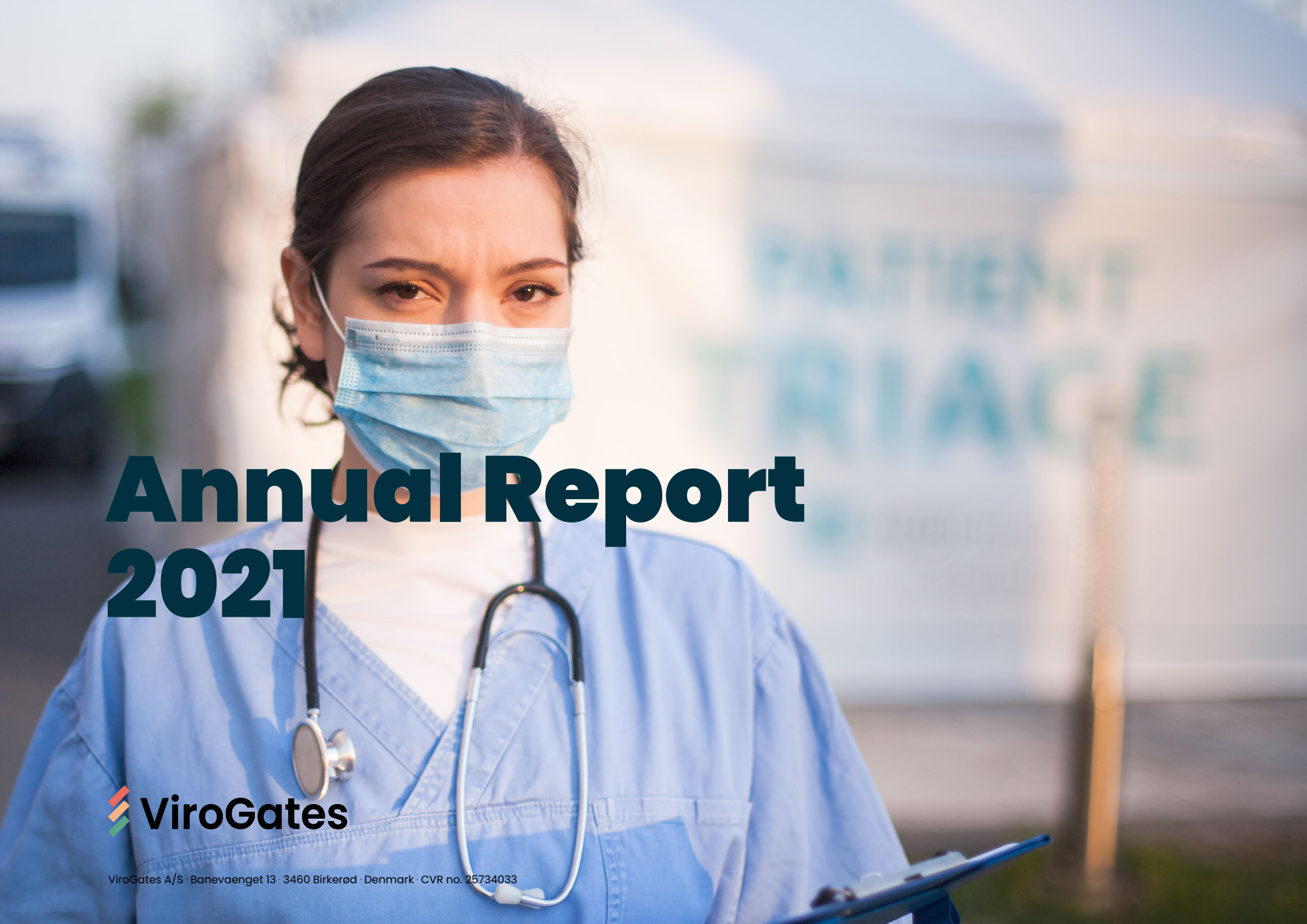


Annual Report 2021

ViroGates

ViroGates A/S · Banevaenget 13 · 3460 Birkerød · Denmark · CVR no. 25734033

Improving patient outcomes and reducing healthcare costs

Contents

In brief

ViroGates at a glance

ViroGates is an international in vitro diagnostics company headquartered in Denmark and listed on Nasdaq First North Growth Market Copenhagen, ticker "VIRO". The company develops and markets prognostic products for the healthcare sector. The products are primarily used at emergency departments in hospitals to improve clinical decisions on hospitalization or discharge of acute medical patients. This may lead to better clinical outcomes, faster discharge, and optimization of healthcare resources. The products can also be used for the prognosis of lifestyle-related diseases such as cardiovascular disease, type 2 diabetes, cancer, etc.

ViroGates' suPARnostic® product range measures the suPAR (Soluble urokinase Plasminogen Activator Receptor) protein in the bloodstream. An elevated suPAR level is associated with the presence and severity of a broad range of acute and chronic health issues and is associated with short term mortality. A low suPAR level is associated with good prognosis and low risk of short term mortality. suPARnostic® provides for quick health assessment in only 10-20 minutes via simple blood sampling.

Vision

ViroGates envisions that all hospital patients are screened and monitored based on the suPAR biomarker and that the general population is screened on a routine basis using suPAR to allow them to adjust lifestyle in due time to avoid the development of lifestyle-related diseases.

Mission

ViroGates´ mission is to develop biomarkers into affordable solutions that serve to prevent and optimize treatment in order to improve the lives of individuals and reduce healthcare costs.

Investment highlights

~240 million €

Initial market potential
Short-term focus on the European Acute Care market

+40 billion €

Large addressable market
Significant future opportunities in the Pre-hospital, Post-Acute Care, General Practitioners, and Direct-to-Consumer segments

15 million DKK

Cash end-of-period
15 million DKK in cash primarily directed at commercialization efforts

+15 hospitals

Clinical routine customers
+15 clinical routine customers in six countries

+20 countries

Clinical routine evaluation and research
suPARnostic® orders from more than 20 countries in 2021`

+500,000 tests

Global suPAR tests
More than 450,000 suPAR tests have been performed globally, hereof +100,000 in an Acute Care setting

+800 peer-reviewed articles

Peer-reviewed articles
More than 800 published peer-reviewed articles in many leading journals, e.g. Nature Medicine, New England Journal of Medicine and JAMA, and +100 new articles published in 2021

Letter from the Chairman and the CEO

2021 was a great year for ViroGates – we grew our revenue and customer base, achieved extraordinary scientific results, and positioned our business for further success.

The year, however, also continued to see our business affected by the global COVID-19 pandemic.

Our core business of supporting the early discharge of patients in the emergency departments ("EDs") was negatively affected. The hospitals remained in a state of emergency, awaiting potential new variants of the coronavirus. As a result, many hospitals were unable to onboard new technologies.

Despite the challenges, we welcomed several new customers in Spain, Greece, and Italy.

Driving extraordinary scientific results: The SAVE-MORE study

In January 2021, we announced the initiation of an ambitious randomized controlled trial, the SAVE-MORE study, with Professor Evangelos Giamarellos-Bourboulis and Swedish Orphan Biovitrum AB (publ) ("Sobi"). The study enrolled 600 patients at 37 study sites in Greece and Italy and reporting of topline data took place in May 2021.

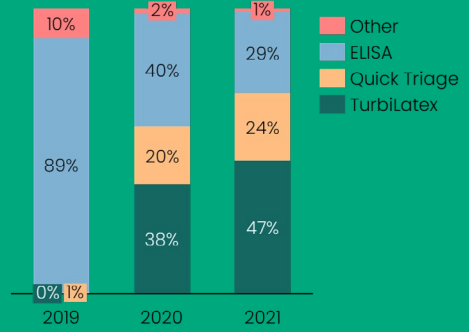
The SAVE-MORE study was highly successful. The effect of the suPARnostic®-guided intervention was more potent than expected, with a 64% improvement in overall clinical outcome. The results showed that early, suPAR-guided use of anakinra, a drug marketed by Sobi, in adult COVID-19 patients prevented death and progression to severe respiratory failure. In addition, the intervention increased the number of patients discharged from the hospital with no evidence of COVID-19 infection within 28 days.

