INNOVATING FOR HEALTH

BIOHIT Oyj • Annual Report 2014

Contents

Biohit continues its consistent growth and development

Biohit Oyj was established in 1988. Biohit Oyj is a globally operating Finnish biotechnology company. Biohit's mission is 'Innovating for Health' – we provide innovative products and services to promote research and early diagnostics.

Our objective is to improve quality of life by preventing disease, human suffering and financial loss. Being a socially responsible company, we feel it is our duty to raise public awareness of acetaldehyde, a Group 1 carcinogen. Biohit is headquartered in Helsinki, Finland and has subsidiaries in Italy and the UK. Biohit's Series B share (BIOBV) is quoted on NASDAQ OMX Helsinki under Small cap/Healthcare.

Cost-efficient innovations in healthcare

Gastrointestinal diseases are a growing worldwide phenomenon that also involve significant medical, ethical and economic issues. Gastrointestinal disorders are the most common cause of complaints regarding treatment, or insufficient treatment. The ageing population represents a growing financial constraint on the healthcare system, and cost-efficient solutions are needed urgently.

Biohit's products and services are safe, ethical and cost-efficient innovations for diagnosing and preventing gastrointestinal diseases and the associated risks.

In 2014 we strongly developed our operations

We launched three new tests: BIOHIT ColonView test, which traces fecal occult blood, BIOHIT Active B12 (holotranscobalamin) vitamin test, and BIOHIT Calprotectin ELISA test for determining inflammatory bowel disease (IBD) and monitoring its treatment, and to distinguish it from irritable bowel syndrome (IBS).

Market penetration in focus

We continued to grow our sales and distributor network and directed resources to ensuring product registrations. We also expanded our product range and focused our sales measures to include new target groups. Partnership-type cooperation with our associates was emphasized further. In marketing, we focused on measures with direct support to sales.

Number of personnel growing

During the year, the average number of personnel employed by the Group was 50 (44 in 2013) of whom 41 (34) were employed by the parent company and 9 (10) by the subsidiaries. At the end of the year, the Group employed 51 (47) personnel, of whom 42 (38) were employed by the parent company and 9 (9) by the subsidiaries.

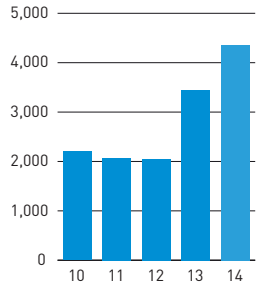
Development activities focus on product development and production automation

Biohit continued to allocate significant resources on launching new products on the market. Production investment focused on process automation and the optimization of the material flow. Continuous improvement guarantees high standard of products and an ability to meet customer needs in the best possible way.

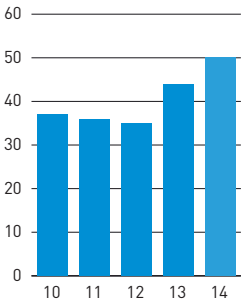
Solid financial position

Our strong financial position allows determined investments in an international distributor network, as well as the development and commercialization of new products. At the end of the financial year, the company's financial assets totalled EUR 10.4 million.

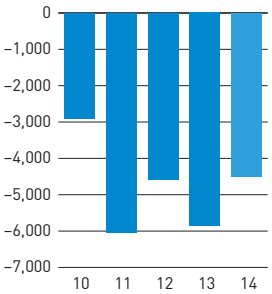
Net sales in continuing operations 2010–2014, 1,000 EUR



Average number of personnel in continuing operations 2010–2014



Profit/loss in continuing operations 2010–2014, 1,000 EUR



GOAL

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

ACTIONS

commercialization of new products and support to international distribution channels

IMPROVEMENT

enablement of appropriate and adequate treatment, early prevention of serious diseases, public health

Equity ratio

87.5%

Net sales

4.4 MEUR

BIOHIT GROUP KEY FIGURES	2014	2013
Net sales, MEUR	4.4	3.5
Operating profit/loss, MEUR	–4.5	–5.9
Profit/loss before taxes, MEUR	–4.3	–5.9
Profit/loss for the period, continuing operations, MEUR	–4.4	–5.9
Profit/loss for the period, discontinued operations, MEUR	3.3	0.0
Profit/loss for the period, MEUR	–1.2	–5.9
Average number of personnel	50	44
Number of personnel at the end of the period	51	47
Equity ratio %	87.5	82.2
Earnings per share, continuing operations, EUR	–0.32	–0.43
Earnings per share, discontinued operations, undiluted, EUR	0.23	
Earnings per share, discontinued operations, diluted	0.22	
Shareholders´ equity per share, EUR	0.9	1.6
Average number of shares during the period	13,941,286	13,727,251
Number of shares at the period end	14,135,593	13,810,593

Impacting on megatrends

“We were supported by international research teams.

In 2014, we continued developing our business operations on several fronts. We carried on building our international sales network, promoted the registration of our products in different market areas alongside our partners, and launched new products.

We strengthened our distribution network throughout the world

We expanded our Acetium capsule sales channels in Asia by signing a contract with Giraffes Pharmaceutical Company on the sale and marketing of the capsule in Taiwan. Furthermore, distribution of the Acetium lozenge in China was boosted by a contract we signed with Eastar Pharmaceuticals. Alongside the new contracts, the distribution of Acetium products was expanded in Romania (A&P Italian Pharmaceuticals S.r.l), Serbia (Biohemed) and Mongolia (IlDengunHoshuu).

We strengthened our international diagnostics distribution network in France and North Africa by entering collaboration with Eurobio. In addition to France, Eurobio operates as Biohit’s diagnostics distributor in Morocco, Tunisia and Algeria. We also signed a contract with Bestbion on the distribution of quick tests in Germany.

In 2014, we boosted the sale of our diagnostics products throughout the world with a number of new distribution contracts. In Europe, new distribution contracts saw us enter the markets in Romania (A&P Italian Pharmaceuticals S.r.l), Serbia (Biohemed), Spain (Biomed S.A.), Portugal (Meditecno Mèdicos e Sistemas de Diagnòstico Lda), Moldova (ERICON S.r.l.) and Slovakia (Aloris Vital s.r.o). The contract extension with Polygon Diagnostics AG will also improve our product distribution in Switzerland.

As a result of our contract extension with Laboratorios Progalénika S.A. de C.V, our diagnostics products are now being distributed to most Latin American countries. The contract covers Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, French Guyana, Honduras, Mexico, Nicaragua,

“Disease prevention is more cost-effective than treatment.

Panama, Paraguay, Peru, Suriname, Uruguay and Venezuela. In Peru, we also signed a contract with Productos Weens S.r.l.

In the United States, we began cooperation with BiosPacific, Inc. and JOLI Medical Products Inc. In the Middle East, our new contracts cover Jordan (Al-Misbar Medical Technology Co.), Egypt (Gulfmed) and Kuwait (Gulf Orlando Medical Company). In Asia, we signed contracts with China (R&D Systems China Co.), Korea (MoiGen), Japan (Kureha Trading Co. Ltd.) and Taiwan (Youlum Biotechnology Co. Ltd and Jolex); these contracts will have an impact on our diagnostics business.

In late 2013, we signed a contract with Dynex Technologies, Inc. on the retail sale of analysers. The contract validation project was completed in April 2014. With the help of an integrated system, small- and medium-sized laboratories can add GastroPanel to their service range easily and cost-effectively.

We also extended the sale of our own patented products in the EU area, by opening an online store.

More information: http://www.biohithealthcare.com/investors/stock-exchange-releases

Studies provide new information on the uses of Acetium

In May, the findings of international research teams on the Acetium® capsule were presented at the world's leading conference on gastroenterology, Digestive Disease Week, which was held in Chicago.

During 2014, we launched two studies on the potential efficacy of Acetium in the prevention of migraine-type headache episodes. These studies aim to assess the efficacy of Acetium® capsules in preventing headache episodes in persons suffering from migraine and cluster/Horton headaches. Both projects are being carried out as multicentre studies in partnership with Terveystalo Oy and Aava Medical Centre in six centres across Finland.

Towards the end of the year, we agreed with our Chinese joint venture Biohit Biotech (Hefei) Co., Ltd on a study to be carried out in China in order to assess the suitability of Acetium® capsules as potential medication for arresting the progression of, or reversing, atrophic gastritis.

New products added to our selection

As a biotechnology company, we want to have an impact on people's wellbeing and to help in the prevention and early diagnosis of socially significant diseases. Our products and services can considerably lower healthcare costs, prolong careers and postpone retirement, and provide better quality of life and well-being. During the past year, we made three additions to our range of products:

The BIOHIT Calprotectin ELISA test enables the differentiation of inflammatory bowel diseases from irritable bowel syndrome. It is also suitable for the monitoring of inflammatory bowel diseases.

The BIOHIT Active B12 (holotranscobalamin) vitamin test determines biologically active B12 vitamin deficiency on the basis of a venous blood sample. Vitamin B12 deficiency can occur in seemingly healthy people, and the risk increases with age.

The BIOHIT ColonView test is a highly sensitive quick test for the early identification, screening and diagnostics of colorectal cancer.

We have fantastic employees at Biohit and are an agile operator in the international market. I would also like to extend my thanks to our investors for the active approach they have taken in the past year – we are listening.

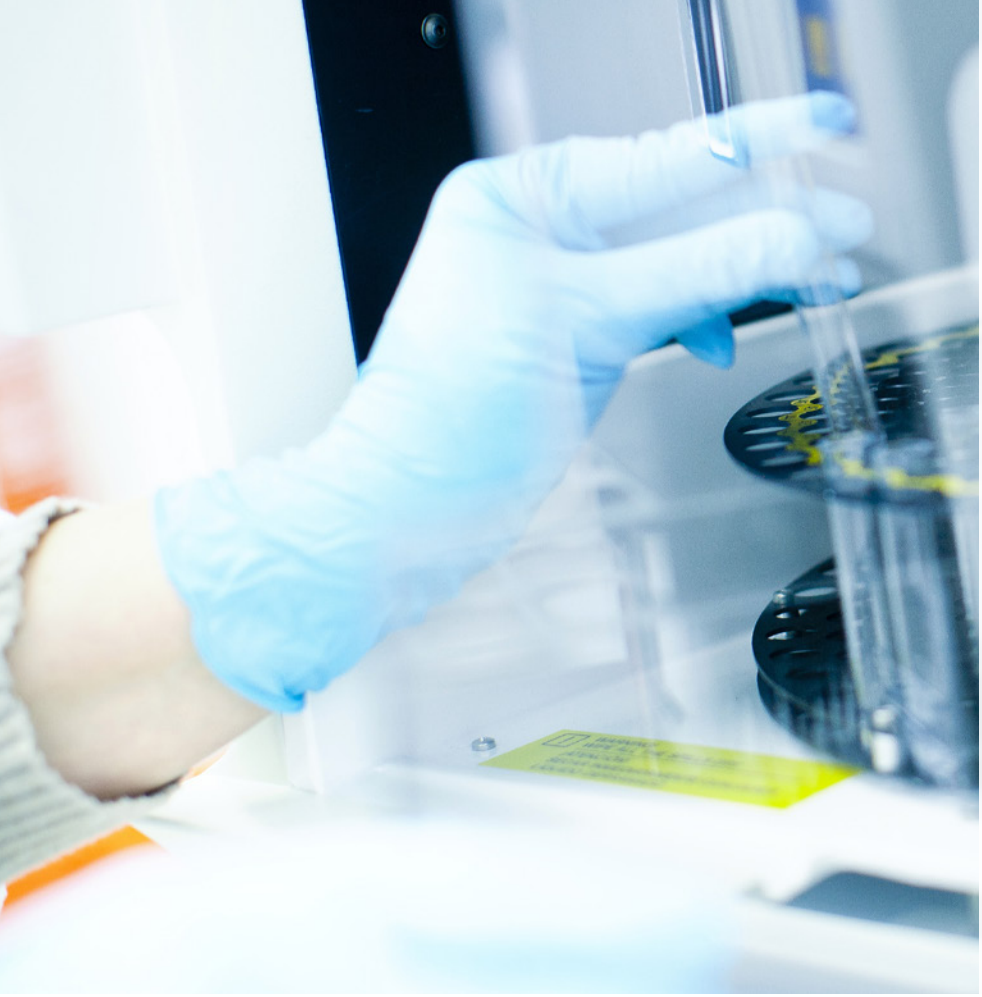
Semi Korpela

BIOHIT strategy 2014–2019

Quality is a cornerstone of our operations and we aim to promote its constant improvement.

Our mission is 'Innovating for Health'.
Our vision is to be the world's leading biotechnology company in our selected gastrointestinal tract markets. These markets are:
a) screenings enabled by advanced, innovative gastrointestinal diagnostics
b) products that bind and eliminate acetaldehyde in the gastrointestinal tract

- Our regional order of priority in terms of increasing our net sales:
  1) Asia (especially China)
  2) EU (especially Great Britain, Italy, Germany)
  3) North and South America
- We aim to increase our net sales organically, but also with corporate acquisitions.
- Our strategy for Acetium includes licensing and distribution agreements. Biohit aims to gain several Acetium partnerships in different geographical areas.
- In gastrointestinal tract diagnostics, we focus on the GastroPanel tests and screenings especially in countries with high incidence of gastric cancer. In the development of the GastroPanel test, we continue to seek more automation integration partners.
- Quick tests support our product range in gastrointestinal tract diagnostics according to our strategy.



