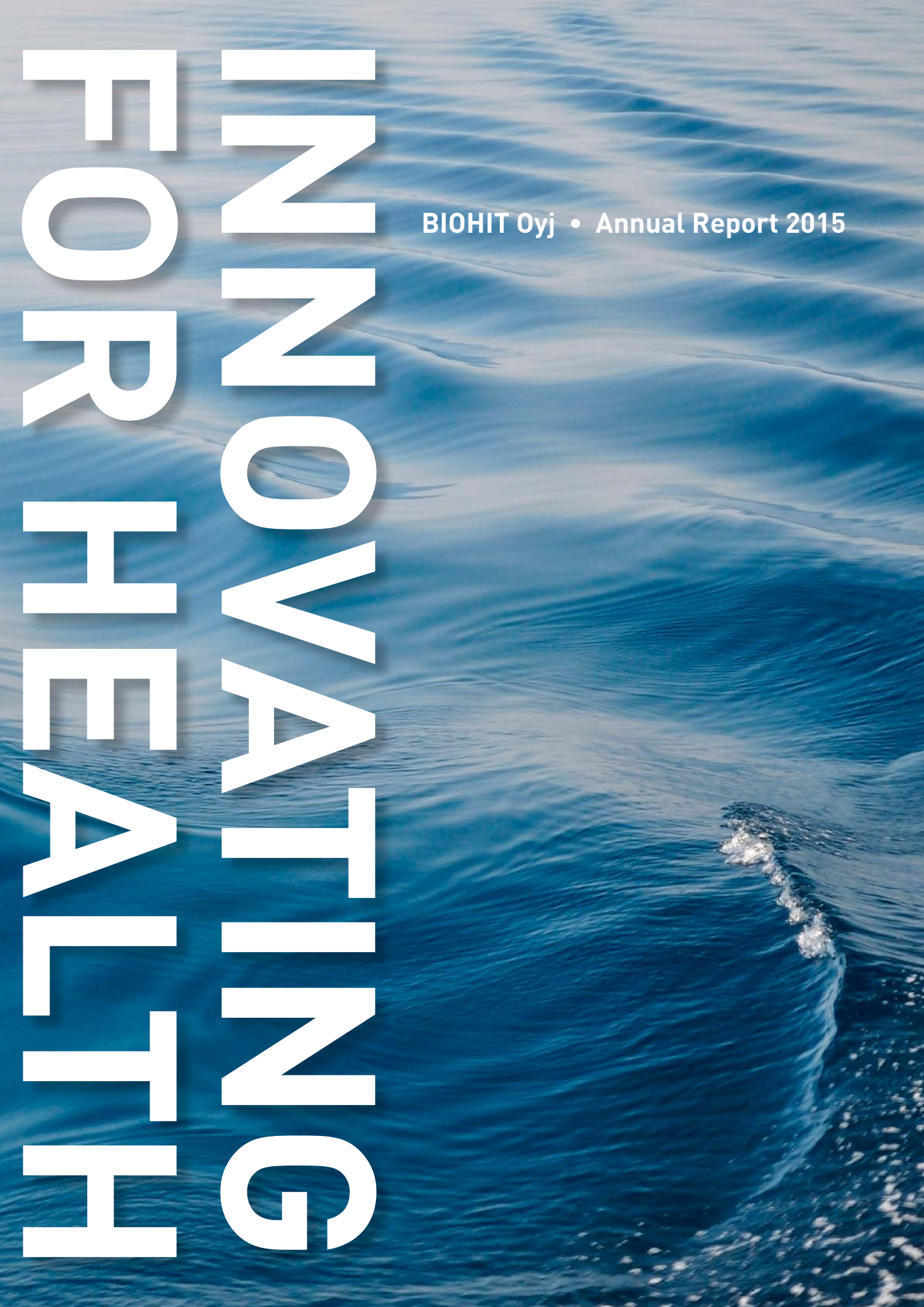


BIOHIT Oyj • Annual Report 2015

Contents

Biohit continues goal-oriented growth

Biohit Oyj is a Finnish biotechnology company operating on global markets. Our mission, "Innovating for Health", describes our innovative products and services, which aim to promote medical research and early diagnostics. Biohit was established in 1988.

Our goal is to improve people's quality of life by preventing diseases, human suffering and financial loss. As a responsible company, we aim to increase people's awareness of their exposure to group I carcinogen, acetaldehyde, and to reduce the harmful effects of such exposure. Biohit is headquartered in Helsinki and it has subsidiaries located in Italy and the United Kingdom. Biohit's Series B shares (BIOBV) are listed in NASDAQ OMX Helsinki Oy's Small Cap group and in the healthcare sub-sector.

Cost-effective innovations for healthcare

Gastrointestinal diseases are a growing worldwide phenomenon, with related medical, ethical and financial problems. Worldwide, gastrointestinal diseases are the most common cause of gastric symptoms. As the population ages, the need for healthcare will increase further, leading to an urgent requirement for new, cost-effective solutions.

Biohit continuously develops its products and services to address growing needs. Our products and services are safe, ethical and cost-effective innovations for diagnosing and preventing gastrointestinal diseases and associated risks.

In 2015 we developed our operations in accordance with our plan

We began using new operating models that will make our work more efficient and grow our business. We updated our product range to address customers' needs.

We expanded our distributor network and service sales and launched new products

We expanded our distributor network all over the world by signing several new distributor- and partnership agreements. We increased our sales and improved our result. We also expanded our service sales across Finland and we began using an electronic appointment-booking service. In accordance with our strategy, we took customer feedback into consideration and developed our products and operations on this basis. We expanded our product range by adding a vitamin D test and a quick test reader, we unified the GastroPanel test and developed new forms of collaboration with our customer groups. A good example of this is our pharmacy campaigns, which regularly operate all over Finland offering testing of the gastrointestinal tract.

We focused on the usability of our products and automating production

In addition to developing new products, we improved the usability and customer-friendliness of our products. In production, we automated processes and increased capacity. We are continuously improving our operations to guarantee high-quality products for our customers.

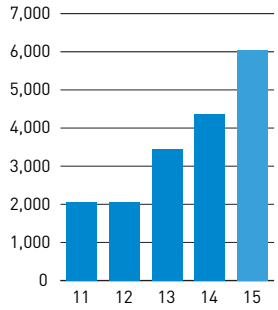
Number of personnel remained steady

During the reporting period, the average number of personnel employed by the Group was 52 (50 in 2014), of whom 44 (41) were employed by the parent company and 8 (9) by subsidiaries. At the end of 2015, the Group employed 49 (51) personnel, of whom 40 (42) were employed by the parent company and 9 (9) by subsidiaries.

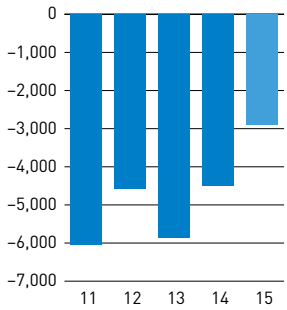
Our financial position was good

Our financial position remained good. We are able to make investments in building an international network of distributors, as well as in developing and commercialising new products. At the end of the financial year, the company's financial assets amounted to EUR 7.2 million.

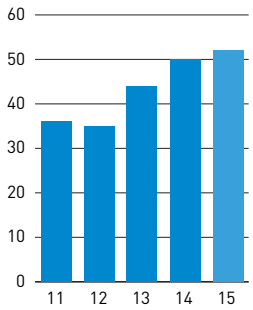
Net sales in continuing operations 2011–2015, 1,000 EUR



Profit/loss in continuing operations 2011–2015, 1,000 EUR



Average number of personnel in continuing operations 2011–2015



GOAL

to enable early diagnosis and prevention of diseases of the gastrointestinal tract

ACTIONS

commercialisation of new products and support to international distribution channels

IMPROVEMENT

enabling of appropriate and adequate treatment, early prevention of serious diseases, impact on public health

Equity ratio

87.9%

Net sales

6.1 MEUR

Year-on-year net sales growth

38.7%

BIOHIT GROUP KEY FIGURES	2015	2014
Net sales, MEUR	6,1	4.4
Operating profit/loss, MEUR	−2.9	−4.5
Profit/loss before taxes, MEUR	−2.9	−4.3
Profit/loss for the period, continuing operations, MEUR	−2.9	−4.4
Profit/loss for the period, discontinued operations, MEUR		3.3
Profit/loss for the period, MEUR	−2.9	−1.2
Average number of personnel	52	50
Number of personnel at the end of the period	49	51
Equity ratio %	87.9	87.5
Earnings per share, continuing operations EUR	−0.20	−0.32
Earnings per share, discontinued operations, undiluted EUR		0.23
Shareholders' equity per share, EUR	0.72	0.9
Average number of shares during the period	14,276,519	13,941,286
Number of shares at the period end	14,348,533	14,135,593

A year of progress and success

Our products are based on high-quality scientific research.

2015 was a year of progress. We signed new distributor and partnership agreements, improved our service sales and expanded our product range. We increased sales and improved our result. We also made progress in terms of product development and clinical studies.

We expanded our network of distributors around the world

We made new agreements to expand the distribution of Acetium® to Spain (Biomed S.A.), Portugal (Queenslabs Lda), and Vietnam, Laos, Cambodia and Myanmar (Daiichi-Sankyo Thailand Ltd) and Baltia (Oriola Oy). We also improved the availability of products in Italy (LS Pharma) and Sudan (El-Alawia Medical Agencies). We made an agreement with Oriola Oy to enable it to become the exclusive distributor of Acetium products in Finland. Additionally, we made an agreement concerning the distribution of Acetium lozenges in the United Arab Emirates (Birtely Pharma). We expanded the distribution of Acetium lozenge to dental care in Finland by beginning a cooperation with Hammasväline Oy.

We improved the availability of our diagnostic tests in Kazakhstan (Melon 000), Portugal (ARIUM Sistemas de Diagnòstico Lda), Finland (Mekalasi), Kuwait (Health Life) and Serbia, Bosnia and Hertzegovina, Montenegro (Biohemed doo). In the United Arab Emirates, Gulf Drug LLC received exclusive rights to distribute diagnostic tests. Additionally, we made an agreement concerning diagnostic distribution in Indonesia (PT InoDia) and Korea (Humasis). We also made an agreement concerning distribution of the ColonView test in China with Zhejiang Co. Ltd.

One of our achievements was registering the Acetium capsule in China, where our partner, GrandPharma, will begin selling the capsule under the Shubang brand name.

> We continued to increase awareness of acetaldehyde by means of studies and communicating with decision makers.

The Gastropanel and ColonView tests are included in screening in China and Russia

We continued our work to promote care procedures by commencing the first tangible activities in screening for gastric and colorectal cancer. Usage of the GastroPanel kit began in screening projects in China, where one project will involve screening 500,000 asymptomatic people, while another will involve screening 20,000 asymptomatic people. These are the first population-based screening projects to identify the risks of gastric and colorectal cancer, and the projects represent a significant step forward for the use of GastroPanel tests in the screening of asymptomatic people. In Russia, ColonView test is included in a pilot project for screening of colorectal cancer.

We engaged in studying a promising new method for helping people quit smoking

The first, nearly two-year smoking intervention study was completed at the end of 2015. According to preliminary observations, the Acetium lozenge containing slowly releasing L-cysteine is a promising novel method to assist in smoking cessation. This is a new significant indication of the possible benefit of the product in addition to that it has no side effects such as with medication and nicotine products, and it binds carcinogenic acetaldehyde dissolved into saliva from cigarette smoke into a harmless compound promoting oral health.

The effectiveness of Acetium lozenges was evaluated by a study presented during a convention held by the European Society for Biomedical Research on Alcoholism. The studies confirmed previous scientific evidence that Acetium efficiently binds carcinogenic acetaldehyde to form a harmless compound.

An international study showed that ColonView is superior to the conventional tests in colorectal cancer screening due to its sensitivity and specificity. During 2015 some twenty clinical trials were ongoing in Finland and abroad with Biohit's diagnostic tests and Acetium products. Our products are based on scientific research, and the scientific advisory board, which convenes regularly, constitutes a valuable part of our operations.

We launched new products

We concluded the GastroPanel unification project, in which the reaction conditions and solutions of four biomarkers (pepsinogen I and II, gastrin-17, *Helicobacter pylori* antibodies) were unified. Unification substantially increases the speed of the test as part of basic health care and screening.

We added a vitamin D test to our product range and service laboratory to complement diagnostics intended to prevent osteoporosis and bone fractures. The reliable Biohit 25-0H vitamin D Total ELISA test can be used to identify a need for vitamin D supplements. We also expanded our range with the addition of a quick test reader for the ColonView and celiac tests.

On the basis of a consumer study, we expanded the Acetium product family with the addition of a new salty liquorice flavoured lozenge.

Awareness of acetaldehyde increased

We continued to increase awareness of acetaldehyde by means of studies and communicating with decision makers. The European Parliament's Environment, Public Health and Food Safety Committee has proposed that the Commission immediately request the European Food Safety Authority (EFSA) to evaluate the use of acetaldehyde as a flavouring ingredient in alcoholic and non-alcoholic drinks. The approval of the proposal in May 2015 was a tangible step in increasing awareness. We will continue to advance this matter actively.

I would like to thank the personnel and partners of Biohit, as well as our active investors. We are extremely excited to continue realising Biohit's unique opportunities.

Semi Korpela

Our strategic alignments

We will make our operations simpler and more efficient. We take customer benefits into consideration in all of our decisions.

Biohit's strategy 2015–2020

Our mission is "Innovating for Health".
Our vision is to be the world's leading biotechnology company in selected markets promoting gastrointestinal well-being:
a) Advanced and innovative in vitro diagnostic tests of the gastrointestinal tract and use of tests for screening
b) Products that bind carcinogenic acetaldehyde into a harmless compound in the gastrointestinal tract

We aim to increase net sales primarily in the following areas:

1. China
2. The EU, Russia and Middle East
3. The Americas

APPROVAL FOR THE GASTROPANEL PRODUCTION PLANTS IN CHINA

The joint venture, Biohit Biotech (Hefei) Co., Ltd, continued its efficient work to enable sales of locally-produced GastroPanel tests to begin in China. The production plants were completed at the end of 2015 and China's food and drug administration has approved them.

The joint venture is advancing the local registration of the three GastroPanel tests (Pepsinogen I, Pepsinogen II and Gastrin-17) manufactured in China with the food and drug administration. The tests are subject to clinical trials before they can be registered.

The CEO of the joint venture, **Liu Feng**, describes the progress of the registration process:

"Ethical approval has been granted for clinical trials of the product. We expect to obtain registration, ISO 13485 certification, product licensing and marketing authorisation for test kits by the end of 2016."

In 2015, price approval decision was issued in four provinces for GastroPanel test kits that are manufactured in Finland and sold in China. Price approval decision has already been received in 11 provinces. Price approval is a pre-requisite for reimbursability of GastroPanel and start of sales.

We will make our distribution chain and services simpler and more efficient

Our competitive advantage is a quick, flexible and cost-efficient distribution chain where customers play a key role. We are creating increasingly efficient processes. In addition, we are continuously digitising and automating our operations and services.

We always take the customer into consideration in our decisions

Whenever we make a decision, we consider how the decision will benefit customers and how it will enable innovation for customers.

Quality is the most important thing for us

Our target is to constantly improve quality. We monitor our operations and make all required improvements at a rapid pace. We take more preventive measures than corrective measures.