The results confirmed our earlier established hypothesis that suPARnostic® could identify patients that would benefit from intervention with drugs due to elevated inflammation. In addition, suPARnostic® could identify patients with lower inflammation that would not benefit from the drug and where intervention might have negatively affected patient outcomes.

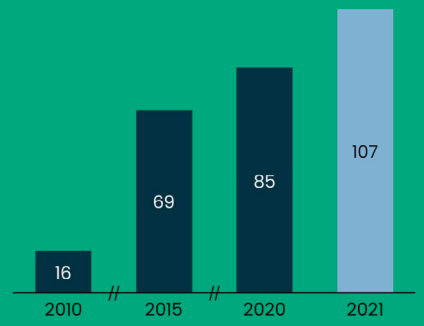
In September, the study results were published in Nature Medicine, one of the world's highest-ranking medical journals in the world. We are proud to have been part of this collaboration and thank all of the academic partners involved.

Sobi and ViroGates collaborated on Sobi's application to the European Medicines Agency to extend the label

Sales by product
%



suPAR publications 2010–2021
#



for anakinra to include treatment of patients with COVID-19 infection and respiratory problems.

The European Medicines Agency approved the label extension in late December. Following the approval, we have worked closely with Sobi to market the combination of suPARnostic® and anakinra to hospitals treating COVID-19 patients.

We have yet to see the commercial effects of the study but we do expect COVID-19 driven revenue to be a significant part of ViroGates' overall revenue in 2022 based on the increased interest from European hospitals and the joint commercial efforts with Sobi. We strive to take advantage of our COVID-19 customers by converting them to emergency department customers and utilize the significantly increased awareness of suPARnostic® in the European markets due to the COVID-19 indication.

Expanding suPAR research

The use of suPARnostic® continues to gain interest in clinical research and for the first time, more than 100 peer-reviewed studies on suPAR have been published in a single year. There are now more than 800 studies published on suPAR in total.

Some of the key publications are focused on suPAR's prognostic abilities within the triage of patients in the emergency department, supporting our main business, and we collected data from Finland and Spain to this end.

During 2021 studies using suPARnostic® were also published within a range of specific disease areas, all supporting that suPAR is a marker of general inflammation.

Growing revenue, changing the product mix and achieving more customers

2021 revenue was the highest annual revenue in ViroGates' history. Despite not growing at the pace envisioned pre-pandemic, the growth is a testament that suPARnostic® is a valuable tool used by an increasing number of hospitals worldwide. The composition of the product mix and expanding customer base confirms that the current strategy has generated revenue traction.

We introduced suPARnostic® TurbiLatex in 2018/2019 and have focused strategically on realizing its commercial potential ever since. We have validated the product on a wide range of clinical chemistry instruments and have directed our sales efforts towards hospitals likely to benefit from a turbidimetric product. The suPARnostic® TurbiLatex is best suited to larger hospitals with many patients as the product fits fully automated workflows only present at large hospitals and there are no additional hands-on needed from the clinical staff.
We have seen an excellent uptake for the suPARnostic® TurbiLatex from no sales in 2019, to constitute nearly half of all sales in 2021. Since the workflow is automated, customers of suPARnostic® TurbiLatex tend to be more loyal customers.

In short, our growth is driven by increased consumption of products per customer, by increased number of customers and much broader geographic distribution of customers as ViroGates is now selling products to customers in 24 different countries.

Broadening validations and progressing product development

In 2021, we validated our suPARnostic® TurbiLatex product on new platforms from large diagnostics companies to now including the Abbott Alinity and Siemens Healthineers Atellica instruments. This adds to the list of already validated platforms from Roche Diagnostics.

It is crucial that the suPARnostic® TurbiLatex product is validated on several platforms as different platforms are preferred in different markets. Furthermore, it means that when hospitals are changing from one platform to the next our customers will be able to continue the use our suPARnostic® TurbiLatex products.

In December, we launched a strategic collaboration with Italian DIESSE. This collaboration aims to validate the suPARnostic® ELISA product for DIESSE's platform. The collaboration initially targets the suPARnostic®-guided anakinra treatment within COVID-19 and will expand suPARnostic® into geographies that we have previously not been able to target.

The suPARnostic® POC+ (a point of care product), that we are developing with our partner GENSPEED Biotech GmbH is delayed partly as COVID-19 has negatively

In 2021, we demonstrated that we can add tremendous value to patients affected by serious illness, and we continued to add to our customer base.

Jakob Knudsen
Chief Executive Officer

Lars Kongsbak
Chairman of the Board

affected GENSPEED Biotech's work, and partly due to technical challenges. The aim is to conclude the development in 2022. The product development is in part funded by the Innovation Fund Denmark.

Unchanged strategic objectives

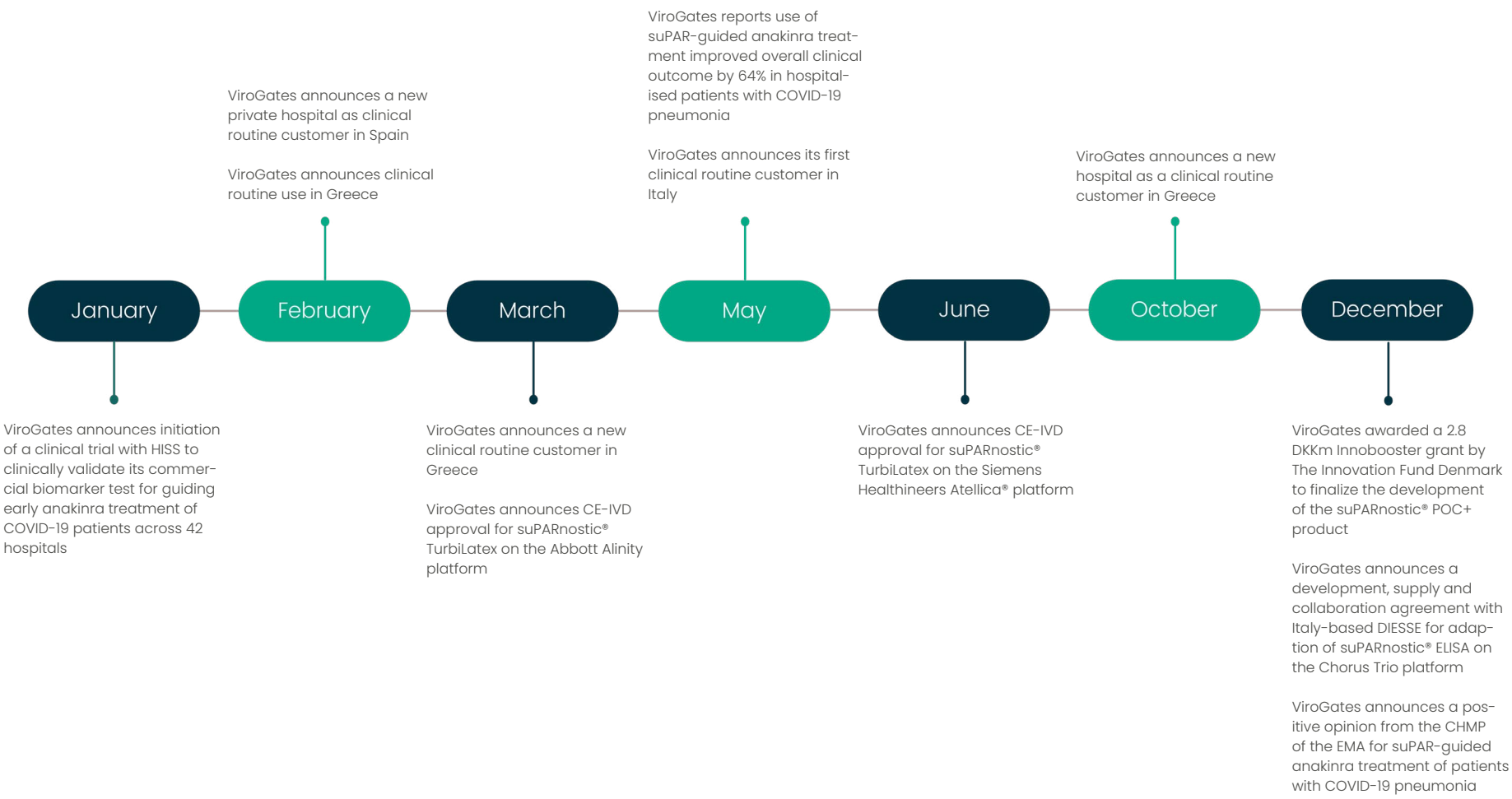
We maintain our objective to become cash flow positive with the cash raised in the Initial Public Offering in 2018. We realize that opportunities that were not funded in the Initial Public Offering may arise, which may warrant raising additional funds. However, the board and executive management are committed to growing the business to build a financially viable company capable of funding itself.

