90 days overdue	60	-17	42	64	-5	59
More than 90 days overdue	151	-4	147	100	-3	98
Total	1,287	-30	1,257	1,155	-14	1,140

The impairment loss is calculated on the basis of historical data and is based on the payment behavior of Biohit's customers in previous years.

EUR 18 thousand was recognised in credit losses for 2023.

EUR 10 thousand was recognised in credit losses for 2022.

Capital structure management

The equity ratio – an indicator of the company's capital structure – is calculated by dividing the Group's equity by the balance sheet total less advances received. The result of this calculation is then multiplied by one hundred.

Equity ratio € 1,000	2023	2022
Total shareholders' equity	9,426	7,458
Balance sheet total	12,920	11,015
Advances received	-4	-104
Equity ratio	73.0%	68.3%

2.27 RELATED-PARTY TRANSACTIONS

Parties are considered to be related parties if one of the parties is able to exercise control or considerable influence over the other's decision-making related to finances and business. The Group's related parties include the members of the Board of Directors and the Group Management Team, as well as the President & CEO. In addition the Group's related parties include Biohit HealthCare (Hefei) Co. Ltd and subsidiaries.

Management remuneration 2023 € 1,000	Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
Parent company			
Management teams	641	120	160
President & CEO	251	47	28
Members of the scientific advisory board	144	-	-
Management remuneration 2022 € 1,000			
Parent company			
Management teams	579	108	152
President & CEO	197	37	26
Members of the scientific advisory board	129	-	-

Share-based remuneration includes expenses recorded for the share-based incentive option programme.

Osmo Suovaniemi has been employed by the company as a member of the scientific advisory board by the Board of Directors' decision. The compensation, including fringe benefits, is EUR 144 thousand (EUR 129 thousand).

In addition, the members of the scientific advisory board are paid an hourly compensation of 85 euros for work outside the advisory board.

The CEO of the group has been granted a market-based long-term loan of EUR 20 thousand (EUR 0) and the management team EUR 97 thousand (EUR 57 thousand). The loan interest rate is 12-month Euribor plus 0.3%. Interest is paid annually in arrears. The loan period is five years. The borrower is entitled to pay back the loan early.



Subsidiaries

Management remuneration 2023 € 1,000	Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
Managing Directors	161	15	22
Management remuneration 2022 € 1,000	Salaries and other short-term employment benefits	Post-employment and termination benefits	Share-based remuneration
Managing Directors	177	17	21

Board of Directors' remuneration

€ 1,000		2023	2022
Parent company			
Vesa Silaskivi	Chairman	8	-
Lea Paloheimo	Member	14	8
Osmo Suovaniemi	Member	14	8
Franco Aiolfi	Member	5	18
Liu Feng	Member	12	5
Kalle Härkönen	Member	14	5
Matti Härkönen	Member	-	3
Eero Lehti	Member	-	3
Total board remuneration	Member	65	48

Liu Feng is the owner of Biohit HealthCare (Hefei) Co. Ltd, and he exercises control over the company.

On 31 December 2023, the members of the Board of Directors and President & CEO owned a total of 2,868,310 Series A shares and 4,256,748 Series B shares, either directly or through companies under their control. These correspond to 47.1% of all of the shares in the company and 86.0% of all of the votes.

Share ownership of the management and board of directors	Series A shares		Series B shares	
	2023	2022	2023	2022
CEO	0	0	20,000	0
Management group	0	0	71,293	34,116
Board of directors	2,868,310	2,868,310	4,236,748	4,236,748



The Group's parent company and subsidiaries

	Group ownership	
Parent company: Biohit Oyj, Finland		
Biohit Healthcare Ltd, United Kingdom	100%	
Biohit Healthcare S.r.l., Italy	100%	
Sales of goods and licenses to related party companies		
€ 1,000	2022	2022
Sales of goods		
Biohit HealthCare (Hefei) Co. Ltd	2,104	2,283
License sales		
Biohit HealthCare (Hefei) Co. Ltd	2,200	2,200
Total	4,304	4,483
Trade receivables and other receivables from related party companies		
€ 1,000	2023	2022
Trade receivables		
Biohit HealthCare (Hefei) Co. Ltd	5	-
Contract assets		
Biohit HealthCare (Hefei) Co. Ltd	2,400	1,200
Total	2,405	1,200

Biohit HealthCare (Hefei) Co. Ltd owns 32,7 percent of Biohit's shares. Biohit and Biohit HealthCare (Hefei) Co. Ltd have signed a distribution agreement in 2022. Based on the agreement Hefei has pledged to Biohit 1.5 million Biohit series B shares (EUR 2.8 million) as security for its obligations under the agreement.

Other operating expenses

€ 1,000	2023	2022
Consultancy, administration and logistics fees (companies under the control of members of the Board of Directors)		
Euroclone S.p.A. Franco Aiolfi	81	70
Oy Tech Know Ltd. Matti Härkönen	-	4
Total	81	74

2.28 COLLATERAL AND CONTINGENT LIABILITIES

€ 1,000	2023	2022
Collateral pledged on the company's own behalf		
Guarantees	4	4
Collateral pledged on the subsidiaries behalf		
Guarantees	-	-
Total collateral and contingent liabilities	4	4

2.29 EVENTS AFTER THE FINANCIAL PERIOD

The company's management is not aware of material events since the balance sheet date.