- In terms of business development, research and product development, we focus on enhancing the efficiency of our operations by improving project management and by focusing our resources on the successful completion of our most business-critical projects. We aim to complete at least two product development or product improvement projects each year.
- The scientific advisory board is a valuable part of Biohit's operating model.
- Our production strategy is to maximize efficiency in the created process and high-level automation operations in our Helsinki office. In China, we are creating a production platform where we can move production of suitable tests from elsewhere in the world, primarily for the Chinese market as well as for the rest of the world. In terms of Acetium, we are striving for a situation where the products can be purchased from three different manufacturers.
- We are focusing our operations on the parent company and will not be establishing new subsidiaries ourselves. We are progressing to different markets through distributors or licensing partners.
- Corporate governance and the competence of employees are developed systematically.
- Quality is a cornerstone of our operations and we aim to promote its constant improvement.
- Our investment strategy is to avoid the risk of losing capital, to diversify our investments and to use at least two different partners to make investments.
- The customer perspective is always of primary importance in decision-making guiding our business operations. In every decision, Biohit assesses the following: 'How does this benefit the customer and Biohit, and how does the response promote innovation carried out on behalf of the customer?'

JOINT VENTURE PROCEEDING TOWARDS PRODUCTION KICK-OFF

Joint Venture Biohit Biotech (Hefei) Co., Ltd is proceeding towards the start of GastroPanel production. The joint venture partners have been working intensively since June 2013 to fulfil the local as well as international regulations in order to start the manufacturing of GastroPanel kits for the Chinese market.

At the end of the reporting period, a reimbursement decision on the three GastroPanel® tests (pg-I, pg-II, gastrin-17) was issued in seven Chinese provinces: Anhui, Gansu, Henan, Shandong, Shanxi, Sichuan and Tianjin.

CEO Liu Feng, Biohit Biotech (Hefei) Co., Ltd says that obtaining the official production license is work in progress. The regulatory approvals regarding the start of the production are pending and are expected to be finalized by the end of 2015. The constructions of the manufacturing facility are nearing completion and the manufacturing instruments meet the highest international quality standards.

Quality first

The Key Flag Symbol is the sign of origin for products manufactured in Finland.

Biohit's products and services are innovative, ethical and cost-efficient. Our product development, production and marketing are governed by strict quality regulations. We are committed to continuous improvement of our operations, and we develop our processes according to the lean principle. We also constantly monitor our performance with quality and environmental meters.

Our healthcare equipment carries the CE mark, and our diagnostics products are designed and inspected according to the IVD Directive 98/79/EC. Our Acetium products meet the requirements of the Medical Devices Directive 93/42/EC, and they carry the Key Flag symbol. Biohit's quality and environmental certificates meet the ISO 9001, ISO 13485 and ISO 14001 standards. The overseas air freight deliveries of our products are handled more fluently due to the 'known consignor' status granted by the Finnish Transport Safety Agency Trafi.

EVEN STRONGER SUPPLY CHAIN

In late 2014, Biohit was granted the status of 'known consignor', which is recognition by the Finnish Transport Safety Agency Trafi and related to aviation security measures by the EU. To gain the status, Biohit's employees must be familiar with the security requirements of freight traffic and comply with the regulations as part of the protected order-delivery chain. Security training attended by all employees of the company headquarters was one of the requirements for granting the status.

Logistics Manager Kaija Kujansuu: 'We wanted the 'known consignor' recognition as it facilitates our air freight deliveries even further. If a shipment is not sent by a known consignor, it will go through a scanning process in the airport freight terminals. Faster freight handling shortens the overall delivery time, and that way we can ensure an undisturbed cold chain for diagnostics tests.'

Customer feedback is the basis for excellent operations

Active communication with our customers and their feedback are important to us. We analyse the feedback we receive from our consumers and distributors and develop our products accordingly. Ideas of the users may, for example, result in the development of new products. One of the key features of our products is their ease of use, which we have developed over the past year on the basis of customer feedback, e.g. by making instructions clearer and by improving the products.

We are environmentally focused

Biohit has assessed the key environmental aspects of its operations. In accordance with our environmental policy, we design our products to keep their environmental burden as low as possible throughout their life cycle. This takes place, for example, by reducing the use of harmful substances in products and by selecting recycled material for the packaging. Biohit is a member of the Environmental Register of Packaging PYR Ltd and Der Grüne Punkt, a packaging recycling and reuse programme. Environmental issues also affect our choice of subcontractors; we prioritise companies with certified quality and environmental systems.

Board of Directors

OSMO SUOVANIEMI, BORN IN 1943

- MD, PhD, Professor
- Chairman of Biohit's Board of Directors
- Non-independent of major shareholders and of the company

EERO LEHTI, BORN IN 1944

- MSc (Soc.Sc.), Member of Parliament
- Member of Biohit Oyj's Board since 2009
- Independent of major shareholders and of the company

FRANCO AIOLFI, BORN IN 1947

- Degree in Pharmacy awarded by Urbino University
- Member of Biohit Oyj's Board since 2013
- Independent of major shareholders but non-independent of the company

SEPPO LUODE, BORN IN 1952

- MSc (Industrial Management), MBA (Stanford University)
- Member of Biohit Oyj's Board since 2011
- Independent of major shareholders but non-independent of the company

MIKKO SALASPURO, BORN IN 1939

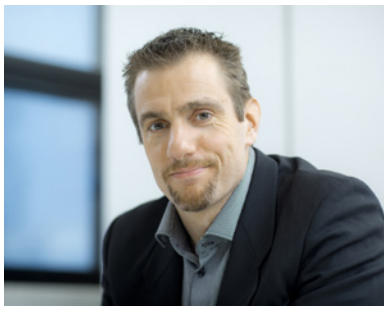
- MD, PhD, Professor
- Member of Biohit Oyj's Board since 2008
- Independent of major shareholders but non-independent of the company

Management Team

SEMI KORPELA, BORN IN 1970
- MSc (Econ.)
- Chief Executive Officer
- With Biohit since 2011, and also CFO from 2003–2006.

LEA PALOHEIMO, BORN IN 1951
- PhD (clinical biochemistry), Hospital Chemist, 'Quality and Leadership' programme at the Danish Technical Institute
- Business development and quality
- With Biohit Oyj since 2001

ANU MICKELS, BORN IN 1972
- MBA
- Sales and Marketing, Corporate Communications
- With Biohit Oyj since 2012



PANU HENDOLIN, BORN IN 1971
- PhD (Molecular medicine)
- Research and development
- With Biohit since 2012 and 2007–2008

ANNIKA ASTOLA, BORN IN 1974
- M.Sc. (Tech.), MBA
- Quality Director
- With Biohit since 2014

KARI SYRJÄNEN, BORN IN 1948
- MD, PhD, FIAC
- Chief Medical Director
- With Biohit Oyj since 2013

NIKLAS NORDSTRÖM, BORN IN 1979
- B. Econ., LL.M
- Finance, HR, Legal, ICT
- With Biohit since 2014

Information for shareholders

Annual General Meeting
Biohit Oyj's Annual General Meeting will be held at Pörssitalo, Fabianinkatu 14, Helsinki, on Monday, 20 April 2015, starting at 3.00 pm. Listed company shareholders wishing to attend the Annual General Meeting shall notify the company no later than 10 am on 15th of April 2015 at which point the corresponding notification must have reached the Company.

Registration may be submitted:
- Online at: www.biohithealthcare.com/investors
- By phone: +358 (0)20 770 6889 on weekdays between 9 am and 4 pm
- By letter: Biohit Oyj, Yhtiökokous, Laippatie 1, 00880 Helsinki, FINLAND

Dividend payout
On 31 December 2014, the parent company had EUR 9,132,650.85 (EUR 18,925,151.92) in distributable assets (non-restricted equity), of which the loss for the financial period accounts for EUR 550,514.94 (loss of EUR 4,353,257.22). The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the most recent financial period.

Shares
Total number of shares: 14,135,593
Series A shares (20 votes/share): 2,975,500
Series B shares (1 vote/share): 11,160,093
Biohit Oyj Series B shares are listed on NASDAQ OMX Helsinki in the Small cap group. The shares are traded under the code BIOBV. More detailed information on the Biohit Oyj share is presented in the Notes to the Financial Statements, and is also available on the company's website, www.biohithealthcare.com/Investors.

Financial reporting
Published financial reports and other stock exchange releases can be read on Biohit's website: www.biohithealthcare.com/Investors. The website also contains an online form for ordering electronic copies, which will be e-mailed to you.

Financial calendar 2015

Thursday 7 May 2015
Interim report January–March 2015 (Q1)
Thursday 20 August 2015
Interim report January–June 2015 (Q2)
Thursday 22 October 2015
Interim report January–September 2015 (Q3)

Silent period
Biohit observes a silent period for three weeks prior to the publication of financial results. During this period, management and other personnel will not comment on the company's financial position or markets, nor will they meet with capital market or financial media representatives.

However, if an event that requires immediate publication does occur during the silent period, Biohit will publish the information without delay in accordance with disclosure regulations, and can also comment on the matter in question.

Summary of 2014 stock exchange releases

18th Feb 2014 Biohit suspends trial aiming at H. pylori eviction

27th Feb 2014 Biohit Group Financial Statement Release 2013

11th Mar 2014 Notice of Biohit Oyj's Annual General Meeting

20th Mar 2014 Increased number of Biohit shares entered into trade register

24th Mar 2014 Publication of Biohit Oyj Annual Report 2013

1st Apr 2014 The liquid handling business acquisition escrow account funds returned to Biohit Oyj

14th Apr 2014 GastroPanel validation for Dynex automate completed

14th Apr 2014 Decisions of the Annual General Meeting of Biohit Oyj

29th Apr 2014 Biohit Oyj starts two clinical trials with Acetium® capsule for prevention of migraine-type headache

8th May 2014 Biohit Group Interim Report Q1-2014

11th Jun 2014 The European Commission's response to the question of food acetaldehyde by MEP Sirpa Pietikäinen

12th Jun 2014 Biohit Oyj B-shares Subscribed with Stock Options I and II 2013

1st Jul 2014 Biohit Oyj and Giraffes Pharmaceutical Co. to sign an Acetium distribution agreement

5th Aug 2014 Chinese Health Associations give consensus clause on early gastric cancer screening with GastroPanel entity

15th Aug 2014 Biohit Oyj and Eastar Pharmaceuticals LLC to sign an Acetium® lozenge distribution agreement

21st Aug 2014 Biohit Group Interim Report Q2-2014

29th Aug 2014 Changes to Biohit Oyj's management

12th Sep 2014 Biohit Oyj B-shares Subscribed with Stock Options II 2013

15th Oct 2014 The efficacy of Acetium® capsule in treatment of atrophic gastritis is studied in China

23th Oct 2014 Biohit Group Interim Report Q3/2014

27th Oct 2014 Biohit Oyj B-shares Subscribed with Stock Options II 2013

3rd Nov 2014 Changes to Biohit Oyj's management

10th Nov 2014 Biohit's Financial Reporting and Annual General Meeting in 2015

12th Dec 2014 Biohit Oyj B-shares Subscribed with Stock Options II 2013

Corporate Governance 2014

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 16 March 2015.
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 share is quoted on NASDAQ OMX Helsinki in the Small cap/Healthcare group. The 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 administration complies with current legislation, standards and recommendations concerning public listed companies, the regulations of NASDAQ OMX Helsinki Oy, and Biohit Oyj's Articles of Association. Biohit Oyj follows the Finnish Corporate Governance Code ("corporate governance code") for listed companies that was approved by the Securities Market Association in June 2010 and came into force on 1 October 2010. The Corporate Governance Code is available at www.cgfinland.fi.

All members elected at the Annual General Meeting on 8 April 2013 were male. In this respect, Biohit deviates from recommendation n:o 9 of the Corporate Governance Code, which states a Board of Directors should consist of male and female members. Biohit has been looking for an appropriate female candidate for the Board in order to comply with the recommendation regarding gender distribution. These efforts will continue, and it is the company's long-term objective to meet this recommendation of the Corporate Governance Code.

One of the Board members is independent of the company. Therefore the company deviates from Corporate Governance Code recommendations no. 14 and 15, according to which over half of the Board members should be independent of the company. The composition of the Board has paid more attention to the added value that the Board members can bring into the company's international business and research and development operations, rather than independence of the company.

BIOHIT'S ADMINISTRATIVE BODIES IN 2014

The highest decision-making power at Biohit is exercised by its 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 trend. The President & CEO is responsible for operative management, and is assisted by a Management Team.

Annual General Meeting

Biohit's Annual General Meeting was held on 14 April 2014 in Helsinki. 2,890,700 Series A shares and 5,317,475 Series B shares were represented at the meeting, corresponding to 59.36942% of all the company's shares and 89.72625% of the votes. Two of the five Board members, President & CEO and the chief auditor were in attendance.

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. 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 of Directors is responsible for Biohit's administration and the appropriate organisation of its business operations. The Board's areas of responsibility are laid down in the written rules of procedure approved by the Board. They are as follows:

- To develop shareholder value.
- To ensure the appropriate organisation of accounting and financial management.
- To adopt the parent company and consolidated financial statements and the Report of the Board of Directors for the financial year ended.
- To confirm the interim reports for each quarter at the end of March, June and September.
- To decide on Biohit's business plan, budget and investment plan.
- To decide on Biohit's financing and risk management policies.
- To approve management remuneration and incentive schemes.
- To appoint the President & CEO.
- To decide on Biohit's strategy, organisational structure, investments and other wide-reaching and significant issues.

The Board's decision-making is based on reports drawn up by operative management on the operational development of the Group and its business areas.

The Chairman is responsible for calling Board meetings and arranging Board activities. In general, the Board convenes once a month, that is, 10–12 times per year. The meeting schedule for the entire term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference. The Board of Directors of Biohit Oyj convened 11 times in 2014 (9 times in 2013). The average participation rate was 93% (93%).