We would like to thank our colleagues, partners, and customers for their hard work and support during the year. We are excited to enter 2022 from a position of strength to continue our mission to improve patient outcomes and realize the full potential of suPARnostic®.

Lars Kongsbak
Chairman of the Board

Jakob Knudsen
Chief Executive Officer

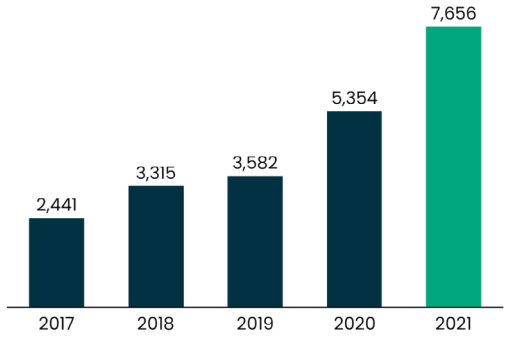
Key events in 2021



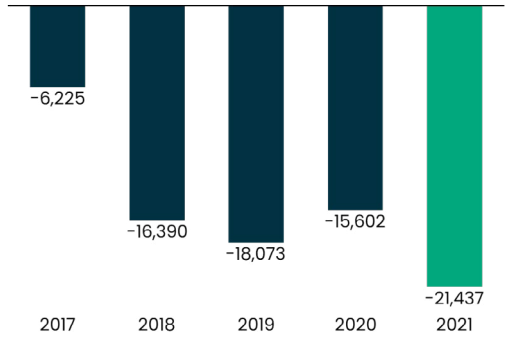
Financial highlights and key ratios 2021

DKK ('000) unless otherwise stated	2021	2020	2019	2018	2017
Income statement					
Net revenue	7,656	5,354	3,582	3,315	2,441
Gross profit/loss	5,787	4,190	3,198	3,003	2,170
Operating profit/loss	-18,790	-19,729	-19,723	-18,102	-7,690
Financial income and expenses, net	-175	-253	-286	-814	-7
Profit/loss for the year before tax	-18,965	-19,982	-20,009	-18,916	-7,697
Profit/loss for the year	-17,663	-18,736	-18,797	-16,986	-5,987
Balance sheet					
Balance sheet total	20,229	38,246	45,157	63,424	4,977
Equity	16,426	31,314	42,215	61,012	2,998
Invested capital	4,815	895	2,942	2,412	1,980
Cash flows					
Cash flows from operating activities	-21,437	-15,602	-18,073	-16,380	-6,225
Cash flows from investment related activities	-4	-114	-603	-2	-132
Cash flows from financing activities	2,776	7,835	-	75,000	-
Total cash flows	-18,665	-7,881	-18,676	58,618	-6,357
Cash and cash equivalents	14,859	33,526	41,407	60,083	1,466
Ratios					
Rate of return	-658.2	-1,028.1	-736.8	-824.3	-308.0
Number of employees, end of period	13	14	12	8	4
Market share price, end of period (DKK)	144.0	81.5	34.3	60.0	-

Net revenue
DKK ('000)



Cash flow from operating activities
DKK ('000)



Business and performance

suPAR as prognostic tool

What is suPAR?

suPAR is the biomarker detected by ViroGates' suPARnostic® products and is a protein found in human plasma. The suPAR molecule was first described in 1993 and in 2000 it was found to be predictive of outcome in HIV infection. Following this discovery, it became clear that suPAR was also elevated and predictive of outcome in many other diseases.

Today, suPAR is considered a general risk status biomarker indicating:

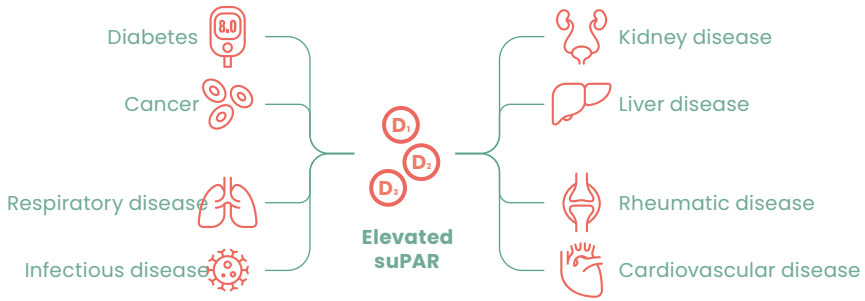
- Disease presence (acute, chronic, infectious, and non-communicable)
- Disease severity & progression
- Organ damage
- Mortality risk

In essence, the higher the level of suPAR, the worse the prognosis. suPAR is supported by strong scientific evidence across a wide range of diseases, for example:

- Cardiovascular diseases
- Kidney diseases
- Cancer
- Diabetes
- Liver diseases
- Infectious diseases
- Respiratory diseases
- Rheumatic diseases

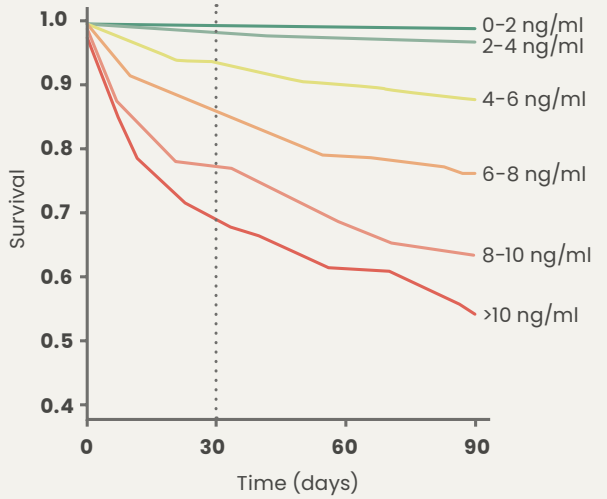
The suPAR level is not related to specific diseases and is not affected by circadian changes, short-term life circumstances (e.g. fasting), or temporary illnesses (e.g. influenza).