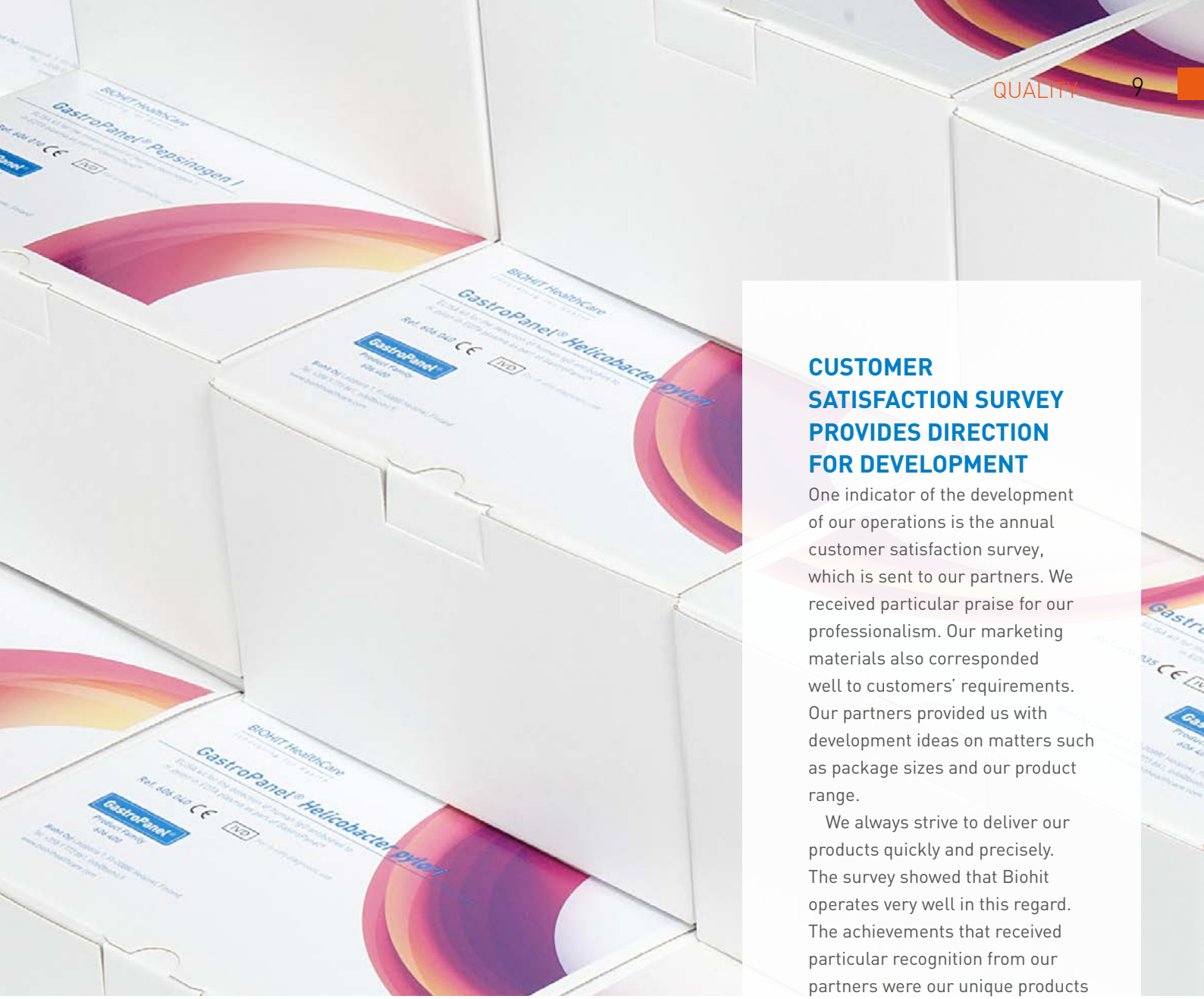
An eye for quality

High-quality products and services are created through interaction with customers. Customer feedback provides a direction for continuous improvement.

Biohit's products and services are innovative, ethical and cost-effective. The development, production and marketing of our products is subject to strict quality requirements. We are committed to continuous improvement based around increasing the benefit to customers. We are developing our processes in accordance with Lean thinking models and we are continuously monitoring our performance using quality-related and environmental indicators.

Quality system forms the basis of our operations

Our products bear the CE mark and our diagnostic products are designed and researched in accordance with European IVD Directive 98/79/EC. Our Acetium products fulfil the requirements applying to medical devices in Directive 93/42/EC and they bear the key flag symbol. High-level documentation is a requirement for international product registration.



CUSTOMER SATISFACTION SURVEY PROVIDES DIRECTION FOR DEVELOPMENT

One indicator of the development of our operations is the annual customer satisfaction survey, which is sent to our partners. We received particular praise for our professionalism. Our marketing materials also corresponded well to customers' requirements. Our partners provided us with development ideas on matters such as package sizes and our product range.

We always strive to deliver our products quickly and precisely. The survey showed that Biohit operates very well in this regard. The achievements that received particular recognition from our partners were our unique products and ability to provide professional information about matters such as registration.

Biohit's Quality Director, **Annika Astola**, summarises the advantages of the customer survey: "The customer satisfaction survey helps us to improve our operations. We take into account all feedback that we receive – this enables us to develop our product selection so that it serves the diverse requirements of our customers even better."

Biohit's products have been designed to minimise environmental load throughout their entire life cycles. During the product development phase, we reduce the amounts of hazardous substances used and we choose recycled materials for our packaging. The company is a member of the waste recycling systems Finnish Packaging Recycling RINKI Ltd and Der Grüne Punkt.

In 2015, Biohit's quality and environmental systems were recertified in accordance with the ISO 9001, ISO 13485 and ISO 14001 standards. Foreign air freight deliveries of our products run smoothly thanks to our status as an "Identified sender", which was granted by the Finnish Transport Safety Agency (Trafi).

Interaction with customers is important to us

The project to unify the GastroPanel test kit was completed in 2015. This project is a good example of users' needs leading to product improvements. In addition to our annual customer satisfaction survey, everyday contact with customers is important to us. We are able to rapidly implement product improvements requested by customers.

Board of Directors

OSMO SUOVANIEMI, b. 1943

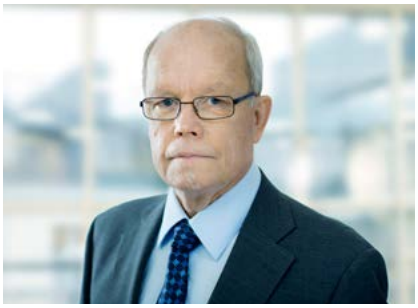
- MD, PhD, Professor (h.c.)
- Chairman of Biohit Oyj's Board of Directors
- Not independent of the major shareholder and company

JANINA ANDERSSON, b. 1971

- MSc (Soc. Sc.)
- Executive Director of the Mannerheim League for Child Welfare in the Varsinais-Suomi district
- Member of Biohit Oyj's Board of Directors since 2015
- Independent of the major shareholder and company

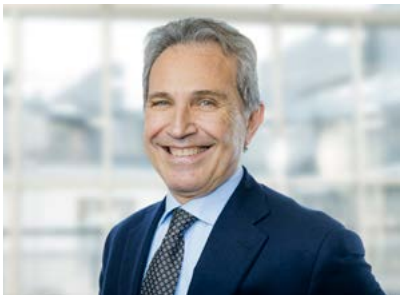
SEPPO LUODE, b. 1952

- MSc (Tech.) (Industrial Engineering and Management), MBA (Stanford University)
- Member of Biohit Oyj's Board of Directors since 2011
- Independent of the major shareholder and company



MIKKO SALASPURO, b. 1939

- MD, PhD, Professor
- Member of Biohit Oyj's Board of Directors since 2008
- Independent of the major shareholder but not independent of the company



FRANCO AIOLFI, b. 1947

- Degree in Pharmacy awarded by the University of Urbino
- Member of Biohit Oyj's Board of Directors since 2013
- Independent of the major shareholder but not independent of the company

EERO LEHTI, b. 1944

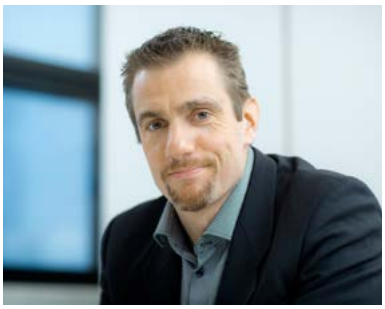
- MSc (Soc.Sc.), Commercial Counsellor, member of parliament
- Member of Biohit Oyj's Board of Directors since 2009
- Independent of the major shareholder and company

Management team

SEMI KORPELA, b. 1970
- President and CEO
- With Biohit Oyj since 2011 and from 2003 to 2006 as CFO
- MSc (Econ.)

LEA PALOHEIMO, b. 1951
- Business Development Director
- With Biohit Oyj since 2001
- PhD (clinical biochemistry), Hospital Chemist

ANU MICKELS, b. 1972
- Sales and Marketing Director
- Sales and Marketing, Group Communications
- With Biohit Oyj since 2012
- MBA



PANU HENDOLIN, b. 1971
- R&D Director
- Production, Research and Product Development
- With Biohit Oyj since 2012 and from 2007 to 2008
- PhD (molecular medicine)

ANNIKA ASTOLA, b. 1974
- Quality Director
- With Biohit Oyj since 2014
- MSc (Tech.), MBA

KARI SYRJÄNEN, b. 1948
- Chief Medical Director
- With Biohit Oyj since 2013
- MD, PhD, FIAC, Professor (pathology, cancer biology)

NIKLAS NORDSTRÖM, b. 1979
- CFO
- Finance, HR, Legal Affairs, ICT
- With Biohit Oyj since 2014
- BSc (Econ.), LL.M.

Information for shareholders

Annual General Meeting
Biohit Oyj's Annual General Meeting is planned to be held at 3 pm on Monday 25 April 2016 in Helsinki, Finland. The Board of Directors will call the General Meeting at a later date.

Board of Director's proposal regarding the distribution of profits
The parent company's distributable funds (unrestricted equity) on 31 December 2015 are 6,079,716.06, of which the period net loss is 3,526,862.99. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year.

Shares
Total number of shares: 14,348,533
Series A shares (20 votes per share): 2,975,500
Series B shares (1 vote per share):11,373,033
Biohit Oyj: The Series B shares are listed in the NASDAQ OMX Helsinki Oy 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 the company's website at www.biohithealthcare.com/investors.

Financial communications
The financial reviews and other stock exchange releases published by Biohit are available on the company's website at www.biohithealthcare.com/investors. You can also subscribe to receive financial communications by email using the subscription form on the website.

Publication dates for financial reports in 2016

Thursday 18 August 2016
Half-yearly report, January–June 2016 (Q2)

Silent period
Biohit observes a silent period of three weeks 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.

Summary of stock exchange releases in 2015

26th Feb 2015	Biohit group Financial Statement Release 2014
10th Mar 2015	Biohit and Oriola to distribution agreement
17th Mar 2015	Notice of Biohit Oyj's Annual General Meeting
30th Mar 2015	Publication of Biohit Oyj Annual Report 2014
31st Mar 2015	Biohit Oyj B-shares Subscribed with Stock Options II 2013
20th Apr 2015	Decisions of the Annual General Meeting of Biohit Oyj
21st Apr 2015	Constitutive meeting of Biohit Oyj's Board of Directors
7th May 2015	Biohit Group Interim Report Q1/2015
18th Jun 2015	Biohit Oyj B-shares Subscribed with Stock Options II 2013
28th Jul 2015	Population-based screening study of asymptomatic persons to start in China using GastroPanel biomarkers disclosing gastric cancer risk
7th Aug 2015	Biohit Oyj B-shares Subscribed with Stock Options I 2013 B
20th Aug 2015	Biohit Group Interim Report Q2/2015
22nd Oct 2015	Biohit Group Interim Report Q3/2015
4th Nov 2015	Acetium lozenge – a promising novel method to assist smoking cessation
4th Dec 2015	Biohit's Financial Reporting and Annual General Meeting in 2016
16th Dec 2015	Biohit Oyj's Management Team Option Arrangement
17th Dec 2015	Biohit Oyj will change its financial reporting – in the future, the company will publish financial reviews twice a year

The history of Biohit Oyj

The success of Biohit is mostly based on an aggressive innovation and patenting strategy developed by Professor Osmo Suovaniemi, MD, PhD. He can be considered a pioneer of this strategy, showing successful model for small and large companies in Finland. This strategy dates back to the early 1970s when Suovaniemi established the predecessors to Biohit Oyj, Labsystems Oyj (1972) and the joint venture, Eflab Oy (1978). The rational for the "Aggressive Innovation and Patenting strategy" resides in its major beneficial effects both for small and large companies. In contrast, giving up on this strategy frequently precedes the development of an economic depression in Finland and abroad. Read more:
www.biohithealthcare.com/About Us/History: Aggressive innovation and patenting strategy

Analysis and liquid handling devices based on innovations created by Labsystems, Eflab and Biohit have been adopted into global use, enabling the massive development of immunoassays using non-radioactive markers based on Suovaniemi's vertical measurement innovation. These immunoassays have been used for research and diagnosis of infections and cancer. Immunoassays and vertical measurements have become global industrial standards, revolutionising laboratory routines worldwide since the 1970's and 1980's. They have also made possible the development of the GastroPanel test and Biohit's other immunoassays.

1988–1999

- Osmo Suovaniemi establishes Biohit Oy in 1988.
- The start of the development, production and international marketing of a new generation of liquid handling devices based on Biohit's innovations.
- Biohit collaborates with Professors Stina and Kari Syrjänen to develop commercial HPV tests for screening and genotyping of human papillomaviruses linked with cervical cancer. The tests are based on HPV probes developed by a later Nobel laureate.
- Development of the GastroPanel test begins, based on research data elaborated over a period of decades and exploiting the existing and producing novel innovations.
- The GastroPanel concept is based on follow-up studies on gastritis patients conducted by Professor Max Siurala's and Professor Pentti Sipponen's research groups in Finland and Estonia and on collaboration with Professors Matti Härkönen and Seppo Sarna, as well as the immunoassay analysis devices based on vertical measurement principle invented by the Biohit's founder.
- Development of the GastroPanel immunoassay concept was also influenced by discovery of the role of Helicobacter (*Helicobacter pylori*) in pathogenesis of gastritis and peptic ulcer disease, which led to Nobel Prize in 2005.

In 2011 Biohit Oyj sold its liquid handling business to Sartorius Lab Holding GmbH for EUR 68 million.

Over 20 years of research and development culminated in the unified GastroPanel innovation.

- As the only non-invasive blood test on the market, GastroPanel diagnoses *Helicobacter pylori* infection and atrophic gastritis caused by it, both increasing the risk of stomach cancer, and it also provides information of the risk for peptic ulcer disease.
- The company is listed on the Helsinki Stock Exchange on 18 June 1999. At that time, Biohit Oyj had 16 patents in Finland, while the 20 other newly listed companies altogether had 11 patents.

2000–2009

- Biohit Oyj starts the service laboratory operations.
- GastroPanel is launched for diagnosis and prevention of stomach diseases and their associated risk conditions.
- The Healthy Stomach Initiative (HSI) organisation is established in 2006. Read more: www.gastropanel.com/news, www.hsinitiative.org
- There is an increasing demand for GastroPanel and Acetium products for more safely and cost-effective diagnosis and prevention of diseases Read more: Additional Information.pdf
- Biohit HealthCare Ltd is established in 2008 in UK to market Biohit HealthCare products.

2010

- Biohit launches the Acetium capsule, which binds acetaldehyde into a harmless compound. Acetaldehyde is a carcinogen that occurs in anacidic stomachs due to atrophic gastritis (to be detected by GastroPanel) or as a result of proton-pump inhibitors (PPIs).
- Ground-breaking basic research carried out since the 1980's by an internationally recognised alcohol and acetaldehyde scientist Professor Mikko Salaspuro and his group, as well as a collaboration with Professor Martti Marvola form together with the company the foundation of Biohit Oyj's Acetium innovations.
- As regards to cancer risk, the problem is acetaldehyde formed locally from ethanol or derived from other locations in the gastrointestinal tract, comprising the "free" acetaldehyde dissolved in saliva from tobacco smoke or originating from alcoholic drinks and other foodstuffs.
- In the light of the existing knowledge, the packaging of alcoholic drinks should contain a statement on its possible content of acetaldehyde, which is classified by the WHO as carcinogenic to humans.
- Given that there is no scientific evidence to indicate that the acetaldehyde in the foodstuffs is less carcinogenic than the acetaldehyde in alcoholic beverages, the same requirements should also apply to these products.
- In 2012, an expert panel set up by the EU proposes that the acetaldehyde content of cosmetic products should not exceed 5mg/l, and mouthwashes should not contain any acetaldehyde.
- Several foodstuffs have an acetaldehyde content in excess of 5mg/l.
  Read more:
  www.biohithealthcare.com/laboratory-services: Determination of Acetaldehyde

2011

- Biohit Oyj sells its liquid handling business to Sartorius Lab Holding GmbH for EUR 68 million.

2011–2012

- The company re-organises and decides to focus on and invest in rapidly growing and larger markets of diagnostic tests as well as its products that bind carcinogenic acetaldehyde into a harmless compound, thereby promoting the prevention of diseases, improving people's quality of life and contributing to savings in health care costs.

2013

- An Italian company focusing on gastrointestinal diagnostics becomes a subsidiary of Biohit Group.
- Biohit establishes Biohit HealthCare (Hefei) Co. Ltd, a joint venture in China.
- The lactose intolerance quick test is accompanied by the *Helicobacter pylori* UFT300 Quick Test and the Celiac Disease Quick Test. The Acetium lozenge is launched.