Members of the Board of Directors

The following were elected by the 2014 Annual General Meeting to serve as members of Biohit's Board of Directors in 2014:

Osmo Suovaniemi, born in 1943, MD, PhD, Professor

- A 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 Board meetings 11 times in 2014
- Direct shareholding: Series A shares 2,265,340; series B shares 965,217.
- Majority shareholder in Interlab Oy, which owns 2,164,497 B shares

Franco Aiolfi, born in 1947, Degree in Pharmacy awarded by Urbino University

- Member of the Board since 2013
- Independent of major shareholders but not independent of the company
- Direct shareholding: no Biohit shares
- Managing Director of Euroclone S.p.A. (previously Polyfin S.p.A.) and a majority shareholder 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.
- Attended Board meetings 11 times in 2014

Eero Lehti, born in 1944, MSc (Soc.Sc.), the Finnish honorary title of kauppaneuvos, Dr.h.c. (Econ.), Member of Parliament

- Member of the Board since 2009
- Independent of major shareholders and of the company
- Member of Parliament since 2007
- Founder of Taloustutkimus Oy and the Chairman of its Board
- Attended Board meetings 7 times in 2014
- Direct shareholding: Series B shares 2,000

Mikko Salaspuro, born in 1939, MD, Professor

- Member of the Board since 2008
- Independent of major shareholders but not independent of the company
- Specialist in internal medicine, gastroenterologist, and Professor of Alcohol Diseases at the University of Helsinki
- Attended Board meetings 11 times in 2014
- Direct shareholding: Series B shares 60,000

Seppo Luode, born in 1952, MSc (Industrial Management), MBA (Stanford University)

- Member of the Board since 2011
- Independent of major shareholders but not independent of the company
- Attended Board meetings 11 times in 2014
- Direct shareholding: no Biohit shares

Osmo Suovaniemi was Chairman of Biohit's Board of Directors during the 2014 financial year.

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 given by the Board of Directors. The President & CEO of the parent company is elected by the Board and also acts as Group President. The President also ensures the appropriate organisation and legality of the company's accounting and financial management.

The terms of the President's employment are laid down in a written contract that is approved by the Board of Directors. The President cannot be elected Chairman of the Board. Semi Korpela, MSc (Econ.) was the President and CEO of Biohit during the financial year.

Semi Korpela, born in 1970, MSc (Econ.)

- With Biohit Oyj since 2011
- He has previously held the position of CFO at Biohit Oyj from 2003–2006. Since then, Korpela has been CFO of the CPS Color Group.
- Direct shareholding: Series B shares 17,827

Group Management Team

The Group's Management Team's composition and areas of responsibility were as follows: Semi Korpela (President & CEO), Jaana Mattila (Finance, HR, ICT until 31 October), Niklas Nordström (Finance, ICT and HR as of 3 November), Lea Paloheimo (Business Development and Quality until 13 April), Anu Mickels (Sales & Marketing, Corporate Communications), Panu Hendolin (Research and Development), Kari Syrjänen (Chief Medical Director) and Annika Astola (Quality as of 14 April). The Management Team met 34 times in 2014.

Managing Directors of subsidiaries

The Managing Directors of the subsidiaries are responsible for the management of subsidiary operations and report to the President and CEO of the parent company. The subsidiaries are responsible for the sales and marketing of Biohit's products in their market areas. The Managing Directors of subsidiaries operate under the management and supervision of Biohit's President & CEO. In 2014, the Managing Directors of Biohit's subsidiaries were: Graham Johnson (United Kingdom) and Franco Aiolfi (Italy).

Personal data and shareholdings of Biohit's Board of Directors and operative management are available at www.biohithealthcare.com/investors.

REMUNERATION IN 2014

Members of the Board of Directors

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. A decision was made at the Annual General Meeting on 14th April 2014 to pay a monthly fee of EUR 1,600 to the Chairman of the Board and a monthly fee of EUR 1,500 to other Board members.

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 fee approved by the Board of Directors for his services as scientific advisor to the Board. In 2014, this fee was EUR 14,000 a month plus car and phone benefit.

President & CEO and other company management

The Board approves the President & CEO's remuneration and terms of employment. The salary paid to the company's President & CEO, Semi Korpela, in 2014 was EUR 14,000 a month plus phone and car benefit.

The President approves the remuneration and terms of employment of Management Team members. 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 month's salary. No bonus was approved for the President & CEO and

Management Team members in 2014.

The President & CEO approves the salaries 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 management and employees. In 2014, the President & CEO subscribed for 40,000 of these stock options and the rest of the Management Team for a total of 60,000 stock 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 2014

During the financial year that ended on 31 December 2014, remuneration paid to members of the parent company's Board totalled EUR 91,000 (EUR 117,000 in 2013), of which EUR 73,000 was actual remuneration for Board work and EUR 18,000 other remuneration to Franco Aiolfi. Remuneration paid to President & CEO Semi Korpela amounted to EUR 176,000 (EUR 161,000 in 2013). Osmo Suovaniemi was paid EUR 220,000 for his services as a member of the scientific advisory board (EUR 204,000 in 2013). The salaries and fees of the Group's Managing Directors totalled EUR 101,000 (EUR 116,000 in 2013). Salaries paid to other Management Team members totalled EUR 534,000 (EUR 478,000 in 2013).

MAIN CHARACTERISTICS OF THE 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 Board of Directors' instructions. Internal control seeks to ensure that the Group operates with maximum efficiency and that the objectives set in the strategy ratified by the Board of Directors are achieved at different levels of the organisation. 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 now focus on its diagnostics business, in which the company conducts global operations in both manufacturing and 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 ratified 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' managements 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' managements 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. 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 BOD on the overall development of business; these two bodies, together with the President and CEO, decide on overall corporate strategies and procedures guiding the operations of the Group.

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. Subsidiary Board work is based on financial reports and the written monthly and annual reports drawn up by subsidiary management.

Biohit's steering and 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 subsidiaries ensure that 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 ratified 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 the analyses of any deviations, which occurs at least once a 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 that the parent company's approved instructions on, for example, authorisations are being adhered to.

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 2014

The auditor elected by the AGM is responsible for Biohit's statutory audit. According to the Articles of Association, the company needs to have one auditing body approved by the Central Chamber of Commerce. Biohit's auditor in 2014 was authorized public accountants PricewaterhouseCoopers Oy, with Pasi Karppinen, Authorized Public Accountant, as chief auditor.

Auditors' fees

The Group's invoiced auditors' fees for the financial year 2014 totalled EUR 67,000 (EUR 42,000 in 2013). The previous authorized public accountants EY were paid a total of EUR 2,000 in auditors' fees in the financial year 2014 and the current authorized public accountants PricewaterhouseCoopers Oy were paid EUR 56,000. In addition, authorized public accountants PricewaterhouseCoopers Oy were also paid a total of EUR 32,000 (EUR 33,000 to EY in 2013) for other services.

INSIDERS

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

Biohit's President & CEO is responsible for insider control. The Director ensures that insiders 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 2014

Report of the board of directors 2014

SUMMARY

- The company has one business segment, Diagnostics
- Net sales EUR 4.4 million (EUR 3.5 million 1–12/2013)
- Operating profit/loss EUR –4.5 million (EUR –5.9 million)
- Profit/loss before taxes EUR –4.3 million (EUR –5.9 million)
- Earnings per share for continuing operations EUR –0.32 (EUR –0.43)
- International operations accounted for 91.5% (87.8%) of total net sales

Biohit's business development efforts focus on winning new distributors and customers, primarily through global partnerships. Our primary objective is to create a strong and motivated global distributor network.

We will continue to invest in sales and marketing, building distribution channels, and enhancing cooperation with distributors. Our spearhead products are Acetium, GastroPanel and diagnostic quick tests marketed primarily in Europe and Asia.

Biohit's net sales in 2014 grew by 26.4 per cent on the previous year. Biohit's strong balance sheet provides a solid foundation for building new business and for fully tapping into the significant potential offered by the company's products. At the end of 2014, our equity ratio was 87.5% (82.2%) and current assets amounted to EUR 10.4 million.

THE GROUP'S KEY FIGURES

	Jan–Dec/2014	Jan–Dec/2013
Net sales, MEUR	4.4	3.5
Operating profit/loss, continuing operations, MEUR	–4.5	–5.9
Profit/loss before taxes, MEUR	–4.3	–5.9
Profit/loss for the period, continuing operations, MEUR	–4.4	–5.9
Profit/loss for the period, discontinued operations, MEUR	3.3	0.0
Profit/loss for the period, MEUR	–1.2	–5.9
Average number of personnel	50	44
Number of personnel at year end	51	47
Equity ratio, %	87.5%	82.2%
Earnings per share, continuing operations, EUR	–0.32	–0.43
Undiluted earnings per share, discontinued operations, EUR	0.23	
Diluted earnings per share, discontinued operations, EUR	0.22	
Shareholders' equity per share, EUR	0.9	1.6
Average number of shares during the period	13,941,286	13,727,251
Number of shares at year end	14,135,593	13,810,593

REPORTING

Biohit's product range consist of diagnostic tests, acetaldehyde-binding Acetium products and monoclonal antibodies. All business is reported under a single segment.

NET SALES AND RESULT

Net sales grew by 26.4% from 2013. International operations continued to account for a large proportion of net sales at 91.5% (87.8%). Operating loss totalled EUR –4.5 million (EUR –5.9 million).

In conjunction with the liquid handling business divestment in late 2011, EUR 3.5 million of the gains on the sale were not recognised due to the terms of the sale agreement and to other related factors that remained open at the time. The amount was recognised on 31 March 2014, when the deal was closed.

Group net sales

MEUR	**2014**	2013
Net sales	4.4	3.5
Total	4.4	3.5

Consolidated operating result

MEUR	**2014**	2013
Consolidated operating result	–4.5	–5.9
Total	–4.5	–5.9

BALANCE SHEET

On 31 December 2014, the adjusted balance sheet total was EUR 14.5 million (EUR 27.3 million). Biohit's strong balance sheet provides a solid foundation for building new business and for fully utilising the significant potential offered by the company's products. At the end of 2014, our equity ratio stoodat 87.5% (82.2%) and current assets amounted to EUR 10.4 million.

FINANCING

Biohit Oyj enjoys a strong financial position, which allows determined investments in an international distributor network as well as the development and commercialisation of new products. Liquidity is at a healthy level. At the end of the reporting period, the company's financial assets totalled EUR 10.4 million (EUR 15.7 million).

RESEARCH AND DEVELOPMENT

R&D operations focused on improvements and further developments to existing innovations and products, and on their commercialisation. Biohit also employs external experts and subcontractors in its R&D operations. Development expenditure on the diagnostics business has not been capitalised. Research and development expenditure in 2014 amounted to EUR 2.1 million (EUR 1.1 million).

INVESTMENTS

Gross investments in 2014 totalled EUR 0.5 million (EUR 1.8 million). Key investments in the period included production automation-related equipment.

PERSONNEL

During the review period, the Biohit Group employed 50 (44 in 2013) people on average, 41 (34) of whom were employed by the parent company and 9 (10) by the subsidiaries. At the end of the year, the Group employed 51 (47) personnel, of whom 42 (38) were employed by the parent company and 9 (9) by the subsidiaries.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Biohit's key risks are related to the investments required for business growth. There are risks involved in areas such as the success of clinical trials, new market areas, the selection and development of distribution channels, personnel recruitment, registration processes, product pricing, and political decision-making affecting the progress of screening programmes. Significant short-term risks are associated with the successful selection of new market areas, the timing of expansion into selected markets, and product success in these markets. The recent increase in uncertainty factors associated with international politics may have an unfavourable impact on the company's business.

The duration of the product registration process is different in each market area, and affects the company's business development. It is not possible to accurately assess the time it takes for the authorities to complete all

registrations in the main markets and for net sales to start accumulating.

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 deposits, money market investments and corporate loans. A fundamental aspect in portfolio management is sufficient diversification across different asset classes, investment instruments and counterparties. Biohit conducts its investment activities with at least two partners.

Thanks to its wide customer base, Biohit does not materially depend on any individual customers or project deliveries, with the exception of GastroPanel® sales in China, which currently represents a major business for Biohit. Most of the company's business is conducted in euro, and the indirect effects of currency exchange rate fluctuations are considered minor.

OUTLOOK FOR 2015

Biohit and its new distributors and licence partners have several product registrations under way in a number of markets, which is affecting net sales development. The completion of product registrations currently under way also depends on factors outside Biohit. Negotiations are under way regarding the launch of major screening projects, but a number of political risks affect the progress of these projects.

Biohit's cost structure is characterised by determined investment in research to obtain more evidence on the efficacy of Biohit's diagnostic tests in various clinical settings and in population-based screenings. The efficacy of Acetium products in entirely new clinical indications will be assessed in various placebo-controlled double-blind studies. Steps will also be taken to standardise the GastroPanel test set. This means standardising the reaction conditions and reactive solutions of the different tests included in the GastroPanel test set, in order to make the panel easier to use and to reduce manufacturing costs. Investments will be made to increase production efficiency and competitiveness. These new, strategically significant projects will require additional investments in 2015.

We aim to grow profitable and are strongly committed to taking any action necessary to building a profitable future for the company. Net sales growth is expected in 2015.

The company will not provide an estimate of the time frame in which continuing operations are expected to turn a profit.

MAIN EVENTS IN THE REPORTING PERIOD

Biohit's net sales in 2014 grew by 26.4 per cent on the previous year. In terms of operational development, Biohit Oyj has focused on supporting its international distributor network, investing in clinical research and preparing for new product launches.

During the year, Biohit introduced three new products onto the market, including the fourth-quarter relaunch of the BIOHIT ColonView test for tracing faecal occult blood. Other new products included the BIOHIT Active B12 (Holotranscobalamin) vitamin test, as well as the BIOHIT Calprotectin ELISA test for the detection, and monitoring during treatment, of inflammatory bowel diseases (IBD) and the differentiation of such conditions from irritable bowel syndrome (IBS).