Elevated suPAR



Prediction of disease severity over time using suPAR

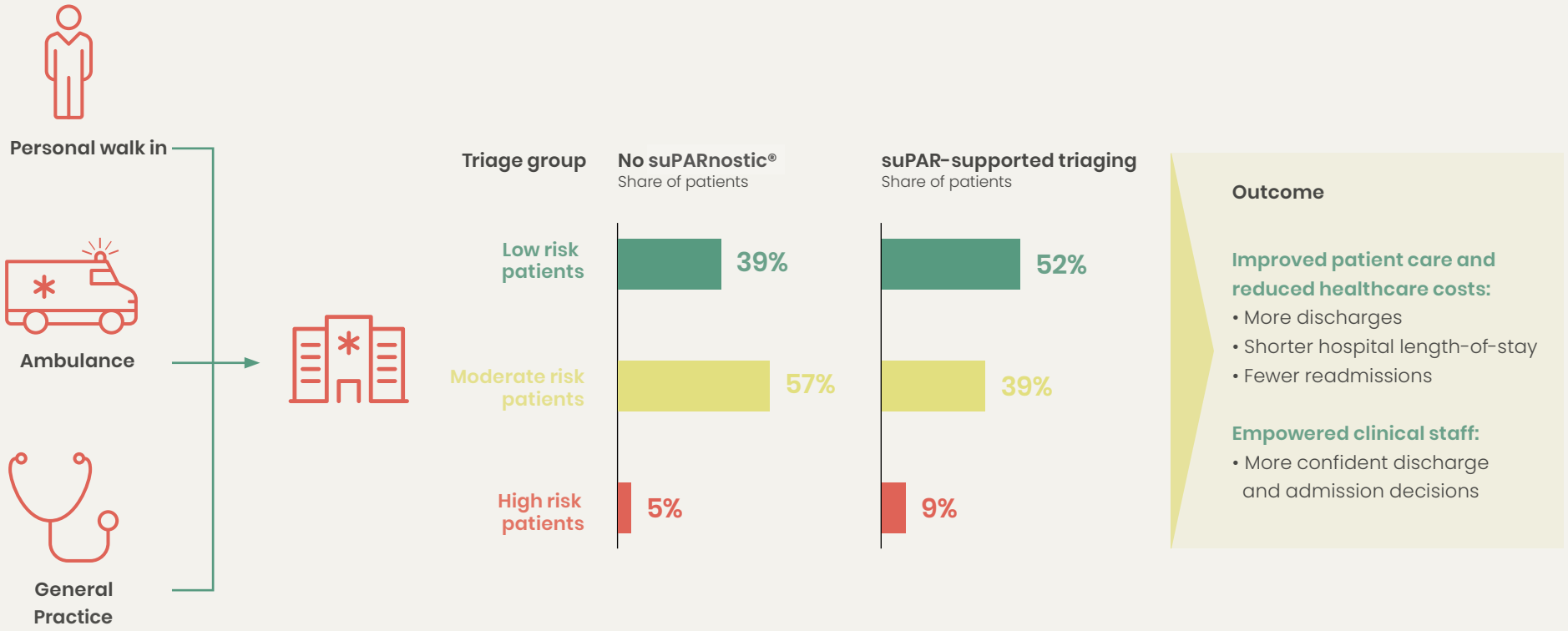
Survival rate over time



Recreated from Martin Schultz, 2018

The figure shows the chance of survival over 90 days depending on the patient's suPAR level. A high-risk patient with higher suPAR level (higher ng/ml) is associated with a significantly lower chance of 30-, 60- and 90-day survival.

Compared to standard triaging, suPARnostic® reveals significantly more low-risk patients and slightly more high-risk patients



* Early Warning Score

Rasmussen et al. Critical Care Medicine, 2018, 46(12); 1961-1968

Schultz et al. Scandinavian Journal of Trauma, Resuscitation and Emergency Medicine, 2019, 27:43

Numbers may not add up due to rounding. Orange and yellow category combined to "moderate risk patients"

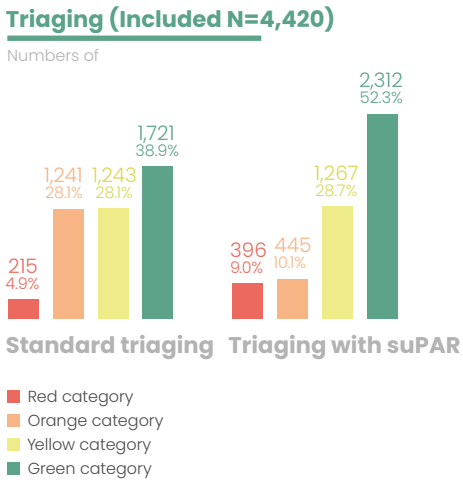
The value of suPARnostic® in clinical routine use

Improve patient care | **Reduce healthcare costs** | **Empower clinical staff**

Based on the level of suPAR in the bloodstream, Viro-Gates´ suPARnostic® products determine the presence and severity of disease as well as the prognosis. While suPARnostic® can not diagnose a patient with a specific disease, it can provide the physician with an objective view of the patient to assist in making decisions regarding admission for further examination or discharge.

Thus, suPARnostic® can help physicians improve patient care and reduce healthcare costs. Using suPARnostic® in clinical routine practice contributes to avoiding unnecessary hospitalization of low-risk patients, shortening hospital stays, and ensuring that important underlying diseases are not overlooked before discharging high-risk patients. Furthermore, suPARnostic® empowers clinical staff with information to make more confident clinical decisions.

The study described on page 15 also showed that hospital length-of-stay per patient could be shortened by 6% (equivalent to 6.5 hours per hospital stay) by using suPARnostic®. This could lead to significant healthcare cost savings without negatively affecting readmissions or mortality.



34%

More patients classified into low-risk, discharge category and with lower mortality[1]

6%

reduction in hospital length-of-stay per patient[2]

€100–380

savings per admission depending on medical specialty and geography[3]

[1] Schultz et al. Scandinavian Journal of Trauma, Resuscitation and Emergency Medicine, 2019, 27:43
[2] Schultz et al. Disease Markers, 2019, 10;1-8
[3] Stallknecht et al, Incentive health economic assessment, 2017

suPARnostic® in COVID-19

The scientific achievements

suPARnostic® has proven to be a valuable tool in the fight against COVID-19.

Early in the pandemic, ViroGates' CSO, Jesper Eugen-Olsen, hypothesized that suPARnostic® could be used to predict negative patient outcomes in COVID-19. SARS-CoV-2 infection can lead to death due to an overreaction of the infected person's inflammatory response, often referred to as a 'cytokine storm'[i] . The hypothesis was that suPAR could be used for the early identification of high-risk patients. In 2020 and 2021, several studies documented suPARnostic®'s prognostic value in predicting severe respiratory failure and mortality in COVID-19 patients.[ii]

In collaboration with the Hellenic Institute for the Study of Sepsis led by Professor Evangelos J. Giamarelos-Bourboulis, ViroGates set up subsequent prospective and interventional studies investigating early identification and treatment of COVID-19 patients.

One of the studies, the SAVE study, focused on patients with a high risk of progression to severe respiratory failure using suPAR as a biomarker. The hypothesis was that early anti-inflammatory treatment using the drug anakinra administered for up to 10 days in patients with suPAR above 6 ng/mL could lower the risk of progression to severe respiratory failure. The study was an open-label, single-arm trial. The analysis of the SAVE study on Day 14 showed that early treatment with anakinra as guided by the suPAR biomarker significantly decreased the incidence of severe respiratory failure in COVID-19 patients with pneumonia compared to a matched control cohort.[iii]

The SAVE-MORE study was designed as a confirmatory, phase III randomised controlled trial (RCT) based on these learnings. The study included 1,060 COVID-19 patients of whom 606 patients had a suPAR above 6 ng/mL and were randomized to treatment with anakinra or placebo across 37 sites in Greece and Italy. The study found that early identification of high-risk patients with suPAR above or higher than 6 ng/mL followed by treatment with anakinra resulted in a 64% relative reduction of patients progressing into severe disease and mortality. It also resulted in a 55% relative decrease in mortality, which reached 80% relative decrease in mortality for patients with cytokine storm. The results were published in Nature Medicine on 3 September 2021[iv].

The commercial potential

Following the SAVE-MORE study, the European Medicines Agency (EMA) recommended the approval for suPAR-guided treatment of COVID-19 with anakinra. The EMA recommended extending the indication to include treatment of COVID-19 in adult patients with pneumonia requiring supplemental oxygen (low- or high-flow oxygen) who are at risk of progressing to severe respiratory failure determined by plasma concentration of suPAR of at least 6 ng/mL. The European Commission granted the extension on 17 December 2021.

