

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A  
AMENDMENT NO. 1 TO CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (date of earliest event reported):  
May 31, 2001

HARVARD BIOSCIENCE, INC.  
(Exact Name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-31923 (Commission File Number)	04-3306140 (I.R.S. Employer Identification No.)
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84 October Hill Road, Holliston, MA 01746-1371  
(Address of principal executive offices and zip code)

(508) 893-8999  
(Registrant's telephone number, including area code)

Harvard Bioscience, Inc. (the "Company") hereby amends its Current Report on Form 8-K, dated May 31, 2001, in order to file the financial statements and pro forma financial information required by Item 7 of Form 8-K.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED.

Audited financial statements of Union Biometrica, Inc. as of and for the years ended December 31, 1999 and 2000 and unaudited financial statements of Union Biometrica, Inc. as of March 31, 2001 and for the three months ended March 31, 2000 and 2001 are contained in Exhibit 99.2 attached hereto and are incorporated herein by reference.

(b) PRO FORMA FINANCIAL INFORMATION.

Unaudited pro forma financial information of Harvard Bioscience, Inc. as of and for the year ended December 31, 2000 and the three months ended March 31, 2001 giving pro forma effect to Harvard Bioscience, Inc.'s acquisition of Union Biometrica, Inc. is contained in Exhibit 99.3 attached hereto and is incorporated herein by reference.

(c) EXHIBITS

EXHIBIT NO.	DESCRIPTION
*2.1	Agreement and Plan of Merger, dated as of May 31, 2001, by and among Harvard Bioscience, Inc., Union Biometrica, Inc. and Union Biometrica, Inc.**
23.1	Consent of Arthur Andersen LLP
23.2	Consent of KPMG LLP
*99.1	Press release dated May 31, 2001
99.2	Audited financial statements of Union Biometrica, Inc. as of and for the years ended December 31, 1999 and 2000 and unaudited financial statements of Union Biometrica, Inc. as of March 31, 2001 and the three months ended March 31, 2000 and 2001
99.3	Unaudited pro forma financial information of Harvard Bioscience, Inc. as of and for the year ended December 31, 2000 and the three months ended March 31, 2001, relating to the

acquisition of Union Biometrica, Inc.

\*Previously filed.

\*\*The Company agrees to furnish supplementally to the Commission a copy of any omitted schedule or exhibit to this agreement upon request by the Commission.

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#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 14, 2001

HARVARD BIOSCIENCE, INC.

By: /s/ James L. Warren

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James L. Warren  
Chief Financial Officer

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#### EXHIBIT INDEX

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\*Previously filed.

\*\*The Company agrees to furnish supplementally to the Commission a copy of any omitted schedule or exhibit to this agreement upon request by the Commission.

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CONSENT OF INDEPENDENT AUDITORS

As independent public accountants, we hereby consent to the incorporation by reference of our report in this Form 8-K/A into Harvard Bioscience's previously filed Registration Statement on Form S-8 File No. 333-53848.

Boston, Massachusetts  
August 14, 2001

/s/ Arthur Andersen LLP  
ARTHUR ANDERSEN LLP

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement No. 333-53848 of Harvard Bioscience, Inc. on Form S-8 of our report dated February 23, 2001, relating to the consolidated balance sheets of Harvard Bioscience, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2000, which report is incorporated by reference on Form 8-K of Harvard Bioscience, Inc.

/s/ KPMG LLP

Boston, Massachusetts  
August 14, 2001

UNION BIOMETRICA, INC. AND SUBSIDIARY

Consolidated Financial Statements  
as of December 31, 1999 and 2000  
Together with Auditors' Report

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of  
Union Biometrica, Inc. and Subsidiary:

We have audited the accompanying consolidated balance sheets of Union Biometrica, Inc. (a Massachusetts corporation) as of December 31, 1999 and 2000 and the related consolidated statements of operations, redeemable convertible preferred stock and stockholders' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Union Biometrica, Inc. as of December 31, 1999 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Boston, Massachusetts  
May 2, 2001 (except with respect to the  
matter discussed in Note 10, as to which  
the date is May 31, 2001)

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Consolidated Balance Sheets

ASSETS	DECEMBER 31, 1999	2000	MARCH 31, 2001 (UNAUDITED)
Current Assets:			
Cash and cash equivalents	\$282,814	\$ 422,336	\$ 488,589
Accounts receivable, net of allowance of approximately \$45,000, \$380,000 and \$380,000 at December 31, 1999 and 2000 and March 31, 2001, respectively	55,351	29,826	210,196
Inventories	76,875	474,943	314,499
Receivable from affiliates	-	29,064	8,151
Other current assets	5,716	44,212	102,612
	-----	-----	-----
Total current assets	420,756	1,000,381	1,124,047
Property and Equipment, net	90,796	206,139	200,658
Other Assets	18,184	61,393	104,821
	-----	-----	-----
	\$529,736	\$1,267,913	\$1,429,526
	=====	=====	=====
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 267,686	\$ 456,528	\$ 550,781
Deferred revenue	425,000	58,657	969,704
Payable to affiliate	51,762	-	14,390
	-----	-----	-----
Total current liabilities	744,448	515,185	1,534,875
	-----	-----	-----
Commitments and Contingencies (Note 8)			
Series A Redeemable Convertible Preferred Stock (Note 4):			
Authorized--110,000 shares			
Issued and outstanding--94,856 shares	-	1,838,626	1,884,116
Stockholders' Deficit:			
Common stock, no par value-			
Authorized--890,000 shares			
Issued and outstanding--392,860, 412,481 and 414,981 shares at December 31, 1999 and 2000 and March 31, 2001, respectively	3,929	4,125	4,150
Additional paid-in capital	32,814	79,193	91,163
Warrants	-	20,004	20,004
Deferred compensation	(20,580)	(40,347)	(50,775)
Treasury Stock - 2,501 shares, at cost	-	-	(8,253)
Accumulated deficit	(230,875)	(1,148,873)	(2,045,754)
	-----	-----	-----
Total stockholders' deficit	(214,712)	(1,085,898)	(1,989,465)
	-----	-----	-----
	\$ 529,736	\$1,267,913	\$ 1,429,526
	=====	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