3. KEY INDICATORS

3.1 INDICATORS OF FINANCIAL TRENDS

	IFRS 2019	IFRS 2020	IFRS 2021	IFRS 2022	IFRS 2023
Revenue € 1,000	10,052	7,123	9,361	10,951	13,076
Change in revenue %	1.2%	-29.1%	31.4%	17.0%	19.4%
Operating profit/loss € 1,000	-1,412	-3,174	-1,480	1,129	1,825
Proportion of revenue (%)	-14.0%	-44.6%	-15.8%	10.3%	14.0%
Profit/loss before extraordinary items and taxes € 1,000	-1,227	-3,261	-1,305	868	2,195
Proportion of revenue (%)	-12.2%	-45.8%	-13.9%	7.9%	16.8%
Profit/loss before taxes € 1,000	-1,227	-3,261	-1,305	601	1,851
Proportion of revenue (%)	-12.2%	-45.8%	-13.9%	5.5%	14.2%
Return on equity (%)	-9.3%	-28.5%	-18.7%	8.1%	21.9%
Return on investments (%)	-8.0%	-25.8%	-15.3%	15.3%	25.4%
Equity ratio (%)	83.9%	80.8%	76.3%	68.3%	73.0%
Investments in fixed assets € 1,000	48	15	37	55	277
Proportion of revenue (%)	0.5%	0.2%	0.4%	0.5%	2.1%
Research and development expenditure € 1,000	1,232	1,043	1,219	1,237	1,173
Proportion of revenue (%)	12.3%	14.6%	13.0%	11.3%	9.0%
Balance sheet total € 1,000	17,372	10,777	9,613	11,015	12,920
Average number of personnel	46	45	44	45	44



3.2 Share-specific indicators

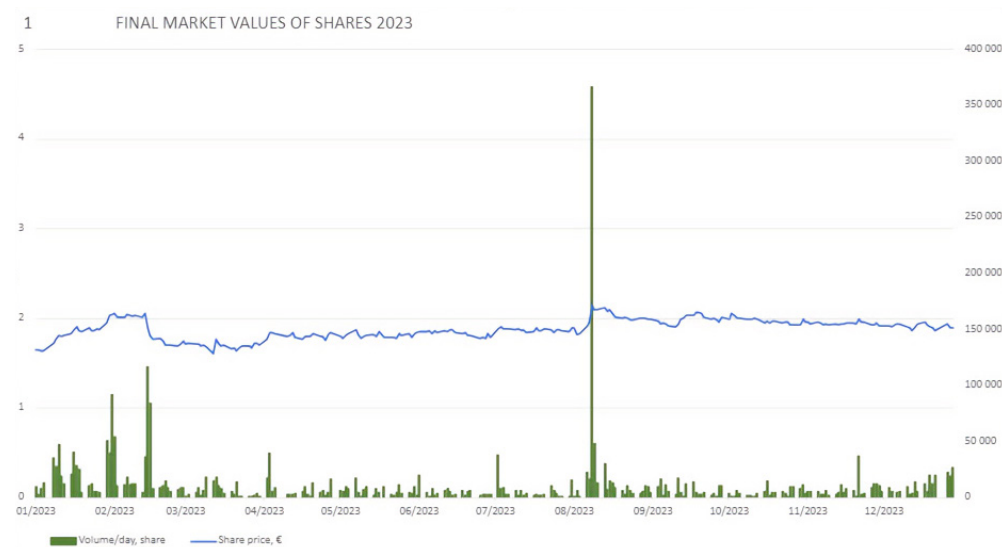
	IFRS 2019	IFRS 2020	IFRS 2021	IFRS 2022	IFRS 2023
Earnings per share, undiluted (EUR)	-0.09	-0.22	-0.10	0.04	0.12
Shareholders' equity attributable to the owners of the parent company (EUR per share)	0.97	0.58	0.49	0.50	0.62
Price-to-earnings ratio (P/E)	-37.3	-11.3	-18.5	39.3	15.7
Series B share price trend (EUR)					
- average	2.99	2.56	2.11	1.71	1.93
- low	2.10	1.90	1.82	1.05	1.57
- high	3.70	4.30	2.54	2.15	2.22
- price 31 December	3.36	2.48	1.84	1.57	1.89
Market capitalisation EUR 1,000					
(presuming the same market value for Series A shares as for Series B shares)	50,553	37,313	27,609	23,622	28,458
Turnover of Series B shares (thousands)	3,362	5,518	4,213	3,751	2,681
- proportion of the total (%)	27.9%	45.7%	34.9%	31.1%	22.1%
Average ex-rights adjusted number of shares	15,005,253	15,045,593	15,045,593	15,045,593	15,097,153
- taking into consideration the diluting effect of options and convertible bonds	15,005,253	15,045,593	15,045,593	15,065,486	15,127,361
Ex-rights adjusted number of shares at the end of the financial period	15,045,593	15,045,593	15,045,593	15,045,593	15,113,593
- taking into consideration the diluting effect of options and convertible bonds	15,045,593	15,045,593	15,045,593	15,065,486	15,143,800

The company has had options that had a dilutive effect in previous financial years. As the company was loss making, no dilutive effect has been presented.