The commercial potential for ViroGates in COVID-19 is still unknown and dependent on the highly uncertain course of the pandemic. However, the interest in using suPAR to guide treatment, increased immediately after the EMA approval. In addition, ViroGates' sales representatives and distributors are collaborating with Sobi's sales representatives in multiple European markets to realise the commercial potential.

The first results of the Sobi collaboration and COVID-19 sales efforts towards the end of the year are promising. This strengthens the belief that COVID-19 can serve as a commercially attractive segment for ViroGates. Lastly, the significant increase in awareness of suPAR amongst healthcare professionals based on COVID-19 activities is expected to positively impact sales in the strategically important acute care segment positively.

[i] https://www.frontiersin.org/articles/10.3389/fimmu.2020.570993/full

[ii] Rovina, N., Akinosoglou, K., Eugen-Olsen, J. et al. Soluble urokinase plasminogen activator receptor (suPAR) as an early predictor of severe respiratory failure in patients with COVID-19 pneumonia. Crit Care 24, 187 (2020). https://doi.org/10.1186/s13054-020-02897-4

[iii] Kyriazopoulou, Evdoxia et al. "An open label trial of anakinra to prevent respiratory failure in COVID-19." eLife vol. 10 e66125. 8 Mar. 2021, doi:10.7554/eLife.66125

[iv] Kyriazopoulou, E., Poulakou, G., Milionis, H. et al. Early treatment of COVID-19 with anakinra guided by soluble urokinase plasminogen receptor plasma levels: a double-blind, randomized controlled phase 3 trial. Nat Med 27, 1752–1760 (2021). https://doi.org/10.1038/s41591-021-01499-z

Financial review

Financial review

Unless otherwise stated, financials are 2021 numbers. Comparative figures for the corresponding period of 2020 are shown in brackets.

Income statement

The net loss was TDKK - 17,663 (TDKK -18,736). The negative net result in 2021 continues to be a consequence of commercial and R&D investments, and current revenue levels.

Revenue

Revenue increased to TDKK 7,656 (TDKK 5,354). The higher revenue in 2021 originated from an increasing number of customers in more markets and more orders per customer.

Expenses

Total operating expenses amounted to TDKK -24,577 (TDKK -23,919). The administrative costs increased slightly primarily due to investments in IT and legal consultants and the administrative organization. The sales and distribution costs decreased slightly with lower employee costs, conference and travel costs due to COVID-19, fewer free kits used in sales, despite increased costs for market access consultants. The research and development costs remained relatively stable with higher expenses related to the EU Horizon 2020 project and lower costs related to product development. The cost base is geared towards future revenue growth and is not expected to grow going forward. The investments have been made in expectation of increased future revenue.

Profit & loss

Operating loss came to TDKK -18,790 (TDKK -19,729). Net financial items amounted to TDKK -175 (TDKK -253). Loss before tax was TDKK -18,964 (TDKK -19,982). Net loss amounted to TDKK -17,663 (TDKK -18,736). Earnings per share (EPS) diluted was DKK -5.31 against an EPS diluted of DKK -5.51 in 2020.

Cash flow and investments

Net cash flow amounted to TDKK -18,666 (TDKK -7,881). Cash flow from operating activities amounted to TDKK -21,437 (TDKK -15,602). The decrease from 2020 to 2021 is due to payments for the RISCinCOVID EU project. Investments in equipment amounted to TDKK -0 (TDKK -114). Cash flow from financing activities amounted to TDKK 2,776 (TDKK 7,835) due to capital increases related to the exercise of warrants.

Equity and net cash

As of 31 December 2021, equity was TDKK 16,426 (TDKK 31,314)). On 31 December 2021 net cash amounted to TDKK 14,859 (TDKK 33,526). The decrease is due to the continuous investment of proceeds in commercialisation activities from the IPO. ViroGates expects to become cash flow positive with the existing cash at hand based on current activities.

Numbers of shares

On 31 December 2021, the total number of shares in ViroGates A/S was 3,170,083 (3,125,426).

Events after the reporting period

No events have occurred after the balance sheet date of importance to the financial statements.

Corporate matters

Risk Management

Management is responsible for risk management, including mapping, assessment of probabilities, potential impacts as well as mitigating measures. Executive Management reports frequently to the Board of Directors on risk management procedures and findings. The following risks are deemed particularly relevant to ViroGates.

Risk	Risk mitigation
Commercial execution Being in the early commercialisation phase, there is a risk that the company's products may not penetrate markets due to inadequate sales & marketing efforts and/or reluctance to introduce new methods at emergency departments and other clinical facilities. This specifically applies when the COVID-19 pandemic is ongoing.	ViroGates deploys a direct sales strategy for selected markets in Europe with frequent presentations at congresses, direct interactions with potential customers, etc. Initially, this strategy has resulted in products being placed in clinical settings in hospitals in more than 20 countries. In 2019-2021, ViroGates added its own sales representatives in selected markets to further speed up the commercialization process. ViroGates has a dedicated sales representative to address markets that are targeted via partnerships with distributors (the indirect sales channel). Current agreements cover markets in Europe, North America, the Middle East and India. ViroGates has secured a broad product offering with compatibility for its key products on all market-leading instruments for performing immunochemical analysis in the hospitals across Europe. Key to the commercialization efforts is ViroGates' ability to elucidate the cost-effectiveness and clinical value of its product range in emergency departments and other clinical settings in the light of continuously rising global healthcare expenses and demands. ViroGates will continue to carry out clinical and product development to document the value of its product portfolio. To mitigate the COVID-19 pandemic risk to ViroGates product portfolio, ViroGates has taken part in a clinical study to document the effect of suPARnostic®'s ability to help patients affected by severe COVID-19 disease. ViroGates expects positive effects from this work in 2022 and beyond.

Risk	Risk mitigation
Dependency on key individuals ViroGates is to a large extent dependent on key individuals, not least the Management Team. Furthermore, global commercialisation is subject to successful recruitment of skilled sales professionals.	To recruit and retain qualified staff, ViroGates offers employment agreements on market terms, including incentive-pay schemes, combined with the virtues of a small growth company, such as short lines of command, fast decision-making, lack of bureaucracy, etc. Recruitments during 2019-2021 show that ViroGates is able to attract skilled international professionals from large peers.
Dependency on third parties ViroGates is an R&D-intensive company with primarily in-house commercial expertise and is therefore dependent on collaborations with external partners on production, quality assurance and sales.	ViroGates has lab-service and production agreements with well-established providers in Poland, the UK and Austria . Risks related to these agreements are managed through contractual stipulations, thorough monitoring, close coordination and build-up of ample stocks of manufactured products and/or back-up facilities, wherever possible. Production processes and Quality Management Systems are also subject to routine inspections by regulatory authorities. While none of the external service providers are deemed irreplaceable and, in ViroGates' view, replacement could take place short to mid-term negative effects can occur and ViroGates works continuously to secure that the external service providers are complying to contractual and regulatory standards. ViroGates has entered into exclusive and non-exclusive agreements with distributors. None of these distributors are currently deemed irreplaceable. To balance any future dependency, ViroGates deploys a direct sales strategy for selected markets and seeks to widen its geographical footprint through new distributor relationships and partnerships.
Intellectual property rights (IPR) ViroGates is dependent on its capacity to file and maintain patents to protect intellectual property and specific knowledge. There is a risk that other companies may infringe ViroGates' patents and/or trade mark rights or vice versa - or that new technologies and products will circumvent or replace the company's present and future patents.	IPR is monitored closely by Management, R&D and patent attorneys contracted by ViroGates. ViroGates files patent applications and registers brands and trademarks continuously to protect its intellectual property rights. The company currently owns five patent families, and has filed two new applications that are pending patent authorities evaluation, and further holds exclusive licenses to two patent families. The most important granted patent family expires in 2028 and the most recent patent filing may not expire until 2035. The patent families cover the use of suPAR for broad-based clinical prognostication and, to the best of ViroGates' knowledge, patents provide solid protection providing full freedom to operate in this area. The R&D department continuously generates new patent opportunities. All current and future patent applications have been and will be designated for major global markets in the Western world, newly industrialized countries and in developing regions. ViroGates is also applying significant trade secrets in the manufacturing processes, having developed proprietary antibodies and using unique techniques in manufacturing and clinical trials. Furthermore, the company has trademark-protected all important names, logotypes, brands and domain names.