UNION BIOMETRICA, INC. AND SUBSIDIARY

Consolidated Statements of Operations  
for the Years Ended December 31, 1999 and 2000

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1999	2000	2000	2001
	(UNAUDITED)			
Revenues	\$ 1,530,927	\$ 2,397,780	\$ 1,018,868	\$ 787,844
Operating Expenses:				
Direct costs of revenues	393,873	473,732	232,269	534,119
Research and development	611,002	1,458,549	276,105	469,151
Selling and marketing	216,084	363,770	37,562	320,416
General and administrative	541,034	894,301	177,849	330,114
	-----	-----	-----	-----
Total operating expenses	1,761,993	3,190,352	723,785	1,653,800
	-----	-----	-----	-----
Income (loss) from operations	(231,066)	(792,572)	295,083	(865,956)
Interest Income and Other, net	13,905	27,471	6,854	14,565
	-----	-----	-----	-----
Net income (loss)	(217,161)	(765,101)	301,937	(851,391)
Accretion of Offering Costs and Dividends on Preferred Stock	-	(112,665)	-	(45,490)
	-----	-----	-----	-----
Net income (loss) attributable to common stockholders	\$ (217,161)	\$ (877,766)	\$ 301,937	\$ (896,881)
	=====	=====	=====	=====
Net Earnings (Loss) per Share--Basic	\$ (0.56)	\$ (2.17)	\$ 0.77	\$ (2.17)
	=====	=====	=====	=====
Weighted Average Common Shares Outstanding - Basic	384,564	404,498	392,860	413,731
	=====	=====	=====	=====
Net Earnings (Loss) per Share--Diluted	\$ (0.56)	\$ (2.17)	\$ 0.53	\$ (2.17)
	=====	=====	=====	=====
Weighted Average Common Shares Outstanding--Diluted	384,564	404,498	569,221	413,731
	=====	=====	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) for the Years Ended December 31, 1999 and 2000 and Three Months Ended March 31, 2001

	SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	WARRANTS
	SHARES	VALUE	SHARES	VALUE		
Balance, January 1, 1999	-	\$ -	378,600	\$ 3,786	\$ 10,764	\$ -
Issuance of common stock to employees	-	-	14,260	143	-	-
Deferred compensation related to stock options grants	-	-	-	-	22,050	-
Amortization of deferred compensation	-	-	-	-	-	-
Distributions to stockholders	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Balance, December 31, 1999	-	-	392,860	3,929	32,814	-
Issuance of Series A redeemable convertible	-	-	-	-	-	-

preferred stock and warrants to purchase common stock, net of issuance costs of \$284,039	94,856	1,725,961	-	-	-	20,004
Beneficial conversion feature of Series A redeemable convertible preferred stock	-	-	-	-	20,004	-
Issuance of common stock to employees	-	-	19,621	196	-	-
Deferred compensation related to stock option grants	-	-	-	-	26,375	-
Amortization of deferred compensation	-	-	-	-	-	-
Accretion of offering costs and preferred stock dividends	-	112,665	-	-	-	-
Distributions to stockholders	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, December 31, 2000	94,856	1,838,626	412,481	4,125	79,193	20,004
Accretion of offering costs and preferred stock dividends (unaudited)	-	45,490	-	-	-	-
Issuance of common stock to employees (unaudited)	-	-	2,500	25	-	-
Deferred compensation related to stock option grants (unaudited)	-	-	-	-	11,970	-
Amortization of deferred compensation (unaudited)	-	-	-	-	-	-
Repurchase of common stock (unaudited)	-	-	-	-	-	-
Net loss (unaudited)	-	-	-	-	-	-
Balance, March 31, 2001	94,856	\$ 1,884,116	414,981	\$ 4,150	\$ 91,163	\$ 20,004

