



ViroGates updates its strategic objectives

20.3.2020 16:09:43 CET | ViroGates | Company Announcement

Company Announcement No. 4-2020

20 March 2020

BIRKERØD, DENMARK - ViroGates A/S, a medical technology company developing blood tests for better triaging in hospitals to improve patient care and reduce healthcare costs, today updates its 2020 outlook with new strategic objectives due to a longer than expected sales cycle and the growing impact from the COVID-19 outbreak and its resulting uncertainty in the healthcare sector.

The customers' decision processes and the ability to conduct pilot phase use are longer than originally expected. Despite longer sales cycles, ViroGates remains confident in its go-to-market approach as pilot phase use in the emergency department generally is successful with very few customers declining to introduce the suPARnostic® products. ViroGates is continuously learning and optimizing the go-to-market approach to shorten the sales cycle length, however, the longer sales cycle is expected to have a negative impact on the outlook for 2020. In the future, ViroGates expects the sales cycle to be shortened as more reference hospitals are obtained in the target markets.

The COVID-19 outbreak has put a halt to a significant part of ViroGates' sales activities with sales meetings and pilot phase use being postponed until further notice as many European hospitals are overburdened and closed to representatives from private companies. ViroGates is collaborating closely with hospitals that have shown an increased interest in measuring suPAR for COVID-19-related reasons.

Given the new circumstances, ViroGates has updated its strategic objectives. The objective of becoming cash flow positive cannot be achieved in 2020 as previously reported. Due to the longer sales cycle and the uncertainty from the COVID-19 outbreak, the single strategic objective is now to become cash flow positive with the existing cash at hand.

CEO Jakob Knudsen, says in a comment: *"The new strategic objective reflects our best estimate in a situation characterized by a high degree of uncertainty. We have been welcomed by many potential customers who are conducting an evaluation in the form of pilot studies to introduce suPARnostic® in clinical use. We have however realised that many decision makers are involved in the implementation. Despite the longer sales cycle and the impact of the COVID-19 outbreak, ViroGates remains confident in the future with a strong pipeline of potential customers, multiple ongoing pilot studies and sufficient cash to tackle the current challenges."*

For further information please contact:

ViroGates A/S:

CEO, Jakob Knudsen

Tel. (+45) 2226 1355, email: jk@virogates.com

Certified Advisor:

Västra Hamnen Corporate Finance

Per Lönn

Tel. (+46) 40 200 250, email: per.lonn@vhcorp.se

About ViroGates

ViroGates A/S is an international medical technology company developing and marketing blood test products under the suPARnostic® brand for better triaging in hospitals to improve patient care, reduce healthcare costs and empower clinical staff.

The company was founded in 2000 based on the discovery that suPAR was predictive of outcome in HIV-infections and subsequently in many other disease areas. Headquartered in Denmark, ViroGates' sales force covers the Nordics, Spain, and France, while distributors serve other markets.

ViroGates' shares (VIRO) are listed on Nasdaq First North Growth Market Denmark. For more information, please visit www.virogates.com.

About suPAR and suPARnostic®

suPAR is the biomarker detected by ViroGates' suPARnostic® products and is a protein in plasma, measurable in every human being. suPAR is considered a general risk status biomarker indicating disease presence, disease severity and progression, organ damage and mortality risk across disease areas such as cardiovascular diseases, kidney diseases, type 2 diabetes, cancer, etc. Strong scientific evidence from more than 600 clinical trials and studies show that the higher the level of suPAR, the worse the prognosis for the patient.

The suPARnostic® products can be used to support healthcare professionals in making clinical decisions on hospitalization or discharge of acute care patients. The increasing demands on health systems globally and tightening healthcare budgets necessitate efficiency improvements and innovative solutions in hospitals. The use of suPAR in clinical routine in emergency departments can improve patient care and reduce healthcare costs by increasing the number of discharges by 34% and reducing the average hospital length-of-stay by 6% without affecting mortality. suPARnostic® TurbiLatex is currently available on Siemens ADVIA XPT instruments and Roche Diagnostics' cobas instruments. ViroGates works with partners to develop solutions for other platforms.

Disclosure regulation

Prospects about the future reflect ViroGates' current expectations for future events and results. The statements are by nature inherent in risks, uncertainties and other matters that are difficult to predict or out of control. The actual results may therefore differ from the expectations expressed.

Contacts

- Jakob Knudsen, CEO, +45 2226 1355, jk@virogates.com

Attachments

- [20200320-ViroGates company announcement 4.pdf](#)