During the year, we broadened our distributor network again, by signing a distributor agreement with the Taiwanese Giraffes Pharmaceutical Company regarding the marketing and distribution of Acetium® capsules and the Acetium lozenge in Taiwan. We also signed a distribution agreement with Eastar Pharmaceuticals on the distribution of Acetium lozenge in China. We strengthened our international diagnostics distribution network by beginning cooperation with Eurobio, which acts as Biohit's diagnostics distributor in France, Morocco, Tunisia and Algeria. In addition, we signed an agreement with Bestbion on the distribution of quick tests in Germany.

We also entered into the following diagnostics agreements during the year: A&P Italian Pharmaceuticals S.r.l. (Romania), Biohe-med (Serbia), Biomed S.A. (Spain), Meditecno Mèdicos e Sistemas de Diagnòstico Lda (Portugal), Polygon Diagnostics AG (extension of scope of agreement, Switzerland), ERICON S.r.l. (Moldova), R&D Systems China Co. Ltd. (China), MoiGen (Korea), Biospacific Inc. (USA), Kureha trading Co. Ltd. (Japan), Laboratorios Progalénika S.A. de C.V. (extension of scope of agreement, Argentina, Bolivia, Brazil, Chile, Columbia, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, French Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Surinam, Uruguay, Venezuela), JOLI Medical Products Inc. (USA), Al-Misbar Medical Technology Co. (Jordan), Gulfmed (Egypt), Aloris Vital s.r.o (Slovakia), Gulf Orlando Medical Company (Kuwait), Youlum Biotechnology Co. Ltd. (Taiwan), Productos Weens S.r.l. (Peru) and Jolex (Taiwan). In addition, we made the following agreements on Acetium products: A&P Italian Pharmaceuticals S.r.l (Romania), IlDengunHoshuu (Mongolia) and Biohemed (Serbia).

The duration of the product registration process is different in each market area. For this reason it is not possible to accurately assess the time it takes the authorities to handle registrations in these areas and for product sales to begin. The registration of the acetaldehyde-binding capsule in Mexico has been delayed due to organisational changes in the local register authority.

Business operations	Jan–Dec/2014	Jan–Dec/2013
Net sales, MEUR	4.4	3.5
Change, %	26.4 %	68.6 %
Operating result, MEUR *	–4.5	–5.9
Change, %	23.1 %	–27.8 %
Operating result, % of net sales	–103 %	–170 %

EVENTS AFTER THE CLOSE OF THE PERIOD

Biohit begins collaboration with Ympyrätalon apteekki

Biohit and Ympyrätalon apteekki have agreed on cooperation, based on which Ympyrätalon apteekki will provide its customers with Biohit's diagnostic tests. This will cover Biohit's diagnostic tests for diseases of the gastrointestinal tract. Ympyrätalon apteekki provides nursing services and tests as part of its basic range of standard services.

Biohit Oyj and Akeso sign an Acetium distribution agreement in Russia

Biohit Oyj has signed a distribution agreement with Akeso Pharmaceuticals. The agreement is effective immediately and gives Akeso exclusive rights for the distribution of Acetium® capsules in the Russian Federation.

BIOHIT ColonView is the best colorectal cancer screening test on the market

An international study comparing colorectal cancer screening tests has been completed and the scientific report has been recently accepted for publication in an international cancer journal – Anticancer Research.

ADMINISTRATION

Annual General Meeting

The Annual General Meeting (AGM) held on 14 April 2014 decided to pay a dividend of EUR 0.72 for each series A share and EUR 0.7234 for each series B sharefor the financial year ended on 31 December 2013, totalling EUR 10.0 million, and to transfer the parent company's loss for the financial year to retained earnings/losses.

The AGM decided that the number of members of the Board of Directors would be five (5) and re-elected the following members to the Board until the end of the next AGM: Professor Osmo Suovaniemi, Professor Mikko Salaspuro, Eero Lehti, and Seppo Luode, MSc (Engineering), as well as President and CEO Franco Aiolfi.

The AGM appointed authorised public accountants PricewaterhouseCoopers Oy as the company auditor, with Pasi Karppinen, Authorised Public Accountant, as chief auditor.

BIOHIT OYJ'S MANAGEMENT TEAM

The members of Biohit's Management Team are: Semi Korpela, President and CEO, Niklas Nordström, CFO, Lea Paloheimo, Director of Business Development, Annika Astola, Quality Director, Panu Hendolin, Head of Research and Development, Anu Mickels, Sales and Marketing Director, and Kari Syrjänen, Chief Medical Director.

SHARES AND SHAREHOLDERS

Biohit Oyj has 14,135,593 (13,810,593) shares, 2,975,500 (2,975,500) are Series A shares and 11,160,093 (10,835,093) are Series B shares. The Series B shares are quoted on NASDAQ Helsinki in the Small cap/Healthcare group under the code BIOBV.

Supposing that the market capitalisation value for series A and B shares is equal, the total market capitalisation value at the end of the period was EUR 66.2 million (EUR 104.4 million on 31 December 2013). Share turnover during the period amounted to EUR 25.9 million.

BIOBV/NASDAQ OMX Helsinki	Jan–Dec/2014	Jan–Dec/2013
High, EUR	8.17	9.10
Low, EUR	4.57	4.00
Average price, EUR	6.35	6.59
Closing price, EUR	4.68	7.56
Total turnover, EUR	25,927,811	56,629,275
Total turnover, no. of shares	4,028,617	8,592,747

Shareholders

At the end of the reporting period on 31 December 2014, the company had 6,841 shareholders (6,126 on 31 December 2013). Private households held 77.9% (77.6%) of all shares, companies 20.1 % (20.6%) and public sector organisations 0.0% (0.0%). Foreign ownership or nominee registrations accounted for 1.8% (1.7%) of shares.

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

Proposal of the Board of Directors on dividends

The parent company's distributable funds (non-restricted equity) on 31 December 2014 amounted to EUR 9,132,650.85 (EUR 18,925,151.92), with the loss for the financial year accounting for EUR 550,514.94 (a loss of 4,353,257.22). The Board proposes to the Annual General Meeting that no dividend be paid for the financial year.

Annual General Meeting

The Annual General Meeting will be held at Pörssitalo, Fabianinkatu 14, Helsinki, on Monday 20 April 2015, starting at 3.00 pm.

Accounting policies

Biohit Oyj has applied the same accounting principles in preparing this annual report as for its financial statements of 2013. The IFRS standards that came into effect in 2014 did not have a material impact on the accounting principles, with the exception of the introduction of IFRS 10 and 11. The impacts of the introduction of IFRS 10 and 11 are explained in more detail in the Accounting Policy Applied in the Consolidated Financial Statements.

All the figures have been rounded up or down, which is why the sums of individual figures may deviate from the totals presented.

Biohit's Corporate Governance Statement

Biohit Oyj publishes a separate Corporate Governance Statement on its website at www.biohithealthcare.com.

Helsinki, 16 March 2015
Board of Directors of Biohit Oyj

Consolidated statement of comprehensive income

1,000 €	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Net sales	3	**4,363**	**3,452**
Acquisition and production expenses	6	–1,924	–1,701
Gross margin		**2,440**	**1,751**
Other operating income	5	245	44
Sales and marketing expenses	7	–2,058	–2,369
Administrative expenses	8	–3,063	–4,223
Production and development expenses	9	–2,067	–1,063
Operating profit		**–4,504**	**–5,860**
Financial income	13	250	164
Financial expenses	13	–58	–224
Financial income and expenses		192	–61
Profit before taxes		**–4,312**	**–5,921**
Income taxes	14	–105	4
Profit/loss for the period		**–4,417**	**–5,917**
Income for the period, discontinued operations	5	3,257	–
Available-for-sale financial assets		81	106
Translation differences		0	5
Comprehensive income to be recognised through profit or loss		81	111
Total comprehensive income for the period		**–1,080**	**–5,806**
Distribution of profit for the period to equity holders of the parent company		–1,161	–5,917
Total		**–1,161**	**–5,917**
Distribution of comprehensive income to equity holders of the parent company		–1,080	–5,806
Total		**–1,080**	**–5,806**
Earnings per share, diluted and undiluted, EUR	15	–0.32	–0.43
Undiluted earnings per share, discontinued operations, EUR	15	0.23	
Diluted earnings per share, discontinued operations, EUR	15	0.22	

Consolidated balance sheet

1,000 €	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	16	1,607	1,732
Tangible assets	17	857	506
Other financial long-term assets	18	4	1,002
Deferred tax assets	19	30	4
Total non-current assets		**2,497**	**3,244**
Current assets			
Inventories	20	816	646
Trade and other receivables	18, 21	775	7,703
Other financial short-term assets	18, 22	9,811	15,246
Cash and cash equivalents	18, 22	608	467
Total current assets		**12,011**	**24,062**
Total assets		**14,508**	**27,306**

Other receivables in 2013 include EUR 6.8 million in receivables from a business transaction completed in 2011; the funds are placed in a escrow account. Funds were released from the escrow account on 31 March 2014.

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	Note	31 Dec 2014	31 Dec 2013
Share capital	23	2,350	2,348
Invested unrestricted equity fund	23	1,882	2,750
Translation differences	23	5	5
Retained earnings		8,439	17,347
Shareholders' equity attributable to parent company shareholders		**12,677**	**22,450**
Total equity		**12,677**	**22,450**
Non-current liabilities			
Deferred tax liabilities	19, 26	200	209
Other liabilities	18, 26	3	–
Total non-current liabilities		**203**	**209**
Current liabilities			
Trade payables	18, 26	529	341
Current interest-bearing liabilities	18, 25	256	384
Tax liabilities	18, 26	54	65
Other liabilities	18, 26	789	3,856
Total current liabilities		**1,628**	**4,647**
Total equity and liabilities		**14,508**	**27,306**

Consolidated statement of changes in shareholders' equity

1,000 €	Shareholders' equity attributable to parent company shareholders				
	Share capital	Translation differences	Invested unrestricted equity fund	Retained earnings	Total equity
Shareholders' equity on 1 Jan 2013	2,315	–	3,226	29,951	35,492
Distribution of dividend	–	–	–	–6,792	–6,792
Capital repayment	–	–	–3,225	–	–3,225
Directed share issue	31	–	1,096	–	1,127
Management incentive system	–	–	1,610	–	1,610
Exercise of share options	3	–	42	–	45
Total comprehensive income for the period	–	5	–	–5,811	–5,806
Shareholders' equity on 31 Dec 2013	2,348	5	2,750	17,347	22,450

1,000 €	Shareholders' equity attributable to parent company shareholders				
	Share capital	Translation differences	Invested unrestricted equity fund	Retained earnings	Total equity
Shareholders' equity 1 Jan 2014	2,348	5	2,750	17,347	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	–	–1,080	–1,080
Shareholders' equity 31 Dec 2014	2,350	5	1,882	8,439	12,677

Consolidated cash flow statement

1,000 €	Note	2014	2013
Cash flow from operating activities			
Profit for the period		–1,161	–5,917
Adjustments to profit for the period			
Non-cash transactions		–2,661	1,612
Depreciation		231	207
Unrealised exchange rate gains and losses		–2	–0
Financial income and expenses		–190	61
Income taxes		105	–0
Total adjustments to profit for the period		–2,517	1,880
Change in working capital			
Increase (-) or decrease (+) in current non-interest-bearing trade receivables		151	–368
Increase (-) or decrease (+) in inventories		–148	–202
Increase (+) or decrease (-) in current non-interest-bearing liabilities		204	53
Total change in working capital		207	–516
Interest paid		–44	–199
Interest received		210	280
Realised exchange rate gains and losses		–14	–26
Income taxes paid		–117	56
Net cash flow from operating activities		**–3,435**	**–4,443**
Cash flow from investing activities			
Investments in tangible and intangible assets		–401	–475
Revenue from disposal of tangible and intangible assets		12	–
Capital gains from investments in funds and deposits		6,516	15,108
Capital gain from the sale of liquid handling business		6,814	–
Net cash flow from investments		**12,941**	**14,633**
Cash flow from financing activities			
Rights issue		751	45
Dividend paid and other profit distribution		–9,991	–10,017
Repayment of loans		–128	–
Net cash flow from financing activities		**–9,369**	**–9,972**
Change in cash and cash equivalents		**137**	**218**
Cash and cash equivalents at the beginning of the period		467	248
Effect of exchange rates		4	0
Cash and cash equivalents at the end of the financial period	22	**608**	**467**

Notes to the consolidated financial statements

1 COMPANY PROFILE

Biohit Oyj is a Finnish public company that manufactures diagnostics products and diagnostics analysis systems for use in research institutions, healthcare and industrial laboratories. The parent company is domiciled in Helsinki.

Copies of the consolidated financial statements are available on the Internet at www.biohithealthcare.com or from the parent company's headquarters, address Laippatie 1, Helsinki, Finland.

At its meeting on 23 February 2015, Biohit Oyj's Board of Directors approved the financial statements for publication. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting can also decide to revise the financial statements.

2 ACCOUNTING POLICIES APPLIED IN THE FINANCIAL STATEMENTS

Accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been drawn up in compliance with the IAS and IFRS standards and the SIC and IFRIC interpretations in effect as at 31 December 2014. The term "IFRS standards" in the Finnish Accounting Act and the provisions laid down pursuant to the Act refers to the standards approved by the EU in accordance with the procedures laid down in IAS Regulation (EC) 1606/2002 of the European Parliament, and the interpretations of these standards. The notes to the consolidated financial statements also conform to Finnish accounting and corporate legislation.