	DEFERRED COMPENSATION	ACCUMULATED DEFICIT	TREASURY STOCK SHARES	TREASURY STOCK COST	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
Balance, January 1, 1999	\$ -	\$ 44,421	-	\$ -	\$ 58,971
Issuance of common stock to employees	-	-	-	-	143
Deferred compensation related to stock options grants	(22,050)	-	-	-	-
Amortization of deferred compensation	1,470	-	-	-	1,470
Distributions to stockholders	-	(58,135)	-	-	(58,135)
Net loss	-	(217,161)	-	-	(217,161)
Balance, December 31, 1999	(20,580)	(230,875)	-	-	(214,712)
Issuance of Series A redeemable convertible preferred stock and warrants to purchase common stock, net of issuance costs of \$284,039	-	-	-	-	20,004
Beneficial conversion feature of Series A redeemable convertible preferred stock	-	(20,004)	-	-	-
Issuance of common stock to employees	-	-	-	-	196
Deferred compensation related to stock option grants	(26,375)	-	-	-	-
Amortization of deferred compensation	6,608	-	-	-	6,608
Accretion of offering costs and preferred stock dividends	-	(112,665)	-	-	(112,665)



Distributions to stockholders	-	(20,228)	-	-	(20,228)
Net loss	-	(765,101)	-	-	(765,101)
<hr/>					
Balance, December 31, 2000	(40,347)	(1,148,873)	-	-	(1,085,898)
Accretion of offering costs and preferred stock dividends (unaudited)	-	(45,490)	-	-	(45,490)
Issuance of common stock to employees (unaudited)	-	-	-	-	25
Deferred compensation related to stock option grants (unaudited)	(11,970)	-	-	-	-
Amortization of deferred compensation (unaudited)	1,542	-	-	-	1,542
Repurchase of common stock (unaudited)	-	-	2,501	(8,253)	(8,253)
Net loss (unaudited)	-	(851,391)	-	-	(851,391)
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Balance, March 31, 2001 (unaudited)	\$ (50,775)	\$ (2,045,754)	2,501	\$ (8,253)	\$ (1,989,465)
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1999	2000	2000	2001
	(UNAUDITED)			
Cash Flows from Operating Activities:				
Net income (loss)	\$ (217,161)	\$ (765,101)	\$ 301,937	\$ (851,391)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities-				
Depreciation and amortization	32,709	58,454	10,522	18,341
Stock-based compensation expense	1,470	6,608	1,652	1,542
Changes in operating assets and liabilities-				
Accounts receivable	41,327	25,525	(276,958)	(180,370)
Inventories	(30,845)	(398,068)	(70,540)	160,444
Receivable from affiliates	-	(29,064)	-	20,913
Other current assets	(5,716)	(38,496)	-	(58,400)
Other assets	(13,182)	(43,209)	(3,400)	(43,428)
Accounts payable and accrued expenses	199,890	188,842	139,218	94,253
Deferred revenue	425,000	(366,343)	(300,000)	911,047
Payable to affiliates	(54,443)	(51,762)	177	14,390
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	379,049	(1,412,614)	(197,392)	87,341
Cash Flows from Investing Activity:				
Purchases of property and equipment	(40,188)	(173,797)	(35,721)	(12,860)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Flows from Financing Activities:				
Proceeds from issuance of preferred stock and warrants, net of offering costs	-	1,745,965	-	-
Proceeds from note payable	-	-	60,000	-
Proceeds from exercise of stock options	143	196	-	25
Purchase of treasury shares	-	-	-	(8,253)
Distributions paid to stockholders	(58,135)	(20,228)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash (used in) provided by financing activities	(57,992)	1,725,933	60,000	(8,228)
	<hr/>	<hr/>	<hr/>	<hr/>

Net Increase in Cash and Cash Equivalents	280,869	139,522	(173,113)	66,253
Cash and Cash Equivalents, beginning of period	1,945	282,814	282,814	422,336
Cash and Cash Equivalents, end of period	\$ 282,814	\$ 422,336	\$ 109,701	\$ 488,589
Supplemental Disclosure of Noncash Financing Activities:				
Accretion of Series A redeemable convertible preferred stock offering costs and dividends	\$ -	\$ 112,665	\$ -	\$ 45,490
Deferred compensation related to stock option grants	\$ 22,050	\$ 26,375	\$ -	\$ 11,970

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

(1) BUSINESS AND ORGANIZATION

Union Biometrica, Inc. (Union Biometrica) was incorporated on June 19, 1998 as a Massachusetts corporation engaged in combining expertise in biology with unique technology capabilities to deliver solutions in functional genomics and drug discovery research. It manufactures machines that have been designed to enable and accelerate research with multicellular organisms and bead combinatorial chemistry.

Union Biometrica is subject to certain risks common to companies in similar stages of development. Principal risks include the need to obtain adequate financing to fund future operations, dependence on key individuals, competition from substitute services and from larger companies and the need to successfully market and develop new products and services to achieve profitable future operations.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described in this note and elsewhere in the accompanying consolidated financial statements and notes.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Union Biometrica, Inc. and its wholly owned subsidiary, Union Biometrica GmbH. All material intercompany transactions and balances have been eliminated.

UNAUDITED INTERIM FINANCIAL INFORMATION

The consolidated financial statements for the three months ended March 31, 2000 and 2001 and related footnote information are unaudited and have been prepared on the same basis as the audited financial statements. In the opinion of management, the interim unaudited consolidated financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results of these interim periods. The results for the three months ended March 31, 2001 are not necessarily indicative of the operating results to be expected for the entire year.

