



NORDA ASA
(former NorDiag ASA)

Q4

Report 2012

INTERIM REPORT FOR THE FORTH QUARTER ENDED DECEMBER 31, 2012 AND PRELIMINARY FULL-YEAR 2012

KEY MESSAGES

- Sale of the sample preparation business (Arrow and Bullet product line) to DiaSorin Group for € 7.6 million. Net proceeds NOK 26.5 million (after cost from discontinued operations and loss related to lease agreements).
- Change of Company name to NORDA ASA.
- New business strategy:
 - Develop Genefec for international licensing.
 - Acquire ownership in related life science technologies with international licensing potential.
 - Raise capital to execute its strategy.
- Revenues from continued operations Q4 NOK 46,000 and full year NOK 645,000.
- EBIT Q4 NOK –1.1 and full year -7.1 million of which 1.2 million is nonrecurring items.
- Reverse split of the NORDA share, 100 old shares give 1 new share, face value NOK 2.
- Warrants program towards former employees terminated.
- Notification of a claim under the sellers warranty of EUR 256,269 and USD 453,399.
The dispute will be decided by a tribunal.

FINANCIAL REVIEW

(unaudited)	Quarter		Full Year	
	Q4 2012	Q4 2011	2012	2011
NOK 1,000				
Operating revenues continued operations	46	987	645	1 830
Gross margin	98 %	60 %	57 %	53 %
Other revenues/governmental grants	0	0	0	0
EBITDA	-1 061	-714	-7 009	-4 281
EBIT	-1 061	-739	-7 074	-4 354
Net financial income	-822	8	31	-160
Profit (loss) from continuing operations	-1 883	-731	-7 043	-4 514
Profit (loss) from discontinued operations	-830	-55 895	17 158	-83 620
Non-controlling interest	0	0	0	1 195
Total comprehensive income, net of tax	-2 733	-57 104	9 885	-85 290
EPS	-0,67	-0,71	-2,52	-5,86
Intangible assets	0	4 718	0	4 718
Equipment and other fixed assets	0	10 563	0	10 563
Current assets	39 879	32 319	39 879	32 319
Total equity	26 976	16 191	26 976	16 191
Equity ratio	68 %	34 %	68 %	34 %
Non-current liabilities and provision for obligations	131	10 369	131	10 369
Current liabilities	12 772	21 040	12 772	21 040
Net cash from operating activities	891	-5 196	-27 245	-30 260
Net cash from investing activities	-12 206	-1 339	25 385	-11 759
Net cash from financing activities	10 799	14 757	-5 826	15 808
Net change in cash	-516	8 222	-7 686	-26 211
Cash at end of period	2 037	9 724	2 037	9 724

2012 EVENTS

May 4, 2012, the Company, together with its subsidiaries, entered into an agreement with the DiaSorin Group for the sale of all of the business of the Company, except for the activities related to Magnatrix instruments and the cancer diagnostic activities carried out by Genefec. The transaction included the management of the Company and the majority of the employees.

The purchase price under the agreement was EUR 7.6 million. In the transaction, the Company retained all existing liabilities in respect of the business, and the Company did accordingly use the purchase price to cover such liabilities. After having collected outstanding invoices and cleared all liabilities, including long term lease rental agreements, the net proceeds to the Company from the transaction are estimated to NOK 26.5 million.

The Company name and logo were part of the sale of business. The Company has changed its name to NORDA ASA, and has refocused its strategy to:

- Develop Genefec for international licensing.
- Acquire ownership in related life science technologies with international licensing potential.

As all employees were transferred together with the business sold, the responsibilities of the CEO and Medical Director will for an interim period be taken on by Hans Hekland, and PhD Dagfinn Øgreid. NORDA has engaged IKFE GmbH in Germany to finalize the test for international licensing. The contract includes CE approval for the Genefec kits, and a clinical production test during a test market period.

The Company is exploring the possibility to raise additional capital to execute its strategy. Going forward, the Company will implement a more efficient long term financial strategy implying larger, but less frequent share issues to fund its investments. Surplus liquidity will be invested in financial instruments; equities and bonds.

