

# Annual Report 2022



# Improving patient outcomes and reducing healthcare costs

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## 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 can 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.

### 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.

### Virogates Equity Story

ViroGates works to implement its products in emergency departments initially in Europe. The board remains aware of the capital resources and strives to make the business generate a positive cash flow in the short term to benefit its shareholders.

### 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.

## 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

### 10 million DKK

#### Cash end-of-period

10 million DKK in cash primarily directed at commercialization efforts and + 10 million in debt financing commitment

### 48 hospitals

#### Clinical routine customers

48 clinical routine customers in 12 countries

### +20 countries

#### Clinical routine evaluation and research

suPARnostic® orders from more than 20 countries in 2022`

### +850 peer-reviewed articles

#### Peer-reviewed articles

More than 850 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 2022

# Letter from the Chairman and the CEO

We are proud of our achievements in 2022. We continued growing our revenue and customer base. We achieved breakthroughs with the CE-IVD accreditation of our fingerprick product suPARnostic® POC+ and received correspondence from the US FDA that they required Swedish pharmaceutical company Sobi to facilitate the development of suPAR for use in the US in collaboration with ViroGates. Additionally, we strengthened ViroGates cash position with additional financing.

At the beginning of the year, we experienced a strong tailwind from COVID-19 hospitals experiencing increasing hospitalizations of COVID-19 patients and acting based on the December 2021 EMA approval for suPAR-guided anakinra treatment. As a result, the awareness of suPAR increased significantly in general, and we grew our customer base considerably in the first months of the year.

However, as the COVID-19 variants became milder and hospitalizations decreased all over Europe, we experienced lower than expected revenue from COVID-19 customers. We have successfully managed to convert some COVID-19 customers to emergency department use, but this work will continue in 2023.

### Record sales

We were pleased to deliver on the financial guidance set in June 2022 by reaching a record sales level of 10.2 DKKm. This marks the first time that the company has crossed the double-digit threshold, and it is a testament to the hard work and dedication of the entire team at ViroGates.

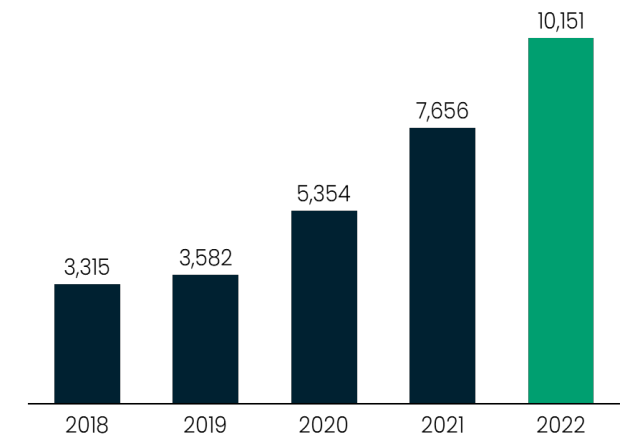
While we did end the year on the lower end of our 10-13 DKKm revenue guidance, this was due to lower COVID-19 sales than expected as the pandemic became milder with the latest variants. Despite this, the company finished the year in the positive end of its EBIT financial guidance of -11 DKKm. We believe that this is a satisfactory result, considering the unique challenges that the pandemic has presented in the past years.

### Growing customer base

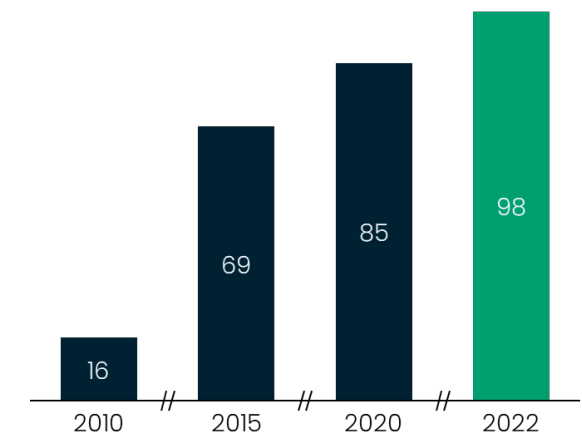
We saw the number of clinical routine hospital customers using clinical suPARnostic® products for patient triage on a recurring basis growing from 15 to 48. The customers are based in more than 20 countries.