CASH AND CASH EQUIVALENTS

Union Biometrica considers all cash and cash equivalents with an original maturity date of 90 days or less to be cash equivalents.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

REVENUE RECOGNITION

Revenue is generally recognized upon shipment of goods. If post-sale obligations exist, such as installation or customer acceptance, revenue is deferred until all such obligations have been completed.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, REVENUE RECOGNITION IN FINANCIAL STATEMENTS. Union Biometrica's revenue recognition policy complies with SAB No. 101.

Union Biometrica recognizes service revenues as the related services are performed. Amounts collected prior to meeting the revenue recognition criteria are recorded as deferred revenue.

Revenues from certain development and production contracts are recognized using the percentage of completion method, measured by the percentage of costs (primarily labor and materials) incurred to date as compared to the estimated total costs for each contract.

INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined by the first in, first out (FIFO) method. The components of inventories are as follows:

	DECEMBER 31,		MARCH 31
	1999	2000	2001
Raw materials	\$ 76,875	\$ 137,442	\$ 129,101
Work in process	-	41,197	91,686
Finished goods	-	296,304	93,712
	-----	-----	-----
Total	\$ 76,875	\$ 474,943	\$ 314,499
	=====	=====	=====

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Union Biometrica provides for depreciation using the straight-line method over the estimated useful lives of the property and equipment. Expenditures for maintenance and repairs are charged to expense as incurred. Property and equipment consists of the following:

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

	LIFE	1999	2000	2001
Office equipment	5 years	\$ 76,925	\$ 156,631	\$ 185,861
Laboratory equipment	5 years	35,862	112,200	112,200
Furniture and fixtures	5-7 years	29,769	40,596	40,596
Leasehold improvements	Life of lease	23,381	30,307	30,307
		-----	-----	-----
		165,937	339,734	368,964
Less--Accumulated depreciation and amortization		75,141	133,595	168,306
		-----	-----	-----
		\$ 90,796	\$ 206,139	\$ 200,658
		=====	=====	=====

#### OTHER ASSETS

Included in other assets as of December 31, 1999 and 2000 is approximately \$13,182 and \$49,547, respectively, of capitalized patent costs. These costs are amortized over the relative lives of the patents. Also included in other assets are security deposits on Union Biometrica's leased facilities.

#### LONG-LIVED ASSETS

Management assesses the realizability of its long-lived assets whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Long-lived assets include property, equipment and patent costs. As a result of its reviews at December 31, 2000 and March 31, 2001, management does not believe that any impairment to its long-lived assets has occurred.

#### FAIR VALUE OF FINANCIAL INSTRUMENTS

Union Biometrica's consolidated financial instruments consist primarily of cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts of the financial instruments approximate fair value due to their short-term nature.

#### STOCK-BASED COMPENSATION

Union Biometrica applies the intrinsic-value-based method of Accounting Principles Board (APB) Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, and related interpretations in accounting for its employee stock-based compensation plan and uses the fair value method to account for all nonemployee stock-based compensation.

#### FOREIGN CURRENCY TRANSLATION

The financial statements of Union Biometrica's foreign subsidiary are translated in accordance with SFAS No. 52, FOREIGN CURRENCY TRANSLATIONS. The determination of functional currency is based on the subsidiary's relative financial and operational independence from the Company. Foreign currency exchange and translation gains

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#### UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

and losses are credited or charged to the accompanying consolidated statements of operations since the functional currency of the subsidiary is the U.S. dollar.

#### INCOME TAXES

Union Biometrica operated as a Subchapter S corporation until May 1, 2000, when it changed its tax status to a Subchapter C corporation. Union Biometrica now provides for income taxes using the liability method, which requires the recognition of deferred tax assets and liabilities at the date of the financial statements based on differences between the financial statement and tax bases of assets and liabilities using enacted tax rates.

#### CONCENTRATION OF CREDIT RISK

Union Biometrica has no significant off-balance-sheet concentration of credit risk such as foreign currency exchange contracts or other hedging arrangements. Financial instruments that subject Union Biometrica to credit risk consist primarily of accounts receivable. To reduce risk, Union Biometrica routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk exposure is limited. Union Biometrica maintains an allowance for potential credit losses and has recorded losses for uncollectable accounts amounting to approximately \$45,000, \$20,000 and \$0 in 1999 and 2000 and for the three months ended March 31, 2001. As of December 31, 1999 and 2000 and March 31, 2001, three customers accounted for 97%, one customer accounted for 92% and two customers accounted for 100% of accounts receivable, respectively. The following table represents customers that account for more than 10% of net revenue:

	YEAR ENDED DECEMBER 31,		MARCH 31,
	1999	2000	2001
Customer A	40%	73%	-
Customer B	-	19%	50%
Customer C	17%	-	-
Customer D	15%	-	-
Customer E	14%	-	-
Customer F	-	-	21%
Customer G	-	-	12%

Customer A is no longer an active customer of Union Biometrica.

#### RESEARCH AND DEVELOPMENT COSTS

Research and development costs are charged to operations as incurred.

#### COMPREHENSIVE LOSS

Comprehensive loss includes all changes in equity during a period, except those resulting from investments by owners and distributions to owners. Union Biometrica's comprehensive loss is equal to its net loss for all periods presented.