4. SHARE AND SHAREHOLDERS

4.1 FINAL MARKET VALUES OF SHARES



4.2 SHARES AND SHAREHOLDERS

Shareholdings by owner group 31 December 2023

Series A shares	Number of owners shares		Number of shares	
		%		%
1. Companies	2	22.2	874,990	29.4
2. Households	7	77.8	2,100,510	70.6
Total number of Series A shares	9	100.0	2,975,500	100.0

Series B shares	Number of owners shares		Number of shares	
		%		%
1. Households	7,678	97.0	7,009,025	57.7
2. Financial and insurance institutions	4	0.1	8,683	0.1
3. Companies and housing companies	190	2.4	755,229	6.2
4. Non-profit organisations	5	0.1	2,261	0.0
5. Public corporations	0	0.0	0	0.0
6. Nominees and foreign owners	37	0.5	4,357,303	35.9
In joint and clearing accounts	0	0.0	5,592	0.0
Total number of Series B shares	7,914	100.0	12,138,093	100.0
Total number of Series A and Series B shares	7,923		15,113,593	



Series A shares	Number of owners shares	%	Number of shares	%
1-1,000	0	0.0	0	0.0
1,001-10,000	5	55.6	25,000	0.8
10,001-100,000	2	22.2	82,190	2.8
More than 100,001	2	22.2	2,868,310	96.4
Total number of Series A shares	9	100.0	2,975,500	100.0

Series B shares	Number of owners shares	%	Number of shares	%
1-1,000	6,856	86.6	1,569,752	12.9
1,001-10,000	924	11.7	2,714,621	22.4
10,001-100,000	122	1.5	3,132,170	25.8
More than 100,001	2	0.0	4,550,580	37.5
Nominee registered shares	10	0.1	165,378	1.4
Shares in joint and clearing accounts	0	0.0	5,592	0.0
Total number of Series B shares	7,914	100.0	12,138,093	100.0
Total number of Series A and Series B shares	7,923		15,113,593	



Largest registered shareholders 31 December 2023

10 largest owners in terms of the number of shares	Series A shares	Series B shares	Total number of shares	%
Biohit Healthcare (Hefei) Co., Ltd.	850,000	4,095,415	4,945,415	32.7
Suovaniemi Osmo Antero	2,018,310	0	2,018,310	13.4
Härkönen Matti	57,200	267,965	325,165	2.2
Interlab Oy	0	130,000	130,000	0.9
Virkkala Juha Jarkko	0	86,517	86,517	0.6
The estate of Suovaniemi Vesa	0	85,353	85,353	0.6
Syrjälä Pekka	0	77,650	77,650	0.5
Jaakkola Sami Juhani	0	76,600	70,600	0.5
Ruusila Ari Tapio	0	70,000	70,000	0.5
Oy Tech Know Ltd	24,990	43,600	68,590	0.5

10 largest owners in terms of the number of votes	Series A shares	Series B shares	Total number of votes	%
Suovaniemi Osmo Antero	2,018,310	0	40,366,200	56.3
Biohit Healthcare (Hefei) Co.. Ltd.	850,000	4,095,415	21,095,415	29.4
Härkönen Matti	57,200	267,965	1,411,965	2.0
Oy Tech Know Ltd	24,990	43,600	543,400	0.8
The estate of Luostarinen Reijo	10,000	14,460	214,460	0.3
Interlab Oy	0	130,000	130,000	0.2
Virkkala Juha Jarkko	0	86,517	86,517	0.1
The estate of Suovaniemi Vesa	0	85,353	85,353	0.1
Syrjälä Pekka	0	77,650	77,650	0.1
Jaakkola Sami Juhani	0	76,600	76,600	0.1

Senior management ownership 31 December 2023

On 31 December 2023, the members of the Board of Directors and President & CEO owned a total of 2,868,310 Series A shares and 4,256,748 Series B shares, either directly or through companies under their control. These correspond to 47.1% of all of the shares in the company and 86.0% of all of the votes.



5. FORMULAE FOR CALCULATING KEY INDICATORS

Return on equity, %	$\frac{\text{profit/loss for the financial period}}{\text{shareholders' equity (average for the year)}} \times 100$
Return on investments, %	$\frac{\text{profit before extraordinary items} + \text{interest and other financial expenses}}{\text{balance sheet total} - \text{interest-free liabilities (average for the year)}} \times 100$
Equity ratio, %	$\frac{\text{shareholders' equity on the balance sheet}}{\text{balance sheet total} - \text{advances received}} \times 100$
Earnings per share (EUR)	$\frac{\text{profit/loss for the financial period}}{\text{average number of ex-rights shares during the period}}$
Shareholders' equity per share (EUR)	$\frac{\text{shareholders' equity on the balance sheet}}{\text{number of shares on the balance sheet date}}$
Dividend per share	$\frac{\text{dividend distributed for the financial period}}{\text{number of shares on the balance sheet date}}$
Dividend payout ratio, %	$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{dividend per share}}{\text{last transaction rate in the financial period}} \times 100$
Price-to-earnings ratio (P/E)	$\frac{\text{last transaction rate in the financial period}}{\text{earnings per share}}$