In addition, we have received larger and more research orders from all over the world than in previous years. This is a testament to the value of the suPARnostic® products to healthcare professionals and the importance of accurate patient triage in today's world. We are proud to be able to provide such a valuable tool to so many hospitals and believe that this trend will continue as suPARnostic® awareness and practitioner experience increases.

Net revenue  
DKK ('000)



suPAR publications 2010-2022  
#



### **CE-IVD accreditation of suPARnostic® POC+ finger-prick test**

We were excited to announce that the suPARnostic® POC+ achieved CE-IVD accreditation in May. This product allows patients to be measured based on only a fingerprick of blood, and we expect to launch it commercially in Q1 2023.

We believe this product will be a valuable addition to our product portfolio and will be well received by healthcare professionals and patients. We believe this product's convenience and ease of use will make it a popular choice in hospitals and other healthcare facilities without access to fast laboratory test results. We are conducting a user handling study at the end of 2022 to ensure that the product is fully functional with the selected target groups.

### **suPAR as a causal factor for developing cardiovascular disease**

A publication substantiated by extensive clinical evidence from many acclaimed researchers published in October 2022, demonstrated that suPAR is not merely a reflection of cardiovascular disease but is a causal factor for developing cardiovascular disease. This is a groundbreaking finding since most biomarkers are only believed to reflect a particular disease and not to contribute to the condition itself. This scientific finding may help researchers find better treatments for cardiovascular- and potentially other inflammatory diseases.

### **New partnerships and post-authorization requirements from the FDA**

We have entered new partnerships and deepened relations with existing partners during 2022.

In February, we announced the accreditation of suPARnostic® ELISA on Italy-based DIESSE's Chorus Trio platform. This allowed us to serve markets and customer segments that would otherwise be difficult for us to reach.

In November, the US FDA announced the emergency use authorization of Sobi's Kineret® treatment for COVID-19 related pneumonia with a post-authorization requirement on developing suPAR tests for commercial use in the US. We were happy to learn that the FDA considers suPAR to be an important tool for patient identification to include its US development in the post-authorization requirements for the pharmaceutical drug. While a contractual agreement is still pending, ViroGates has required funding from Sobi for the regulatory, analytical, and clinical work related to the submission.

We are excited about the potential for suPARnostic® in the US market and look forward to continued progress in this area.

### **Securing additional financing**

In June and July, we announced and successfully executed a rights issue with pre-emptive rights for existing shareholders in connection with the exercise of warrants by management.

The background for the rights issue was to ensure sufficient runway to realize the full potential in the acute care segment while allowing us to invest in reimbursement activities and early initiation of a US expansion.

At the end of 2022, we are still in dialogue with Vækstfonden concerning debt financing after receiving a debt financing proposal in June. We believe these financing efforts will help support the company's growth and success in the coming years.

### **Updated strategic objectives and financial guidance**

We maintain our strategic objective of becoming cash flow positive during 2024.

In December 2022, we adjusted the guidance for 2023 to full-year revenue of between DKK 14 and 17 million and EBIT of approximately DKK -8 to -11 in 2023.

Again this year, we would like to thank our colleagues, partners and customers for their hard work and support during the year. We enter 2023 on a solid foundation with high ambitions to continue improving patient outcomes, reducing healthcare costs, and empowering clinicians by expanding the use of suPARnostic® in Europe and beyond.





# ViroGates



**Jakob Knudsen**  
Chief Executive Officer

**Patrik Dahlen**  
Chairman of the Board

“2022 was a transformative year for ViroGates. We created a sales uptake of suPAR-nostic® products for use in assessing the severity of Covid-19 patients.

We also worked proactively to explain to our customers the value of using our products more generally for acute care triage.