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#### UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

#### EARNINGS (LOSS) PER SHARE

Basic net earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common stockholders for the period by the weighted average number of common shares and the potential common stock outstanding during the period. Potential common stock is comprised of the incremental common shares issuable upon the conversion of redeemable convertible preferred stock, stock options and stock warrants. The following potentially issuable shares were excluded from the calculation of dilutive weighted average shares outstanding, as their effect would be antidilutive (in thousands):

	YEAR ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,
	1999	2000	2001
Convertible preferred stock	-	94,856	94,856
Common stock options	179,960	180,109	138,359
Common stock warrants	-	9,439	9,439
	-----	-----	-----
Total	179,960	284,404	242,654
	=====	=====	=====

## DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE

Statement of Financial Accounting Standards (SFAS) No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION, establishes standards for reporting information regarding operating segments and establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision making group, in making decisions regarding resource allocation and assessing performance. To date, Union Biometrica has viewed its operations and manages its business as principally one operating segment.

### (3) INCOME TAXES

As of December 31, 2000, Union Biometrica had federal and state net operating loss and tax credit carryforwards available of approximately \$316,000 to offset future taxable income, if any. The tax effects of temporary differences that give rise to the net deferred tax assets primarily relate to net operating loss carryforwards, accrual to cash basis differences and reserves and expenses not currently deductible for tax purposes of approximately \$320,000. A full valuation allowance has been recorded in the accompanying financial statements to offset this deferred tax asset because the future realizability of such asset is uncertain. These carryforwards expire through 2020 and are subject to review and possible adjustment by the Internal Revenue Service. In addition, the occurrence of certain events, including significant changes in ownership interests, may limit the amount of the net operating loss carryforwards available to be used in any given year.

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## UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

### (4) STOCKHOLDERS' EQUITY

#### REDEEMABLE CONVERTIBLE PREFERRED STOCK

In May and July 2000, Union Biometrica issued an aggregate of 94,856 shares of Series A redeemable convertible preferred stock (Preferred Stock) for \$21.19 per share.

The rights, preferences and privileges of the Preferred Stock are as follows:

#### DIVIDENDS

Dividends are cumulative and accrue daily from the date of original issuance at the rate of \$1.27 per share per annum and are payable when and if declared by the Board of Directors.

#### LIQUIDATION

In the event of any liquidation or dissolution of Union Biometrica, the holders of the Preferred Stock are entitled, before distribution to any common stockholders, to \$21.19 per share plus any accrued dividends.

#### VOTING RIGHTS

Each holder of outstanding shares of Preferred Stock shall be entitled to the number of votes equal to the number of common shares into which the preferred shares are then convertible.

#### CONVERSION

Each share of Preferred Stock shall be convertible, at the option of the holder, into an equivalent number of common shares based upon the then effective conversion rate (currently one share of preferred stock for one share of common stock). Upon the closing of the sale of common shares in

an initial public offering resulting in gross proceeds to Union Biometrica of at least \$15,000,000 and a price of at least \$5 per share, all preferred shares would then automatically be converted into common shares at the then effective conversion rate.

#### REDEMPTION

On December 31, 2005 and on each of the next two anniversaries thereafter, Union Biometrica is required to redeem each share of Preferred Stock for an amount equal to the greater of its fair market value or the liquidation preference amount computed to such redemption date. The preferred stockholders may not redeem the Preferred Stock prior to this date.

Union Biometrica has reserved the appropriate number of authorized but unissued common shares for the potential conversion of these preferred shares.

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#### UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

#### STOCK WARRANTS

In connection with the issuance of the Preferred Stock, Union Biometrica issued warrants to purchase 9,439 shares of common stock at \$1.00 per share to the Preferred Stock investors. The warrants may be exercised at any time through July 27, 2007. Using the Black-Scholes option pricing model, Union Biometrica has allocated a portion of the proceeds from the preferred stock to these warrants in the amount of \$20,004. As a result of this allocation, the conversion option of the preferred stock was deemed to have a beneficial conversion feature in the amount of \$20,004, which is recorded as a charge to accumulated deficit in the accompanying consolidated statement of stockholders' deficit.

#### (5) STOCK-BASED COMPENSATION PLANS

##### 1998 STOCK OPTION PLAN

In June 1998, Union Biometrica adopted the Union Biometrica, Inc. 1998 Stock Option Plan (the 1998 Plan), which permits the grant of stock options to employees, officers, directors, consultants and advisors. Union Biometrica is authorized to issue up to 250,000 shares of common stock under the 1998 Plan. As of December 31, 2000 and March 31, 2001, there were 46,410 and 91,660 shares, respectively, available for grant under the 1998 Plan. Options granted under the 1998 Plan may be either nonstatutory stock options or options intended to constitute incentive stock options under the Internal Revenue Code (IRC). Options become vested over periods determined by the Board of Directors and expire 10 years from the date of grant.

##### 2000 STOCK INCENTIVE PLAN

In November 2000, Union Biometrica adopted the Union Biometrica, Inc. 2000 Stock Incentive Plan (the 2000 Plan), which permits the grant of stock options to employees, officers, directors, consultants and advisors. Union Biometrica is authorized to issue up to 78,200 shares of common stock under the 2000 Plan. As of December 31, 2000 and March 31, 2001, there were 64,200 and 58,200 shares, respectively, available for grant under the 2000 Plan. Options granted under the 2000 Plan may be either nonstatutory stock options or options intended to constitute incentive stock options under the IRC. Options become vested over periods determined by the Board of Directors and expire 10 years from the date of grant.