2014

- Biohit launches the Calprotectin test, intended for diagnosing and monitoring inflammatory bowel disease (IBD) as well as the Biohit Active B12 test, for identifying B12-vitamin deficiency.
- Biohit launches the ColonView test specific for human blood, based on the immunoassay procedure invented by the company's founder at the early 1980's. The ColonView test identifies faecal occult blood used in screening and diagnostics of colorectal cancer.

2015

- Biohit completes its first smoking intervention studies. Read more: www.biohithealthcare.com/scientific/study-protocols
- The first population-based GastroPanel screening begins (in China).
- The test for Vitamin-D is introduced to complement the product assortment.
- The unified GastroPanel test is launched. The immunoassay tests for Vitamin-D and GastroPanel are based on the vertical measurement innovation.
- The company continues the intimate collaboration with the scientific community, aiming at promoting innovations and development of new products and services for diagnosis and prevention of diseases. Global ageing of the populations gives rise to new challenges to find out solutions that can improve quality of life and result in savings of the health care costs.

Corporate Governance 2015

Biohit Oyj has prepared this Corporate Governance Statement on the basis of Section 54 of the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association.

The Corporate Governance Statement has been issued separately from the Report of Biohit Oyj's Board of Directors. The Board of Directors reviewed the Statement in its meeting on 25 February 2016.

The Report of the Board of Directors, the Auditor's Report and the full Corporate Governance Statement are available at www.biohithealthcare.com/investors.

RULES OBSERVED BY BIOHIT

Biohit Oyj is a Finnish public limited company whose series B shares are listed on Nasdaq OMX 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 applicable legislation, standards and recommendations concerning public listed companies, the regulations of Nasdaq OMX Helsinki Ltd, and Biohit Oyj's Articles of Association. Biohit Oyj complies with the Finnish Corporate Governance Code ("corporate governance code") for listed companies, which was approved by the Securities Market Association in June 2010 and entered into force on 1 October 2010. Since the beginning of 2016, the company has complied with the new governance code, which was approved by the Securities Market Association in October 2015 and entered into force on 1 January 2016. The Corporate Governance Code is available at www.cgfinland.fi.

On the date of its Annual General Meeting, 20 April 2015, the company complied with recommendation 8 of the corporate governance code, which states that a diverse Board of Directors should include male and female members. Out of the six member Board of Directors half of the members were independent of the company. Therefore the company does not fulfil recommendation 10 on this part whereby a majority of the Board of Directors should be independent of the company. 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 2015

The highest decision-making power at Biohit 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 he is assisted by the Management Team.

Annual General Meeting

In 2015, Biohit Oyj held its Annual General Meeting in Helsinki on 20 April 2015. 2,793,510 series A shares and 4,625,605 series B shares were represented at the meeting, corresponding to 52.17163% of all of the shares in the company and 85.50028% of the votes. 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. 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 biannual review of operations 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 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 10–12 times per year, usually meeting once per month, and the meeting schedule for the entire term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference. Biohit Oyj's Board of Directors convened 10 times in 2015 (11 times in 2014). The average attendance was 100% (92%).

Members of the Board of Directors

The following persons belonged to Biohit Oyj's Board of Directors in 2015:

Professor Osmo Suovaniemi (b. 1943)

- MD, PhD
- Member of the Board since 1988 and Chairman since 2011
- Non-independent of major shareholders and of the company
- Founder of Biohit and its former President & CEO
- Attended 10 Board meetings in 2015
- Direct shareholding: series A shares: 2,265,350; series B shares: 965,217

Franco Aiolfi (b. 1947)

- Degree in Pharmacy awarded by the University of Urbino
- Member of the Board since 2013
- Independent of the major shareholders but non-independent of the company
- Attended 10 Board meetings in 2015
- Direct shareholding: no Biohit shares
- Managing Director of Euroclone S.p.A. (formerly Polyfin S.p.A.) and a majority shareholder in Euroclone S.p.A. through Arsfin Consult Srl. Euroclone is the leading distributor of biotechnology application instruments in the Italian market. Euroclone S.p.A. owns 172,807 series B shares.

Eero Lehti (b. 1944)

- MSc (Soc. Sci.), commercial counsellor, Dr.h.c. (Econ.)
- Member of the Board since 2009
- Independent of the major shareholders and company
- Member of Parliament since 2007
- Founder of Taloustutkimus Oy and the Chairman of its Board
- Attended 10 Board meetings in 2015
- Direct shareholding: series B shares: 2,000

Professor Mikko Salaspuro (b. 1939)

- MD, PhD
- Member of the Board since 2008
- Independent of the major shareholders but non-independent of the company
- Specialist physician in internal medicine, gastroenterologist and Professor of Alcohol Diseases at the University of Helsinki

- Attended 10 Board meetings in 2015
- Direct shareholding: series B shares: 68,811

Seppo Luode (b. 1952)
- MSc (Tech.) (Industrial Engineering and Management), MBA (Stanford University)
- Member of the Board since 2011
- Independent of the major shareholders and company
- Senior lecturer, Business Management Laurea University of Applied Sciences, NAG Associate Partner and management consultant at Mekaplast Oy
- Attended 10 Board meetings in 2015
- Direct shareholding: no Biohit shares

Janina Andersson (b. 1971)
- MSc (Soc. Sci.)
- Member of the Board since 2015
- Independent of the major shareholders and company
- Executive Director of the Mannerheim League for Child Welfare in the Varsinais-Suomi district
- Member of Parliament from 1995 to 2011
- Attended 8 Board meetings in 2015
- Direct shareholding: no Biohit shares

Osmo Suovaniemi was Chairman of Biohit Oyj's Board of Directors during the review period.

Board committees

The scope of Biohit's business operations does not require the appointment of an Audit Committee, and no other committees have been appointed to assist 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 also 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. Semi Korpela, MSc (Econ.) was the President & CEO of Biohit during the financial year.

Semi Korpela (b. 1970)
- President & CEO
- With Biohit Oyj since 2011
- Previously held the position of CFO at Biohit Oyj from 2003 to 2006. After that, Korpela was CFO of CPS Color Group.
- MSc (Econ.)
- Direct shareholding: series B shares: 31,446

Group Management Team

The composition and areas of responsibility of the Group's Management Team were as follows: Semi Korpela (President & CEO), Niklas Nordström (CFO), Lea Paloheimo (Business Development Director), Anu Mickels (Sales and Marketing Director), Panu Hendolin (R&D Director), Kari Syrjänen (Chief Medical Director) and Annika Astola (Quality Director). The Management Team convened 40 times in 2015.

Niklas Nordström (b. 1979)
- CFO
- Finance, Legal Affairs, HR, ICT
- With Biohit Oyj since 2014
- Previously: Senior Business Controller at Suunto Oy, Finance Partner at Tieto Corporation.
- BSc (Econ.), LL.M.
- No direct shareholding

Lea Paloheimo (b. 1951)
- Business Development Director
- With Biohit Oyj since 2001
- Previously: Chemist at Huslab, Sales Manager at Dasico a/s in Denmark, PhD and post-doctoral work at the University of Copenhagen, Researcher at Orion Diagnostica (Orion Corporation), Clinical Chemist at United Laboratories Ltd.
- PhD (clinical biochemistry), Hospital Chemist
- Direct shareholding: series B shares: 7,000

Panu Hendolin (b. 1971)
- R&D Director
- Production, Research and Product Development
- With Biohit Oyj since 2012 and from 2007 to 2008
- Previously: Technical Director at Danaher Finland Oyj, Innotrac Diagnostics, product development and managerial positions at Jurilab Oy, research doctorate at the University of Kuopio.
- PhD (Molecular medicine)
- Direct shareholding: series B shares: 3,000

Anu Mickels (b. 1972)
- Sales and Marketing Director
- Sales and Marketing, Group Communications
- With Biohit Oyj since 2012
- Previously: Marketing Manager at Orion Diagnostica Oy
- MBA
- Direct shareholding: series B shares: 7,000

Kari Syrjänen (b. 1948)
- Chief Medical Director
- With Biohit Oyj since 2013
- Previously: Professor of Pathology at the University of Kuopio, Dean of the Medical Faculty. Visiting professor at Siena University and at the national health institute (ISS) in Italy, as well as at the Barretos cancer hospital in Brazil. Researcher in the cancer clinic at Turku University Hospital.
- MD, PhD, FIAC
- No direct shareholding

Annika Astola (b. 1974)
- Quality Director
- With Biohit Oyj since 2014
- Previously: Quality and Development Manager at Orion Diagnostica Oy and managerial positions in quality control at Biovian Oy and Oy Leiras Finland Ab.
- MSc (Tech.), MBA
- No direct shareholding

Management of subsidiaries

The Managing Directors of the subsidiaries are responsible for the management of subsidiary operations and 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 2015, the Managing Directors of Biohit's subsidiaries were: Graham Johnson (United Kingdom) and Franco Aiolfi (Italy).

The personal details and shareholdings of Biohit's Board of Directors and operative management are available at www.biohithealthcare.com/investors.

REMUNERATION IN 2015

Members of the Board of Directors

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. A decision was made by the AGM on 20 April 2015 to pay a monthly fee of EUR 1,600 to the Chairman Of the Board and a monthly fee of EUR 1,500 to the other members of the Board of Directors.

An employment contract was signed on 10 June 2010 with Professor Osmo Suovaniemi, a member of the Board, under which Suovaniemi is paid a monthly salary approved by the Board of Directors for his services as scientific advisor to the Board. In 2015, this salary was EUR 14,065.34 per month plus car and phone benefits.

President & CEO and other company management

The Board approves the President & CEO's salary and terms of employment. The salary paid to the company's President & CEO, Semi Korpela, in 2015 was EUR 15,091 per month plus phone and car benefit.

The President approves the salaries and terms of employment of members of the Management Team. Biohit's Board of Directors approves the principles of the incentive schemes for Management Team members and the President & CEO. Bonuses are determined on the basis of the net sales and earnings trends in each person's area of responsibility. The maximum bonus that can be received depends on each person's monthly salary and can total no more than two months' salary. No bonus was paid to the President & CEO and Management Team members in 2015.

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's product segments.

In 2013, Biohit introduced an incentive system offering stock options to company directors and employees. In 2015, the President & CEO subscribed for 32,940 of these stock options. The rest of the management or employees did not subscribe for options.

Pension plans

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

Remuneration and other benefits 2015

During the financial year that ended on 31 December 2015, the remuneration paid to members of the parent company's Board totalled EUR 88,000 (EUR 91,000 in 2014). The remuneration paid to the President & CEO, Semi Korpela, amounted to EUR 191,000 (EUR 176,000 in 2014). Osmo Suovaniemi was paid EUR 221,000 (EUR 220,000 in 2014) for his services as a member of the scientific advisory board. The salaries and fees paid to the managing directors of the Group's subsidiaries totalled EUR 126,000 (EUR 101,000 in 2014). Salaries paid to other Management Team members totalled EUR 492,000 (EUR 533,000 in 2014).

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 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 wellbeing through innovation. Biohit will continue to focus on its diagnostics business, in which the company conducts global operations in manufacturing, sales and marketing.

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 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 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 on business and earnings trends and the most significant deviations to Group Management 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 above. 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 financial 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 instructions 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 of 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 and the release of 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. The Group's financial management holds primary responsibility for the practical implementation of the internal audit.

The Group has all the 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 both in connection with the external audit and through spot checks throughout the financial year.

AUDIT 2015

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. Biohit's auditor in 2015 was authorised public accountants PricewaterhouseCoopers Oy, with Pasi Karppinen, Authorised Public Accountant, as chief auditor.

Auditors' fees

The Group's invoiced auditors' fees for the 2015 financial year totalled EUR 52,000 (EUR 67,000 in 2014). The auditors' fees of subsidiaries totalled EUR 13,000 in the financial period (EUR 9,000 in 2014). In addition to this, PricewaterhouseCoopers Oy was paid a total of EUR 6,000 for other services (EUR 32,000 in 2014).

INSIDERS

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

Biohit's President & CEO is responsible for insider control. He ensures that people who handle insider information are aware of insider regulations and adhere to trading restrictions. Insiders are not allowed to trade Biohit Oyj securities for 21 days before the publication of the company's financial statement bulletin and interim reports. Insiders participating in projects are not allowed to sell or buy 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 on Biohit's website at www.biohithealthcare.com/investors.

Financial Statements 2015

Report of the Board of Directors 2015

SUMMARY

- The company's net sales were EUR 6.1 million (EUR 4.4 million 1–12/2014)
- The company's operating income was EUR –2.9 million (EUR –4.5 million)
- Profit before taxes was EUR –2.9 million (EUR –4.3 million)
- Earnings per share from continuing business operations amounted to EUR –0.20 (EUR –0.32).
- International business operations accounted for 88.3% (91.5%) of net sales

The focus of Biohit's operational development is to acquire new distributors and customers, particularly via international partnerships. Our key objective is to create a strong and motivated global distributor network.

We will continue to invest in sales and marketing, building distribution channels and developing distributor collaboration. Our most important products are Acetium, GastroPanel and diagnostic quick tests. Our main market areas are Europe and Asia.

In 2015, Biohit's net sales increased by 38.7% over the previous year. Biohit's balance sheet provides a good foundation for building the business and exploiting the great potential of the products. Our company's equity ratio at the end of 2015 was 87.9% (87.5%) and the company had EUR 7.2 million in current assets (EUR 10.4 million).

CONSOLIDATED KEY FIGURES

	1–12/2015	1–12/2014
Net sales, EUR million	6.1	4.4
Operating profit/loss, continuing operations, EUR million	–2.9	–4.5
Profit/loss before taxes, EUR million	–2.9	–4.3
Profit/loss for the period, continuing operations, EUR million	–2.9	–4.4
Profit/loss for the period, discontinued operations, EUR million		3.3
Profit/loss for the period, EUR million	–2.9	–1.2
Average number of personnel	52	50
Number of personnel at the end of the period	49	51
Equity ratio, %	87.9%	87.5%
Earnings per share, continuing operations, EUR	–0.20	–0.32
Earnings per share, discontinued operations, undiluted, EUR		0.23
Earnings per share, discontinued operations, diluted, EUR		0.22
Shareholders' equity per share, EUR	0.72	0.90
Average number of shares during the period	14,276,519	13,941,286
Number of shares at the end of the period	14,348,533	14,135,593

REPORTING

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

NET SALES AND RESULT

Net sales increased by 38.7% year-on-year. International operations continued to account for a large proportion of net sales: 88.3% (91.5%). Operating income was EUR –2.9 million (EUR –4.5 million).

In connection with the sale of the liquid handling business in late 2011, EUR 3.5 million of profit from the sale was not recognised in accordance with the contractual terms of the transaction and other unresolved matters related to the transaction. This sum was recognised on 31 March 2014 when the transaction was concluded.

Group net sales

EUR million	**2015**	2014
Net sales	6.1	4.4
Total	6.1	4.4

Group operating income

EUR million	**2015**	2014
Group operating income	–2.9	–4.5
Total	–2.9	–4.5

BALANCE SHEET

The balance sheet sum on 31 December 2015 was EUR 11.7 million (EUR 14.5 million). Biohit's balance sheet provides a good foundation for building the business and exploiting the great potential of the products. Our company's equity ratio at the end of 2015 was 87.9% (87.5%).

FINANCING

The company's financial position is good and it allows for investment in building an international distributor network, as well as in developing and commercialising new products. The company's liquidity is good. At the end of the financial period, the company's financial assets amounted to EUR 7.2 million (EUR 10.4 million).

RESEARCH AND DEVELOPMENT

The company's research and development activities focus on innovation, developing products and improving usability. The company also uses external experts and subcontractors in its research and development operations. Development expenditure has not been capitalised. Research and development expenditure in 2015 amounted to EUR 2.0 million (EUR 2.1 million).

INVESTMENTS

Gross investments in 2015 totalled EUR 0.2 million (EUR 0.5 million). The most significant investments in the financial period were related to purchasing equipment to automate production.

PERSONNEL

During the reporting period, the average number of personnel employed by the Group was 52 (50 in 2014), of whom 44 (41) were employed by the parent company and 8 (9) by subsidiaries. At the end of 2015, the Group employed 49 (51) personnel, of whom 40 (42) were employed by the parent company and 9 (9) by subsidiaries.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

The company's key risk factors are related to investments required to enable business growth, as well as the sufficiency of financial resources to execute these investments over the medium term. These risk factors include success in clinical trials, selecting and developing new market areas and distribution channels, recruitment, registration procedures and product pricing, as well as risks related to political decision-making that may affect the progress of screening programmes. The key short-term risk factors are success in selecting new market areas and timing of the expansion into these areas, as well as the reception obtained by the products. Uncertainty factors have increased in recent times in international politics and these may have an unfavourable impact on the business.