The new instructions issued by the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs) took effect for the 2016 financial period. In conjunction with the transition to an income statement model based on expense types, Biohit will present APMs to describe the financial development of its business and improve comparability between different periods. APMs should not be considered substitutes for the key indicators specified in the IFRS norms for financial statements. The operational key indicators have been adjusted for certain measurement items that do not constitute part of ordinary business activities or that do not affect cash flow during the period but that affect comparability. The items that affect comparability and the APMs used by Biohit Oyj are defined as follows:

Items that affect comparability:

Certain business transactions that do not constitute part of ordinary business activities or measurement items that do not affect cash flow but that have a significant effect on the income statement for the period have been adjusted for items that affect comparability. These items arise through nonrecurring transactions such as:

- Asset impairments
- Asset sales or purchases
- Expense entries for benefits in accordance with IFRS 2

In addition, Biohit Oyj presents the following APMs:

- EBITDA (EUR) = operating profit + depreciation and impairment
- Operative EBITDA (EUR) = operating profit + depreciation, impairment - items affecting comparability



6. PARENT COMPANY'S FINANCIAL STATEMENT (FAS)

PARENT COMPANY'S INCOME STATEMENT (FAS)

€ 1,000	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Revenue	6.2	9,009	7,811
Change in inventories of finished and unfinished products		68	-1
Other operating income	6.3	830	749
Materials and services	6.4	-2,904	-2,380
Expenses arising from employment benefits	6.5	-3,260	-2,765
Other operating expenses	6.6	-2,157	-1,894
EBITDA		1,586	1,519
Depreciation and amortization	6.7	-90	-142
Operating profit/loss		1,496	1,377
Financial income and expenses	6.9	378	-238
Profit/loss before taxes		1,874	1,138
Withholding taxes	6.10	-208	-204
Profit/loss for the financial period		1,666	935



PARENT COMPANY'S BALANCE SHEET (FAS)

€ 1,000	Note	31 Dec 2023	31 Dec 2022	€ 1,000	Note	31 Dec 2023	31 Dec 2022
Assets				Liabilities and shareholders' equity			
Non-current assets				Shareholders' equity			
Intangible assets	6.11	183	18	Share capital	6.18	2,350	2,350
Tangible assets	6.12	144	154	Fair value reserve	6.18	-1,873	-1,701
Investments				Invested unrestricted equity found	6.18	4,110	4,042
Shares in Group companies	6.13	31	31	Retained earnings	6.18	2,370	1,435
Other investments	6.13	2	2	Profit/loss for the financial period	6.18	1,666	935
Total non-current assets		359	203	Total shareholders' equity		8,623	7,062
Current assets				Liabilities			
Inventories	6.14	686	742	Long-term liabilities	6.19	-	-
Long-term receivables	6.15	272	212	Short-term liabilities	6.21	2,032	1,787
Short-term receivables	6.15	3,664	2,204	Total liabilities		2,032	1,787
Financial securities	6.16	3,775	4,079	Total liabilities and shareholders' equity		10,656	8,849
Cash at bank and in hand	6.17	1,900	1,409				
Total current assets		10,297	8,646				
Total Assets		10,656	8,849				



PARENT COMPANY'S CASH FLOW STATEMENT

€ 1,000	Note	2023	2022
Cash flow from operating activities:			
Profit/loss before appropriations and taxes		1 874	1 138
Adjustments:			
Planned depreciation		90	142
Unrealised exchange rate gains and losses		-2	-2
Other income and expenses unconnected to payment		21	16
Financial income and expenses		-378	238
Change in working capital:			
Increase (-)/decrease (+) in short-term interest-free trade receivables		-1 483	-4
Increase (-)/decrease (+) in inventories		56	-194
Increase (+)/decrease (-) in short-term interest-free liabilities		132	291
Realised exchange rate gains and losses		-4	-
Interest paid and payments on other operating financial expenses		-483	-104
Dividends received		-	1
Income and interest received from business activities		515	124
Paid direct taxes		-95	-237
Cash flow from operating activities		242	1,409
Cash flow from investments:			
Investments in tangible and intangible assets		-246	-55
Investments in other instruments		-1,939	-2,900
Revenue from disposal of other investments		2,425	2,334
Granted loans		-60	-
Repayments of loans		-	100
Cash flow from investments		180	-521
Cash flow from financing activities:			
Warrants		68	-
Repayment of long-term loans		-	-8
Cash flow from financing activities		68	-8
Increase (+)/decrease (-) in cash and cash equivalents		490	881
Cash and cash equivalents at the beginning of the period		1,409	528
Cash and cash equivalents at the end of the period	6.17	1,900	1,409



NOTES TO PARENT THE COMPANY'S FINANCIAL STATEMENT

6.1 ACCOUNTING PRINCIPLES

When preparing the financial statements in accordance with good accounting practices, the company's senior managers are called upon to make estimates and assumptions that affect the content of the financial statements. The outcomes may differ from these estimates.