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

A summary of stock option activity under the 1998 Plan and the 2000 Plan is as follows:

	NUMBER OF SHARES	EXERCISE PRICE
Outstanding, December 31, 1998	134,220	\$ 0.01
Granted	60,000	0.01
Exercised	(14,260)	0.01
	-----	-----
Outstanding, December 31, 1999	179,960	0.01
Granted	36,500	0.01-4.00
Exercised	(19,621)	0.01
Cancelled	(16,730)	0.01
	-----	-----
Outstanding, December 31, 2000	180,109	0.01-4.00
Granted	9,000	0.01-4.00
Exercised	(8,025)	0.01
Cancelled	(48,250)	0.01
	-----	-----
Outstanding, March 31, 2001	138,359	\$ 0.01-4.00
	=====	=====
Exercisable, March 31, 2001	90,705	\$ 0.01-4.00
	=====	=====
Exercisable, December 31, 2000	81,707	\$ 0.01-4.00
	=====	=====
Exercisable, December 31, 1999	31,542	\$ 0.01
	=====	=====

In connection with certain stock option and restricted stock grants during the years ended December 31, 1999 and 2000 and the three months ended March 31, 2001, Union Biometrica recorded deferred compensation of \$22,050, \$26,375 and \$11,970, respectively. The deferred compensation represents the aggregate difference between the option exercise price and the deemed fair value of the common stock for accounting purposes. All stock options granted and stock sold prior to 1999 were at fair market value, and, therefore, did not result in deferred compensation. The deferred compensation will be recognized as an expense over the vesting period of the underlying stock options. Union Biometrica recorded compensation expense of \$1,470, \$6,608, \$1,652 and \$1,542 in the years ended December 31, 1999 and 2000 and the three months ended March 31, 2000 and 2001, respectively.

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UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

PRO FORMA STOCK-BASED COMPENSATION EXPENSE

SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION, sets forth a fair-value-based method of recognizing stock-based compensation expense. As permitted by SFAS No. 123, Union Biometrica has elected to continue to apply APB Opinion No. 25 to account for stock-based compensation plans. Had compensation cost for awards granted under stock-based compensation plans been determined based on the fair value at the grant dates consistent with the method set forth under SFAS No. 123, the effect on Union Biometrica's net income (loss) and earnings (loss) per share would have been as follows:



	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1999	2000	2000	2001
Net income (loss)-				
As reported	\$ (217,161)	\$ (765,101)	\$301,937	\$ (851,391)
Pro forma	(217,724)	(767,533)	301,829	(853,110)
Net earnings (loss)				
per share-Basic				
As reported	\$ (0.56)	\$ (2.17)	\$ 0.77	\$ (2.17)
Pro forma	(0.57)	(2.18)	0.77	(2.17)

Pro forma compensation expense for options granted is reflected over the vesting period; therefore, future pro forma compensation expense may increase as additional options are granted.

The weighted average fair value per share of options granted was \$0.16 in 1999, \$0.99 in 2000 and \$1.39 in 2001. The fair value of each option grant was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1999	2000	2000	2001
Volatility	60%	60%	60%	60%
Risk-free interest rate	5.94%	5.83%	5.75%	4.94%
Expected life of options	5 years	5 years	5 years	5 years
Dividend yield	-	-	-	-

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option pricing models require the input of highly subjective assumptions, including expected stock price volatility. Because employee stock options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

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#### UNION BIOMETRICA, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements  
(INFORMATION RELATED TO MARCH 31, 2000 AND 2001 IS UNAUDITED)

##### (6) RELATED PARTY TRANSACTIONS

###### PAYABLE TO AFFILIATE

During 1998, Union Biometrica borrowed \$107,799 from an entity owned by its then sole stockholder. This borrowing was unsecured and bore interest at a rate of 6% per annum. Union Biometrica repaid all outstanding principal and accrued interest thereon from 1998 through 2000.

###### RECEIVABLE FROM AFFILIATE

During 2000, Union Biometrica advanced \$29,064 to two entities owned by a stockholder of Union Biometrica. This advance is unsecured and is not interest-bearing. The amounts advanced are due upon demand.

##### (7) COLLABORATION AGREEMENTS

Union Biometrica has entered into several collaboration agreements with pharmaceutical companies and a university. The main purpose of the agreements is to develop and test new instruments and applications related to the particle and cell separation systems of Union Biometrica.

##### (8) LEASES

Future minimum lease payments under operating leases at December 31, 2000 are as

follows:

2001	\$	136,511
2002		89,380
2003		66,615
2004		5,566
		-----
Total minimum lease payments	\$	298,072

For the years ended December 31, 1999 and 2000 and the three months ended March 31, 2000 and 2001, Union Biometrica recorded rent expense of approximately \$51,646, \$99,281, \$26,853 and \$37,182, respectively, which is included in the accompanying consolidated statements of operations.