The duration of product registration procedures varies from one market area to the next and affects the favourable development of the business. It is not possible to accurately estimate the amount of processing time needed for authorities to complete registrations in these areas.

The aim of the investment activities related to the company's liquid assets is to achieve profit at very

low risk of capital loss. The investment portfolio consists of deposits, money market investments and corporate loans. Sufficient distribution of investments between asset categories, investment instruments and counterparties is essential. The company uses at least two partners in its investment activities.

The portfolio of customers is diverse. The company is not dependent on individual customers or project deliveries to a significant extent. One exception to this is sales of GastroPanel in China, which are currently highly significant for Biohit. The majority of the company's business is denominated in euro and exchange rate fluctuations are not considered to have a material impact.

OUTLOOK FOR 2016

In collaboration with its distributors and licensing partners, Biohit has product registrations pending in several different market areas, which will affect trends in net sales. Several registration processes are expected to be concluded in 2016. Additionally, negotiations are ongoing with new partners – including negotiations to initiate significant screening projects – but there are several types of political risk affecting the progress of these.

A material factor in Biohit's cost structure is a major investment in studies, which will enable further evidence of the functionality of Biohit's diagnostic tests to be obtained in various clinical settings and in population-based screening. Acetium double-blind study was completed in 2015 to assess the effectiveness of the product in new usage indications. These studies will also continue in 2016. A project to unify the GastroPanel test kit was completed in 2015, along with investments in production in Finland. These strategically significant new projects will require major additional investments in 2016.

Biohit Biotech (Hefei) Co Ltd is expected to commence production in 2016. The factory is currently producing validation batches in accordance with the requirement of authorities and after approval the factory can start producing GastroPanel kits for the Chinese market. The company has also started recruitment of sales personnel.

We aim to grow profitable and are strongly committed to taking necessary actions in order to build a profitable future for the company. Net sales growth is expected in 2016. The company does not assess when the result of its continuing operations will turn to positive.

MAIN EVENTS IN THE FINANCIAL PERIOD

In 2015, Biohit's net sales increased by 38.7% over the previous year. The focal areas of Biohit Oyj's business development were expanding the international distributor network and supporting partners in processes such as product registration. A further focus was developing and increasing service sales in Finland and commercialising new products. We continued to work on increasing the awareness of carcinogenic acetaldehyde among decision-makers, doctors and the general public.

We expanded our network of distributors and we advanced product registrations

We continued to expand our distributor network by making new agreements and rearranging existing agreements. In the fourth quarter of 2015, we made an agreement concerning the distribution of Acetium lozenges with Birtely Pharma (United Arab Emirates), agreements on distributing Acetium with Queenslabs Lda (Portugal) and Biomed S.A. (Spain), as well as an agreement on distributing the ColonView test with Zhejiang Co. Ltd (China).

Additionally, we made the following agreements in 2015 concerning the distribution of diagnostics: Melon OOO (Kazakhstan), Biohemed doo (Serbia, Bosnia and Herzegovina, and Montenegro), Arium Sistemas de Diagnòstico Lda (Portugal), Gulf Drug LLC (United Arab Emirates), PT. InoDia (Indonesia), Mekalasi (Finland), Humasis (Korea), HealthLife (Kuwait). We made the following agreements concerning the distribution of Acetium: Oriola Oy (Finland), Oriola Oy (Baltic states), LS Pharma (Italy), Daiichi Sankyo Thailand Ltd (Vietnam, Laos, Cambodia and Myanmar), El-Alawia Medical Agencies (Sudan). Additionally, we expanded the distribution of Acetium lozenges in Finland to the dental care sector by entering into collaboration with Hammasväline Oy.

During 2015 the registration of Acetium capsule was completed in China, where our partner, GrandPharma, will begin selling capsules under the Shubang brand.

The capsule that binds acetaldehyde to form a harmless compound was registered as a food supplement in Mexico. In the fourth quarter of 2015, registration of the Acetium capsule was completed in Nigeria and Kuwait, and registration of quick tests was also completed in Kuwait. By and large, the duration of product registration processes varies depending on the market area. For this reason, it is not possible to accurately estimate the amount of processing time needed for authorities to complete registrations in different countries and for product sales to begin.

In 2015, the three GastroPanel tests (pepsinogen I and II, gastrin-17) received price approval decisions in four Chinese provinces: Jilin, Liaoning, Jiangsu and Inner Mongolia. Price approval decisions have now been made in 11 provinces. Price approval decisions are a prerequisite for compensation to be paid for GastroPanel and for sales to begin.

We launched new products and expanded service sales

We reached a major milestone in our research and development activities by completing work to unify the GastroPanel test. GastroPanel can now be made more easily and cost-efficiently as a part of basic health care and screening.

We expanded our product range by adding vitamin D tests carried out using blood samples, as well as quick test readers that enable Biohit ColonView quick tests and Biohit's quick tests for coeliac disease to be used effectively at the point of care. The Acetium product family was expanded with the addition of a new salty liquorice flavoured lozenge. We also refreshed the packaging of Acetium products.

Biohit expanded its pharmacy campaigns across Finland. The pharmacy campaigns offer diagnostic testing of the gastrointestinal tract to enable diseases to be diagnosed and prevented at an early stage. In Helsinki, the Ympyrätalo pharmacy offers a corresponding service to its customers as part of its permanent service offering. We also began using an electronic appointment-booking system in Finland.

The Association for Finnish Work granted the right for its key flag symbol to be used for Acetium capsules and lozenges. The key symbol indicates that the products are of Finnish origin.

We advanced cancer screening in China and Russia

We continued our work to advance treatment practices, particularly cancer screening. In China, two gastric cancer screening studies began, using Biohit Oyj's GastroPanel test. The first screening study is a project run by the National Clinical Research Center for Digestive Diseases (Changai hospital) and funded by China's Ministry of Science and Technology. The Ministry is organising a multi-centre study to screen for the risk of early gastric cancer. At least 20,000 people will be screened at approximately 50 hospitals. Screening is set to end in December 2016.

A second study is being organised by the China Health Promotion Foundation in public health care facilities in China. The Foundation is a public organisation that is managed by China's Ministry of Health. The study involves screening about half a million asymptomatic people aged between 40 and 80. Collection of samples began in summer 2015.

Russia began a pilot project to screen for colorectal cancer among asymptomatic people aged between 48 and 75. About 20,000 people will be screened as part of the project. The results of the study will be used to select a screening test for the project. One of the options is Biohit Oyj's ColonView test. The screening project is being arranged in local public health care centres. The Russian federal government is responsible for organising and financing the project.

We made progress in our clinical studies

Biohit Oyj concluded its first study of almost two years in duration on smoking intervention in November 2015. Preliminary observations indicate that Acetium lozenges, which contain slow-release L-cysteine, are a promising novel method for helping people to quit smoking. This is a significant new indication of the product's potential benefits in addition to the fact that it does not have side-effects of the type present in pharmaceuticals and nicotine-based products and it binds acetaldehyde dissolved into saliva from cigarette smoke to form a harmless compound promoting oral health.

Studies related to acetaldehyde and cancer screening supported our operations

The results of studies related to carcinogenic acetaldehyde and cancer screening highlight the fact that our offering plays an important role in the prevention and early diagnosis of societally significant diseases, particularly those suffered by ageing populations. Prevention and early diagnosis can lead to cost savings.

An international study comparing colorectal cancer screening tests was completed. The results indicated that Biohit Oyj's ColonView, specific for human blood, is superior to the conventional tests in colorectal cancer screening due to its sensitivity and specificity. The scientific report was published in an international cancer journal Anticancer Research.

A new study was presented at a convention organised by the European Society for Biomedical Research on Alcoholism (ESBRA). The study evaluated the effect of Acetium lozenges on the concentration of acetaldehyde in saliva following consumption of alcoholic drinks containing small and large amounts of acetaldehyde. Acetium lozenges provided promising results in terms of eliminating carcinogenic acetaldehyde from saliva.

The PLOS ONE series of publications released the results of a Japanese-Finnish study showing that acetaldehyde is a significant pathophysiological factor in the onset of gastric cancer. According to Professor Helmut K. Seitz, professor of internal medicine, gastroenterology and alcohol research at the University of Heidelberg, the study demonstrates for the first time the significance of acetaldehyde in the onset of gastric cancer.

Acetium is being used in a Japanese cancer study. According to Professor Katsunori Iijima, senior physician at the Akita University Hospital, the product may represent a significant way of preventing cancer. His new studies will evaluate the effect of Acetium on concentrations of acetaldehyde within mucous membranes in the oesophagus and stomach, and the potential effect of this on the prevention of cancer recurrence among high-risk patients. Professor Iijima's working group is also using the GastroPanel test developed by Biohit Oyj to evaluate the risk of cancer among these patients.

Awareness of acetaldehyde increased

A proposal by the European Parliament's Environment, Public Health and Food Safety (ENVI) committee was approved in May 2015. The proposal includes key factors related to acetaldehyde. As part of the proposal, the European Parliament called upon the Commission to immediately request that the European Food Safety Authority (EFSA) re-evaluate the use of acetaldehyde as a flavouring agent in alcoholic and non-alcoholic drinks.

An unofficial group of members of the European Parliament, MEPs Against Cancer, arranged a hearing of experts on alcohol and cancer. The hearing was attended by experts from the European umbrella organisation representing cancer organisations (the European Cancer League) and from the European Alcohol Policy Alliance Eurocare, which coordinates alcohol policy in member states. The expert hearing was arranged due to the resolution related to the European Parliament's alcohol strategy, which involved acetaldehyde.

In the light of present knowledge, the packaging of alcoholic drinks should include labelling stating that the product may contain acetaldehyde, which is classified by the World Health Organisation as a cancer risk to humans. As there is no scientific evidence to indicate that the acetaldehyde and ethanol contained in other foodstuffs represents less of a cancer risk than the acetaldehyde in alcoholic drinks, the same requirements should also apply to these products. Several foodstuffs have an acetaldehyde content in excess of 5mg/l. (www.biohithealthcare.com/Laboratory-Services: Determination of Acetaldehyde - Measure Acetaldehyde content in food)

In 2012, a scientific committee set up by the EU proposed that the acetaldehyde content of cosmetic products should be less than 5mg/l and that mouthwashes should not contain any acetaldehyde.

Option scheme and financial communications

In 2015, Biohit Oyj issued a total of 60,000 options belonging to option class I 2013C to members of the company's Management Team under the I 2013 option scheme.

In its final meeting of the year, the Board of Directors decided that the company will change its financial

communications schedule as of the beginning of 2016. In the future, Biohit Oyj will publish financial reviews twice per year.

Business

	1–12/2015	1–12/2014
Net sales, EUR million	6.1	4.4
Year-on-year change, %	38.7%	26.4%
Operating income, continuing operations, EUR million	–2.9	–4.5
Year-on-year change, %	35.6%	–23.1%
Operating income, % of net sales	–48%	–103%

EVENTS AFTER THE FINANCIAL PERIOD

Biohit Oyj acquired a stake in Genetic Analysis AS, a Norwegian company, by means of a directed share issue

Biohit Oyj and Genetic Analysis AS signed an agreement on a share transfer between the companies by which Biohit Oyj took ownership of 18% of the company's share capital. The parties also signed a distribution agreement by which Biohit Oyj received the right to sell Genetic Analysis AS' Dysbiosis assay globally under the Biohit brand, with exclusive rights in Finland and China. Genetic Analysis will operate as a distributor of Biohit Oyj's products and services in Norway.

In consideration for the agreement, Biohit Oyj transferred 350,000 new series B shares in Biohit Oyj to Genetic Analysis AS. The new series B shares were registered with the trade register on 12 February 2016. As of the date of registration, they entitle their holders to the same rights as the company's previous series B shares. The new shares became tradable on the Nasdaq OMX Helsinki stock exchange together with old series B shares on 15 February 2016. The arrangements related to the share transfer have been concluded and new shares in Genetic Analysis AS have been registered in Biohit Oyj's name.

Biohit Oyj initiated a confirmatory smoking intervention trial

Biohit Oyj initiated a confirmatory smoking intervention trial in collaboration with the Kuulas Helsinki research agency. The aim of the study is to confirm the promising results obtained in the previous study related to smoking cessation. If successful, the trial will provide sufficient statistical power to confirm that the Acetium lozenge is a breakthrough in the development of smoking intervention methods. At least 1,800 smokers will be invited to voluntarily participate in the trial. The trial has begun and it is expected to be completed in 2016.

GOVERNANCE

Annual General Meeting

The Annual General Meeting (AGM) held on 20 April 2015 decided in accordance with the proposal by the Board of Directors that no dividend would be paid for the financial period that ended on 31 December 2014.

The AGM decided that the Board of Directors would have six (6) members and selected the following Board members to serve until the end of the next AGM: current members: Professor (h.c.) Osmo Suovaniemi, MD, PhD; Professor Mikko Salaspuro, MD, PhD; Eero Lehti, MSc (Soc. Sci.), Commercial Counsellor, Dr.h.c. (Econ.); Seppo Luode, MSc (Tech.), MBA; Franco Aiolfi, holder of a degree in pharmacy, managing director; and Janina Andersson, MSc (Soc. Sci.) as a new member.

The AGM selected PricewaterhouseCoopers Oy, a firm of Authorised Public Accountants, to act as the company's auditor.

BIOHIT OYJ'S MANAGEMENT TEAM

Biohit's Management Team consists of the following people: Semi Korpela, President & CEO; Niklas Nordström, CFO; Lea Paloheimo, Business Development Director; Annika Astola, Quality Director; Panu Hendolin, R&D Director; Anu Mickels, Sales and Marketing Director; and Kari Syrjänen, Chief Medical Director.

SHARE TURNOVER AND PRICE DEVELOPMENT

The number of shares in Biohit Oyj is 14,348,533 (14,135,593), of which 2,975,500 (2,975,500) belong to series A and 11,373,033 (11,160,093) belong to series B. Biohit Oyj's series B shares are listed on Nasdaq OMX Helsinki in the Small cap/Health care segment under the symbol BIOBV.

Assuming that the market capitalisation value for series A shares is the same as for series B shares, the total market capitalisation at the end of the review period was EUR 80.5 million (EUR 66.2 million on 31 December 2014). Share turnover during the period amounted to EUR 22.6 million.

BIOBV/NASDAQ OMX Helsinki

	1–12/2015	1–12/2014
High, EUR	7.14	8.17
Low, EUR	4.22	4.57
Average, EUR	5.45	6.35
Latest, EUR	5.61	4.68
Turnover, EUR	22,618,230	25,927,811
Turnover, volume	4,014,402	4,028,617

Shareholders

At the end of the review period on 31 December 2015, the company had 6,594 shareholders (6,841 shareholders on 31 December 2014). Private households held 78.0% (77.9%), companies 20.1% (20.1%) and public-sector organisations 0.0% (0.0%) of the shares. Foreign ownership or nominee registrations accounted for 1.7% (1.8%) of all shares.

Further information on the shares, major shareholders and management's shareholdings is available in the notes to the financial statements and on the company's website at www.biohithealthcare.com/investors.

BOARD OF DIRECTORS' PROPOSAL REGARDING THE DISTRIBUTION OF PROFITS

On 31 December 2015, the parent company's distributable assets (unrestricted equity) amounted to EUR 6,079,716.06 (EUR 9,132,650.85), including the loss for the financial period of EUR 3,526,862.99 (loss of EUR 550,514.94). The Board of Directors proposes to the Annual General Meeting that no dividend be distributed by the company for the financial period.

Annual General Meeting

Biohit Oyj's Annual General Meeting is intended to be held in Helsinki on Monday 25 April 2016 at 3pm. The Annual General Meeting will be convened by the company's Board of Directors at a later date.

All figures have been rounded up or down, so the sums of individual figures may deviate from the totals shown.

