



NORDA ASA

(former NorDiag ASA)

Q1

Report 2013

INTERIM REPORT FOR THE FIRST QUARTER ENDED MARCH 31, 2013

KEY MESSAGES

Q1:

- EBIT Q1 NOK -2.055 mill. Net profit NOK 0.205 mill. NORDA is struggling to reduce its operating costs in order to match its operation to its size.
- Preparing for tribunal regarding claims from the DiaSorin Group.
- The Magnatrix business in Sweden has been terminated.

Post Q1:

- As of April 9, Dr. Scient Frode Westvold is appointed new CEO.
- The Board of Directors resolved to ask the General Assembly to apply for a delisting of the company at the Oslo Stock Exchange in order to reduce its operating costs.

FINANCIAL REVIEW

(unaudited)		
NOK 1,000	Q1 2013	Q1 2012
Operating revenues continued operations	0	215
Gross margin		40 %
EBITDA	-2 055	-1 594
Operating profit/loss (EBIT)	-2 055	-1 619
Net financial income	2 404	-161
Profit (loss) from continuing operations	349	-1 780
Profit (loss) from discontinued operations	-144	-5 816
Total comprehensive income, net of tax	651	-7 898
EPS	0,12	-0,64
Intangible assets	0	4 920
Equipment and other fixed assets	0	9 803
Current assets	54 850	22 823
Total equity	-27 627	-8 834
Equity ratio	50 %	24 %
Non-current liabilities and provision for obligations	-108	-10 345
Current liabilities	-27 115	-18 367
Net cash from operating activities	-1 704	-6 152
Net cash from investing activities	-13 367	-402
Net cash from financing activities	13 753	-265
Net change in cash	-1 319	-6 819
Cash at end of period	718	2 904

Q1 EVENTS

Reference is made to the Annual General Meeting of NORDA ASA held on June 21, 2012 and the stock exchange notice on the same day. The resolved share capital reduction of NOK 4,595,641.136 has now been registered with the Norwegian Register of Business Enterprises. After this, the share capital of the company is NOK 1,001,974.864 divided into 2,798,808 shares, each with a nominal value of NOK 0.35800057.

NORDA ASA has received a notice from the purchaser of the business of NorDiag, DiaSorin Ireland Ltd, DiaSorin AB and DiaSorin Inc., see press release October 10, 2012. The requirement is EUR 256,269 and \$ 453,399 under seller's warranty. NORDA ASA has considered the claim with the assistance of legal counsel and considers the claim as unfounded. Thus, no provisions of the claim have been made in the Q1 report and the amount is listed in NORDA's balance under "Other current receivables". It is believed that the dispute will be decided by a tribunal this year.

POST Q1 EVENTS

Dr. Scient Frode Westvold was appointed new CEO of the Company on April 8, 2013. He has an extensive background from both scientific research, and operation of investment companies.

The Board of NORDA ASA has decided to submit to the Company's General Meeting on June 20, 2013 a proposal for applying to the Oslo Stock Exchange ASA («OSE») for the consent of delisting the Company's shares from listing at OSE. The background for the Board's proposal is that the Company's shares no longer are considered suitable for continued listing. The company does no longer fulfill the requirements regarding enterprise value and number of shareholders set by the Oslo Stock Exchange, and the listing represents ongoing challenges for a company of NORDA's size.

Provided that the proposal is adopted by the Company's General Meeting with the necessary regulatory majority, an application for delisting will be submitted to OSE as soon as possible. The Company's shareholders and the market will be kept informed of the process, hereunder when a possible application is sent to OSE, as well as of the expected date of the implementation of the delisting of the shares, after OSE has considered such an application, and possibly given its consent.

The Board will ask the General Meeting for the authority of listing at the Norwegian Securities Dealers Association OTC-list, provided the proposal for delisting at Oslo Stock exchange is adopted by the General Meeting. The Board wants to facilitate free trading of the Company's shares, which, in all respects, protects the Shareholders' interests, including maintaining the interests of the investors holding a minor number of shares.

CONTINUED OPERATIONS Q1

Operating revenues

The continued operations have no operating revenues in Q1-2013 compared to NOK 0.2 million in Q1-2012. Revenue is related to sale of reagents and services from the retained assets (Magnatrix). The Magnatrix activities have not been continued in 2013 due to lack of critical mass.

Operating expenses (excluding cost of goods sold)

The operating expenses for Q1-2013 were NOK -2.1 million. The operating expenses for Q1-2012 were NOK -1.8 million.

Operating profit (EBITDA)

EBITDA from continued operations for Q1-2013 was NOK -2.1 million compared to NOK -1.6 million in 2012.

Net financial items

Net financial items were NOK 2.4 million in Q1 for 2013, compared with NOK -0.2 million for the same period last year.

Results

Profit (loss) before taxes was NOK 0.3 million, compared with NOK -1.8 million for the same period last year.