The consolidated financial statements have been drawn up on the basis of original acquisition costs, with the exception of available-for-sale investments and financial assets and liabilities measured at fair value through profit or loss. The figures in the financial statements are presented in thousands of euros.

All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figures. Key figures have been calculated using exact figures.

When financial statements are prepared in accordance with IFRS, the Group's management must make estimates and exercise judgement in the application of accounting policies. The note "Accounting principles requiring judgements by management and key sources of estimation uncertainty" provides information on the judgements that have been made by management in the application of the accounting principles employed by the Group and which have the greatest impact on the figures presented in the financial statements.

Presentation

The consolidated income statement is presented as a single statement, showing the profit or loss from the Group's continuing operations first, followed by the profit or loss from discontinued operations shown on one line.

Principles of consolidation

The consolidated financial statements include the parent company Biohit Oyj and all of its subsidiaries and the joint venture. Subsidiaries are those companies in which the Group has a controlling interest, that is, in which the Group holds over half of the voting rights or otherwise has a controlling interest. "Controlling interest" means the right to dictate a company's financial and business principles in order to benefit from its operations.

The acquisition cost method has been used in eliminating cross-ownership of shares within the Group. The acquisition cost is taken to include surrendered assets at fair value, liabilities that have arisen or for which responsibility has been adopted and equity instruments issued. Acquired subsidiaries are included in the consolidated financial statements as from the moment when the Group has assumed a controlling interest, and divested subsidiaries are

included until the moment when the Group ceases to have a controlling interest. All intra-Group transactions, receivables, liabilities, unrealised profits and internal distribution of profits are eliminated when drawing up the consolidated financial statements. Unrealised losses are not eliminated if they are due to impairment. The distribution of profit for the period to the equity holders of the parent company and minority interests is presented in the income statement. Minority interest in equity is presented in the balance sheet as a separate item under shareholders' equity. The minority interest share of accumulated losses is recognised in the consolidated financial statements up to the amount of the investment at most. The Group does not have any associated companies or minority shareholders.

Translation of items denominated in foreign currency

Figures relating to the result and financial position of each of the Group's business units are measured in the currency of the main operating environment for that unit. The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company.

Foreign currency transactions are recorded in the functional currency using the exchange rates on the date of the transaction in question. Monetary receivables and liabilities are converted using the rates on the closing date. Non-monetary items denominated in foreign currency are translated to the functional currency at the rate on the transaction date. Exchange rate differences on translation have been entered in the income statement. Exchange rate differences arising from the translation of intra-Group trade receivables and payables are recorded under financial items, and the corresponding external items are accounted for as sales or purchases adjustment items. The income statements of foreign subsidiaries have been translated into euros using the average exchange rates for the financial period. Their balance sheets have been translated using the rates on the closing date. The exchange rate difference resulting from the use of the average exchange rate in the translation of income statement items and the closing date rate in the balance sheets has been entered as a separate item under translation differences in consolidated shareholders' equity. Exchange rate differences in monetary items that are classed as net investments in foreign subsidiaries are entered under translation differences. In accordance with the exception permitted by IFRS 1, cumulative translation differences prior to the IFRS transition date are recorded under retained earnings at the time of the transition to IFRS, and will not be recorded in the income statement in the event of subsequent divestment of the subsidiary.

Business segments

The company's product portfolio consists of diagnostic tests, acetaldehyde binding products and monoclonal antibodies. The Group classifies its entire product portfolio in one segment. Segment information is reported to the chief operational decision-maker by means of internal reporting in a standardised manner. The chief operational decision-maker, responsible for allocating resources to the business segment, is the Group's management team.

Income recognition

The sale of goods and services is recognised as income when the significant risks and rewards related to ownership are transferred to the buyer, and the payment of goods and services, costs or the possible return of the goods does not involve significant uncertainty. The income recognised is the fair value of the consideration received from the goods or services sold less value-added tax and both bulk and other discounts as well as exchange rate gains or losses on the sale. Interest income is recognised using the effective interest method. Dividend income is recorded when the rights to the dividends have materialised.

Property, plant and equipment

Property, plant and equipment have been valued at the original acquisition cost less accumulated depreciation and impairment. The acquisition cost includes the direct costs of acquisition. Later expenditure is included in the carrying amount of the asset or recognised as a separate asset only if it is probable that the Group will benefit from the future economic benefits of the asset and the acquisition cost of the asset can be reliably measured. Other repair and maintenance expenditure is recognised through profit or loss in the period incurred.

Assets are amortised on a straight-line basis over their estimated useful life. There is no depreciation on land areas. The estimated useful lives of assets are as follows:

Buildings	20–30 years
Machinery and equipment	3–10 years

The residual values and useful lives of assets are reviewed in each financial statement. If necessary, they are adjusted to reflect the changes in the expected economic

benefits. Capital gains and losses on the discontinuation or disposal of property, plant and equipment are included in other operating income or expenses.

Public grants

Public grants received for the acquisition of intangible assets and property, plant or equipment are recognised as decreases in the carrying amounts of property, plant and equipment. Grants are recognised as revenue through smaller depreciation over the useful life of the asset. Grants not related to the acquisition of non-current assets are booked in other operating income.

INTANGIBLE ASSETS

Research and development expenditure

Research expenditure is expensed in the income statement. Development expenditure on the design of new or more advanced products is capitalised as intangible assets in the balance sheet as from the date when the product is technically feasible, can be utilised commercially, and is expected to yield future economic benefits. Expensed development expenditure is not capitalised later. Amortisation begins when the asset is ready to be used.

Other intangible assets

An intangible asset is recorded in the balance sheet only if the asset's acquisition cost can be reliably determined and it is probable that the company will benefit from the expected economic benefits of the asset. Other intangible assets with a finite useful life are entered in the balance sheet at the original acquisition cost and expensed in the income statement on a straight-line basis over their known or estimated useful lives or on a progressive basis. The Group has no intangible assets with unlimited useful lives.

The depreciation periods are as follows:

Patents	10 years
Development expenditure	5 years
IT software	3 years
Other intangible assets	5–10 years

Impairment of tangible and intangible assets

At each closing date, the Group evaluates whether there are indications of impairment on any asset item. If impairment is indicated, the recoverable amount of the asset is estimated. The recoverable amount for goodwill is also assessed annually regardless of whether impairment is indicated. Impairment is examined at the level of cash generating units, that is, at the lowest unit level that is primarily independent of other units and whose cash flows can be separated out from other cash flows. The discount interest used is determined before taxes and describes the market outlook for the time value of money and the risks associated with the asset items to be tested.

The recoverable amount is the fair value of the asset item less the costs of disposal or the value in use, whichever is higher. Value in use is the estimated net cash flow, discounted to its present value, from the asset item or cash-generating unit in question. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered immediately in the income statement. If the impairment loss is allocated to a cash generating unit, it is first allocated as a reduction to the goodwill of the cash generating unit and subsequently as a reduction to the other asset items of the unit on a pro rata basis. An impairment loss is reversed if the situation changes and the recoverable amount of an asset item has changed since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset exclusive of impairment losses. Impairment losses on goodwill are never reversed under any circumstances.

Inventories

Inventories are measured either at the acquisition cost or at the net realisable value, whichever is lower. The acquisition cost is determined using the FIFO principle. The acquisition cost of finished and incomplete products comprises raw materials, direct labour costs, other direct costs, and the appropriate portion of the variable general costs of manufacture and fixed overhead at a normal level of operations. The net realisable value is the estimated selling price in ordinary business operations less the estimated expenditure on product completion and sale.

Pension obligations

Group companies have organised their pension security in accordance with the pension legislation and practices of the country in question. The majority of the Group's pension schemes are defined contribution schemes for which payments are expensed in the period in which they occur. Defined benefit pension schemes are entered into the income statement such that expenses are periodised over the years in employment of the employee on the basis of annual actuarial calculations.

Share-based payments

The Group has incentive systems in which payments are made in equity instruments. The benefits granted through these arrangements are measured at fair value on grant date and recognised as expenses over the vesting period. The effect of these arrangements on profit or loss is recorded under employee benefit expenses.

Expenses determined on option grant date are based on the Group's estimate of the number of options expected to vest at the end of the vesting period. The Group updates its estimate of the final number of options on the closing day of each reporting period. Changes in the estimates are recognised through profit or loss. The Black-Scholes option pricing model is used to determine the fair value of option arrangements. Other market-based conditions, such as profitability and a specific performance growth target, are not taken into consideration when determining the fair value of the option; they affect the estimate of the final number of options.

When options are exercised, the proceeds from share subscriptions are recognised in accordance with the terms of the arrangement: nominal value under shareholders' equity and any excess under invested non-restricted equity fund.

Provisions

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialisation of the payment obligation is probable, and the size of the obligation can be reliably estimated. The amount recognised as a provision represents the best estimate of the expenditure required to fulfil the existing obligation on the closing date. If the time value of money is material, the provision recorded is the present value of expected expenditure.

Taxes on the taxable income for the period and deferred taxes

Tax expenses in the income statement comprise taxes on the taxable income for the period and deferred tax liabilities. Taxes on the taxable income for the period are calculated on the taxable income on the basis of the tax base in force in the country in question. If applicable, taxes are adjusted for the taxes of previous periods.

Deferred taxes are calculated on all temporary differences between the carrying amount and taxable value. The largest temporary differences arise from the depreciation of property, plant and equipment, unused tax losses, and the internal margin included in inventories.

No deferred taxes are calculated on goodwill impairment that is not deductible in taxation and no deferred taxes are recognised on the undistributed profits of subsidiaries to the extent that the difference is unlikely to be discharged in the foreseeable future.

Deferred taxes are calculated using the tax bases set by the closing date. Deferred tax assets have been recognised to the extent that it is probable that taxable income against which the temporary difference can be applied will materialise in the future.

Financial assets and liabilities

The Group's financial assets are categorised as: financial assets at fair value through profit or loss, loans, held-to-maturity financial assets and other receivables, and available-for-sale financial assets. Financial assets are classified in accordance with the purpose underlying their acquisition, and are categorised on initial recognition. All acquisitions and sales of financial assets are booked on the date of the transaction. Financial assets are derecognised in the balance sheet when the Group has lost its contractual rights to their cash flows, or when the Group has substantially transferred the risks and rewards out of the Group.

Financial assets at fair value through profit or loss include financial asset items that have been acquired to be held for trading or which have been measured at fair value through profit or loss on initial recognition (use of the fair value alternative). Held-for-trading assets are investments in fixed-term deposits and business loans, and are included in current and non-current assets. 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 realised and unrealised gains and losses due to changes in fair value are recorded in financial items in the income statement on the period in which they were incurred.

Loans and other receivables are assets that exclude derivative assets and whose related payments are fixed or definable. They are not quoted on well-functioning markets and are not held for trading. Assets are measured at the periodised acquisition cost using the effective interest rate method. They are included in the balance sheet as either current or non-current financial assets – non-current if they do not mature within the next 12 months. This category mainly consists of trade receivables.

Available-for-sale financial assets comprise assets not included in derivative assets, such as money market investments, which are either expressly classified in

this group or that are not classified in any other group. Available-for-sale financial assets typically include investments which the company does not trade actively but which the company can divest if necessary. Investments classified in this group are measured at fair value and any change in value is recorded under shareholders' equity in comprehensive income items. Profit or loss from available-for-sale investments is recognised when the investment is divested or upon maturity. Any interest or dividend income is recorded in the income statement under financial items.

Cash and cash equivalents comprise cash at bank and in hand and other liquid investments with a maturity of less than 3 months.

Financial liabilities are originally booked at their fair value on the basis of the consideration received. Transaction costs have been included in the original carrying amount of financial liabilities. All financial liabilities are later valued at the periodised acquisition cost using the effective interest rate method. Financial liabilities are included in current and non-current liabilities and may be interest-bearing or non-interest-bearing. Interest-bearing liabilities comprise financial liabilities requiring the company to make contractual interest or other payments during the term of the loan. Non-interest-bearing liabilities comprise liabilities for which the company does not have to make contractual interest or other payments. The principles used for determining the fair values of financial assets and liabilities are presented in note 19 to the financial statements.

Impairment of financial assets

At every closing date, the Group evaluates whether there is objective evidence indicating impairment in the value of either a single item or a group of financial assets. If there is evidence of impairment, impairment is recognised through profit or loss. If the impairment loss decreases in a subsequent financial year, the recognised loss is reversed through profit or loss, except in the case of available-for-sale investments classed as equity instruments. Impairment of the latter is not reversed through profit or loss.

The Group recognises an impairment loss on trade receivables when there is reliable evidence to indicate that the receivable cannot be collected according to the original terms. The impairment loss to be recognised in the income statement is defined as the difference between the carrying amount of the receivable and the estimated present value of future cash flows adjusted using the effective discount interest rate. If the impairment loss decreases in a subsequent financial year and the reduction can be considered as relating to an event after the recognition of impairment, the recognised loss is then reversed through profit or loss.

Definition of operating profit or loss

The IAS 1 standard – Presentation of Financial Statements – does not include a definition of operating profit. The Group has defined it as follows: operating profit or loss is the net sum remaining after other operating income is added to net sales, less purchasing costs (adjusted for the change in inventories of finished goods and work in progress and the costs incurred from production for own use) and less expenses, depreciation and potential impairment losses caused by employee benefits and other operating expenses. All other income statement items except the above-mentioned are presented below operating profit/loss. Translation differences and changes in the fair value of derivatives are included in operating profit/loss if they are incurred from items related to operational activities; otherwise they are entered under financial items. Exchange rate differences on intra-Group receivables and liabilities are booked under financial items.