Corporate Governance Statement

Biohit Oyj publishes a separate Corporate Governance Statement on its website at the following address: www.biohithealthcare.com/investors: Corporate Governance - Biohit's Corporate Governance Statements

Helsinki, 25 February 2016
Biohit Oyj Board of Directors

Consolidated statement of comprehensive income

1,000 €	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Net sales	3	**6,051**	**4,363**
Acquisition and production expenses	6	–2,855	–1,924
Gross margin		**3,196**	**2,440**
Other operating income	5	757	245
Sales and marketing expenses	7	–2,341	–2,058
Administrative expenses	8	–2,405	–3,063
Production and development expenses	9	–2,038	–2,067
Share of the profit/loss of joint venture	10	–70	–
Operating profit/loss		**–2,900**	**–4,504**
Financial income	14	238	250
Financial expenses	14	–241	–58
Financial income and expenses		–3	192
Profit/loss before taxes		**–2,903**	**–4,312**
Income taxes	15	–14	–105
Profit/loss for the period		**–2,917**	**–4,417**
Income for the period, discontinued operations			3,257
Available-for-sale financial assets		–158	81
Translation differences		7	0
Comprehensive income to be recognised through profit or loss		–151	81
Total comprehensive income for the period		**–3,068**	**–1,080**
Distribution of profit/loss for the period to equity holders of the parent company		–2,917	–1,161
Total		**–2,917**	**–1,161**
Distribution of comprehensive income to equity holders of the parent company		–3,068	–1,080
Total		**–3,068**	**–1,080**
Earnings per share, diluted and undiluted, EUR	16	–0.20	–0.32
Undiluted earnings per share, discontinued operations, EUR	16	–	0.23
Diluted earnings per share, discontinued operations, EUR	16	–	0.22

Consolidated balance sheet

1,000 €	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	17	1,396	1,607
Tangible assets	18	782	857
Ownership stake in joint ventures	19	596	–
Other financial long-term assets	20	2	4
Deferred tax assets	21	77	30
Total non-current assets		**2,853**	**2,497**
Current assets			
Inventories	22	637	816
Trade and other receivables	20, 23	997	775
Other financial short-term assets	20, 24	6,518	9,811
Cash and cash equivalents	20, 24	723	608
Total current assets		**8,875**	**12,011**
Total assets		**11,728**	**14,508**

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	Note	31 Dec 2015	31 Dec 2014
Share capital	25	2,350	2,350
Invested unrestricted equity fund	25	2,367	1,882
Translation differences	25	12	5
Retained earnings		5,581	8,439
Shareholders' equity attributable to parent company shareholders		**10,310**	**12,677**
Total equity		**10,310**	**12,677**
Non-current liabilities			
Deferred tax liabilities	21, 28	176	200
Other liabilities	20, 28	4	3
Total non-current liabilities		**180**	**203**
Current liabilities			
Trade payables	20, 28	326	529
Current interest-bearing liabilities	20, 27	128	256
Tax liabilities	20, 28	–	54
Other liabilities	20, 28	785	789
Total current liabilities		**1,239**	**1,628**
Total equity and liabilities		**11,728**	**14,508**

Consolidated statement of changes in shareholders' equity

1,000 €	Shareholders' equity attributable to parent company shareholders					
	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Total equity
Shareholders' equity 1 Jan 2015	2,350	1,882	5	194	8,245	12,677
Management incentive system	–	–	–	–	216	216
Exercise of share options	–	485	–	–	–	485
Total comprehensive income for the period	–	–	7	–158	–2,917	–3,068
Shareholders' equity on 31 Dec 2015	2,350	2,367	12	36	5,544	10,310

1,000 €	Shareholders' equity attributable to parent company shareholders					
	Share capital	Invested unrestricted equity fund	Translation differences	Fair value reserve	Retained earnings	Total equity
Shareholders' equity 1 Jan 2014	2,348	2,750	5	113	17,234	22,450
Distribution of dividend	–	–	–	–	–9,988	–9,988
Management incentive system	–	–1,610	–	–	2,159	549
Exercise of share options	3	742	–	–	–	745
Total comprehensive income for the period	–	–	0	81	–1,161	–1,079
Shareholders' equity 31 Dec 2014	2,350	1,882	5	194	8,245	12,677

Consolidated cash flow statement

1,000 €	Note	2015	2014
Cash flow from operating activities			
Profit/loss for the period		–2,917	–1,161
Adjustments to profit for the period			
Non-cash transactions		–326	–2,661
Depreciation		319	231
Unrealised exchange rate gains and losses		3	–2
Financial income and expenses		0	–190
Income taxes		14	105
Total adjustments to profit for the period		9	–2,517
Change in working capital			
Increase (–) or decrease (+) in current non-interest-bearing trade receivables		–213	151
Increase (–) or decrease (+) in inventories		178	–148
Increase (+) or decrease (–) in current non-interest-bearing liabilities		–137	204
Total change in working capital		–172	207
Interest paid		–212	–44
Interest received		223	210
Realised exchange rate gains and losses		–21	–14
Income taxes paid		–59	–117
Net cash flow from operating activities		**–3,147**	**–3,435**
Cash flow from investing activities			
Investments in tangible and intangible assets		–223	–401
Revenue from disposal of tangible and intangible assets		80	12
Capital gains from investments in funds and deposits		3,034	6,516
Capital gain from the sale of liquid handling business		–	6,814
Net cash flow from investments		**2,891**	**12,941**
Cash flow from financing activities			
Rights issue		485	751
Dividend paid and other profit distribution		0	–9,991
Repayment of loans		–128	–128
Net cash flow from financing activities		**357**	**–9,369**
Change in cash and cash equivalents		**101**	**137**
Cash and cash equivalents at the beginning of the period		608	467
Effect of exchange rates		14	4
Cash and cash equivalents at the end of the financial period	24	**723**	**608**

Notes to the consolidated financial statements

1 BASIC INFORMATION ABOUT THE COMPANY

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

A copy of the consolidated financial statements is available on the website, www.biohit.fi 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 25 February 2016. 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 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 2015 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 on the basis of acquisition cost with the exception of available-for-sale investments and financial assets and liabilities measured 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 judgements that the management has made when applying the Group's accounting principles and that have the most significant effect on the figures presented 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.

Consolidation principles

The consolidated financial statements include the parent company, Biohit Oyj, and all of its subsidiaries. Subsidiaries are companies over which the Group has 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.

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.

Joint arrangements

The Group has applied IFRS 11 to all of its joint arrangements. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures in accordance with the investors' contractual rights and obligations. The Group has assessed the nature of its joint arrangements and determined that they are either joint ventures or joint operations. Joint ventures are consolidated using the equity method. When the equity method is used, shares in joint ventures are initially recognised at acquisition cost and this amount is increased or decreased by entering the Group's share of the subsequent profits or losses and other items of comprehensive income. If the Group's share of a loss made by a joint venture is as great as or greater than its interest in the joint venture (including any non-current receivables that actually constitute part of the Group's net investment in the joint venture), the Group will not recognise additional losses unless it has a legal or factual obligation to do so and it has not made payments on behalf of the joint venture. Business transactions between the Group and its joint arrangements give rise to unrealised profits, which are eliminated in accordance with the Group's ownership stake. Unrealised losses are also eliminated unless a business transaction indicates that the value of a transferred asset has become impaired.

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, while corresponding external items are treated as sales or purchase adjustment 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. Exchange differences from monetary items calculated as net investments made in foreign subsidiaries are recognised as translation differences.

Business segments

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

Principles for revenue recognition

Revenue from sales of goods and services is recognised when the related material risks and benefits have been transferred to the purchasers and there is no significant uncertainty regarding payments or costs of goods and services, or any return of goods. The amount of booked income consists of the compensation from sold goods or services based on fair value, less value-added tax and volume or other discounts, as well as exchange rate profits and losses related to the sale. Interest income is recognised in accordance with the effective interest rate method. Dividend income is recognised when the right to the dividend is established.

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:

Buildings:	20–30 years
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.

INTANGIBLE ASSETS

Research and development expenses

Research expenditure is recognised as an expense in the balance sheet. Development expenditure related to designing new and more advanced products is capitalised in the balance sheet as an intangible asset when the product can be technically realised and commercially exploited, and the product is expected to generate a future financial benefit. Development expenditure that has previously been recognised as an expense cannot be capitalised at a later date. Depreciation is booked for an asset from the time it is ready for use.

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:	10 years
Development expenditure:	5 years
Computer software:	3 years
Other intangible assets:	5–10 years

Impairment 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
The Group has 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.

Current tax liabilities and deferred tax liabilities
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 and liabilities

The Group's financial assets are classified at fair value through profit or loss under financial assets, loans, financial assets held to maturity and other receivables, as well as under financial assets held for sale. The classification is made on the basis of the purpose of the acquisition and the assets are classified in connection with the original acquisition. All purchases and sales of financial assets are booked on the day of the transaction. Financial assets are derecognised when the Group has lost its agreement-based right to the cash flow or it has transferred a significant share of the risks and income outside the Group.

Financial assets booked at fair value through profit or loss include financial asset items that were acquired to be held for trading purposes or that are initially classified to be booked at fair value through profit or loss (applying the fair value alternative). Financial assets held for trading purposes consist of investments in fixed-term deposits and corporate loans and they are included in current and non-current assets. The items in this group are measured at fair value and the fair value of all of the investments in this group is determined based on price quotations on active markets, i.e., the buy quotation on the closing date of the financial period. Profits and losses due to changes in fair value and both unrealised and realised profits and losses are booked under financial items in the income statement for the period in which they arise.

Loans and other receivables are non-derivative assets with related costs that are fixed or can be determined, which are not noted on active markets and which the company does not hold for trading purposes. They are measured at amortised cost using the effective interest rate method. They are included in the balance sheet in current or non-current assets depending on their nature: the latter if they fall due more than 12 months in the future. This group mainly consists of trade receivables.

Financial assets available for sale are non-derivative assets such as money market investments that have been specifically assigned to this category or that have not been assigned to any other category. Typically, investments are categorised as available for sale if there is no active market for them but the company can sell them if necessary. Investments classified in this group are measured at fair value and changes in value are entered into equity under items of comprehensive income. The profit or loss of an investment classified as available for sale is entered into income when the investment is sold or falls due. Any interest or dividend income is booked as income under financial items.

Cash and cash equivalents include cash in hand and at bank as well as other liquid investments with a maturity of less than three months.

Financial liabilities are booked at fair value based on the original consideration received in accounting. Transaction costs are included in the original book values of financial liabilities. All financial liabilities are later measured at amortised cost using the effective interest rate method. Financial liabilities are included in current and non-current liabilities and they can be interest-bearing or interest-free. Interest-bearing liabilities consist of financial liabilities for which the company must pay interest or other fees on the basis of a contract throughout the duration of the loan. Non interest-bearing liabilities consist of liabilities for which the company need not regularly pay interest or other fees on the basis of a contract. The principles for determining the fair values of financial liabilities are presented in note 20.

Impairment of financial assets

On each balance sheet date, the Group estimates whether there is objective proof of impairment of an individual financial asset or group of financial assets. If there is evidence of impairment, the impairment is recognised through profit or loss. If the impairment loss decreases in a later accounting period, the recognised loss is reversed through profit or loss unless it applies to an equity investment classified as an investment available for sale, in which case the impairment is not reversed through profit or loss.

The Group books impairment losses for trade receivables when there is reliable evidence to demonstrate that receivables cannot be collected in accordance with their original terms. The magnitude

of the impairment loss to be recognised in the income statement is determined as the difference between the book value of the receivable and the present value of the estimated future cash flows discounted using the effective interest rate. If the impairment loss decreases in a subsequent financial period and the reduction can be objectively linked to a transaction that has taken place after the recognition of the impairment loss, the recognised loss is reversed through profit or loss.

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 judgments 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.

Impairment testing

The Group conducts impairment tests as required on unfinished 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 determined the likelihood of the company in question generating sufficient taxable income before the unused tax losses expire.

Impact of the adoption of IFRS 10 and 11

Joint control of Biohit Biotech (Hefei) Co Ltd in accordance with the IFRS 10 standard took effect on 30 September 2015 (at the end of the review period) in the manner referred to in the standard and the shareholders' agreement. As such, the investment is recognised in accordance with the new standards as a consolidated entity in the balance sheet of Biohit's consolidated financial statements. It is recognised via the equity method. The consolidation gave rise to a non-recurring item in other business income in the amount of EUR 0.7 million. In the future, Biohit Oyj's share of the profit/loss of the joint venture will be recognised above operating profit.

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 have been prepared in compliance with the same accounting principles as in 2014. The standards or interpretations that entered into force in 2015 have not given rise to material changes in the accounting principles.

New standards and interpretations that have not yet been adopted

Biohit has not yet applied the following new and amended standards and interpretations, which have already been published but have not been approved by the European Union. The Group intends to apply these on the date on which they enter into force or from the beginning of the following financial period if this date is not the first day of the financial period.

The amendments to IAS 1 are part of the IASB's "Disclosure Initiative" project. The amendments apply to the definition of materiality, combinations of items, the presentation of interim sums, the structure of financial statements and the presentation of accounting principles. The amendments will be applied to financial periods beginning on or after 1 January 2016.

IFRS 9 Financial Instruments handles the classification, valuation and recognition of financial assets and liabilities. It replaces the sections of IAS 39 applying to the calculation and valuation of financial instruments. In accordance with IFRS 9, financial assets must be classified into three valuation groups: assets recognised at amortised cost, assets recognised at fair value through other comprehensive income and assets recognised at fair value through the income statement. The group depends on the original method of recognition. The classification depends on the business model by which financial assets are managed, as well as the instrument's cash flow characteristics. As regards financial liabilities, the standard corresponds to several requirements in accordance with IAS 39. The most important amendment applies to situations in which financial liabilities have fair-value options. In these cases, the change in fair value due to the company's own credit risk is recognised under items of other comprehensive income rather than in the income statement unless this would lead to an accounting asymmetry. The standard will be applied to financial periods beginning on or after 1 January 2018. Earlier application is permitted. If the company opts for early adoption, it must apply all of the requirements at the same time. The standard has not yet been approved by the EU.

IFRS 15 Revenue from contracts with customers determines how and when companies complying with IFRS standards recognise revenue. The standard also requires companies to provide users of financial statements with more informative and substantive information. The standard offers a common, principle-oriented, five-phase model to be applied to all customer contracts. IFRS 15 was published in May 2014 and it will be applied to financial periods beginning on or after 1 January 2017. The standard has not yet been approved by the EU.

In accordance with IFRS 16 Leases, lessees must enter lease agreement liabilities to cover future lease payments and asset items related to the right to use the object into their balance sheets under almost all lease agreements.

Biohit is currently assessing the impact of applying the new standards. Other IFRS standards or IFRIC interpretations that have already been published but have not entered into force are not expected to have a material impact on the Group.

3 SEGMENT REPORTING

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

4 ACQUISITIONS

No businesses were acquired in the 2014 and 2015 financial periods.

5 OTHER OPERATING INCOME

1,000 €	**2015**	2014
Continuing operations		
Biohit Biotech (Hefei) Co., Ltd. *)	660	–
Grants	14	239
Profit from sales of property, plant and equipment	76	–
Loss from sales of property, plant and equipment	–6	–
Other	12	5
Total	757	245

*) Joint control of Biohit Biotech (Hefei) Co Ltd in accordance with the IFRS 10 standard took effect on 30 September 2015 in the manner referred to in the standard and the shareholders' agreement. As such, the investment is recognised in accordance with the new standards as a consolidated entity in the balance sheet of Biohit's consolidated financial statements. It is recognised via the equity method. The consolidation gave rise to a non-recurring item in other business income in the amount of EUR 0.7 million. Biohit Oyj's share of the profit/loss of the joint venture is recognised above operating profit.

Discontinued operations		
Profit for the period, discontinued operations	–	3,257
Total	–	3,257

6 ACQUISITION AND PRODUCTION EXPENSES

1,000 €	**2015**	2014
Materials, supplies and other direct expenses	2,733	1,924
Rents	89	–
Depreciation	32	–
Total	2,855	1,924

7 SALES AND MARKETING EXPENSES

1,000 €	**2015**	2014
Employee benefit expenses	1,107	987
Travel and other personnel-related expenses	158	148
Rent and maintenance expenses	74	59
Marketing and sales expenses	612	643
Other external services	356	142
Other operating expenses	20	30
Depreciation	14	49
Total	2,341	2,058

8 ADMINISTRATIVE EXPENSES

1,000 €	**2015**	2014
Employee benefit expenses *)	1,575	1,766
Travel and other personnel-related expenses	124	162
Rent and maintenance expenses	196	305
Other external services	144	463
Other operating expenses	204	292
Depreciation	161	75
Total	2,405	3,063

*) Includes EUR 216,000 in option-related expenses recorded for 2015 and EUR 549,000 recorded for 2014.