Financial position

Total assets by the end of Q1-2013 were NOK 54.9 million. Total assets were NOK 37.6 million in Q1-2012. The book equity ratio was 50.37% as of March 31, 2013.

Cash flow

Net cash flow in Q1-2013 was NOK -1.7 million, compared with NOK -6.2 million for the same period last year. The cash balance at the end of Q1-2013 was NOK 0.7 million. The operating cash flow from continued operations in Q1-2013 was NOK -1.5 million, compared with NOK -1.5 million in Q1-2012.

Organization

The NORDA Group had no employees as of March 31, 2013. Management was hired from Sarsia Venture Management.

On April 9, 2013 the Board of NORDA ASA decided to appoint Dr. Scient Frode Westvold as CEO of the company.

BUSINESS REVIEW

NORDA has engaged the IKFE GmbH in Germany to finalize the test for international licensing. The contract includes CE approval for the Genefec kits, and clinical production test during a test market period.

Genefec CRC screening test

Colorectal cancer (CRC) is one of the most common cancer diseases in the world. 90% of the disease occurs in the age above 50 years with diffuse or no symptoms. The disease is easy to cure if treated at an early stage. The standard method to diagnose CRC is by colonoscopy, which represents an invasive inspection of the colon. This procedure represents only 0.55% of all preventive diagnostics (Germany). The Genefec test is a non-invasive CRC test, based on stool samples. The potential market for the test is estimated to 140 million patients in EU and USA.

In 2008, NORDA (former NorDiag) performed a large clinical study (700 patients in Germany) which looked into the sensitivity and specificity of a Genefec CRC test, containing several markers. The test performed significantly better than competing non-invasive tests, but the production cost at the time made the test dependent on reimbursement. Due to new methods and access to key technologies without patent protection, the cost of the Genefec CRC test has decreased substantially. NORDA is therefore of the opinion that the new Genefec CRC test can be introduced to the market as a patient pay screening test without reimbursement. NORDA is optimistic about the international potential for this test, and plans a test market launch in Germany during 2013.

DISCONTINUED OPERATION

The divested business was to sell or lease automated sample preparation solutions (instruments, reagent kits and consumables) to clinical laboratories and hospitals. This also included reagent rentals. The result from the discontinued operation is presented in Note 2.

SHAREHOLDER INFORMATION

The closing price of the NORDA share as of March 31, 2013 was NOK 6.50, which corresponds to a market capitalization of approximately NOK 18.2 million. As of March 31, 2013, the 20 largest shareholders owned 73% of NORDA ASA, and there was a total of 1047 shareholders.

RELATED PARTIES

The management of NORDA was hired on an hourly basis from Sarsia Venture Management AS, and NOK 516,000 (exclusive of VAT) has been invoiced for services provided during Q1-2013. Sarsia Venture Management is contractual engaged as fund manager to Sarsia Development (3.2% shareholder).

OUTLOOK

IKFE has developed and tested a new Genefec test, based on an optimal mix of markers tested in the Leipzig study. NORDA, with partners associated with IKFE, is aiming on finalizing a test kit. Based on the response from clinicians and patients, the final product will be developed for an international launch together with an industrial partner.

NORDA ASA has received a notice from the purchaser of the business of NorDiag. The requirement is EUR 256,269 and \$ 453,399 under seller's warranty. NORDA ASA has considered the claim with the assistance of legal counsel and considers the claim as unfounded. It is believed that the dispute will be decided by a tribunal this year. The free cash is invested in financial instruments. The investments do carry both high credit and liquidity risk.

The Company is currently evaluating further investments in the Company's ongoing businesses.

Financial statements with note disclosures, unaudited

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU (IFRS), as issued by the International Accounting Standards Board (IASB).

STATEMENT OF COMPREHENSIVE INCOME

(unaudited)		
NOK 1,000	Q1 2013	Q1 2012
CONTINUING OPERATIONS		
Operating revenues		
Operating revenues	0	215
Total operating revenues	0	215
Operating expenses		
Cost of goods sold	0	-130
Payroll and related costs	-57	-861
Other operating expenses	-1 998	-818
Total operating expenses	-2 055	-1 809
EBITDA	-2 055	-1 594
Depreciation	0	-25
EBIT	-2 055	-1 619
Financial income and expenses		
Financial income	3 163	38
Financial expenses	-759	-199
Net financial items	2 404	-161
Profit (loss) before taxes	349	-1 780
Tax on ordinary result	0	0
Net profit (loss) from continuing operations	349	-1 780
DISCONTINUED OPERATIONS		
Profit (loss) from discontinued operations	-144	-5 816
Net profit (loss)	205	-7 596
Attributable to:		
Equity holders of the parent	205	-7 596
Other comprehensive income		
Exchange rate differences on translation of foreign currency	446	-302
Total comprehensive income	651	-7 898
Attributable to:		
Equity holders of the Company	651	-7 898
EPS *	0,12	-0,64
Diluted EPS	0,12	-0,64
* EPS is corrected retrospective after the share consolidation on July 3rd 2012, according to IAS 33.		
** Calculated based on net profit continuing operations after non-controlling interest.		