Risk	Risk mitigation
Competition and pricing ViroGates could be challenged by competition from existing and/ or potential new competitors with greater financial resources and skills.	ViroGates closely monitors the competitive situations and initiatives in all major markets with the aim of appropriate risk mitigation. Additionally, ViroGates controls all issued and relevant patents within the clinical application of suPAR in humans and this is believed to not allow competitors to enter the field of prognostication based on a suPAR biomarker within the foreseeable future. Furthermore, ViroGates constantly innovates to ensure that its products are commercially viable and include the features and applications requested by customers.
Financing needs ViroGates may in the future be forced to raise new capital to strengthen its financial position.	ViroGates aims to be cash positive by deploying the cash raised in the IPO in 2018 and does not expect to raise additional cash, unless new commercial opportunities occur.
Regulation by authorities ViroGates' products are subject to a number of statutory and regulatory requirements. There is a risk, that permits from national authorities may not be renewed on the same terms as previously, or that permits may be revoked or limited. Changes to legislation might also impact ViroGates.	ViroGates actively engages in dialogue with the relevant authorities to mitigate such risk. Current in vitro diagnostic products are regulated according to EU Directive IVDMDD (98/79/EC) but Management is working to ensure that ViroGates' products comply with the new In Vitro Diagnostic Device Regulations (EU 2017/746), which is coming into force on 26th May 2022.
Disputes, claims and proceedings ViroGates might become involved in disputes within the framework of its normal business, including claims or proceedings related to products. Managers might also become subject to proceedings.	ViroGates is not involved in any disputes, claims or proceedings. The company's insurance coverage is deemed to provide adequate protection, taking the potential risks into account. New product liability insurance policies are secured on an ongoing basis to the extent deemed necessary.

The ViroGates Team













Corporate Governance

ViroGates has a two-tier management structure consisting of a Board of Directors, elected by the shareholders at the Annual General Meeting, and an Executive Management appointed by the Board of Directors. The two bodies are independent of each other and no person is a member of both.

The Board of Directors is entrusted with the ultimate responsibility for the company. Board duties include strategy, budgets, goals as well as appointing and supervising Executive Management. The Board further monitors procedures and responsibilities to ensure that ViroGates is managed appropriately in accordance with its articles of association and applicable legislation.

The Board of Directors convenes regularly and conducts its business according to its rules of procedure, which is updated at least once annually. Regular board meetings include an in-depth report from the Management Team on operations, status and progress. The Board held 7 meetings in 2021 (2020: 7) with full attendance at five out of seven ordinary meetings. The Board agrees on a regular basis whether members need to be present in person or via dial-in.

The CEO attends all Board meetings and the Chairman maintains close and regular contact with the CEO.

The Board considers the following competencies to be particularly relevant to ViroGates: experience in management of international life science companies, strategic development, business development, development and commercialization of life science products, finance as well as first-hand experiences from growth companies. The Board is deemed to possess these competencies, and, by virtue of its size, the Board has also decision-making power and drive.

The Management Team undertakes day-to-day management. The team is made up of the CEO (who constitutes Executive Management and is registered as such with the Danish Business Authority), the CFO, the CSO (Chief Scientific Officer), the VP, Global Sales & Marketing and Accounting. The Board sets out the terms and tasks of the Management Team.

Danish Corporate Governance recommendations

There are no requirements for companies whose shares are listed on Nasdaq First North Growth Market to comply with the Danish Recommendations on Corporate Governance. The Board finds the recommendations to be less relevant for a small, growth company and, accordingly, the entire Board resolves on duties otherwise recommended to be dealt with by Board committees. The company is also not required to comply with other codes of conduct for corporate governance.

Internal control

ViroGates has internal control and financial reporting procedures enabling the company to monitor its performance, operations, funding and risks. The Board of Directors decides on policies for risk management and internal control in relation to financial reporting, while Executive Management is responsible for the systems' effectiveness and for implementing controls to mitigate risks associated with financial reporting. ViroGates continuously improves its procedures and systems, and the current framework is considered compliant with Nasdaq First North Growth Market's disclosure obligations.

Remuneration

In accordance with section 139 of the Danish Companies Act, the Annual General Meeting has approved a Remuneration Policy, laying down the principles governing remuneration of the Board of Directors and Executive Management. The guidelines aim to align the interests of the company and its Board of Directors, Executive Management and shareholders.

To attract and retain key personnel without risking imprudence or unreasonable behaviour or risk acceptance, ViroGates combines fixed salaries, performance-based remuneration and share-based incentives. According to the Remuneration Policy, the Board of Directors may decide to allocate warrants to a Board member or a member of the Management Team and decide on exercise price, vesting period and terms.

In 2021, no warrants were issued to members of the Board of Directors (2020: 0). The Board received a fixed fee of DKK 375,000 in aggregate - DKK 150,000 to the Chairman and DKK 75,000 to each of the other members. The fee, which was approved by the Annual General Meeting in 2021, was unchanged compared to 2020. An identical fee for 2022 will be submitted for approval at the Annual Generating Meeting in April 2022.

The aggregate remuneration to the Management Team in 2021 totalled DKK 4,251,472 (2020: 3,958,191).

Shareholder information

Share Capital

The share capital amounts to DKK 3,170,083 divided into 3,170,083 shares, each with a nominal value of DKK 1. The company has one share class and all shares hold equal rights, including the right for each shareholder to vote at Annual General Meetings for the full number of shares owned. The shares are not subject to restrictions on transferability. At the end of 2021, ViroGates held 2,585 (0.08%) treasury shares.

Shareholders

At the end of 2021, ViroGates had 1,621 registered shareholders. Three shareholders had notified shareholdings of 5% or more:

Shareholder	Number of shares	Percent of capital
N. P. Louis-Hansen ApS	817,075	25.77%
Ginnerup Capital ApS	325,965	10.28%
4AM ApS	325,965	10.28%

Dividends and capital structure

Historically, ViroGates has not paid out dividends and no proposals on dividends will be submitted by the Board until the company has achieved long-term profitability. The share price closed 2021 at DKK 144.

The Board of Directors expects ViroGates' current cash position, combined with incremental income from new customer contracts, to constitute a sufficient financial basis for implementing ViroGates' strategy and business plans for 2022. ViroGates aims to become cash flow positive with the existing cash at hand.

Investor Relations

ViroGates aims to be perceived as a trustworthy and open company by the investor community. All information will be communicated correctly, in a balanced, transparent and timely way and simultaneously to investors, analysts and other stakeholders to facilitate regular trading and fair pricing of the shares.

In 2021, the company published 25 company announcements along with regular updates on products, congresses, customers, trials, etc. Immediately after release, all announcements are made available on the company's investor website together with presentations, share price information, and related information. Shareholders are encouraged to sign up at the ViroGates website.

2022 Financial calendar

28 April 2022	Annual General Meeting
4 May 2022	Interim Report Q1 2022
18 August 2022	Interim Report H1 (Q2) 2022
10 November 2022	Interim Report Q1-Q3 2022

Management Team

Jakob Knudsen

Born 1968. CEO since 2011.

Education
Master of Law, Copenhagen University;
MBA from Imperial College, UK.

Competencies
Working 25 years in life science, his extensive experience spans commercial operations, IP, sales and marketing, finance, partnerships, licensing, financing, listing requirements, a.o. Jakob Knudsen has held managerial positions in Egalet Corp. (CCO & CFO) and ALK-Abelló A/S (Head of Business Development).