9 RESEARCH AND DEVELOPMENT EXPENDITURE

1,000 €	**2015**	2014
Employee benefit expenses	874	838
Travel and other personnel-related expenses	30	46
Rent and maintenance expenses	11	22
Other external services	530	562
Other operating expenses	481	492
Depreciation	112	107
Total	2,038	2,067

Information about management's employee benefits is presented in Note 30 Related party transactions

10 SHARE OF THE PROFIT/LOSS OF JOINT VENTURE (EQUITY METHOD)

1,000 €	**2015**	2014
Biohit Biotech (Hefei) Co., Ltd. *)	–70	–

*) See note 5

11 NUMBER OF PERSONNEL

	2015	2014
Average number of personnel	52	50
Number of personnel at the end of the period	49	51

12 DEPRECIATION

1,000 €	**2015**	2014
Intangible assets	186	113
Buildings	11	11
Machinery and equipment	122	107
Total	319	231

13 AUDITORS' FEES

1,000 €	**2015**	2014
Auditors' fees	52	67
Other services [*]	6	61
Total auditors' fees	58	127

[*] Other services for 2014 includes EUR 29,000 total auditor fees paid to Authorised Public Accounting company EY

14 FINANCIAL INCOME AND EXPENSES

1,000 €	**2015**	2014
Currency exchange gains from financial assets and liabilities	1	1
Net profit/loss on investments recognised at fair value through profit or loss	112	42
Other financial income	125	207
Total	238	250
Interest expenses on financial liabilities	–3	–3
Currency exchange losses from financial assets and liabilities	–24	–12
Fees and other remuneration	–19	–24
Other financial expenses	–195	–20
Total	–241	–58
Total financial income and expenses	–3	192

15 INCOME TAXES

Direct taxes

1,000 €	**2015**	2014
Taxes on taxable income for the period	–61	–67
Taxes from previous period	0	–54
Deferred taxes	47	16
Total direct taxes	–14	–105

Reconciliation of tax expenses in income statement

1,000 €	**2015**	2014
Profit before taxes	–2,903	–4,312
Taxes calculated at domestic rates 20%	581	862
Effect of different tax rates of foreign subsidiaries	–14	–51
Tax-free income and Non-deductible expenses	–8	643
Unrecognised deferred tax assets from tax losses	–572	–1,558
Taxes in previous financial years	–	–54
Other items	–	53
Taxes in the income statement	–14	–105

16 EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the profit for the period attributable to equity-holders of the parent company by the weighted average number of shares outstanding during the period.

	2015	2014
Earnings for the period attributable to equity-holders of the parent company, EUR 1,000	–2,917	–4,417
Result for the period for the calculation of earnings per share adjusted with the dilution effect.	–2,917	–4,417
Average number of shares, undiluted	14,276,519	13,941,286
Impact of stock options	427,060	580,000
Average number of shares, diluted	14,703,579	14,521,286
Earnings per share, undiluted, EUR	–0.20	–0.32
Earnings per share discontinued operations, undiluted, EUR	–	0.23
Earnings per share discontinued operations, diluted, EUR	–	0.22

The dilutive effect on continuing operations is ignored because the Group's result for the financial period is negative, and the dilutive effect would improve EPS.

17 INTANGIBLE ASSETS

2015 1,000 €	**Intellectual property rights**	**Other intangible assets**	**Total**
Acquisition cost 1 Jan 2015	2,133	707	2,841
Increases	–	0	0
Decreases	–26	–	–26
Acquisition cost 31 Dec 2015	2,108	707	2,815
Accumulated depreciation and impairment 1 Jan 2015	–535	–699	–1,233
Depreciation	–179	–7	–186
Accumulated depreciation and impairment 31 Dec 2015	–714	–705	–1,419
Carrying amount 1 Jan 2015	1,599	9	1,607
Carrying amount 31 Dec 2015	1,394	2	1,396

2014 1,000 €	Intellectual property rights	Other intangible assets	Total
Acquisition cost 1 Jan 2014	2,140	712	2,852
Decreases	–7	–5	–12
Acquisition cost 31 Dec 2014	2,133	707	2,841
Accumulated depreciation and impairment 1 Jan 2014	–433	–687	–1,120
Depreciation	–101	–11	–113
Accumulated depreciation and impairment 31 Dec 2014	–535	–699	–1,233
Carrying amount 1 Jan 2014	1,707	25	1,732
Carrying amount 31 Dec 2014	1,599	9	1,607

Intellectual property rights consist of patents.

18 TANGIBLE ASSETS

2015 1,000 €	Buildings	Machinery and equipment	Total
Acquisition cost 1 Jan 2015	147	1,592	1,739
Increases	–	172	172
Decreases	–	–266	–266
Acquisition cost 31 Dec 2015	147	1,498	1,645
Accumulated depreciation and impairment 1 Jan 2015	–121	–761	–882
Depreciation	–11	–122	–133
Depreciation of decreases	–	152	152
Accumulated depreciation and impairment 31 Dec 2015	–132	–731	–863
Carrying amount 1 Jan 2015	26	831	857
Carrying amount 31 Dec 2015	15	767	782

2014 1,000 €	Buildings	Machinery and equipment	Total
Acquisition cost 1 Jan 2014	147	1,123	1,268
Increases	–	469	469
Acquisition cost 31 Dec 2014	147	1,592	1,739
Accumulated depreciation and impairment 1 Jan 2014	–110	–654	–763
Depreciation	–11	–107	–118
Accumulated depreciation and impairment 31 Dec 2014	–121	–761	–882
Carrying amount 1 Jan 2014	37	469	506
Carrying amount 31 Dec 2014	26	831	857

19 OWNERSHIP STAKE IN JOINT VENTURE

1,000 €	2015	2014
Carrying amount 1 Jan	–	–
Acquisition of joint venture 30 September 2015	660	–
Share of the profit/loss of joint venture	–70	
Translation difference	6	–
Carrying amount 31 Dec	596	–

Information about the Group's associated companies and joint ventures, including their combined assets, liabilities, net sales and profit/loss:

1,000 €	Domicile	Assets	Liabilities	Net sales	Profit (+) and loss (–) for the financial period	Ownership stake (%)
2015						
Biohit Biotech (Hefei) Co., Ltd	China, Anhui, Hefei	3,571	192	248	–1,141	40%

20 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Balance sheet values of financial assets by category 31 Dec 2015

1,000 €	Loans and other receivables	Available-for-sale financial assets	Held-to-maturity investments	Total carrying amount	Fair value	Fair value hierarchy
Non-current financial assets						
Other financial long-term assets	2			2	2	2
Total	2	–	–	2	2	
Current financial assets						
Trade and other receivables	997			997	997	
Other current financial assets		6,518*)		6,518	6,518	2
Cash and cash equivalents	723			723	723	
Total	1,720	6,518	–	8,238	8,238	
Total financial assets	1,722	6,518	–	8,240	8,240	

Balance sheet values of financial assets by category 31 Dec 2014

1,000 €	Loans and other receivables	Available-for-sale financial assets	Held-to-maturity investments	Total carrying amount	Fair value	Fair value hierarchy
Non-current financial assets						
Other financial long-term assets	4	-	–	4	4	2
Total	4	–	–	4	4	
Current financial assets						
Trade and other receivables	775	–	–	775	775	
Other current financial assets	–	9,811*)	–	9,811	9,811	2
Cash and cash equivalents	608	–	–	608	608	
Total	1,383	9,811	–	11,194	11,194	
Total financial assets	1,387	9,811	–	11,198	11,198	

*) Available-for-sale financial assets totalling EUR 6,518 thousand (EUR 9,811 thousand) include unquoted investments totalling EUR 2 thousand (EUR 7 thousand), which have been presented at acquisition cost because their fair value is not reliably available.

Fair value hierarchy. Classification in accordance with IFRS 7, which came into force on 1 January 2009.

The carrying value of other receivables is equivalent to their fair value, because the discount effect is minimal when the maturity of liabilities is taken into account.

Financial liabilities by category

1,000 €	**Carrying amount 2015**	**Fair value 2015**	Carrying amount 2014	Fair value 2014
Other liabilities	4	4	3	3
Total	4	4	3	3
Current financial liabilities measured at amortised cost				
Other interest-bearing liabilities	128	128	256	256
Trade payables	326	326	529	529
Tax liabilities	–	–	54	54
Other liabilities	785	785	789	789
Total	1,239	1,239	1,628	1,628
Total financial liabilities	1,243	1,243	1,631	1,631

The original carrying amount of trade payables and other non-interest-bearing liabilities is equivalent to their fair value, because the discount effect is minimal when the maturity of liabilities is taken into account.

21 DEFERRED TAXES

1,000 €	**2015**	2014
Deferred tax assets		
Deferred tax assets	70	26
Internal margin on inventories	6	4
Total	77	30
Deferred tax liabilities		
Acquisitions, customer relationships	175	199
Tangible assets	1	2
Total	176	200

The Group has tax-deductible losses of EUR 15.5 million for 2012, 2013, 2014 and 2015 for which no deferred tax assets have been recognised.

Of the total losses, EUR 15.1 million were generated in Finland (2015: EUR 3.2 million, 2014: EUR 4.1 million, 2013: 4.4. million, 2012: 3.4 million) and EUR 0.4 million in the Italy. In Finland the losses will become void in 10 years.

22 INVENTORIES

1,000 €	**2015**	2014
Materials and supplies	333	411
Work in progress	35	223
Completed products/goods	269	182
Total inventories	637	816

23 TRADE AND OTHER RECEIVABLES

Non-current receivables

1,000 €	**2015**	2014
Long-term interest-bearing receivables	79	34
Total	79	34

Current receivables

1,000 €	**2015**	2014
Trade receivables	756	481
Prepayments and accrued income	186	252
Other receivables	56	41
Total	997	775

A breakdown of trade receivables by age is presented in Note 29.

24 CASH AND CASH EQUIVALENTS

1,000 €	**2015**	2014
Cash and cash equivalents	723	608
Available-for-sale financial assets	6,518	9,811
Total	7,241	10,419
Cash and cash equivalents in the cash flow statement	723	608

25 NOTES CONCERNING SHAREHOLDERS' EQUITY

Biohit Oyj's share capital is EUR 2,350,350.81 (EUR 2 350 350,81) and the number of shares is 14,348,533 (14,135,593), of which 2,975,500 (2,975,500) are Series A shares and 11,373,033 (11,160,093) Series B shares. The Series B shares are quoted on the stock.

The shares have no nominal value. Series A and Series B shares differ to the extent that each Series A share confers on its subscriber the right to twenty (20) votes at General Meetings and each Series B share confers the right to one (1) vote. In terms of dividends, B series shares receive dividends that are 2 (two) percentage points higher than A series shares in relation to the nominal values. In applying this provision, the share par value is considered EUR 0.17, which was the par value of the company share at the time when the company decided to abolish par value of shares.

The share capital is fully paid-in.

Description of shareholders' equity funds:

The translation differences fund includes translation differences resulting from the translation of foreign subsidiaries' financial statements into euros.

Invested unrestricted equity fund includes other equity investments and payments for share subscriptions insofar as it is decided not to enter said amounts in the share capital.

26 SHARE-BASED PAYMENTS

Terms and conditions of the share-based incentive schemes

Biohit Oyj has launched a share-based incentive system, which offers stock options to company management and employees. In addition, the company offered options to two private persons as one-off compensation for the alteration of old contractual terms. In accordance with the option scheme, the options are granted without any monetary compensation, but a subscription price has been determined for the shares. The key terms and conditions of the incentive scheme, such as vesting conditions, are shown in the table below.

Option Scheme	**I 2013 Classes A, B, C, D, E**	**II 2013**
Nature of the scheme	Stock options	Stock options
Grant date	19/06/2013	19/06/2013
Number of instruments granted	500,000	420,000
Subscription price	EUR 3.00	EUR 3.00
Share price on grant date	EUR 5.36–7.35	EUR 5.36
Validity (in years	6	2
Implementation	In shares	In shares

The stock options will lapse if they are not exercised in the specified time frame. In Option Scheme I 2013, the employee entitled to the incentive will lose the entitlement if the employee leaves the company prior to vesting. In Option Scheme II 2013, the incentives have been earned in full prior to 31 December 2013

Outstanding options

Number of options	**2015**	2014
At the beginning of period	580,000	905,000
New options granted	60,000	–
Lost options	–	–
Exercised options	212,940	325,000
Lapsed options	–	–
At the end of period	427,060	580,000
Exercisable options at the end of the period	207,060	360,000
Exercise price as a weighted average per share, EUR	2.28	2.28

Dividends paid in accordance with the terms of the option scheme affect the exercise price.
No dividend was paid for the financial period that ended on 31 December 2014, so the exercise price did not change.

The weighted average closing price of the parent company share in 2015 was EUR 5.49 (EUR 6.35 in 2014).
Options were exercised in the first, second and third quarter. The proceeds from share subscriptions were recognised in share capital and in invested non-restricted equity fund.

The exercise price range for options outstanding at the end of the period and the weighted average of the remaining validity are shown below.

	Exercise price range change (EUR)	Weighted average of the validity period (years)	Number of stock options
2015	0.0	4.4	207,060
2014	0.0	2.4	580,000

Determination of fair value

The Group uses the Black-Scholes model to determine fair value for the option scheme. The expected volatility is determined on the basis of the historical price performance of the parent company share, taking into account the remaining validity of the options. The fair value of shares in the option schemes is based on the quoted share price.

Assumptions used in the determination of fair value in financial year 2015

Option Scheme	I 2013	II 2013
Expected volatility	45%–88%	70%
Expected average of option validity on grant date (years)	6	2
Risk-free interest %	0.40%–1.12%	0.39%
Expected dividends (dividend income)	deducted from subscription value	deducted from subscription value
Fair value of the instrument on grant date (EUR)	5.36–7.35	5.36

The amount recognised as expenses is included in note 8 ("Administrative expenses").

27 INTEREST-BEARING LIABILITIES

Interest-bearing liabilities, balance sheet values

1,000 €	**2015**	2014
Long-term interest-bearing liabilities		
The company has no long-term interest-bearing liabilities		
Current interest-bearing debt		
Loans from financial institutions, current portion	128	256
Total	128	256
Total interest-bearing liabilities	128	256

Fair values for financial liabilities are presented in Note 20.

Covenants related to non-current loans

The company has no non-current loans.

Subordinated loans

The company has no subordinated loans.

Finance lease liabilities

The company has no finance lease liabilities.

28 TRADE AND OTHER PAYABLES

Non-current non-interest-bearing liabilities

1,000 €	**2015**	2014
Deferred tax liabilities	176	200
Other non-current liabilities	4	3
Total	180	203

Current non-interest-bearing liabilities

1,000 €	**2015**	2014
Trade payables	326	529
Tax liabilities	–	54
Accrued liabilities and prepaid income	785	789
Total	1,111	1,372
Total non-interest-bearing liabilities	1,290	1,575

The main item in accrued liabilities and prepaid income is amortised employee benefit.

29 MANAGEMENT OF FINANCIAL RISKS

Biohit's financial risk management has focused on analysing and minimising the following major risks:

Exchange rate risk

International business operations involve exchange rate risks. In comparable currencies, the net sales of Biohit do not significantly differ from the reported values. The overall impact of the exchange rates on the company's profitability during the financial year was not significant. The company primarily conducts its sales in euros, and it has made no currency hedging arrangements.

Sensitivity analysis of changes in foreign currency exchange rates in accordance with IFRS7

2015

1,000 €	USD	GBP
Non-current liabilities	–	–
Open position	–	–
Current assets		
Trade and other receivables	–	321
Current liabilities		
Non-interest-bearing liabilities	–4	–96
Open position	–4	225
Net position	–4	225

2014

1,000 €	USD	GBP
Non-current liabilities	–	–
Open position	–	–
Current assets		
Trade and other receivables	11	39
Current liabilities		
Non-interest-bearing liabilities	–73	–
Open position	–62	39
Net position	–62	39

The net position includes cash and cash equivalents in foreign currencies, as well as receivables and payables to both Group and non-Group companies, converted into euros at the exchange rate for the closing date.

Interest rate risk

Changes in interest rates have only a slight effect on Biohit's earnings, for which reason the Group has not implemented separate hedging measures during the financial period.

Liquidity risk

The objective of the liquidity risk management is to ensure group financing in all circumstances. The Group's liquid assets on the closing day were EUR 7.2 million (EUR 10.4 million). When investing liquid assets, the objective is to gain a return on investment with a minimum risk of equity loss. The investment portfolio consists of yield investments, money market investments and corporate loans. Sufficient diversification between different asset classes, investment instruments and counterparties is essential. Biohit conducts its investment activities with at least two partners.