Accounting principles requiring judgements by management and key sources of estimation uncertainty

When preparing financial statements, estimates and assumptions about the future must be made, which is why the actual results may differ from these estimates and assumptions. Management must also exercise judgement in the application of accounting policies. Although estimates are based on the most up-to-date information available, actual results may differ from these estimates. The major areas in which estimation and judgement have been used are described below.

IMPAIRMENT TESTING

The Group tests goodwill and incomplete intangible assets for impairment on at least an annual basis, and evaluates whether there are indications of impairment as presented in the accounting policies above. The recoverable amount from cash generating units has been defined on the basis of value in use calculations. Estimates must be used when performing these calculations.

Deferred tax assets

In the case of unused tax losses and the deferred tax assets recognised on temporary differences, the Group

evaluates annually whether it is probable that the company in question will generate sufficient taxable income before the unused tax losses lapse.

Adoption of new or amended IFRS standards and IFRIC interpretations

Biohit will adopt new or revised IFRS standards and interpretations when they come into force or when they have been endorsed by the EU. The consolidated financial statements have been prepared in compliance with the same accounting principles as in 2013, with the exception of the following new standards, interpretations and amendments to existing standards that the Group has adopted as of 1 January 2014.

Amendment to the transitional provisions of IFRS 10, 11 and 12: the transitional provisions of IFRS 10, 11 and 12 have been relaxed such that adjusted comparable figures are only required for one financial year. Comparative figures for structured entities that have not been combined in the consolidated financial statements need not be presented for the periods preceding the adoption of IFRS 12.

IFRS 10 Consolidated Financial Statements: the goal of IFRS 10 is to establish principles that apply to the preparation and presentation of consolidated financial statements when an entity has control over one or more other entities. The standard defines the principle of control and establishes control as the basis for consolidation in the consolidated financial statements. The standard provides guidance for the application of the concept of control when ascertaining whether an investor has control over an entity and whether it therefore must consolidate the entity into its consolidated financial statements.

The standard also includes requirements governing to the procedures for drafting consolidated financial statements. The implications of the adoption of the IFRS 10 standard are set out below in the section entitled "Effects of the introduction of IFRS standards 10 and 11".

IFRS 11 Joint Arrangements: as a result of IFRS 11, the treatment of joint arrangements will become more realistic. It will shift the focus onto the rights and obligations arising from joint arrangements rather than the legal form. There are two types of joint arrangement: joint operations and joint ventures. Parties to joint operations have rights related to the assets and obligations related to the arrangement. The parties account for their own shares of the assets, liabilities, income and expenses. In joint ventures, the parties have rights to the net assets of the arrangement and they account for their shares using the equity method. Proportionate consolidation of joint ventures is no longer permitted.

The effect of the introduction of the IFRS 11 standard is presented below in the section titled "Effects of the introduction of IFRS standards 10 and 11".

IFRS 12 Disclosure of Interests in Other Entities: IFRS 12 includes disclosure requirements related to shareholdings of all types. It applies to joint arrangements, associates, special purpose entities and other off balance sheet vehicles. This change had no impact on the Group's financial statements for 2014.

IAS 28 (revised in 2011) Investments in associates and joint ventures: the revised standard includes requirements governing the treatment of associates and interests in joint ventures. As a result of the publication of IFRS 11, both will become subject to the equity method. This change had no impact on the Group's financial statements for 2014.

Effects of the introduction of IFRS standards 10 and 11

Effects of the introduction of IFRS 10 and 11 - changes in accounting policies: On 1 January 2014, Biohit Oyj introduced the IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements. The introduction of these standards affected the accounting treatment of Biohit's Chinese joint venture, Biohit Biotech (Hefei) Co. On the closing dates 31 December 2013 and 31 December 2014, joint control as defined in the new IFRS 10 was not exercised as referred to in the standard and in the shareholder agreement; therefore the investment is not presented in the balance sheet in accordance with the new standards.

According to management estimates, joint control as defined in IFRS 10 and in the shareholder agreement was achieved during the first quarter of 2015. From there on, the joint venture will be consolidated using the equity method.

No adjustments to income statement or cash flow statement.

Adjustments to balance sheet

1,000 €	31 Dec 2013 published	Adjust-ment	31 Dec 2013 ad-justed
Total assets	28,302	-997	27,305
Share in joint venture	997	-997	0
Total liabilities	28,302	-997	27,305
Deferred gain	997	-997	0

New standards and interpretations that have not yet been introduced

Biohit has not yet adopted the following new and amended standards and interpretations, which have already been published but which have not been endorsed by the European Union. The Group intends to adopt them on the day they enter into force or from the beginning of the subsequent financial period if they enter into force on a date other than the first day of the financial period.

The amendments to IAS 1 are part of the IASB's "Disclosure Initiative" project. The changes concern defining materiality, combining items, presenting subtotals, structuring the financial statements and presenting the principles used to prepare the financial statements. The changes will be adopted for financial periods beginning on or after 1 January 2016. The changes have not yet been endorsed by the EU.

IFRS 9 Financial Instruments concerns the classification, measurement and recognition of financial assets and liabilities. It replaces the sections of IAS 39 that apply to the classification and valuation of financial instruments. IFRS 9 requires financial assets to be classified into three valuation categories: assets recognised at deferred acquisition cost, assets recognised at fair value through other comprehensive income and assets recognised at fair value through the income statement. The classification is determined upon initial recognition. The classification depends on the business model that is used to manage the financial assets and the cash flow characteristics of the instrument. As regards financial liabilities, the standard retains most of the requirements of IAS 39. The most important change concerns situations in which financial liabilities are recognised using a fair value option. In such circumstances, changes in fair value arising from the company's own credit risk are recognised in other comprehensive income instead of being entered into the income statement, unless this leads to an accounting mismatch. The standard will be adopted for financial periods beginning on or after 1 January 2018. Earlier adoption is permitted. If a company chooses to adopt the standard early, all of the standard's requirements must be adopted simultaneously. The standard has not yet been endorsed by the EU.

IFRS 15 Revenues from Contracts with Customers determines how and when an IFRS reporter will recognise revenues. The standard also requires companies to provide users of financial statements with more informative and relevant information. The standard provides a common, principle-based five-step model to be applied to all customer agreements. IFRS 15 was published in May 2014 and it will be adopted for financial periods beginning on or after 1 January 2017. The standard has not yet been endorsed by the EU. Biohit is not currently evaluating the effects of adopting the new standards. Other IFRS standards or IFRIC interpretations that have already been published but have not yet been adopted are not expected to have a material impact on the Group.

3 SEGMENT REPORTING

Biohit's product portfolio consist of diagnostic tests, acetaldehyde-binding products and monoclonal antibodies. The entire portfolio is reported as one segment.

4 ACQUISITIONS

Acquisition of a subsidiary

There were no acquisitions in 2014.

On 18 April 2013, Biohit acquired Euroclone Gastro S.r.l., a company specialising in gastrointestinal diagnostics, from the Italian Euroclone S.p.A. Following the acquisition, Euroclone Gastro S.r.l. became Biohit Oyj's fully-owned subsidiary, Biohit Healthcare S.r.l. This acquisition strengthens Biohit Oyj's diagnostics distribution in Italy.

The acquired company was established in March 2013 to enable the completion of this transaction. Previously, Euroclone S.p.A. was Biohit Oyj's diagnostics distributor in Italy. Euroclone S.p.A.'s gastrointestinal diagnostics unit recorded net sales of EUR 0.8 million in 2012 and its net result was slightly negative. The acquired company has assets and inventory worth of 0.1 million euros and the company has no debt. The acquired company employed 2 key employees from Euroclone S.r.l. In connection with the acquisition, Franco Aiolfi was appointed Managing Director of Biohit Healthcare S.r.l. One-off expenses associated with the acquisition were not significant.

For the total ownership of Euroclone Gastro S.r.l., Biohit Oyj issued 180,000 new Biohit B-shares. At the share price quoted on 17 April 2013, the sale price amounted to EUR 1,126,800.00.

1,000 €	
Fair value of the shares issued	1,127

The value of advisory, valuation and other similar services associated with the acquisition was not significant.

The values of acquired assets and liabilities at the time of acquisition were as follows:

1,000 €	Fair value on acquisition date
Tangible and intangible assets	40
Customer contracts and the associated customer relationships	1,250
Inventories	38
Trade and other receivables	1
Cash and cash equivalents	3
Total assets	**1,333**
Deferred tax liabilities	206
Total liabilities	**206**
Net worth	**1,127**

Biohit Healthcare S.r.l. is consolidated since the acquisition date 18 April 2013.

5 OTHER OPERATING INCOME

1,000 €	2014	2013
Continuing operations		
Grants	239	33
Other	5	11
Total	245	44
Discontinued operations		
Profit for the period, discontinued operations	3,257	–
Total	3,257	–

6 ACQUISITION AND PRODUCTION EXPENSES

1,000 €	2014	2013
Materials, supplies and other direct expenses	1,924	1,701
Total	1,924	1,701

7 SALES AND MARKETING EXPENSES

1,000 €	2014	2013
Employee benefit expenses	987	880
Travel and other personnel-related expenses	148	189
Rent and maintenance expenses	59	55
Marketing and sales expenses	643	686
Other external services	142	136
Other operating expenses	30	422
Depreciation, machinery and equipment	49	-
Total	2,058	2,369

8 ADMINISTRATIVE EXPENSES

1,000 €	2014	2013
Employee benefit expenses *)	1,766	1,550
Travel and other personnel-related expenses	162	265
Rent and maintenance expenses	305	227
Other external services	463	429
Other operating expenses **)	292	1,576
Depreciation, machinery and equipment	75	175
Total	3,063	4,223

*) Includes EUR 306,000 in option-related expenses recorded for 2013 and EUR 549,000 recorded for 2014.

**) Includes EUR 1,304,000 in option-related expenses recorded for 2013.

9 RESEARCH AND DEVELOPMENT EXPENDITURE

1,000 €	2014	2013
Employee benefit expenses	838	468
Travel and other personnel-related expenses	46	45
Rent and maintenance expenses	22	9
Other external services	562	456
Other operating expenses	492	53
Depreciation, intellectual property rights	107	32
Total	2,067	1,063

Information about management's employee benefits is presented in Note 28 Related party transactions.

10 NUMBER OF PERSONNEL

	2014	2013
Average number of salaried personnel	50	43
Average number of non-salaried personnel	–	1
Average number of personnel	50	44
Number of personnel at the end of the period	51	47

11 DEPRECIATION

1,000 €	2014	2013
Intangible assets	113	115
Buildings	11	11
Machinery and equipment	107	81
Total	231	207

12 AUDITORS' FEES

1,000 €	2014	2013
Auditors' fees	67	42
Other services *	61	33
Total auditors' fees	127	75

* Other services included EUR 29,000 total auditor fees paid to EY (2013: EUR 33,000)

13 FINANCIAL INCOME AND EXPENSES

1,000 €	2014	2013
Currency exchange gains from financial assets and liabilities	1	1
Gains from financial assets at fair value through profit or loss	42	66
Other financial income	207	97
Total	250	164
Interest expenses on financial liabilities	–3	–4
Currency exchange losses from financial assets and liabilities	–12	–26
Fees and other remuneration	–24	–39
Other financial expenses	–20	–155
Total	–58	–224
Total financial income and expenses	192	–61

14 INCOME TAXES

Direct taxes

1,000 €	2014	2013
Taxes on taxable income for the period, tax rate 20%	–67	–
Taxes on taxable income for the period, tax rate 24.5%	–	0
Taxes from previous period	–54	1
Deferred taxes	16	4
Total direct taxes	–105	4

Reconciliation of tax expenses in income statement

1,000 €	2014	2013
Profit before taxes	–4,312	–5,921
Taxes at the rate for the parent company 20.0% in 2014	862	–
Taxes at the rate for the parent company 24.5% in 2013	–	1,451
Effect of different tax rates of foreign subsidiaries	–67	0
Unrecognised deferred tax assets from tax losses	–768	–1,242
Non-deductible expenses	–94	–209
Taxes in previous financial years	–54	–
Change in deferred taxes	16	4
Taxes in the income statement	–105	4

15 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.

	2014	2013
Earnings for the period attributable to equity-holders of the parent company, EUR 1,000	–4,417	–5,917
Result for the period for the calculation of earnings per share adjusted with the dilution effect.	–4,417	–5,917
Average number of shares, undiluted	13,941,286	13,727,251
Impact of stock options	580,000	187,892
Average number of shares, diluted	14,521,286	13,915,143
Earnings per share, undiluted, EUR	–0.32	–0.43
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.

16 INTANGIBLE ASSETS

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	–1,232
Carrying amount 1 Jan 2014	1,707	25	1,732
Carrying amount 31 Dec 2014	1,599	9	1,607

2013

1,000 €	Intellectual property rights	Goodwill	Other intangible assets
Acquisition cost 1 Jan 2013	540	702	1,242
Increases	1,600	10	1,610
Acquisition cost 31 Dec 2013	2,140	712	2,852
Accumulated depreciation and impairment 1 Jan 2013	–355	–664	–1,019
Depreciation	–78	–23	–101
Accumulated depreciation and impairment 31 Dec 2013	–433	–687	–1,120
Carrying amount 1 Jan 2013	185	39	224
Carrying amount 31 Dec 2013	1,707	25	1,732

Intellectual property rights consist of patents.