The parent company's financial statements have been prepared in accordance with the Finnish Accounting Act.

The financial statements present figures in thousands of euros based on the original values of business transactions, with the exception of financial securities, a component of current assets, which are measured at fair value.

Valuation of property, plant and equipment

Property, plant and equipment are recognised on the balance sheet at acquisition cost, less received contributions, planned depreciation and impairments. Planned depreciation is calculated using a straight-line model based on the useful life of the asset.

The planned depreciation periods are as follows:

Intangible rights	3 -10 years
Other long-term expenses	5 - 10 years
Plant and equipment	3 -10 years

Valuation on inventories

Inventories are presented in accordance with the FIFO principle at acquisition cost or replacement cost or likely sale price, whichever is lower. The acquisition cost of inventories includes variable costs as well as the allotted proportion of the fixed expenses of purchasing and manufacturing.

Valuation of financial securities

Financial securities, which belong to current assets, are measured at fair value in accordance with section 5.2a§ of the Finnish Accounting Act. The fair value of investments is determined based on price quotations on active markets, i.e., the buy quotation on the closing date of the financial period. Unrealised profits and losses due to changes in the fair value of money market investments are recognised in the income statement under financial income and expenses in accordance with the Group's updated accounting policies.

Investments recognised via the fair value reserve consist solely of the equity investment in the unlisted shares in Genetic Analysis AS. Genetic Analysis AS was listed on the Spotlight Stock Market in Stockholm on 1 October 2021. Despite being traded in Sweden, the Genetic Analysis AS shares are listed in Norwegian krone. The valuation is consistent with the accounting principles of the Group.



Research and development expenditure

Research expenses are recognised as annual expenses in the year in which they were incurred.

Principle for revenue recognition

When calculating net sales, indirect sales taxes and discounts are deducted from sales revenues. Sales of work performances are recognised when they are handed over.

Maintenance and repairs

Maintenance and repair expenses are recognised as expenses for the financial period.

Pensions

The company's statutory pension cover and any applicable additional benefits is insured by a pension insurance company. Pension expenses are recognised on the basis of work performed by employees during working hours.

Deferred taxes

No deferred taxes have been recognised on the balance sheet. In accordance with general guidelines issued by the Accounting Board on 12 September 2006, the amounts of deferred taxes that must be entered into the balance sheet are presented in the notes, along with the amounts of tax liabilities and assets that should not be entered into the balance sheet because they are unlikely to be realised.

Items denominated in foreign currencies

Receivables and liabilities in foreign currencies have been translated into euros at the exchange rate quoted by the European Central Bank on the balance sheet date. Translation differences have been recognised through profit and loss.

6.2 REVENUE BY BUSINESS SECTOR

€ 1,000	2023	2022
Diagnostics	9,009	7,811
Total	9,009	7,811

REVENUE BY MARKET AREA

€ 1,000	2023	2022
Finland	211	235
Europe, other	1,637	1,453
North and South America	320	271
Asia	4,565	4,731
Other countries	2,276	1,121
Total	9,009	7,811

6.3 OTHER OPERATING INCOME

€ 1,000	2023	2022
From Group companies	553	455
Grants	277	294
Other	0	-
Total	830	749



6.4 MATERIALS AND SERVICES

€ 1,000	2023	2022
Purchases during the financial period	2,780	2,576
Change in inventories	124	-196
Total materials and supplies	2,904	2,380
Total materials and services	2,904	2,380

6.5 PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

€ 1,000	2023	2022
Salaries	2,745	2,339
Pension expenses	456	380
Other personnel expenses	58	46
Total personnel expenses	3,260	2,765

In the financial period, the parent company employed an average of

	2023	2022
Office personnel	35	36
Average number of personnel	35	36
Number of personnel at the end of the financial period	37	34

6.6 OTHER OPERATING EXPENSES

€ 1,000	2023	2022
Travel expenses and other personnel expenses	205	150
Rents and maintenance expenses	372	286
Sales and marketing expenses	292	246
Other external services	903	693
Change in value of trade receivables	18	16
Other operating expenses	367	502
Total	2,157	1,894

6.7 DEPRECIATION AND IMPAIRMENT

€ 1,000	2023	2022
Intangible assets	13	35
Plant and equipment	76	107
Total	90	142

6.8 AUDITORS' FEES

€ 1,000	2023	2022
Companies belonging to the PricewaterhouseCoopers chain		
Auditors' fees	70	70
Other services	3	-
Total fees paid to the auditor	73	70



6.9 FINANCIAL INCOME AND EXPENSES

€ 1,000	2023	2022
Dividend income		
From others	1	1
Total dividend income	1	1
Other interest and financial income		
From Group companies	4	5
From others	502	71
Other interest and financial income	506	76
Total financial income	507	77
Interest expenses and other financial expenses		
To Group companies	-	-
To others	-128	-315
Total financial expenses	-128	-315
Total financial income and expenses	378	-238
Financial income and expenses include foreign exchange gains/losses (net)	4	-29

The items above operating profit include foreign exchange losses/gains (net) or EUR 27 thousand (EUR 20 thousand)