(9) 401(K) PLAN

Effective July 1998, Union Biometrica adopted a 401(k) plan (the Plan) for all employees. Employees are eligible to participate in the Plan at the time of employment. During 2000, Union Biometrica matched 30% of employee contributions to the Plan. Union Biometrica contributed \$11,412, \$19,736, \$3,043 and \$5,737 to the Plan during the years ended December 31, 1999 and 2000 and the three months ended March 31, 2000 and 2001, respectively.

(10) SUBSEQUENT EVENT

On May 31, 2001, Harvard Bioscience, Inc. (Harvard Bioscience) acquired all of the outstanding shares and stock options of Union Biometrica for a purchase price of approximately \$17.4 million. The purchase price consists of \$7.5 million in cash and the issuance of 659,282 shares of Harvard Bioscience's common stock and stock options to purchase 263,202 shares of common stock.

HARVARD BIOSCIENCE, INC. AND SUBSIDIARIES  
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not purport to be indicative of the consolidated financial position and the results of operations for future periods or the results that actually would have been realized had the Company and Union Biometrica, Inc (Union Biometrica) been a consolidated company during the specified periods.

The following unaudited pro forma condensed combined financial statements are based on the respective audited and unaudited historical consolidated financial statements and the notes thereto of the Company and Union Biometrica after giving effect to the acquisition of Union Biometrica using the purchase method of accounting and the assumptions and adjustments described below. The purchase price was allocated to the estimated fair value of the assets acquired and liabilities assumed. The purchase price allocation is based on an independent appraisal and management estimates. The following unaudited pro forma condensed combined statements of operations for the year ended December 31, 2000 and three months ended March 31, 2001 assumes the merger occurred on January 1, 2000. The unaudited pro forma condensed combined balance sheet at March 31, 2001 assumes the merger occurred on March 31, 2001.

The pro forma adjustments were based upon available information and upon certain assumptions as described in the notes to the unaudited pro forma condensed combined financial statements that Harvard Bioscience's management believes are reasonable in the circumstances. In accordance with generally accepted accounting principals, the amount allocated to in-process technology will be expensed in the quarter in which the merger was consummated. The in-process research and development ("IPR&D") adjustment has been excluded from the unaudited pro forma condensed combined statements of operations because it is a material, non-recurring charge. The effects of the IPR&D expense have been included in retained earnings in the March 31, 2001 unaudited pro forma condensed combined balance sheet.

The unaudited pro forma condensed combined financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and accompanying notes thereto of Harvard Bioscience, Inc. included in its Annual Report on Form 10-K for the year ended December 31, 2000.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AT MARCH 31, 2001  
(in thousands except per share data)

	HARVARD BIOSCIENCE	UNION BIOMETRICA	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Current assets:				
Cash and cash equivalents	\$ 42,388	\$ 489	\$(7,500) (B)	\$ 35,377
Trade accounts receivable, net	4,204	210		4,414
Other receivables and other assets	1,253	111		1,364
Inventories	3,780	314		4,094
Catalog costs	422			422
Prepaid Expenses	467			467
Income tax receivable	513			513
	-----	-----	-----	-----
Total current assets	53,027	1,124	(7,500)	46,651
	-----	-----	-----	-----
Property, plant and equipment, net	1,891	200		2,091
	-----	-----		-----
Other assets:				
Catalog costs, less current portion	69			69
Deferred tax asset	58			58
Goodwill and other intangibles	9,149		12,696 (B)	21,845
Other assets	425	105		530
	-----	-----	-----	-----
Total other assets	9,701	105	12,696	22,502
	-----	-----	-----	-----
	\$ 64,619	\$ 1,429	\$ 5,196	\$ 71,244
	=====	=====	=====	=====
Current liabilities:				
Current installment of long-term debt	\$ 6			\$ 6
Trade accounts payable	2,388	\$ 551		2,939
Accrued income taxes payable	1,140			1,140
Accrued expenses	862		\$ 450 (B)	1,312
Other liabilities	202	14		216
Deferred revenue		970		970

Total current liabilities	4,598	1,535	450	6,583
Deferred income tax liability	105			105
Total long-term liabilities	105			105
Series A Convertible Redeemable Preferred Stock		1,884	(1,884) (B)	--
Stockholders' equity:				
Common stock	304	4	2 (B)	310
Accumulated other comprehensive loss	(983)	--	-- (B)	(983)
Additional paid-in capital	140,998	40	9,882 (B)	150,920
Warrants		20	(20) (B)	--
Accumulated deficit	(78,108)	(2,046)	(3,242) (B)	(83,396)
Notes receivable	(1,627)			(1,627)
Treasury stock	(668)	(8)	8 (B)	(668)
Total stockholders equity	59,916	(1,990)	6,630	64,556
	\$ 64,619	\$ 1,429	\$ 5,196	\$ 71,244

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2000  
(in thousands except per share data)