Directorships
- Expres2ion Biotech Holding AB (BM)
- P.V. Fonden (BM)
- Jakob Knudsen (M)
- ExpreS2ion Biotechnologies ApS
- Ingeniørsystem A/S

Shareholding
27,505 shares, 52,975 warrants

Dr. Jesper Eugen-Olsen

Born 1963. Co-founder and CSO since 2001.

Education
PhD in Biochemistry, Copenhagen University.

Competencies
More than 30 years of research experience, author/co-author of +150 peer reviewed scientific publications and 12 patents. Further to being Senior Researcher and Principal Investigator at Copenhagen University Hvidovre Hospital, he is an independent expert and evaluator for a range of EU financed projects.

Directorships
- JEO Holding ApS (M)

Shareholding
146,379 shares, 30,404 warrants

Mark Christian Hvidberg da Silva

Born 1990. CFO since 2019.

Education
Master of Science in Economics and Business Administration, Copenhagen Business School.

Competencies
+5 years experience as a management consultant in QVARTZ (acquired by Bain & Company) heading projects within corporate strategy, M&A and commercial excellence primarily in Europe and North America. He has previously worked for Novozymes in Denmark and Nova Founders Capital in Malaysia and the Philippines.

Directorships
- Marks Holdingselskab ApS (M)
- FIAFF ApS (M)

Shareholding
1,334 shares, 14,700 warrants

Dr. Thomas Krarup

Born 1963. VP, Global Sales & Marketing since 2018

Education
PhD in cell biology from Copenhagen University and Syracuse University, USA;
CBA from AVT Business School.

Competencies
Has worked in the life science and clinical diagnostics industry since 1997, holding positions within scientific marketing, licensing, business development and sales in Radiometer Medical A/S, Becton Dickinson, Roche Diagnostics, Oncotech Inc, Exiqon A/S and ChemoMetec A/S.

Directorships
- None

Shareholding
4,017 shares, 3,537 warrants

BM: Board Member, M = Management

Remuneration to the Management Team

DKK	Fixed salary	Pension	Bonus	Total 2021	Total 2020	% change
Total Management	4,032,024	219,448	403,319	4,654,791	3,722,650	25%

In accordance with ViroGates' Remuneration Policy, please see the Remuneration Report for more details on Executive Management remuneration. The report is available on ViroGates.com.

Board of Directors

Dr. Lars Kongsbak, Chairman

Born 1961. President and CEO of Samplix ApS
Joined 2015.

Education
M.Sc. in Biology, Copenhagen University; Ph.D. in Molecular Biology from the Technical University of Denmark (DTU)

Competencies
Former President & CEO of listed biopharmaceutical company; strategic business development; M&A; financing, broad-based leadership experience; senior scientist positions at blue-chip companies.

Directorships
- Samplix ApS (M)

Shareholding
6,968 shares, 23,192 warrants

Lars Krogsgaard

Born 1967. Chief Investment Officer at The Investment Fund for Developing Countries (IFU). Joined 2016.

Education
B.Sc. in Economics, Copenhagen Business School; MBA in Finance and International Business, Stern School of Business, New York.

Competencies
Track-record as active investor, owner and board member in more than 25 Nordic companies incl. other growth companies; strategic development; business development; risk management; financing, M&A.

Directorships*
- DCR Solutions A/S (BM)
- 4AM ApS (M)
- 6AM ApS (M)

Shareholding
325,965 shares, 0 warrants

Dr. Jørgen Thorball MD

Born 1962. Managing Partner at XOventure GmbH. Joined 2000.

Education
MD, University of Copenhagen

Competencies
Life science entrepreneur and founder of several companies, many of them based on his own medical inventions; management and board positions in listed blue-chip pharma companies; financing; M&A.

Directorships
- Hawkeye-MRI AG (BM)
- XOventure GmbH AG (BM)

Shareholding
5,286 shares, 8,751 warrants

Dr. Henrik Stender

Born 1965, Owner of Stender Diagnostics
Joined 2020.

Education
M.Sc. in Chemical Engineering and Ph.D. in Immunology from Technical University of Denmark; B. Comm. in Business Informatics and Economics, Copenhagen Business School.

Competencies
30 years of international experience with all aspects of development of innovative in vitro diagnostic (IVD) medical devices improving patient care; strong track-record of regulatory approvals, incl. +20 U.S. FDA clearances

Directorships
- None

Shareholding
Shares: 0 Warrants: 0

* Excluding IFU-related board positions

C = Chairman of the Board; BM = Member of the Board; M = Management.

The Board of Directors currently consists of four members, all elected by the shareholders at the General Meeting for a term of one year and all eligible for re-election. Lars Kongsbak, Lars Krogsgaard, Jørgen Thorball, and Henrik Stender were re-elected at the 2021 Annual General Meeting.

* Excluding internal board positions at the IFU

The Board members do not hold managerial positions in ViroGates, perform material ongoing consultancy services for the company or have any interest in ViroGates except as holders of shares and warrants, an no member of the Board represents a controlling shareholder. Henrik Stender performed consultancy services related to regulatory affairs during the last part of 2021. Dr. Jørgen Thorball, co-founder of ViroGates, has been on the Board for more than 12 years and can therefore not be deemed independent, according to the Danish Corporate Governance Recommendations.

Remuneration to the Board of Directors

DKK	Fixed cash remuneration	Expenses	Other fixed remuneration	Total 2021	Total 2020	% change
Total	375,000	31,410	32,638	439,048	514,125	-15%

In accordance with ViroGates' Remuneration Policy, please see the 2021 Remuneration Report for more details on Board remuneration. The report is available on ViroGates.com.

Financial statements 2021

Income Statement 1 January - 31 December

Note	Amounts in DKK ('000)	2021	2020
	Net revenue	**7,656**	**5,354**
	Costs of goods sold	-1,868	-1,164
	Gross profit/loss	**5,787**	**4,190**
1	Sales and distribution costs	-14,554	-14,147
1	Research and development costs	-5,937	-5,798
1	Administrative costs	-4,086	-3,974
	Operating loss	**-18,790**	**-19,729**
	Financial income	19	34
	Financial expenses	-194	-287
	Loss before tax	**-18,965**	**-19,982**
2	Tax on profit/loss for the year	1,302	1,246
	Loss for the year	**-17,663**	**-18,736**
	Proposed distribution of loss		
	Retained earnings	-17,663	-18,736
	Total	**-17,663**	**-18,736**

Balance Sheet at 31 December

Note	Amounts in DKK ('000)	2021	2020
	ASSETS		
	Other plant, machinery tools and equipment	171	352
	Leasehold improvements	45	80
	Tangible fixed assets	**216**	**432**
	Rent deposit and other receivables	176	171
	Fixed asset investments	**176**	**171**
	Fixed assets	**391**	**603**
	Finished goods and goods for resale	1,695	907
	Inventories	**1,695**	**907**
	Trade receivables	1,474	1,601
	Other receivables	468	314
	Corporation tax receivable	1,302	1,246
	Prepayments and accrued income	40	49
	Receivables	**3,284**	**3,210**
	Cash and cash equivalents	**14,859**	**33,526**
	Current assets	**19,838**	**37,643**
	Assets	**20,229**	**38,246**

Note	Amounts in DKK ('000)	2021	2020
	EQUITY AND LIABILITIES		
	Share capital	3,170	3,125
	Retained earnings	13,256	28,189
3	**Equity**	**16,426**	**31,314**
	Trade payables	380	3,654
	Other liabilities	3,423	3,278
	Current liabilities	**3,803**	**6,932**
	Liabilities	**3,803**	**6,932**
	Equity and liabilities	**20,229**	**38,246**
4	Contingencies etc.		