As approved by the Ordinary General Assembly, the reverse split of the NORDA share, 100 old shares give 1 new share, and a new face value of NOK 2 per share was effectuated July 4, 2012.

NORDA ASA has entered into an agreement to terminate all warrants and award a compensation of NOK 0.02 per warrant. The warrants were issued to employees as compensation for the reduction in wages, approved at the Extraordinary General Meeting of NorDiag ASA held on November 2, 2011. As of May 4, 2012, 43,387,537 warrants were issued. The agreement entails a compensation payment of NOK 867,751.

POST YEAR EVENT

The buyer of the NorDiag business has notified NORDA ASA of a claim under the seller's warranty of EUR 256,269 and USD 453,399. The claim has been rejected by NORDA. The dispute will be decided by a tribunal.

CONTINUED OPERATIONS Q4

Operating revenues

The continued operations had operating revenues for Q4-2012 of NOK 46,000. The revenue is related to sale of reagents and services from the retained assets (Magnatrix). The revenue for Q4-2011 was NOK 1.0 million. The Magnatrix activity will not be continued in 2013.

Operating expenses (excluding cost of goods sold)

The operating expenses for Q4-2012 were NOK -1.1 million. The operating expenses for Q4-2011 were NOK -1.3 million.

Operating profit (EBITDA)

EBITDA from continued operations for Q4-2012 was NOK -1.1 million compared to NOK -0.7 million in 2011.

Net financial items

Net financial items were NOK -0.8 million in Q4 for 2012, compared with NOK 0.0 million for the same period last year.

Results

Profit (loss) before taxes was NOK -1.9 million, compared with NOK -0.7 million for the same period last year.

Financial position

Total assets by the end of Q4-2012 were NOK 39.9 million. Total assets were NOK 47.6 million at the year end last year. The book equity ratio was 68% as of December 31, 2012.

Cash flow

Net cash flow in Q4-2012 was NOK -0.5 million and NOK -7.7 million for the full year, compared with NOK 8.2 million and NOK -26.2 million for Q4 and full year in 2011. The cash balance at the end of Q4-2012 was NOK 2.0 million after investment in interest bearing financial assets. The operating cash flow from continued operations in Q4-2012 was NOK 1.7 million, compared with NOK 0.0 million in Q4-2011.

Organization

The NORDA Group had no employees as of December 31, 2012. Management is hired from Sarsia Venture Management.

BUSINESS REVIEW

The business of NORDA, after the sale of the sample preparation business, has been related to supporting its Magnatrix customers with reagents, consumables and instruments service. This operation will not continue in 2013.

NORDA has engaged IKFE GmbH in Germany to finalize the test for international licensing. The contract includes CE approval for the Genefec kits, and a 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 model 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 December 31, 2012 was NOK 4.20, which corresponds to a market capitalization of approximately NOK 11.8 million. As of December 31, 2012, the 20 largest shareholders owned 71% of NORDA ASA, and there was a total of 1097 shareholders.

RELATED PARTIES

The management of NORDA is hired on an hourly basis from Sarsia Venture Management as, and NOK 431,000 (exclusive of VAT) has been invoiced for services provided during Q4-2012. Sarsia Venture Management is contractual engaged as fund manager to Sarsia Development (3% shareholder).