6.10 INCOME TAXES

€ 1,000	2023	2022
Withholding tax	-208	-204
Total	-208	-204



6.11 INTANGIBLE ASSETS

2023 € 1,000	Intangible rights	Total
Acquisition cost at the beginning of the financial period	7,952	7,952
Decreases from previous years	-7,942	-7,942
Increases	178	178
Acquisition cost at the end of the financial period	189	189
Accumulated depreciation and impairment in the financial period	-7,934	-7,934
Accumulated depreciation of decreases	7,942	7,942
Depreciation and impairment in the financial period	-13	-13
Accumulated depreciation at the end of the financial period	-6	-6
Book value at the beginning of the financial period	18	18
Book value at the end of the financial period	183	183
2022 € 1,000	Intangible rights	Total
Acquisition cost at the beginning of the financial period	7,942	7,942
Increases	11	11
Acquisition cost at the end of the financial period	7,952	7,952
Accumulated depreciation and impairment in the financial period	-7,899	-7,899
Depreciation and impairment in the financial period	-35	-35
Accumulated depreciation at the end of the financial period	-7,934	-7,934
Book value at the beginning of the financial period	42	42
Book value at the end of the financial period	18	18



6.12 TANGIBLE ASSETS

2023 € 1,000	Plant and equipment	Total
Acquisition cost at the beginning of the financial period	1,641	1,641
Decreases from previous years	-470	-470
Increases	67	67
Acquisition cost at the end of the financial period	1,239	1,239
Accumulated depreciation and impairment in the financial period	-1,488	-1,488
Accumulated depreciation of decreases	470	470
Depreciation in the financial period	-76	-76
Accumulated depreciation at the end of the financial period	-1,094	-1,094
Book value at the beginning of the financial period	154	154
Book value at the end of the financial period	144	144
2022 € 1,000	Plant and equipment	Total
Acquisition cost at the beginning of the financial period	1,602	1,602
Increases	39	39
Acquisition cost at the end of the financial period	1,641	1,641
Accumulated depreciation and impairment in the financial period	-1,381	-1,381
Depreciation in the financial period	-107	-107
Accumulated depreciation at the end of the financial period	-1,488	-1,488
Book value at the beginning of the financial period	221	221
Book value at the end of the financial period	154	154



6.13 INVESTMENTS

Shares 2023 € 1,000	Group companies	Others	Total
Book value at the beginning of the financial period	31	2	32
Book value at the end of the financial period	31	2	32

Shares 2022 € 1,000	Group companies	Others	Total
Book value at the beginning of the financial period	31	2	32
Book value at the end of the financial period	31	2	32

6.14 INVENTORIES

€ 1,000	2023	2022
Materials and supplies	433	533
Work in progress	5	13
Finished products/goods	248	196
Total inventories	686	742



6.15 RECEIVABLES

€ 1,000	2023	2022
Long-term receivables		
Receivables from Group companies		
Loan receivables	155	155
Receivables from others		
Loan receivables	117	57
Total non-current receivables	272	212
Short-term receivables		
Receivables from Group companies		
Trade receivables	338	237
Loan receivables	-	-
Accrued income	4	2
Receivables from others		
Trade receivables	2,904	1,590
Other receivables	116	178
Accrued income	302	197
Total current receivables	3,664	2,204



6.16 FINANCIAL SECURITIES

Assets measured at fair value € 1,000	2023	Level 1	Level 2
Traded securities and investment to Genetic Analysis AS *	3,775	863	2,912

* Genetic Analysis AS 108 thousand euros on level 1

Assets measured at fair value € 1,000	2022	Level 1	Level 2
Traded securities and investment to Genetic Analysis AS *	4,079	1,654	2,425

* Genetic Analysis AS 280 thousand euros on level 1

Financial securities consist of fixed-income investments, corporate loans and money market investments. The hierarchy levels are described in the Group's note 2.17.

6.17 CASH AND CASH EQUIVALENTS

€ 1,000	2023	2022
Cash in hand and at bank	1,900	1,409



6.18 SHAREHOLDERS' EQUITY

€ 1,000	2023	2022
Share capital 1 January	2,350	2,350
Share capital 31 December	2,350	2,350
Fair value reserve 1 January	-1,701	-1,092
Increases	-	-
Decreases	-173	-609
Fair value reserve 31 December	-1,873	-1,701
Invested unrestricted equity fund 1 January	4,042	4,042
Increases	68	-
Invested unrestricted equity fund 31 December	4,110	4,042
Retained earnings 1 January	2,370	1,435
Retained earnings 31 December	2,370	1,435
Reported profit/loss for the financial period	1,666	935
Total shareholders' equity	8,623	7,062

Shares and voting rights

Biohit's shares are divided into Series A and Series B shares. The series from each other in that each Series A share entitles its holder to twenty (20) votes at general meetings, while each Series B share carries one (1) vote. The dividend The dividend paid for Series B shares is, however, two (2) per cent of the nominal value higher than that paid for Series A shares. When this regulation is applied, the nominal value of the shares is taken to be EUR 0.17, which was the nominal value of the company's shares when it decided to discontinue using nominal values for shares.