The Group's equity ratio was 87.9% (87.5%)

Financial liability maturity analysis 2015

1,000 €	‹ 1 year	1–5 years	› 5 years	Total
Trade payables and other non-interest-bearing liabilities	326	–	–	326
Repayments on loans from financial institutions	128	–	–	128
Interest expenses on loans from financial institutions	2	–	–	2
Total	456	–	–	456

Financial liability maturity analysis 2014

1,000 €	‹ 1 year	1–5 years	› 5 years	Total
Trade payables and other non-interest-bearing liabilities	529	–	–	529
Repayments on loans from financial institutions	256	–	–	256
Interest expenses on loans from financial institutions	2	–	–	2
Total	787	–	–	787

Commodity risk

The company does not use derivatives to protect the commodity risk, because due the nature of its business, the company is not vulnerable to commodity risks.

Credit and counterparty risk

Business units are responsible for any credit loss risks associated with their trade receivables, and have conducted separate evaluations of the credit risk associated with each customer. Biohit's customer base consists mainly of financially sound companies, and consequently Biohit does not consider credit loss risks significant. The Group has not taken out any credit insurance. Biohit mainly enters into long-term, active relationships with its customers, so that any changes in customers' credit ratings will quickly come to the company's attention.

On 31 December 2015, trade receivables totalled EUR 0.8 million (EUR 0.5 million). The receivables do not contain any large outstanding balancespayable by individual customers. The maximum credit risk exposure is the carrying value of accounts receivable.

Breakdown of trade receivables by age

1,000 €	**2015**	**Impairment loss**	**Net 2015**	2014	Impairment loss	Net 2014
Not yet falling due	426		426	315		315
Under 60 days due	222		222	118		118
61–120 days due	81		81	23		23
121–360 days due	28	–1	27	31	–5	26
Over 360 days due	4	–4	0	–	–	–
Total	761	–5	756	486	–5	481

In 2015, EUR 3,000 worth of credit losses were recorded. In 2014, EUR 3,000 worth of credit losses were recorded, but at the same time previously recorded credit losses in the amount of EUR 16,000 were reversed.

Equity 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 €	**2015**	2014
Total shareholders' equity	10,310	12,677
Balance sheet total	11,728	14,508
Advances received	0	–4
Equity ratio	87.9%	87.5%

30 RELATED PARTY TRANSACTIONS

Parties are considered to be related parties if one party is able to exercise control over the other or has substantial influence in decision-making related to the other's finances and business operations. The Group's related parties include members of the Board of Directors, the Group Management Team, and the President & CEO.

Salaries and other current employee benefits

1,000 €	**2015**	2014
Parent company		
Management Teams	492	533
President & CEO	191	176
Members of the Scientific Advisory Board	221	220

Based on a decision by the Board of Directors, Osmo Suovaniemi has been employed by the company as a member of the Scientific Advisory Board. He has received a total of EUR 221 thousand (EUR 220 thousand). In addition, Franco Aiolfi has received other compensation of EUR 36 thousand (EUR 18 thousand)

1,000 €	**2015**	2014
Subsidiaries		
Managing directors	126	101

Fees paid to Board members

1,000 €	**2015**	2014
Parent company		
Osmo Suovaniemi	16	16
Franco Aiolfi	15	15
Eero Lehti	15	12
Seppo Luode	15	15
Mikko Salaspuro	15	15
Janina Andersson	12	–
Parent company, total	88	73

Share-based payments

1,000 €	**2015**	2014
Parent company		
Management Teams	20	216
President & CEO	155	268
Key sales persons	41	64

On 31 December 2015, Board members and the President and CEO owned a total of 2,376,950 Series A shares and 3,520,906 Series B shares. These shares represent 41.1% of all company shares and 72.0% of all the votes to which the shares entitle. Osmo Suovaniemi, Chairman of the Board, is a majority shareholder in Interlab Oy, which owns 2,164,497 Series B shares. Board member Franco Aiolfi is a majority shareholder in Euroclone S.p.A. through Arsfin Consult S.r.l. Euroclone S.p.A. owns 172,807 Series B shares.

At the end of 2015, the Group's President & CEO held 127,060 options (160,000). Members of the Group Management Team held 60,000 options (0) at the end of 2015. Each option entitles its holder to subscribe to one series B share, which accounts for 1.3% of all shares and 0.26% of all votes. The options held by the Group's President & CEO and members of the Group Management Team are subject to the same terms and conditions as the options held by others. Option bonuses granted to the company's managers are measured at fair value at the time of issue and recognised evenly as cost items throughout the period during which they were earned, which runs from 19 June 2013 to 31 May 2019.

Other operating expenses

1,000 €	**2015**	2014
Consulting, administrative and logistics fees		
Companies controlled by Board members	244	223
Total	244	223

Parent company and subsidiaries	
Parent company Biohit Oyj, Finland	Group's holding
Biohit Healthcare Ltd, UK	100%
Biohit Healthcare S.r.l., Italy	100%
Oy Finio Ab, Finland	100%
Vantaan Hienomekano Oy, Finland	100%

Oy Finio Ab and Vantaan Hienomekano Oy did not conduct any business operations in 2014 or 2015.

Interest in the joint venture	
Biohit Healthcare (Hefei) Co. Ltd *)	40%

*) See note 5.

31 COLLATERALS AND CONTINGENT LIABILITIES

1,000 €	2015	2014
Collateral granted on behalf of the parent company		
Guarantees	3	3
Other liabilities		
Leasing commitments:		
Due for payment in one year	50	83
Due for payment in more than one year but less than five years	36	108
Total	85	191
Other rental commitments:		
Due for payment in one year	208	183
Due for payment in more than one year but less than five years	647	684
Due for payment in more than 5 years	–	84
Total	855	951
Total other liabilities	941	1,142
Total collaterals and contingent liabilities	944	1,145

32 MAJOR EVENTS AFTER THE CLOSE OF THE PERIOD

Biohit Oyj bought a share of Norwegian Genetic Analysis AS company with a directed share issue

Biohit Oyj and Genetic Analysis AS signed a share exchange agreement through which Biohit Oyj acquired ownership of 18% of shares in the company. In addition to this the companies signed a distribution agreement giving Biohit Oyj a right to sell Genetic Analysis AS's Dysbiosis Test globally under the Biohit brand and exclusively in Finland and in China. In the future, Genetic Analysis will also operate as a distributor to Biohit Oyj's products and services in Norway.

In consideration, Biohit Oyj issued 350.000 pcs of new Biohit Oyj's series B shares to Genetic Analysis AS. The new class B shares were registered with the Trade Register on February 12, 2016, and the shares carry with them the same shareholder rights as the outstanding class B shares as of the date of the registration. The trading in the new shares commenced as of February 15, 2016 on NASDAQ OMX Helsinki together with the outstanding B shares. The arrangements related to the share exchange have been completed and the new Genetic Analysis AS shares have been registered in Biohit Oyj's name.

Key ratios

KEY FINANCIAL RATIOS

1,000 €	IFRS 2011	IFRS 2012	IFRS 2013	IFRS 2014	**IFRS 2015**
Net sales	39,922	2,048	3,452	4,363	6,051
Change in net sales, %	–0.3%	–94.9%	68.6%	26.4%	38.7%
Operating profit/loss	44,262	–4,586	–5,860	–4,504	–2,900
% of net sales	110.9%	–223.9%	–169.8%	–103.2%	–47.9%
Profit/loss before extraordinary items and taxes	43,789	–3,659	–5,921	–4,312	–2,903
% of net sales	109.7%	–178.7%	–171.5%	–98.8%	–48.0%
Profit/loss before taxes	43,789	–3,659	–5,921	–4,312	–2,903
% of net sales	109.7%	–178.7%	–171.5%	–98.8%	–48.0%
Return on equity, %	114.5%	–8.3%	–20.4%	–24.5%	–25.3%
Return on investment, ROI, %	69.8%	–7.1%	–19.4%	–23.8%	–22.8%
Equity ratio	74.0%	88.7%	82.2%	87.5%	87.9%
Investments in fixed assets	4,069	281	1,827	447	832
% of net sales	10.2%	13.7%	52.9%	10.2%	13.8%
R&D expenditure	2,213	970	1,063	2,067	2,038
% of net sales	5.5%	47.4%	30.8%	47.4%	33.7%
Balance sheet total	71,472	40,007	27,306	14,508	11,728
Personnel, continuing operations	36	35	44	50	52
Average number of personnel	422	35	44	50	52

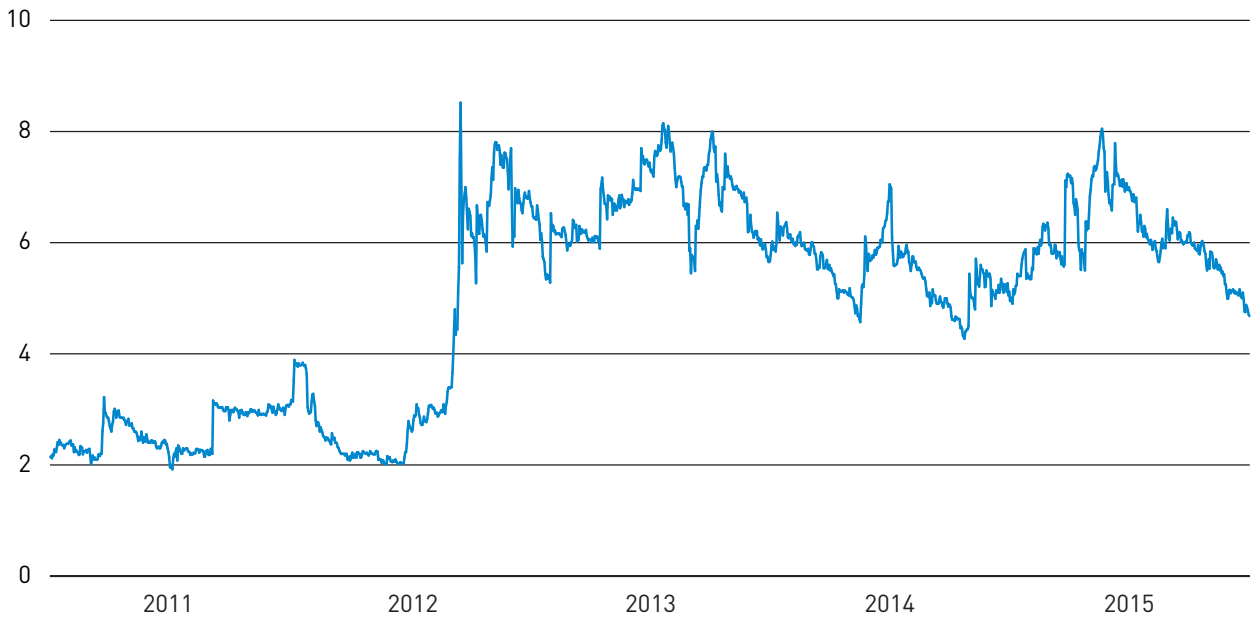
KEY RATIOS PER SHARE

	IFRS 2011	IFRS 2012	IFRS 2013	IFRS 2014	**IFRS 2015**
Earnings per share, undiluted, EUR	2.86	–0.27	–0.43	–0.32	–0.20
Equity per share attributable to the equity holders of the parent company, EUR	3.88	2.61	1.63	0.90	0.72
Price/earnings ratio, (P/E)	1.0	0.0	0.0	0.0	0.0
Dividend per share	0.20	0.50	0.72		
Capital repayment per share	0.80	0.24	0.00		
Dividend per earnings, %	34.97	n/a	n/a		
Effective dividend yield, %	34.13	18.42	9.57	0.00	0.00
B share price development, EUR					
– average price	2.30	2.70	6.59	6.35	5.45
– lowest price	1.74	2.00	4.00	4.57	4.22
– highest price	3.96	4.13	9.10	8.17	7.14
–price at 31 December	2.93	4.00	7.56	4.68	5.61
Market capitalisation, EUR 1,000 (assuming the market capitalisation value for series A shares is the same as for series B shares	39,894	54,462	104,408	66,155	80,495
Turnover of Series B shares, 1,000 shares	3,003	5,376	8,593	4,029	4,014
–% of total number of shares	30.1%	50.5%	79.3%	37.2%	37.0%
Average number of shares, adjusted for share issues	13,615,593	13,727,251	13,941,286	13,941,286	14,276,519
–accounting for the dilutive effect of options and bonds	13,615,593	13,915,143	14,521,286	14,521,286	14,703,579
Total number of shares at the closing date, adjusted for share issues	13,615,593	13,810,593	14,135,593	14,135,593	14,348,533
–accounting for the dilutive effect of options and bonds	13,615,593	14,223,768	14,715,593	14,715,593	14,775,593

The company has options with a dilutive effect. Since the company recorded a loss, the dilutive effect is not presented.

Shares and shareholders

CLOSING SHARE PRICE



SHAREHOLDING BY SHAREHOLDER GROUP, 31 DEC 2015

Series A shares	Number of shareholders pcs	%	Number of shares pcs	%
1. Companies	1	10.0	24,990	0.8
2. Households	9	90.0	2,950,510	99.2
Shares on waiting list			0	0.0
Total Series A shares	10	100.0	2,975,500	100.0

Series B shares	Number of shareholders pcs	%	Number of shares pcs	%
1. Households	6,360	96.6	8,238,874	72.4
2. Financial and insurance institutions	10	0.2	10,170	0.1
3.Companies and housing corporations	187	2.8	2,854,110	25.1
4.Non-profit organisations	7	0.1	3,681	0.0
5. Public sector organisations	1	0.0	3,000	0.0
6.Nominee-registered and foreign holders	19	0.3	257,606	2.3
In joint account	0	0.0	5,592	0.0
Total Series B shares	6,584	100.0	11,373,033	100.0
Total Series A and B shares	6,594		14,348,533	

Series A shares	Number of shareholders pcs	%	Number of shares pcs	%
1–1,000	0	0,0	0	0,0
1,001–10,000	3	30,0	25 000	0,8
10,001–100,000	3	30,0	156 990	5,3
Over 100,001	4	40,0	2 793 510	93,9
Total Series A shares	10	100,0	2 975 500	100,0

Series B shares	Number of shareholders pcs	%	Number of shares pcs	%
1–1,000	5,630	85.5	1,646,983	14.5
1,001–10,000	861	13.1	2,497,662	22.0
10,001–100,000	88	1.3	2,102,819	18.5
Over 100,001	5	0.1	5,119,977	45.0
Shares on joint book-entry account	0	–	5,592	0.0
Total Series B shares	6,584	100.0	11,373,033	100.0
Total Series A and B shares	6,594		14,348,533	

LARGEST REGISTERED SHAREHOLDERS 31 DEC 2015

The 10 largest shareholders by number of shares	Series A shares	Series B shares	Total votes	%
Suovaniemi Osmo Antero	2,265,350	965,217	3,230,567	22.5
Interlab Oy	0	2,164,497	2,164,497	15.1
Suovaniemi Ville Roi	208,280	371,300	579,580	4.0
Joel Suovaniemi	208,280	334,500	542,780	3.8
Suovaniemi Oili	111,600	288,935	400,535	2.8
Härkönen Matti	57,200	267,965	325,165	2.3
Suovaniemi Vesa Jukka Markku	74,800	187,819	262,619	1.8
Oy Etra Invest Ab	0	200,000	200,000	1.4
Oy Tech Know Ltd	24,990	70,000	94,990	0.7
Luostarinen Reijo	10,000	70,000	80,000	0.6

The 10 largest shareholders by number of votes	Series A shares	Series B shares	Total votes	%
Suovaniemi Osmo Antero	2,265,350	965,217	46,272,217	65.3
Suovaniemi Ville Roi	208,280	371,300	4,536,900	6.4
Joel Suovaniemi	208,280	334,500	4,500,100	6.4
Suovaniemi Oili	111,600	288,935	2,520,935	3.6
Interlab Oy	0	2,164,497	2,164,497	3.1
Suovaniemi Vesa Jukka Markku	74,800	187,819	1,683,819	2.4
Härkönen Matti	57,200	267,965	1,411,965	2.0
Oy Tech Know Ltd	24,990	70,000	569,800	0.8
Luostarinen Reijo	10,000	70,000	270,000	0.4
Oy Etra Invest Ab	0	200,000	200,000	0.3

Management shareholding 31 December 2015

On 31 December 2015 Board members and the President and CEO owned a total of 2,376,950 Series A shares and 3,520,906 Series B shares. These shares represent 41.1% of all company shares and 72.0% of all the votes to which the shares entitle. Osmo Suovaniemi, Chairman of the Board, is a majority shareholder in Interlab Oy, which owns 2,164,497 Series B shares. Board member Franco Aiolfi is a majority shareholder in Euroclone S.p.A. through Arsfin Consult S.r.l. Euroclone S.p.A. owns 172,807 Series B shares.