	HARVARD BIOSCIENCE	UNION BIOMETRICA	PRO FORMA ADJUSTMENTS	COMBINED
Revenue	\$ 30,575	\$2,398		\$32,973
Costs and expenses				
Cost of revenue	16,097	473		16,570
Research and development	1,533	1,459		2,992
Marketing, general and administrative	8,367	1,251		9,618
Stock compensation expense	14,411	7		14,418
Amortization of goodwill and other intangibles	604	--	\$ 1,183 (A)	1,787
Total costs and expenses	41,012	3,190	1,183	45,385
Operating loss	(10,437)	(792)	(1,183)	(12,412)
Other (expense) income:				
Common stock warrant interest expense	(36,885)	--		(36,885)
Other, net	(1,188)	27		(1,161)
Total other (expense) income:	(38,073)	27	--	(38,046)
Loss before income taxes	(48,510)	(765)	(1,183)	(50,458)
Income taxes	1,360	--	--	1,360
Accretion of offering costs and dividends on preferred stock	(136)	(113)	113 (D)	(136)
Net loss available to common shareholders	\$ (50,006)	\$ (878)	\$ (1,070)	\$ (51,954)
Loss per share				
Basic	\$ (6.25)			(6.00)
Weighted average shares				
Basic	8,005			8,664

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2001  
(in thousands except per share data)

	HARVARD BIOSCIENCE	UNION BIOMETRICA	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Revenue	\$ 8,607	\$ 788	\$ --	\$ 9,395
Costs and expenses				
Cost of revenue	4,354	534	--	4,888
Research and development	430	469		899

Marketing, general and administrative	2,360	650		3,010
Stock compensation expense	761	--		761
Amortization of goodwill and other intangibles	184	--	296 (A)	480
Total costs and expenses	8,089	1,653	296	10,038
Operating income (loss)	518	(865)	(296)	(643)
Other income, net	344	14	--	358
Income (Loss) before income taxes	862	(851)	(296)	(285)
Income taxes	590	--	--	590
Net income (loss)	\$ 272	(851)	(296)	(875)
Accretion of offering costs and dividends on preferred stock	--	(45)	45 (D)	--
Net income (loss) available to common shareholders	\$ 272	\$ (896)	\$ (251)	\$ (875)
(Loss) per share				
Basic	\$ 0.01			\$ (0.03)
Diluted	\$ 0.01			\$ (0.03)
Weighted average shares				
Basic	25,214			25,873
Diluted	25,633			25,873

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION.

#### NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

##### NOTE 1. BASIS OF PRESENTATION

On May 31, 2001, Harvard Bioscience, Inc. and Subsidiaries, (the "Company") acquired all of the outstanding common and preferred shares of Union Biometrica. Union Biometrica develops, manufactures and markets instruments that enable high throughput analysis and sorting of model organisms used in drug discovery research. The transaction was accounted for using the purchase method of accounting. The total purchase price of approximately \$17.4 million, net of cash acquired of \$562,000, included 659,282 common shares and 263,202 options with an estimated fair value of \$10 million.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2000 and the three months ended March 31, 2001 give effect to the acquisition as if the transaction had occurred as of January 1, 2000. The unaudited pro forma condensed combined balance sheet give effect to the acquisition as if the transaction had occurred on March 31, 2001. The allocation of purchase price is based on an independent appraisal and management estimates. Below is a table of the purchase price allocation net of cash acquired of \$562,000, in millions:

Current Assets.....	\$ 0.5
Property, Plant & Equipment.....	0.2
Purchased Intangibles.....	10.1
In Process Research & Development.....	5.3
Goodwill.....	3.7
Other Assets.....	0.1
Current Liabilities.....	(2.5)
	-----
	\$ 17.4
	=====

##### NOTE 2. PRO FORMA ADJUSTMENTS

The proforma adjustments are based on an allocation of purchase price to the assets acquired and liabilities assumed.

(A) Adjustments have been included to record amortization of purchased intangibles and goodwill in the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2000 and the three months ended March 31, 2001 in the amounts of \$1,183,000 and \$296,000 respectively. The fair value amounts and amortization periods for the acquired intangible assets are as follows in thousands:

	AMOUNT (IN THOUSANDS)	PERIOD
Goodwill	\$ 3,671	15 years
Workforce in Place	1,370	15 years
Acquired Technologies	7,967	10 years
Trademark	760	15 years
	-----	
	\$13,768	
	=====	

(B) Adjustment to reflect the common stock issued in connection with the acquisition of Union Biometrica and the allocation of the purchase price to the net assets acquired and liabilities assumed. In addition, it reflects the accrual of acquisition costs of \$450,000 and the effects of IPR&D expense of \$5,288,000 included in accumulated deficit, see (C).

(C) As required by Article 11 of Regulation S-X, the unaudited pro forma condensed combined statement of operations excludes material non-recurring charges that result directly from the merger and that will be recorded within twelve months of the merger. In process research and development expense of \$5,288,000 related directly to the merger was not included in the unaudited pro forma combined condensed statements of operations.

(D) Adjustment to eliminate accretion of offering costs and dividends on Union Biometrica's preferred stock.

NOTE 3. PRO FORMA NET LOSS PER SHARE

The unaudited basic and diluted net loss per share is based on the weighted average number of Harvard Bioscience common shares outstanding prior to the merger plus the number of shares of Harvard Bioscience common stock issued upon the closing of the merger to existing security holders. Shares issuable under the Harvard Bioscience and Union Biometrica option incentive plan are not included in the determination of weighted average shares as they are antidilutive.