Calculation of distributable equity 31 December

€ 1,000	2023	2022
Retained earnings	2,370	1,435
Profit/loss for the financial period	1,666	935
Invested unrestricted equity fund	4,110	4,042
Fair value reserve	-1,873	-1,701
Capitalized development expenditure	-166	-
Total	6,108	4,712

Parent company's share capital structure	2023 shares	% of shares	% of votes	2022 shares
Series A shares (20 votes per share)	2,975,500	19.7	83.1	2,975,500
Series B shares (1 vote per share)	12,138,093	80.3	16.9	12,070,093
Total	15,113,593	100.0	100.0	15,045,593

The company's share capital is EUR 2,350,350.81. The company does not hold any of its own shares. Based on a resolution of the AGM held on 16 September 2020, the Board of the company is authorised to decide on the issue of shares and to issue the special rights referred to in Chapter 10 of the Limited Liability Companies Act so that the maximum number of new Series B shares to be issued pursuant to the special rights is 3,000,000, which corresponds to approximately 24.9% of all of the company's Series B shares. In 2021 and in 2022, the company issued shares options for 760,000 new shares.

6.19 LONG-TERM LIABILITIES

€ 1,000	2023	2022
Loans from Group companies	-	-
Loans from financial institutions	-	-
From others	-	-
Total	-	-



6.20 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax liabilities

There are no deferred tax liabilities.

Deferred tax assets

The tax-deductible losses have not been noted in the balance sheet. There is a total of EUR 19.2 million loss in Finland. (Year 2013-2021: EUR 19.2 million)

6.21 SHORT-TERM LIABILITIES

€ 1,000	2023	2022
Loans from financial institutions, current proportion	-	-
Advances received	4	104
Trade payables	408	506
Accruals and deferred income	1,140	834
Other liabilities	481	343
Total short-term liabilities	2,032	1,787

The significant items of accruals and deferred income are salary-related deferred items valued at EUR 916 thousand (EUR 666 thousand).

6.22 PLEDGES, CONTINGENT LIABILITIES AND OTHER LIABILITIES

€ 1,000	2023	2022
Debts for which mortgages have been pledged		
The company has not pledged any collateral.		
Leasing commitments		
Payable in the next financial period	61	62
Payable later	58	120
Total	119	182
Rental commitments		
Payable in the next financial period	186	181
Payable later	745	724
Total	932	905
Other contingent liabilities		
Guarantees	4	4

Leasing and rental fees mainly consist of fixed-term leasing and rental agreements lasting longer than one year.

Contingent liabilities on behalf of Group companies

The company has no contingent liabilities on behalf of Group companies.



7. BOARD OF DIRECTOR'S PROPOSAL REGARDING THE DISTRIBUTION OF PROFITS

On 31 December 2023 the parent company's distributable assets (unrestricted equity) amounted to EUR 6,107,520.93 , including the profit for the financial period of EUR 1,666,264.33. The Board of Directors proposes to the Annual General Meeting that the company distribute no dividend for the last financial year and that the profit for the financial year be transferred to retained earnings.

Helsinki, 13 February 2024

Vesa Silaskivi
Chairman of the Board of Directors

Liu Feng
Member of the Board of Directors

Kalle Härkönen
Member of the Board of Directors

Lea Paloheimo
Member of the Board of Directors

Osmo Suovaniemi
Member of the Board of Directors

Jussi Hahtela
President & CEO

Auditor's statement

A statement has been issued today on the completed audit.

Helsinki, 13 February 2024

PricewaterhouseCoopers Oy
Firm of auditors

Tiina Puukkoniemi
Authorised Public Accountant



8. AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Board of Directors.

What we have audited

We have audited the financial statements of Biohit Oyj (business identity code 0703582-0) for the year ended 31 December 2023. The financial statements comprise:

- the consolidated balance sheet, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated cash flow statement and notes, which include material accounting policy information and other explanatory information

- the parent company's balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.9 to the Financial Statements.

OUR AUDIT APPROACH

Overview

Materiality

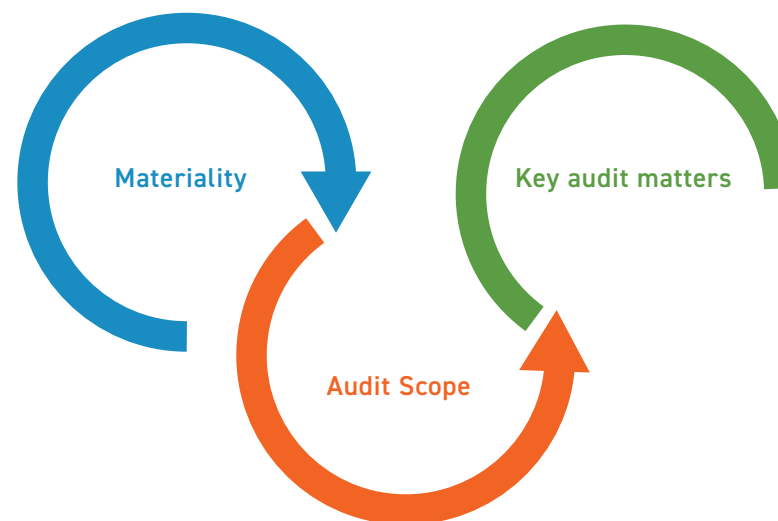
- Overall group materiality: € 129 thousand, which represents 1% of total assets

Audit scope

- In addition to the parent company, our group scope consists of two foreign subsidiaries.