OUTLOOK

IKFE has successfully developed and tested a new Genefec test based on an optimal mix of markers tested in the Leipzig study. NORDA and IKFE have decided to test launch in Germany in Q2. 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 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)	Quarter		Full Year	
NOK 1,000	Q4 2012	Q4 2011	2012	2011
Operating revenues				
Sales revenues	2	756	184	1 084
Service agreements	44	231	461	746
Total operating revenues	46	987	645	1 830
Cost of goods sold	-1	-395	-278	-868
Gross profit	45	592	367	962
Operating expenses				
Payroll and related costs	-86	-383	-2 053	-1 459
Other operating expenses	-1 020	-923	-5 323	-3 784
Total operating expenses	-1 106	-1 306	-7 376	-5 243
EBITDA	-1 061	-714	-7 009	-4 281
Depreciation	0	-25	-65	-73
EBIT	-1 061	-739	-7 074	-4 354
Financial income and expenses				
Financial income	2 386	1 303	4 320	3 927
Financial expenses	-3 208	-1 295	-4 289	-4 087
Net financial items	-822	8	31	-160
Profit (loss) before taxes	-1 883	-731	-7 043	-4 514
Tax on ordinary result	0	0	0	0
Profit (loss) from continuing operations	-1 883	-731	-7 043	-4 514
Profit (loss) from discontinued operations	-830	-55 895	17 158	-83 620
Net profit (loss)	-2 713	-56 626	10 115	-88 134
Attributable to:				
Equity holders of the Company	-2 713	-56 626	10 115	-89 329
Non-controlling interest	0	0	0	1 195
Other comprehensive income				
Exchange rate differences on translation of foreign operations	-20	-478	-230	2 844
Total comprehensive income, net of tax	-2 733	-57 104	9 885	-85 290
Attributable to:				
Equity holders of the Company	-2 733	-57 104	9 885	-86 369
Non-controlling interest	0	0	0	1 079
EPS *	-0,7	-0,7	-2,5	-5,9
Diluted EPS	-0,7	-0,7	-2,5	-5,9

* EPS is corrected retrospective after the share consolidation on July 3rd 2012, according to IAS 33.

Calculated based on net profit after non-controlling interest continuing operations.

STATEMENT OF FINANCIAL POSITION

(unaudited)	Quarter	
NOK 1,000	Q4 2012	Q4 2011
Assets		
Non-current assets		
Patent, patent rights and trade marks	0	41
Capitalized development costs	0	4 677
Property, plant & equipment	0	10 563
Total non-current assets	0	15 281
Current assets		
Inventories	0	13 740
Accounts receivables	298	5 392
Other current receivables	5 876	3 463
Other financial assets	31 668	0
Cash and cash equivalents	2 037	9 724
Total current assets	39 879	32 319
Total assets	39 879	47 600
Equity and liabilities		
Equity		
Share capital	5 598	5 598
Share premium fund	12 998	12 998
Not registered reduction of share capital	-17 594	0
Other paid-in capital	161 726	148 686
Retained earnings	-135 752	-151 091
Total equity	26 976	16 191
Non-current liabilities		
Interest-bearing loans and debt	131	10 369
Total non-current liabilities	131	10 369
Current liabilities		
Accounts payables	748	8 308
Interest-bearing loans and debt	11 088	5 830
Other current liabilities	936	6 902
Total current liabilities	12 772	21 040
Total equity and liabilities	39 879	47 600

STATEMENT OF CASH FLOWS

(unaudited) NOK 1,000	Quarter		Full Year	
	Q4 2012	Q4 2011	2012	2011
Cash flow from operations				
Profit (loss) before taxes continuing operations	-1 883	-731	-7 043	-4 513
Depreciation and amortization	0	25	65	73
(Gain) / Loss on sales of fixed assets	0	0	3	0
Option cost	0	220	900	807
Taxes paid	0	0	0	0
Other non-cash transactions	2 571	-823	927	-773
Net interest income	-550	1 047	-271	864
Change in working capital	1 520	231	94	0
Net cash from operating activities - continuing operations	1 658	-31	-5 325	-3 542
Profit (loss) from discontinued operations before tax	-830	-55 895	17 158	-83 620
Net cash from operating activities - discontinuing operations	63	50 730	-39 079	56 902
Net cash from operating activities	891	-5 196	-27 246	-30 260
Cash flow from investments				
Net financial investments	-12 981	0	-32 370	0
Interests received	775	28	791	211
Net cash from investing activities - continuing operations	-12 206	28	-31 579	211
Net cash from investment activities - discontinuing operations *	0	-1 367	56 964	-11 970
Net cash from investing activities	-12 206	-1 339	25 385	-11 759
Cash flow from financing				
Interest paid	-225	-1 075	-520	-1 075
Long term loan	-14	-3	-27	-7
Short-term loan	11 038	0	11 038	0
Share issue cost/IPO costs	0	-2 938	0	-2 938
Paid in capital	0	16 075	0	16 075
Net cash from financing activities - continuing operations	10 799	12 059	10 491	12 055
Net cash from financing activities - discontinuing operations	0	2 698	-16 317	3 753
Net cash from financing activities	10 799	14 757	-5 826	15 808
Net change in cash	-516	8 222	-7 687	-26 211
Cash and cash equivalents at beginning of the period	2 553	1 502	9 724	35 935
Net change in cash	-516	8 222	-7 687	-26 211
Cash at end period	2 037	9 724	2 037	9 724