Note	Amounts in DKK ('000)	Share capital	Share premium account	Retained earnings	Total
	STATEMENT OF CHANGES IN EQUITY				
	Equity at 1 January 2021	3,125	0	28,188	31,313
	Proposed profit allocation			-17,663	-17,663
	Transactions with owners				
	Capital increase	45	2,731		2,776
	Transfers				
	Allowed equalization		-2,731	2,731	0
	Equity at 31 December 2021	**3,170**	**0**	**13,256**	**16,426**

Cash Flow Statement 1 January - 31 December

Note	Amounts in DKK ('000)	2021	2020
	Profit/loss for the year	-17,663	-18,736
	Reversed depreciation of the year	217	229
	Reversed tax on profit/loss for the year	-1,302	-1,246
	Corporation tax received	1,246	1,212
	Change in inventory	-788	-517
	Change in receivables	-18	-534
	Change in current liabilities (ex bank and tax)	-3,130	3,990
	Cash flows from operating activity	**-21,437**	**-15,602**
	Purchase of tangible fixed assets	0	-114
	Purchase of financial assets	-4	0
	Cash flows from investing activity	**-4**	**-114**
	Capital increase	2,776	7,835
	Cash flows from financing activity	**2,776**	**7,835**
	Change in cash and cash equivalents	**-18,666**	**-7,881**
	Cash and cash equivalents at 1 januar	33,525	41,407
	Cash and cash equivalents at 31 December	**14,859**	**33,526**
	Specification of cash and cash equivalents at 31 December:		
	Cash and cash equivalents	14,859	33,525
	Cash and cash equivalents, net debt	**14,859**	**33,525**

Notes to the financial statements

Amounts in DKK ('000)	2021	2020
1 Staff costs		
Average number of full-time employees	13	11
Sales & marketing	9,573	8,962
Research & development	268	48
Administration	2,114	1,942
	11,955	**10,953**

Amounts in DKK ('000)	2021	2020
2 Tax on profit/loss for the year		
Calculated tax on taxable income of the year	-1,302	-1,246
	-1,302	**-1,246**

3 Equity

The company's share capital consists of 3,170,083 shares in the denomination of DKK 1.

In 2021, ViroGates' share capital increased in connection with the exercise of warrants. On 27 May 2021, the total nominal value of ViroGates A/S' share capital increased from DKK 3,125,426 to DKK 3,170,083 consisting of 3,170,083 shares at a nominal value of DKK 1 each.

The company has 2,585 shares in the denomination of DKK 1, which is equivalent to 0.08% of the total share capital.

Under a resolution passed by the General Meeting, the company may acquire treasure shares up to 10% of the share capital. Treasure shares are acquired for the purpose of incentive programmes for consultants and employees of the company.

4 Contingencies etc.

Contingent liabilities

The company has entered into an agreement for office rent with a notice of termination period of 14 months. The liability in this respect is DKK ('000) 749.

Furthermore, the company has provided guarantee in the form of bank deposits of DKK ('000) 50 as security for all balances with Danske Bank.

Notes to the financial statements

Accounting policies

The Annual Report of ViroGates A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Income statement

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Production costs

Production costs comprise costs, including wages and salaries and write off, incurred to achieve the net revenue for the year. This includes direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Amortisation of capitalised development and research costs and the development costs that do not fulfil the criteria for capitalisation are also recognised in production costs.

Impairment losses are recognised in connection with expected losses on project contracts.

Distribution costs

The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses, etc. and related amortisation.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax on account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

Balance sheet

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery	3-8 years	0-30%
Leasehold improvements	3-5 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Notes to the financial statements

Accounting policies, continued

Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected realisable value of the asset, either by set off against tax on future earnings or by set off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short term liabilities usually corresponds to the nominal value.

Cash flow statement

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.

Definitions

The ratios stated in the list of key figures and ratios have been calculated as follows:

Term	Definitions
Rate of return:	Profit/loss on ordinary activities x 100 / Average invested capital
Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories +receivables + other working current assets – trade payables – other provisions – other long and short term working liabilities
Return on equity (ex minorities):	Profit/loss after tax ex minorities x 100 / Average equity ex minorities
Earnings per share, diluted	Net earnings DKK ('000) / Average number of shares after dilution

The ratios follow in all material respects the recommendations of the Danish Finance Society.

Statement by Board of Directors and Board of Executives

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of ViroGates A/S for the financial year 1 January – 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2021.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Birkerød, 23 March 2022

Executive Management

Jakob Ole Knudsen
CEO

Board of Directors

Lars Kongsbak
Chairman

Henrik Stender

Jørgen Axel Thorball

Lars Krogsgaard

Independent Auditor's Report

To the Shareholders of ViroGates A/S

Opinion

We have audited the Financial Statements of ViroGates A/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 23 March 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Buch
State Authorised
Public Accountant
MNE no. mne34089

Per Frost Jensen
State Authorised
Public Accountant
MNE no. mne27740

Additional information

Basis for calculation of earnings per share (EPS) (unaudited)*

	Full year	
	2021	**2020**
Amounts in DKK ('000)		
Net sales	7,656	5,354
Operating earnings	-18,790	-19,729
Earnings before tax	-18,965	-19,982
Net earnings	-17,663	-18,736
Amounts in DKK/share		
Earnings per share before dilution	-5,60	-6.08
Earnings per share after dilution	-5.31	-5.51
Number of shares ('000)		
Average number of shares before dilution	3,153	3,082
Average number of shares after dilution	3,328	3,402
Number of shares before dilution	3,170	3,125
Number of shares after dilution	3,345	3,321
Equity ratio, %	81%	82%
Number of warrants		
Warrants outstanding, average	174,986	319,813
Warrants outstanding, end-period	150,950	195,497
Amounts i DKK		
Shareholders equity per share	5.18	10.02
Period-end share market price	144.00	81.50

*) Management's review comprises this page as well as pages 1-33.

Financial highlights by quarter (unaudited)*

Amounts in DKK ('000)	2021 Year Audited	2021 Q4 Unaudited	2021 Q3 Unaudited	2021 Q2 Unaudited	2021 Q1 Unaudited	2020 Year Audited	2020 Q4 Unaudited	2020 Q3 Unaudited	2020 Q2 Unaudited	2020 Q1 Unaudited
Revenue	7,656	2,592	1,172	1,815	2,076	5,354	2,298	1,850	760	445
Cost of sales	-1,868	-722	-287	-407	-453	-1,164	-511	-326	-182	-147
Research and development expenses	-5,835	-1,580	-1,256	-1,321	-1,678	-5,798	-1,741	-1,412	-1,164	-1,481
Sales and marketing expenses	-13,394	-3,134	-3,054	-3,799	-3,406	-14,147	-3,521	-3,279	-2,948	-4,402
Administrative expenses	-5,347	-1,491	-1,134	-1,583	-1,139	-3,974	-1,281	-812	-1,028	-848
Personnel cost [1]	0	0	0	0	0	0	0	0	0	0
Operating profit/-loss before depreciation (EBITDA)	-18,790	-4,334	-4,559	-5,296	-4,600	-19,729	-4,755	-3,979	-4,562	-6,433
Depreciation [2]	0	0	0	0	0	0	0	0	0	0
Operating profit/-loss (EBIT)	-18,790	-4,334	-4,559	-5,296	-4,600	-19,729	-4,755	-3,979	-4,562	-6,433
Net financial items	-175	-41	-50	-37	48	-253	-54	-74	-48	-76
Profit/-loss before tax (EBT)	-18,965	-4,375	-4,609	-5,333	-4,648	-19,982	-4,809	-4,053	-4,610	-6,509
Tax	1,302	353	289	286	373	1,246	367	305	253	322
Net profit/ -loss	-17,663	-4,022	-4,320	-5,046	-4,274	-18,736	-4,443	-3,748	-4,358	-6,187

[1] Personnel cost is allocated to divisions from 2020 and after

[2] Depreciation is allocated to Administrative expenses from 2020 and after

Company information

Company
ViroGates A/S
Banevænget 13
DK-3460 Birkerød
Denmark

CVR No.:	25 73 40 33
Established:	1 November 2000
Registered Office:	Rudersdal
Financial Year:	1 January – 31 December

General Meeting
The Annual General Meeting will be held electronically on 28 April 2022.

ViroGates

Banevænget 13
DK-3460 Birkerød
Denmark