STATEMENT OF FINANCIAL POSITION

(unaudited)		
NOK 1,000	Q1 2013	Q1 2012
Assets		
Non-current assets		
Patent, patent rights and trade marks	0	87
Capitalized development costs	0	4 833
Property, plant & equipment	0	9 803
Total non-current assets	0	14 723
Current assets		
Inventories	0	12 541
Accounts receivables	0	4 353
Other current receivables	6 011	3 025
Other financial assets	48 121	0
Cash and cash equivalents	718	2 904
Total current assets	54 850	22 823
Total assets	54 850	37 546
Equity and liabilities		
Equity		
Share capital	-1 002	-5 598
Share premium fund	0	-12 998
Other paid-in capital	-161 728	-149 228
Retained earnings	135 103	158 990
Total equity	-27 627	-8 834
Liabilities		
Non-current liabilities		
Interest bearing debt	-108	-10 345
Non-current liabilities	-108	-10 345
Current liabilities		
Accounts payables	-1 132	-4 849
Interest bearing debt	-25 142	-5 827
Other current liabilities	-841	-7 691
Current liabilities	-27 115	-18 367
Total liabilities	-27 223	-28 712
Total equity and liabilities	-54 850	-37 546

STATEMENT OF CASH FLOWS

(unaudited)		
NOK 1,000	Q1 2013	Q1 2012
Cash flow from operations		
Profit (loss) before taxes	349	-1 780
Depreciation and amortization	0	25
Share option cost	0	542
Taxes paid	0	0
Other non-cash transactions	-1 774	69
Net interest income	-975	-10
Change in working capital	863	-374
Net cash from operating activities - continuing operations	-1 537	-1 528
Profit (loss) from discontinued operations	-144	-5 816
Non-cash and working capital adjustment - discontinued operations	-23	1 191
Net cash from operating activities	-1 704	-6 153
Cash flow from investments		
Net financial investments	-14 680	0
Interests received	1 313	10
Net cash from investing activities - continuing operations	-13 367	10
Net cash from investment activities - discontinued operations	0	-412
Net cash from investment activities	-13 367	-402
Cash flow from financing		
Interest paid	-337	0
Long term loan	-14	0
Short term loan	14 104	0
Net cash from financing activities - continuing operations	13 753	0
Net cash from financing activities - discontinued operations	0	-265
Net cash from financing activities	13 753	-265
Net change in cash	-1 318	-6 820
Cash and cash equivalents at beginning of the period	2 037	9 724
Net change in cash	-1 319	-6 820
Cash at end period	718	2 904

STATEMENT OF CHANGES IN EQUITY

(unaudited)	1.1. - 31.3.2013		1.1. - 31.3.2012	
	Equity holder of the parent	Total equity	Equity holder of the parent	Total equity
NOK 1,000				
Equity January 1	26 976	26 976	16 191	16 191
Net profit (loss)	205	205	(7 596)	(7 596)
Other comprehensive income	446	446	(303)	(303)
Share based payment	0	0	542	542
Equity at the close of period	27 627	27 627	8 834	8 834

All issued options have expired and all issued warrants have been terminated.

Note Disclosure to Interim Financial Statements

NOTE 1: Accounting Principles

The financial information was prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). This financial information should be read together with the financial statements for the year ended December 31, 2012, and is prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies adopted are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2012. These condensed consolidated interim financial statements are unaudited.

These Interim Financial Statements were approved by the Board of Directors on May 23, 2013.

NOTE 2: Discontinued Operation

May 4, 2012, the Company, together with its subsidiaries NorDiag Inc., and NorDiag AB, entered into an agreement with Biotrin International Limited, Biotrin International Limited, Norwegian Branch, DiaSorin AB and DiaSorin Inc., for the sale of the entire Company business, except for activities relating to Magnatrix (instruments and reagents) and the cancer diagnostic activities carried out by Genefec. The transaction included the management of the Company and the majority of the employees. The agreement was completed simultaneously as it was entered into.

(unaudited)	Q1 2013	Q1 2012
NOK 1,000	Sale of assets	Sale of assets
Operating revenues	0	7 339
Cost of goods sold	0	-2 995
Operating expenses	-144	-9 098
EBITDA	-144	-4 754
Depreciation	0	-811
EBIT	-144	-5 565
Net financial items	0	-251
Profit (loss) before taxes	-144	-5 816
Tax on ordinary result	0	0
Profit (loss) after taxes	-144	-5 816
EPS discontinued operations	(0,1)	(2,1)

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