Key audit matter

- Cut-off of Revenue recognition
- Royalty income from License included in Distribution Agreement (Biohit HealthCare (Hefei) Co. Ltd)



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.



Overall group materiality

€ 129 thousand (€ 110 thousand in 2022)

How we determined it

1% of total assets

Rationale for the materiality benchmark applied

Based on our assessment the total assets provide a more solid base for determining the materiality than the commonly used income statement-based benchmarks.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates. Biohit Oyj is a Finnish biotechnology company operating on global markets, which has foreign subsidiaries in Great Britain and Italy.

We determined the type of work that needed to be performed at group companies. This work was performed by the group audit team. Audit was performed for the parent company and for Biohit Healthcare Ltd, UK. For the Italian subsidiary, we performed selected audit procedures on specified account balances. In addition, we performed audit procedures on the group level.

By performing the procedures above, we have obtained sufficient and appropriate evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



KEY AUDIT MATTER IN THE AUDIT OF THE GROUP

Cut-off of Revenue recognition

Refer to the financial statements accounting principles and the financial statements note 2.3 Net sales and segment information

Biohit Oyj ("Biohit") is a Finnish Biotechnology company operating on global markets. Biohit's product portfolio consists of diagnostic tests, analysis systems, products that bind carcinogen acetaldehyde in monoclonal antibodies and service laboratory operations. The Group's revenue is predominately generated from distribution agreements signed with several distributors who then sell the products further to healthcare operators.

Revenue from distribution agreement-based product sales is recognized at a point of time when the control has transferred to a distributor in accordance with delivery terms.

We determined cut-off of revenue recognition as an audit focus area, as there is a risk that revenue in the financial statements is recognized in an incorrect period due to either errors or fraud.



HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We gained an understanding of the revenue recognition process; and we performed substantive audit procedures to ensure revenue is recorded in the correct period. Our substantive audit procedures included:

- testing a sample of selected distribution agreements to ensure the correctness of revenue recognition criteria applied
- testing revenue transaction that occurred close to the year end
- testing certain revenue related balances recognised in the balance sheet
- testing a sample of revenue transactions occurred during the year
- testing the basis for revenue recognition cut-off for selected manual journal entries posted in revenue accounts
- auditing the notes and accounting principles regarding revenue recognition



Royalty income from License included in Distribution Agreement (Biohit HealthCare (Hefei) Co. Ltd)

Refer to the financial statements accounting principles and the financial statements note 2.3, Net sales and segment information and note 2.27 Related party transactions

Biohit Oyj's shareholder Biohit HealthCare (Hefei) Co. Ltd ("Hefei") acts as the exclusive distributor of Biohit's certain GastroPanel products in China. The parties have in February 2022 agreed on multiannual distribution agreement for certain GastroPanel products in China.

As disclosed in note 2.27 "Related parties", royalty income from license to Hefei, 2.2 million euros (2.2 million euros in 2022) forms a significant portion of company's turnover. This is based on the distribution agreement, its IFRS-accounting interpretation, cash flow probabilities and timing (note 2.3).

As disclosed in note 2.27, Hefei has pledged 1.5 million of its Biohit class B (value approximately 2.8 million euros on December 31, 2023) shares to Biohit as a security for its payment obligations under the new distribution agreement.

Royalty income from License included significant management estimation.

We determined that Royalty income from License is a key audit matter due to the significance of the transaction and due to the estimation uncertainty relating to it.



HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We obtained understanding of the impact of the distribution agreement to royalty income from license and related balance sheet items. Our substantive audit procedures included following procedures:

- we read the Distribution agreement signed 8 February 2022 and obtained evidence that Hefei pledged 1.5 million of its Biohit class B shares (value approximately 2.8 million euros at 31.12.2023) to Biohit, as a security for its payment obligations
- we made an accounting analysis of the royalty income from license based on IFRS 15
- we reconciled the management calculation of estimated royalty income based on distribution agreement to the accounting records and financial statements and ensured those were correctly accounted for based on estimated amount
- we audited royalty payments by Hefei to Biohit in 2023
- we assessed the recoverability of royalty income in terms of cash flow probabilities, cash flow timing, the pledge, and payments received
- we audited balance sheet items relating to royalty income from license
- we audited the notes and accounting principles regarding royalty income from license



The above-mentioned Key audit matter "Royalty income from License included in Distribution Agreement (Biohit HealthCare (Hefei) Co. Ltd)" is also a key audit matter with respect to our audit of the parent company financial statements. Our audit procedures were aligned with the ones presented above

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over ride of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



OTHER REPORTING REQUIREMENTS

Appointment

We were first appointed as auditors by the annual general meeting on 14 April 2014. Our appointment represents a total period of uninterrupted engagement of 10 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 13 February 2024

PricewaterhouseCoopers Oy

Authorised Public Accountants

Tiina Puukkoniemi

Authorised Public Accountant (KHT)



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