17 TANGIBLE ASSETS

2014

1,000 €	**Buildings**	**Machinery and equipment**
Acquisition cost 1 Jan 2014	147	1,123
Increases	–	469
Acquisition cost 31 Dec 2014	147	1,592
Accumulated depreciation and impairment 1 Jan 2014	–110	–654
Depreciation	–11	–107
Accumulated depreciation and impairment 31 Dec 2014	–121	–761
Carrying amount 1 Jan 2014	37	469
Carrying amount 31 Dec 2014	26	831

2013

1,000 €	Buildings	Machinery and equipment
Acquisition cost 1 Jan 2013	147	906
Increases	–	217
Acquisition cost 31 Dec 2013	147	1,123
Accumulated depreciation and impairment 1 Jan 2013	–99	–522
Accumulated depreciation from acquisition	–	–50
Depreciation	–10	–82
Accumulated depreciation and impairment 31 Dec 2013	–110	–654
Carrying amount 1 Jan 2013	47	384
Carrying amount 31 Dec 2013	37	469

18 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

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	

Balance sheet values of financial assets by category, 31 Dec 2013

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	-	1,000	1,002	1,002	2
Total	2	–	1,000	1,002	1,002	
Current financial assets						
Trade and other receivables	7,703	–	–	7,703	7,703	
Other current financial assets	–	15,246*	–	15,246	15,246	2
Cash and cash equivalents	467	–	–	467	467	
Total	8,170	15,246	–	23,416	23,416	
Total financial assets	8,172	15,246	1,000	24,418	24,418	

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

Other receivables in 2013 include EUR 6.8 million in receivables from a business transaction completed in 2011; the funds are placed in a escrow account. 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 2014	Fair value 2014	Carrying amount 2013	Fair value 2013
Other liabilities	3	3	–	–
Total	3	3	0	0
Current financial liabilities measured at amortised cost				
Other interest-bearing liabilities	256	256	384	384
Trade payables	529	529	341	341
Tax liabilities	54	54	65	65
Other liabilities	789	789	3,856	3,856
Total	1,628	1,628	4,647	4,647
Total financial liabilities	1,631	1,631	4,647	4,647

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.

19 DEFERRED TAXES

1,000 €	2014	2013
Deferred tax assets		
Deferred tax assets	26	–
Internal margin on inventories	4	4
Total	30	4
Deferred tax liabilities		
Acquisitions, customer relationships	199	206
Tangible assets	2	2
Total	200	209

The Group has tax-deductible losses of EUR 11.9 million for 2012, 2013 and 2014, for which no deferred tax assets have been recognised.

Of the total losses, EUR 11.7 million were generated in Finland (2012: EUR 3.4 million, 2013: EUR 4.4 million, 2014: EUR 3.9 million) and EUR 0.2 million in the Italy. In Finland the losses will become void in 10 years.

20 INVENTORIES

1,000 €	2014	2013
Materials and supplies	411	307
Work in progress	223	168
Completed products/goods	182	172
Total inventories	816	646

21 TRADE AND OTHER RECEIVABLES

Non-current receivables

1,000 €	**2014**	2013
Held-to-maturity investments	-	1,000
Long-term interest-bearing receivables	34	6
Total	34	1,006

Current receivables

1,000 €	**2014**	2013
Trade receivables	481	512
Prepayments and accrued income	252	7,189
Other receivables	41	2
Total	775	7,703

Prepayments and accrued income include EUR 6.8 million in receivables from a business transaction completed in 2011; these were released on 31 March 2014. A breakdown of trade receivables by age is presented in Note 27.

22 CASH AND CASH EQUIVALENTS

1,000 €	**2014**	2013
Cash and cash equivalents	608	467
Available-for-sale financial assets	9,810	15,246
Total	10,419	15,713
Cash and cash equivalents in the cash flow statement	608	467

23 NOTES CONCERNING SHAREHOLDERS' EQUITY

Biohit Oyj's share capital is EUR 2,347,800.81 and the number of shares is 13,810,593, of which 2,975,500 (2,975,500) are Series A shares and 11,160,093 (10,835,093) Series B shares. The Series B shares are quoted on the stock exchange.

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 180,000 new shares issued in connection with the acquisition of Biohit Healthcare S.r.l. involve a transfer limitation, which was removed on 14 April 2014. Following this removal of limitation, 60,000 shares may be transferred per year. In 2014, a total of 7,193 shares for which the transfer limitation was removed were transferred.

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.

24 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 June 2013	19 June 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	2014	2013
At the beginning of period	905,000	–
New options granted	–	920,000
Lost options	–	–
Exercised options	325,000	15,000
Lapsed options	–	–
At the end of period	580,000	905,000
Exercisable options at the end of the period	180,000	405,000
Exercise price as a weighted average per share, EUR	2.31	3.00

Dividends paid in accordance with the terms of the option scheme affect the exercise price. For the financial year ended on 31 December 2013, a dividend of EUR 0.7234 was paid for each series B share.

The weighted average closing price of the parent company share in 2014 was EUR 6.35 (EUR 6.59 in 2013). Options were exercised in the first, third and fourth 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 (EUR)	Weighted average of the validity period (years)	Number of stock options
2014	2.2	2.7	580,000
2013	3.0	3.7	905,000

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 2013

Option Scheme	I 2013	II 2013
Expected volatility	70 %–88%	70%
Expected average of option validity on grant date (years)	6	2
Risk-free interest %	0.59% –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

25 INTEREST-BEARING LIABILITIES

Interest-bearing liabilities, balance sheet values

1, 000 €	**2014**	2013
Long-term interest-bearing liabilities		
The company has no long-term interest-bearing liabilities		
Current interest-bearing debt		
Loans from financial institutions, current portion	256	384
Total	256	384
Total interest-bearing liabilities	256	384

Fair values for financial liabilities are presented in Note 18.

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.

26 TRADE AND OTHER PAYABLES

Non-current non-interest-bearing liabilities

1,000 €	**2014**	2013
Deferred tax liabilities	200	209
Other non-current liabilities	3	–
Total	203	209

Current non-interest-bearing liabilities

1,000 €	**2014**	2013
Trade payables	529	341
Tax liabilities	54	65
Accrued liabilities and prepaid income	789	3,856
Total	1,372	4,263
Total non-interest-bearing liabilities	1,575	4,471

The main item in accrued liabilities and prepaid income is amortised employee benefit. In 2013, accrued liabilities and prepaid income also included provisions for any liabilities associated with the business transaction in 2011.

27 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

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

2013

1,000 €	USD	GBP
Non-current liabilities	–	–
Open position	–	–
Current assets		
Trade and other receivables	–	43
Current liabilities		
Non-interest-bearing liabilities	–27	–
Open position	–27	43
Net position	–27	43

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 10.4 million (EUR 15.7 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 87.5 % (82.2%)

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

Financial liability maturity analysis 2013

1,000 €	‹ 1 year	1–5 years	› 5 years	Total
Trade payables and other non-interest-bearing liabilities	341	–	–	341
Repayments on loans from financial institutions	384	–	–	384
Interest expenses on loans from financial institutions	4	–	–	4
Total	730	–	–	730

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.

Trade receivables totalled EUR 0.5 million (EUR 0.5 million) on 31 December 2014. Trade receivables did not include any substantial receivables from a single customer. Maximum credit risk exposure is the carrying value of accounts receivable.

Breakdown of trade receivables by age

2014 1,000 €	**2014**	**Impairment loss**	**Net 2014**	2013	Impairment loss	Net 2013
Not yet falling due	315		315	274	–	274
Under 60 days due	118		117	187	–	187
61–120 days due	23		23	41	–	41
121–360 days due	31	–5	26	4	–	4
Over 360 days due	–	–	–	27	–21	7
Total	486	–5	481	533	–21	512

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. In 2013, EUR 30,000 worth of credit losses were recorded, while previously recorded credit losses in the amount of EUR 40,000 were reversed.

Equity structure management

The equity structure indicator – the equity ratio – is calculated by dividing the Group's shareholders' equity by the balance sheet total minus advances received and then multiplying the result by 100.

Equity ratio

1,000 €	**2014**	2013
Total shareholders' equity	12,688	22,450
Balance sheet total	14,508	27,306
Advances received	-4	0
Equity ratio	87.5 %	82.2 %

28 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 €	**2014**	2013
Parent company		
Management Teams	533	477
President & CEO	176	161
Members of the Scientific Advisory Board	190	204

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, as well as acting as Chairman of the Board of Directors. He has received a total of EUR 168 thousand (EUR 204 thousand) for his services. Franco Aiolfi has received other compensation of EUR 18 thousand (EUR 14 thousand).

1,000 €	2014	2013
Subsidiaries		
Managing directors	101	116

Fees paid to Board members

1,000 €	2014	2013
Parent company		
Osmo Suovaniemi	16	19
Franco Aiolfi	15	26
Eero Lehti	12	18
Seppo Luode	15	18
Mikko Salaspuro	15	18
Kalle Kettunen	–	6
Petteri Kilpinen	–	6
Saila Miettinen-Lähde	–	6
Parent company, total	73	117

Share-based payments

1,000 €	2014	2013
Parent company		
Management Teams	216	110
President & CEO	268	194
Key sales persons	64	
Members of the Scientific Advisory Board	–	1,304

On 31 December 2014, Board members and the President and CEO owned a total of 2,376,950 Series A shares and 3,671,283 Series B shares. These shares represent 42.8% of all company shares and 72.5% 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 2014, the Group's President and CEO owned 160,000 stock options (200,000). Members of the Group's Management Team did not own any stock options at the End of 2014 (60,000). Each option held by the President and CEO entitles him to subscribe for one Series B shares, representing 1.13% of all shares and 0.23% of all votes. The terms and conditions of the stock options held by the President and CEO and members of the management team are the same as those for other holders of stock options. The share-based payment granted to the President and CEO was measured at fair value on grant date and will be expensed on a straight-line basis over the vesting period 19 June 2013–31 May 2019.

Other operating expenses

1,000 €	2014	2013
Consulting, administrative and logistics fees		
Companies controlled by Board members	223	259
Total	223	259

Parent company and subsidiaries

Parent company Biohit Oyj, Finland	Group's holding
Biohit Healthcare Ltd, UK	100%
Biohit Healthcare S.r.l., Italy	100%
Biohit Healthcare Consulting (Shanghai) Co. LTD, China, company dissolution process is in progress	100%
Biohit Laboratory Services Oy, Finland	100%
Oy Finio Ab, Finland	100%
Vantaan Hienomekano Oy, Finland	100%

Biohit Healthcare Consulting (Shanghai) Co. Oy Finio Ab and Vantaan Hienomekano Oy did not conduct any business operations in 2014 or 2013.

Interest in the joint venture

Biohit Healthcare (Hefei) Co. Ltd *)	40%

*) The effects of the introduction of IFRS 10 and 11 are explained in more detail in the Notes to the Consolidated Financial Statements.

29 COLLATERALS AND CONTINGENT LIABILITIES

1, 000 €	**2014**	2013
Collateral granted on behalf of the parent company		
Guarantees	3	3
Other liabilities		
Leasing commitments:		
Due for payment in one year	83	82
Due for payment in more than one year but less than five years	108	59
Total	191	141
Other rental commitments:		
Due for payment in one year	183	207
Due for payment in more than one year but less than five years	684	271
Due for payment in more than 5 years	84	7
Total	951	485
Total other liabilities	1,142	626
Total collaterals and contingent liabilities	1,145	629

Key ratios

KEY FINANCIAL RATIOS

	IFRS 2010	IFRS 2011	IFRS 2012	IFRS 2013	**IFRS 2014**
Net sales	40,044	39,922	2,048	3,452	4,363
Change in net sales, %	13.2%	–0.3%	–94.9%	68.6%	26.4%
Operating profit/loss	507	44,262	–4,586	–5,860	–4,504
% of net sales	1.3%	110.9%	–223.9%	–169.8%	–103.2%
Profit/loss before extraordinary items and taxes	388	43,789	–3,659	–5,921	–4,312
% of net sales	1.0%	109.7%	–178.7%	–171.5%	–98.8%
Profit/loss before taxes	388	43,789	–3,659	–5,921	–4,312
% of net sales	1.0%	109.7%	–178.7%	–171.5%	–98.8%
Return on equity, %	0.5%	114.5%	–8.3%	–20.4%	–24.5%
Return on investment, ROI, %	4.2%	69.8%	–7.1%	–19.4%	–23.8%
Equity ratio	44.5%	74.0%	88.7%	82.2%	87.5%
Investments in fixed assets	2,569	4,069	281	1,827	447
% of net sales	6.4%	10.2%	13.7%	52.9%	10.2%
R&D expenditure	2,542	2,213	970	1,063	2,067
% of net sales	6.3%	5.5%	47.4%	30.8%	47.4%
Balance sheet total	29,383	71,472	40,007	27,306	14,508
Personnel, continuing operations	37	36	35	44	50
Average number of personnel	412	422	35	44	50

KEY RATIOS PER SHARE

	IFRS 2010	IFRS 2011	IFRS 2012	IFRS 2013	**IFRS 2014**
Earnings per share, undiluted, EUR	0.00*	2.86	–0.27	–0.43	–0.32
Equity per share attributable to the equity holders of the parent company, EUR	1.01	3.88	2.61	1.63	0.90
Price/earnings ratio, (P/E)	525	1.0	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
B share price development, EUR					
– average price	3.42	2.30	2.70	6.59	6.35
– lowest price	1.50	1.74	2.00	4.00	4.57
– highest price	4.91	3.96	4.13	9.10	8.17
–price at 31 December	2.10	2.93	4.00	7.56	4.68
Market capitalisation, EUR 1,000					
(assuming the market capitalisation value for series A shares is the same as for series B shares)	27,169	39,894	54,462	104,408	66,155
Turnover of Series B shares, 1,000 shares	9,415	3,003	5,376	8,593	4,029
–% of total number of shares	94.5%	30.1%	50.5%	79.3%	37.2%
Average number of shares,					
adjusted for share issues	12,937,627	13,163,616	13,615,593	13,727,251	13,941,286
–accounting for the dilutive effect of options and bonds	13,837,627	14,063,616	13,615,593	13,915,143	14,521,286
Total number of shares at the closing date,					
adjusted for share issues	12,937,627	13,615,593	13,615,593	13,810,593	14,135,593
–accounting for the dilutive effect of options and bonds	13,837,627	14,515,593	13,615,593	14,223,768	14,715,593