* Includes gross proceeds of EUR 7,6 mill related to the Asset Purchase Agreement between NorDiag Group and the Diasorin Group.

STATEMENT OF CHANGES IN EQUITY

(unaudited)	1.1. - 31.12.2012			1.1. - 31.12.2011		
	Equity holder of the parent	Non-controlling interest	Total equity	Equity holder of the parent	Non-controlling interest	Total equity
NOK 1,000						
Equity January 1	16 191	0	16 191	88 618	2 084	90 700
Net profit (loss)	10 115	0	10 115	(89 329)	1 195	(88 134)
Other comprehensive income	(230)	0	(230)	2 960	(116)	2 844
Impact of deconsolidation of Olerup International AB	0	0	0	0	(3 163)	(3 163)
Issue of share capital	0	0	0	16 075	0	16 075
Transaction costs	0	0	0	-2 938	0	-2 938
Option plan and share based payment	900	0	900	807	0	807
Equity at the close of period	26 976	0	26 976	16 191	0	16 191

Option cost and share-based payment cost are calculated by using the Black Scholes model. No options have been exercised during 2012. 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, 2011 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, 2011. These condensed consolidated interim financial statements are unaudited.

These Interim Financial Statements were approved by the Board of Directors on February 27, 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.

The purchase price under the agreement was EUR 7.6 million. In the transaction, the Company retained all existing liabilities in respect of the business, and the Company accordingly used the purchase price to cover such liabilities. Currently, and subject to the further development and other factors such as exchange rate, the Company estimates that the net proceeds to the Company from the transaction after deduction of the Company's liabilities will be NOK 26.5 million. The final net proceeds will be dependent on the outcome of the tribunal related to the notified claims under the seller's warranty.

(unaudited) NOK 1,000	2012			2011		
	HLA	Sale of assets	TOTAL	HLA	Sale of assets	TOTAL
Operating revenues	0	8 722	8 722	30 594	29 490	60 084
Cost of goods sold	0	-3 456	-3 456	-21 860	-13 565	-35 425
Operating expenses	0	-16 057	-16 057	-5 294	-43 160	-48 454
EBITDA	0	-10 791	-10 791	3 440	-27 235	-23 795
Depreciation	0	-1 513	-1 513	-92	-8 012	-8 104
Write-down	0	0	0	0	-47 893	-47 893
EBIT	0	-12 304	-12 304	3 348	-83 141	-79 793
Net financial items	0	-347	-347	-156	-731	-887
Profit (loss) before taxes	0	-12 651	-12 651	3 192	-83 872	-80 680
Tax on ordinary result	0	0	0	-840	0	-840
Profit (loss) after taxes	0	-12 651	-12 651	2 352	-83 872	-81 520
Gain as a result of sales	0	31 211	31 211	2 070	0	2 070
Components of equity to be recognized in the profit and loss account upon sale	0	0	0	-3 877	0	-3 877
Costs related to sales	0	-1 402	-1 402	-293	0	-293
Profit (loss) from discontinued operations	0	17 158	17 158	252	-83 872	-83 620
EPS discontinued operations			6,2			-108,5

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