Formulas for the key ratios

Return on equity, %	result for the period / shareholders' equity (average over the year)	X100
Return on investment, %	profit before extraordinary items + interest and other financial expenses / Total assets – non-interest-bearing liabilities (average over the year)	X100
Equity ratio, %	shareholders' equity in the balance sheet / balance sheet total – advance payments received	X100
Earnings per share, EUR	result for the period / average number of shares, adjusted for share issues	
Shareholders' equity per share, EUR	shareholders' equity in the balance sheet / number of shares on the closing date	
Dividends per share, EUR	Dividends for the period / number of shares on the closing date	
Dividend per earnings, %	dividend per share / Earnings per share	X100
Effective dividend yield, %	dividend per share / closing share price	X100
Price/earnings ratio, (P/E)	closing share price / earnings per share	

Parent company income statement (FAS)

1,000 €	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Net sales	2	**4,047**	**2,670**
Increase/decrease in inventories of finished goods and in work in progress		–124	54
Other operating income	3	422	3,580
Materials and services	4	–1,347	–1,226
Personnel expenses	5	–3,106	–2,855
Depreciation, amortisation and impairment	6	–184	–172
Other operating expenses	7	–2,957	–2,839
Operating profit/loss		**–3,249**	**–788**
Financial income and expenses	9	–278	238
Profit/loss before appropriations and taxes		**–3,527**	**–551**
Income taxes		0	0
Profit/loss for the period		**–3,527**	**–551**

Parent company balance sheet (FAS)

1,000 €	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	10	360	438
Tangible assets	11	724	779
Investments			
Investments Participations in Group companies	12	232	234
Other investments	12	1	7
Total non-current assets		**1,317**	**1,458**
Current assets			
Inventories	13	562	759
Non-current receivables	14	–	330
Current receivables	14	1,151	860
Marketable securities	15	6,507	9,791
Cash at bank and in hand	16	186	183
Total current assets		**8,406**	**11,923**
TOTAL ASSETS		**9,723**	**13,380**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	17	2,350	2,350
Fair value hierarchy	17	36	194
Fund for the investment of non-restricted equity	17	1,271	786
Accumulated profit/loss from previous years	17	8,336	8,886
Profit/loss for the period	17	–3,527	–551
Total shareholders' equity		**8,466**	**11,666**
Liabilities			
Non-current liabilities	19	301	301
Current liabilities	20	956	1,413
Total liabilities		**1,256**	**1,714**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9,723**	**13,380**

Parent company cash flow statement

1,000 €	Note	2015	2014
Cash flow from operating activities:			
Profit/loss before extraordinary items		–3,527	–551
Adjustments:			
Depreciation according to plan		184	172
Unrealised exchange rate gains and losses		3	–2
Other income and expenses not involving payment		357	–3,272
Financial income and expenses		–34	–238
Change in working capital:			
Increase (–) or decrease (+) in current non-interest-bearing trade receivables		–227	120
Increase (–) or decrease (+) in inventories		196	–174
Increase (+) or decrease (–) in current non-interest-bearing liabilities		–272	319
Realised exchange rate gains and losses		–16	–13
Interest and other financial items paid on other operating financial expenses		–212	–37
Interest received from operating activities		250	224
Cash flow from operating activities		**–3,298**	**–3,451**
Cash flow from investing activities:			
Investments in tangible and intangible assets		–237	–397
Revenue from disposal of tangible and intangible assets		80	–
Investments in other investments		3,126	6,504
Capital gain from the sale of liquid handling business		–	6,814
Subsidiary shares acquired		–	–
Loans granted		–25	–90
Repayments of loan receivables		–	–
Cash flow from investing activities		**2,944**	**12,831**
Cash flow from financing activities:			
Rights issue		485	751
Repayments of long-term loans		–128	–128
Dividend paid and capital repayment		–	–9,991
Cash flow from financing activities		**357**	**–9,369**
Increase (+) or decrease (–) in cash and cash equivalents		3	11
Cash and cash equivalents at the beginning of the period		183	172
Cash and cash equivalents at the end of the financial period	16	186	183

Notes to the parent company's financial statements

1 ACCOUNTING POLICIES

When preparing financial statements in accordance with generally accepted accounting principles, the company's management must make estimates and assumptions. Actual results may differ from these estimates.

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

The financial statements are presented in thousands of euros and are based on initial transaction values, except for the marketable securities included in current assets, which have been measured at fair value

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Fixed assets are recorded in the balance sheet at historical cost, exclusive of grants received and depreciation. Depreciation is calculated on a straight-line basis over the service life of the assets.

Depreciation periods (years) according to plan are:

Intellectual property rights	3–10 years
Development expenditure	5 years
Other capitalised expenditure	5–10 years
Machinery and equipment	3–10 years

MEASUREMENT OF INVENTORIES

Inventories are presented according to the FIFO principle at acquisition cost, or at the lower of the replacement cost and the probable sale price. Acquisition cost of inventories includes an appropriate proportion of production overheads in addition to the direct costs.

MEASUREMENT OF MARKETABLE SECURITIES

Marketable securities included in current assets are measured at fair value in accordance with section 5.2a of the Finnish Accounting Act. The items in this group are measured at fair value. The fair value of all investments in this group is measured on the basis of released price quotations on well-functioning markets, that is, buy quotations on the closing date. Both gains and losses due to changes in fair value are recorded under fair value fund in the balance sheet and under financial income and expenses in the income statement in the period in which they materialised.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure are recorded as expenses at the point when they occurred.

REVENUE RECOGNITION

Net sales are calculated as gross sales less indirect sales taxes and discounts. Revenues from products and services are recognised upon delivery.

MAINTENANCE AND REPAIRS

Costs for maintenance and repairs are recorded as expenses when incurred. The renovation costs of leased premises have been capitalised under 'Other capitalised expenditure' and amortised on a straight-line basis over the remaining lease period.

PENSIONS

Pension schemes and any additional pension benefits required by Finnish law are arranged through pension insurance companies. Pension costs are charged to the income statement for the period in which they are earned.

DEFERRED TAXES

Deferred taxes have not been recognised in the balance sheet. In accordance with the general guidelines of the Finnish Accounting Standards Board, issued on 12 September 2006, the notes to the financial statements present the amount of deferred taxes that could be recognised in the balance sheet and assets that are unlikely to materialise and as such should not be recognised in the balance sheet.

FOREIGN CURRENCY TRANSLATION

Figures for receivables and liabilities in foreign currencies are converted into euros at the exchange rate quoted by the European Central Bank on the balance sheet date. Translation differences are recognised through profit or loss.

2 NET SALES BY BUSINESS AREA

1,000 €	2015	2014
Diagnostics	4,047	2,670
Total	4,047	2,670

NET SALES BY GEOGRAPHICAL AREA

1,000 €	2015	2014
Finland	709	256
Other Europe	952	781
North and South America	118	94
Asia	1,496	1,002
Other countries	772	537
Total	4,047	2,670

3 OTHER OPERATING INCOME

1,000 €	2015	2014
From Group companies	329	79
Other	93	3,501
Total	422	3,580

4 MATERIALS AND SERVICES

1,000 €	2015	2014
Purchases during the year	1,274	1,347
Change in inventories	73	–120
Total materials and supplies	1,347	1,226
Total materials and services	1,347	1,226

5 PERSONNEL EXPENSES AND THE NUMBER OF PERSONNEL

1,000 €	2015	2014
Salaries and wages	2,625	2 429
Pension expenses	405	358
Other personnel expenses	76	68
Total personnel expenses	3,106	2,855

Average number of employees in the parent company during the year	2015	2014
Salaried employees	44	41
Average number of personnel	44	41
Number of personnel at the end of the period	40	42

6 DEPRECIATION

1,000 €	**2015**	2014
Intangible assets	77	88
Machinery and equipment	107	84
Total	184	172

7 OTHER OPERATING EXPENSES

1,000 €	**2015**	2014
Travel and other personnel-related expenses	248	273
Rent and maintenance expenses	297	311
Marketing and sales expenses	577	475
Other external services	1,000	919
Impairment of trade receivables	2	–14
Other operating expenses	833	875
Total	2,957	2,839

8 AUDITORS' FEES

1,000 €	**2015**	2014
Auditors' fees	32	58
Other fees *)	6	61
Total auditors' fees	38	119

*) Other services for 2014 includes EUR 29 thousand total auditor fees paid to Authorised Public Accounting company EY

9 FINANCIAL INCOME AND EXPENSES

1,000 €	**2015**	2014
Dividend income		
From Group companies	–	12
Total dividend income	–	12
Other interest and financial income		
From Group companies	12	22
From others	238	249
Other interest and financial income	249	271
Total financial income	249	283
Interest and other financial expenses		
Merger loss	–312	–
To Group companies	–4	–5
To others	–212	–41
Total financial expenses	–528	–45
Total financial income and expenses	–278	238
Financial income and expenses include exchange gains/losses (net)	1	1

The items presented as components of operating profit include exchange rate losses/gains (net) of EUR –20 thousand (EUR –12 thousand).

10 INTANGIBLE ASSETS

2015 1,000 €	Intellectual property rights	Other capitalised expenditure	Total
Acquisition cost at beginning of year	889	849	1,739
Acquisition cost at end of year	889	849	1,739
Accumulated depreciation and impairment at beginning of year	–483	–817	–1,301
Depreciation and impairment during the year	–61	–17	–77
Accumulated depreciation at end of year	–544	–834	–1,378
Carrying amount at beginning of year	406	32	438
Carrying amount at end of year	345	15	360

2014 1,000 €	Intellectual property rights	Other capitalised expenditure	Total
Acquisition cost at beginning of year	889	849	1 739
Acquisition cost at end of year	889	849	1 739
Accumulated depreciation and impairment at beginning of year	–420	–792	–1 213
Depreciation and impairment during the year	–63	–25	–88
Accumulated depreciation at end of year	–483	–817	–1,301
Carrying amount at beginning of year	469	57	526
Carrying amount at end of year	406	32	438

11 TANGIBLE ASSETS

2015 1,000 €	Machinery and equipment	Total
Acquisition cost at beginning of year	1,459	1,459
Increases	171	171
Decreases	–261	–261
Acquisition cost at end of year	1,368	1,368
Accumulated depreciation and impairment at beginning of year	–680	–680
Accumulated depreciation of decreases	142	142
Depreciation for the year	–107	–107
Accumulated depreciation at end of year	–644	–644
Carrying amount at beginning of year	779	779
Carrying amount at end of year	724	724

2014 1,000 €	Machinery and equpment	Total
Acquisition cost at beginning of year	1,014	1,014
Increases	444	444
Acquisition cost at end of year	1,459	1,459
Accumulated depreciation and impairment at beginning of year	–596	–596
Depreciation for the year	–84	–84
Accumulated depreciation at end of year	–680	–680
Carrying amount at beginning of year	419	419
Carrying amount at end of year	779	779

12 INVESTMENTS

1,000 €	Group companies	Other	Total
Shares 2015			
Carrying amount at beginning of year	234	7	241
Decreases	–3	–6	–8
Carrying amount at end of year	232	1	232

1,000 €	Group companies	Other	Total
Shares 2014			
Carrying amount at beginning of year	234	7	241
Carrying amount at end of year	234	7	241

13 INVENTORIES

1,000 €	2015	2014
Materials and supplies	333	411
Work in progress	35	223
Completed products/goods	195	125
Total inventories	562	759

14 RECEIVABLES

1,000 €	2015	2014
Non-current receivables		
Receivables from Group companies		
Loan receivables	–	330
Total non-current receivables	–	330
Current receivables		
Receivables from Group companies		
Subordinated loan receivables	–	320
Trade receivables	341	163
Loan receivables	355	–
Other receivables	45	40
Prepayments and accrued income	9	23
Receivables from others		
Trade receivables	204	65
Other receivables	98	158
Prepayments and accrued income	100	91
Total current receivables	1,151	860

15 MARKETABLE SECURITIES

1,000 €	2015	2014
Investments in funds	6,507	9,791

Marketable securities include yield investments, corporate loans and money market investments.

16 CASH AND CASH EQUIVALENTS

1,000 €	2015	2014
Cash at bank and in hand	186	183

17 SHAREHOLDERS' EQUITY

1,000 €	2015	2014
Share capital at 1 Jan	2,350	2,348
Increase in share capital through rights issue	–	3
Share capital at 31 Dec	2,350	2,350
Invested non-restricted equity fund at 1 Jan	786	44
Increase in share capital	485	748
Capital repayment to shareholders	–	–6
Invested non-restricted equity fund at 31 Dec	1,271	786
Fair value fund at 1 Jan	194	113
Increases	–	81
Decreases	–158	–
Fair value fund at 31 Dec	36	194
Accumulated profit/loss from previous years 1 Jan	8,336	18,881
Dividend paid to shareholders		–9,995
Accumulated profit/loss from previous years 31 Dec	8,336	8,886
Reported profit / loss for the year	–3,527	–551
Total equity	8,466	11,666

Shares and voting rights
Biohit's shares are divided into Series A and B shares. The series differ to the extent that each Series A share confers twenty (20) votes at General Meetings and Series B shares confer one (1) vote. However, in the payment of dividends, a dividend two per cent higher than the nominal value is paid for Series B shares than is paid for Series A shares.In applying this provision, the share par value is considered EUR 0.17, which was the par value of the company share at the time when the company decided to abolish par value.

Distributable unrestricted equity	**2015**	2014
Retained earnings	8,336	8,886
Invested unrestricted equity fund	1,271	797
Profit/loss for the financial period	–3,527	–551
Distributable assets 31 Dec	6,080	9,133

	2015			2014
Structure of the parent company's shareholders' equity	**No. of shares**	**% of shares**	**% of votes**	No. of shares
Series A shares (20 votes/share)	2,975,500	20.7	84.0	2,975,500
Series B shares (1 vote/share	11,373,033	79.3	16.0	11,160,093
Total	14,348,533	100.0	100.0	14,135,593

Biohit's share capital totals EUR 2,350,350.81. The company does not own any treasury shares. Based on a resolution of the AGM held on 14 April 2014, 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 21% of the company's Series B shares. The company did not exercise the authorisation granted at the AGM to issue shares in 2015.

18 DEFERRED TAX LIABILITIES AND ASSETS

Deferred taxes have not been recognised in the balance sheet. Significant deferred taxes include a deferred tax asset related to confirmed loss, totalling EUR 15.1 million (2015: EUR 3.2 million, 2014: EUR 4.1 million, 2013: EUR 4.4 million, 2012: EUR 3.4 million).

19 NON-CURRENT LIABILITIES

1,000 €	**2015**	2014
Loans from Group companies	301	301
Total	301	301

20 CURRENT LIABILITIES

1,000 €	**2015**	2014
Loans from financial institutions, current portion	128	256
Advances received	0	4
Trade payables	193	483
Accrued liabilities and prepaid income	494	495
Other liabilities	88	85
Liabilities to Group companies		
Trade payables	–	39
Accrued liabilities and prepaid income	52	49
Total current liabilities	956	1,413

Accrued liabilities and pre-paid income include wage and salary accruals totalling EUR 344 thousand (EUR 339 thousand).

21 COLLATERAL, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

1,000 €	2015	2014
Liabilities for which mortgages have been pledged as collateral		
Company has not issued securities		
Leasing commitments		
Due for payment in the following financial year	31	34
Due for payment at a later date	20	25
Total	51	59
Other rental commitments		
Due for payment in the following financial year	169	168
Due for payment at a later date	591	756
Total	759	924

Leasing commitments and rents mainly consist of fixed-term leasing and rental agreements in effect for more than one year.

Contingent liabilities on behalf of Group companies

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

1,000 €

Other contingent liabilities	2015	2014
Guarantees	3	3

Board of Directors' proposal for the distribution of dividend

The parent company's distributable funds (non-restricted equity) on 31 December 2015 amounted to EUR 6,079,716.06 with the loss for the financial year accounting for EUR 3,526,862.99. The Board of Directors will propose to the AGM that no dividend be paid for the financial year and that the parent company's loss for the financial year be transferred to retained earnings/losses.

Helsinki 25th of February 2016

Osmo Suovaniemi
Chairman of the Board

Mikko Salaspuro
Member of the Board

Eero Lehti
Member of the Board

Seppo Luode
Member of the Board

Franco Aiolfi
Member of the Board

Janina Andersson
Member of the Board

Semi Korpela
President & CEO

AUDITOR'S NOTE

We have today issued an auditor's report on the audit performed.
Helsinki 25th of February 2016

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pasi Karppinen
Authorised Public Accountant

Auditor's Report

TO THE ANNUAL GENERAL MEETING OF BIOHIT OYJ

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Biohit Oyj for the year ended 31 December, 2015. The financial statements comprise the statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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 International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 25 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pasi Karppinen
Authorised Public Accountant

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