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 2014

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	%	Number of shares	%
1. Households	6,593	96.5	8,064,438	72.3
2. Financial and insurance institutions	9	0.1	16,700	0.1
3. Companies and housing corporations	200	2.9	2,811,435	25.2
4. Non-profit organisations	7	0.1	6,581	0.1
5. Public sector organisations	1	0.0	4,380	0.0
6. Nominee-registered and foreign holders	21	0.3	250,967	2.2
In joint account	0	0.0	5,592	0.1
Total Series B shares	6,831	100.0	11,160,093	100.0
Total Series A and B shares	6,841		14,135,593	

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	5,879	86.1	1,765,881	15.8
1,001–10,000	865	12.7	2,364,695	21.2
10,001–100,000	81	1.2	1,755,961	15.7
Over 100,001	6	0.1	5,267,964	47.2
Shares on joint book-entry account	0	–	5,592	0.1
Total Series B shares	6,831	100.0	11,160,093	100.0
Total Series A and B shares	6,841		14,135,593	

LARGEST REGISTERED SHAREHOLDERS, 31 DEC 2014

The 10 largest shareholders by number of shares	Series A shares	Series B shares	Shares Total	%
Suovaniemi Osmo Antero	2,265,350	965,217	3,230,567	22.9
Interlab Oy	–	2,164,497	2,164,497	15.3
Suovaniemi Ville Roi	208,280	371,300	579,580	4.1
Suovaniemi Joel	208,280	335,127	543,407	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	1.9
Oy Etra Invest Ab	–	200,000	200,000	1.4
Nordea Bank Finland Plc	–	197,604	197,604	1.4
Adlercreutz Carl Herman Thomas	7,500	150,000	157,500	1.1

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	65.5
Suovaniemi Ville Roi	208,280	371,300	4,536,900	6.4
Suovaniemi Joel	208,280	335,127	4,500,727	6.4
Suovaniemi Oili	111,600	288,935	2,520,935	3.6
Interlab Oy	–	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
Adlercreutz Carl Herman Thomas	7,500	150,000	300,000	0.4
Luostarinen Reijo	10,000	70,000	270,000	0.4

Management shareholding 31 December 2014

On 31 December 2014, Board members and the President and CEO owned a total of 2,376,950 Series A shares and 3,498,476 Series B shares. These shares represent 41.6 % of all company shares and 72,2 % 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 2014	1 Jan –31 Dec 2013
Net sales	2	**2,670**	**2,146**
Increase/decrease in inventories of finished goods and in work in progress		54	–9
Other operating income	3	3,580	80
Materials and services	4	–1,226	–922
Personnel expenses	5	–2,855	–2,344
Depreciation, amortisation and impairment	6	–172	–172
Other operating expenses	7	–2,839	–2,925
Operating profit/loss		**–788**	**–4,147**
Financial income and expenses	9	238	–206
Profit/loss before appropriations and taxes		**–551**	**–4,353**
Income taxes		0	0
Profit/loss for the period		**–551**	**–4,353**

Parent company balance sheet (FAS)

1,000 €	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	10	438	526
TANGIBLE ASSETS	11	779	419
Investments			
Participations in Group companies	12	234	234
Other investments	12	7	7
Total non-current assets		**1,458**	**1,186**
Current assets			
Inventories	13	759	585
Non-current receivables	14	330	1,560
Current receivables	14	860	7,445
Marketable securities	15	9,791	15,214
Cash at bank and in hand	16	183	172
Total current assets		**11,923**	**24,976**
TOTAL ASSETS		**13,380**	**26,162**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	17	2,350	2,348
Fair value hierarchy	17	194	113
Fund for the investment of non-restricted equity	17	786	44
Accumulated profit/loss from previous years	17	8,886	23,235
Profit/loss for the period	17	–551	–4,353
Total shareholders' equity		**11,666**	**21,386**
Liabilities			
Non-current liabilities	19	301	301
Current liabilities	20	1,413	4,475
Total liabilities		**1,714**	**4,776**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**13,380**	**26,162**

Parent company cash flow statement

1,000 €	Note	2014	2013
Cash flow from operating activities:			
Profit/loss before extraordinary items		–551	–4,353
Adjustments:			
Depreciation according to plan		172	332
Unrealised exchange rate gains and losses		–2	–0
Other income and expenses not involving payment		–3,272	
Financial income and expenses		–238	47
Change in working capital:			
Increase (–) or decrease (+) in current non-interest-bearing trade receivables		120	–175
Increase (–) or decrease (+) in inventories		–174	–162
Increase (+) or decrease (–) in current non-interest-bearing liabilities		319	–52
Realised exchange rate gains and losses		–13	–22
Interest and other financial items paid on other operating financial expenses		–37	–198
Interest received from operating activities		224	287
Cash flow from operating activities		**–3,451**	**–4,297**
Cash flow from investing activities:			
Investments in tangible and intangible assets		–397	–486
Investments in other investments		6,504	–
Capital gain from the sale of liquid handling business		6,814	15,133
Subsidiary shares acquired		–	–3
Loans granted		–90	–560
Repayments of loan receivables		–	210
Cash flow from investing activities		**12,831**	**14,294**
Cash flow from financing activities:			
Rights issue		751	45
Repayments of long-term loans		–128	–
Dividend paid and capital repayment		–9,991	–10,017
Cash flow from financing activities		**–9,369**	**–9,972**
Increase (+) or decrease (–) in cash and cash equivalents		11	25
Cash and cash equivalents at the beginning of the period		172	147
Cash and cash equivalents at the end of the financial period	16	183	172

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 €	**2014**	2013
Diagnostics	2,670	2,146
Total	2,670	2,146

NET SALES BY GEOGRAPHICAL AREA

1,000 €	**2014**	2013
Finland	256	276
Other Europe	781	688
North and South America	94	129
Asia	1,002	628
Other countries	537	424
Total	2,670	2,146

3 OTHER OPERATING INCOME

1,000 €	**2014**	2013
From Group companies	79	39
Other	3,501	41
Total	3,580	80

4 MATERIALS AND SERVICES

1,000 €	**2014**	2013
Purchases during the year	1,347	1,094
Change in inventories	–120	–171
Total materials and services	1,226	922

5 PERSONNEL EXPENSES AND THE NUMBER OF PERSONNEL

1,000 €	**2014**	2013
Salaries and wages	2,429	2,007
Pension expenses	358	280
Other personnel expenses	68	56
Total personnel expenses	2,855	2,344

Average number of employees in the parent company during the year	**2014**	2013
Salaried employees	41	33
Non-salaried employees	–	1
Average number of personnel	41	34
Number of personnel at the end of the period	42	38

6 DEPRECIATION

1,000 €	**2014**	2013
Intangible assets	88	95
Machinery and equipment	84	77
Total	172	172

7 OTHER OPERATING EXPENSES

1,000 €	**2014**	2013
Travel and other personnel-related expenses	273	407
Rent and maintenance expenses	311	240
Marketing and sales expenses	475	591
Other external services	919	811
Impairment of trade receivables	–14	–11
Other operating expenses	875	888
Total	2,839	2,925

8 AUDITORS' FEES

1,000 €	**2014**	2013
Auditors' fees	58	42
Other fees *)	61	33
Total auditors' fees	119	76

*) Other services included EUR 29 thousand total auditor fees paid to EY (2013: EUR 33 thousand).

9 FINANCIAL INCOME AND EXPENSES

1,000 €	**2014**	2013
Dividend income		
From Group companies	12	–
Total dividend income	12	–
Other interest and financial income		
From Group companies	22	6
From others	249	165
Other interest and financial income	271	172
Total financial income	283	172
Interest and other financial expenses		
Impairment of fixed asset investments	–	–160
To Group companies	–5	–5
To others	–41	–213
Total financial expenses	–45	–378
Total financial income and expenses	238	–206
Financial income and expenses include exchange gains/ losses (net)	1	–14

The items presented as components of operating profit include exchange rate losses/gains (net) of EUR –12 thousand (EUR – 8 thousand)

10 INTANGIBLE ASSETS

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

2013

1,000 €	Intellectual property rights	Other capitalised expenditure	Total
Acquisition cost at beginning of year	539	849	1,389
Increases	350	–	350
Acquisition cost at end of year	889	849	1,739
Accumulated depreciation and impairment at beginning of year	–355	–762	–1,117
Depreciation and impairment during the year	–65	–30	–95
Accumulated depreciation at end of year	–420	–792	–1,213
Carrying amount at beginning of year	184	88	271
Carrying amount at end of year	469	57	526

11 TANGIBLE ASSETS

2014

1,000 €	Machinery and equipment	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

2013 1,000 €	Machinery and equipment	Total
Acquisition cost at beginning of year	889	889
Increases	125	125
Acquisition cost at end of year	1,014	1,014
Accumulated depreciation and impairment at beginning of year	–519	–519
Depreciation for the year	–77	–77
Accumulated depreciation at end of year	–596	–596
Carrying amount at beginning of year	370	370
Carrying amount at end of year	419	419

12 INVESTMENTS

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

1,000 €	Group companies	Other	Total
Shares 2013			
Carrying amount at beginning of year	314	7	320
Increases	33		33
Decreases	–113	–	–113
Carrying amount at end of year	234	7	241

13 INVENTORIES

1,000 €	2014	2013
Materials and supplies	411	306
Work in progress	223	168
Completed products/goods	125	111
Total inventories	759	585

14 Receivables

1,000 €	2014	2013
Non-current receivables		
Receivables from Group companies		
Subordinated loan receivables	–	230
Loan receivables	330	330
Receivables from others		
Held to maturity financial assets	–	1,000
Total non-current receivables	330	1,560
Current receivables		
Receivables from Group companies		
Subordinated loan receivables	320	–
Trade receivables	163	146
Other receivables	40	37
Prepayments and accrued income	23	4
Receivables from others		
Trade receivables	65	93
Other receivables	158	291
Prepayments and accrued income	91	6,874
Total current receivables	860	7,445

15 MARKETABLE SECURITIES

1,000 €	2014	2013
Investments in funds	9,791	15,214

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

16 CASH AND CASH EQUIVALENTS

1,000 €	2014	2013
Cash at bank and in hand	183	172

17 SHAREHOLDERS' EQUITY

1,000 €	**2014**	2013
Share capital at 1 Jan	2,348	2,315
Increase in share capital through rights issue	3	33
Share capital at 31 Dec	2,350	2,348
Fair value fund at 1 Jan	113	–
Increases	81	113
Fair value fund at 31 Dec	194	113
Invested non-restricted equity fund at 1 Jan	44	3,226
Increase in share capital	748	42
Capital repayment to shareholders	–6	–3,225
Invested non-restricted equity fund at 31 Dec	786	44
Accumulated profit/loss from previous years 1 Jan	18,881	30,027
Dividend paid to shareholders	–9,995	–6,792
Accumulated profit/loss from previous years 31 Dec	8,886	23,235
Reported profit / loss for the year	–551	–4,353
Total equity	11,666	21,386

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.

Structure of the parent company's shareholders' equity	2014 No. of shares	% of shares	% of votes	2013 No. of shares
Series A shares (20 votes/share)	2,975,500	21.0	84.2	2,975,500
Series B shares (1 vote/share)	11,160,093	79.0	15.8	10,835, 093
Total	14,135,593	100.0	13,810,593	13,810,593

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 13 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 2,000,000, which corresponds to approximately 18% of the company's Series B shares. The company did not exercise the authorisation granted at the AGM to issue shares in 2014.

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 11.7 million (2014: EUR 3.9 million, 2013: EUR 4.4 million, 2012: EUR 3.4 million).

19 NON-CURRENT LIABILITIES

1,000 €	2014	2013
Loans from Group companies	301	301
Total	301	301

20 CURRENT LIABILITIES

1,000 €	2014	2013
Loans from financial institutions, current portion	256	384
Advances received	4	0
Trade payables	483	307
Accrued liabilities and prepaid income	496	3,671
Other liabilities	85	67
Liabilities to Group companies		
Trade payables	39	–
Accrued liabilities and prepaid income	49	46
Total current liabilities	1,413	4,475

Accrued liabilities and pre-paid income include wage and salary accruals totalling EUR 339 thousand (EUR 270 thousand). Accrued liabilities and pre-paid income for 2013 also includes provisions in the amount of EUR 3,257 thousand for any liabilities associated with the business transaction in 2011.

21 COLLATERAL, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

1,000 €	**2014**	2013
Liabilities for which mortgages have been pledged as collateral		
Company has not issued securities		
Leasing commitments		
Due for payment in the following financial year	34	46
Due for payment at a later date	25	21
Total	59	67
Other rental commitments		
Due for payment in the following financial year	168	165
Due for payment at a later date	756	165
Total	924	330

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

1,000 €	**2014**	2013
Contingent liabilities on behalf of Group companies		
The company has no contingent liabilities on behalf of Group companies.		
Other contingent liabilities	**2014**	2013
Guarantees	3	3

Board of directors' proposal for the distribution of dividend

The parent company's distributable funds (non-restricted equity) on 31 December 2014 amounted to EUR 9,132,650.85 (EUR 18,925,151.92), with the loss for the financial year accounting for EUR 550,514.94 (a loss of EUR 4,353,257.22). 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, 16th of March, 2015

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

Semi Korpela
President & CEO

AUDITOR'S NOTE

We have today issued an auditor's report on the audit performed.

Helsinki, 16th of March, 2015

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, 2014. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, 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 16th of March 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pasi Karppinen
Authorised Public Accountant

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