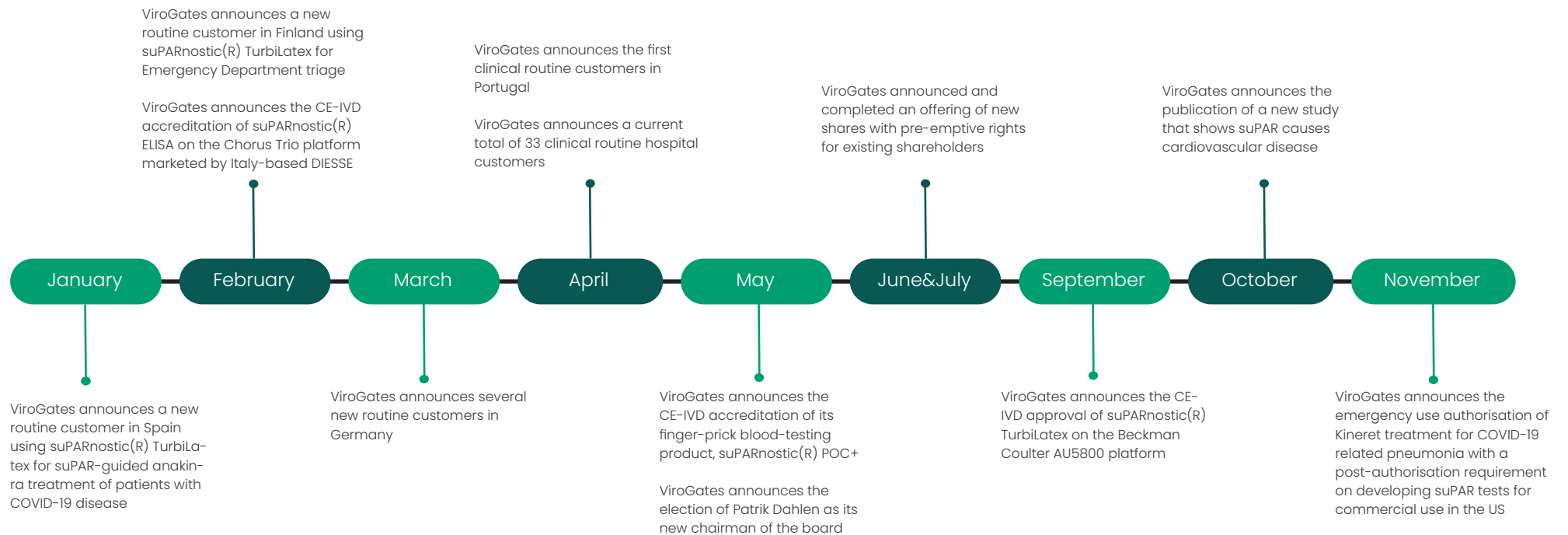
We will continue this work in 2023, based on the recent launch of new product applications and a significantly more extensive customer base”

**Jakob Knudsen**  
Chief Executive Officer

**Patrik Dahlen**  
Chairman of the Board



# Key events in 2022



# Financial highlights and key ratios 2022

Note: Amount in DKK ('000)

## Income statement

	2022	2021	2020	2019	2018
Net revenue	10,151	7,656	5,354	3,582	3,315
Other Income*	5,046	0,591	3,033	-	-
Gross profit/loss	15,197	8,247	8,387	3,198	3,003
Operation profit/loss	-10,845	-18,790	-19,729	-19,723	-18,102
Financial income and expenses, net	-30	-175	-253	-286	-814
Profit/loss for the year before tax	-10,876	-18,965	-19,982	-20,009	-18,916
Profit/loss for the year	-9,646	-17,663	-18,736	-18,797	-16,986

## Balance sheet

Balance sheet total	17,539	20,229	38,246	45,157	63,424
Equity	16,088	16,426	31,314	42,215	61,012
Invested capital	6,898	4,815	895	2,942	2,412

## Cash flows

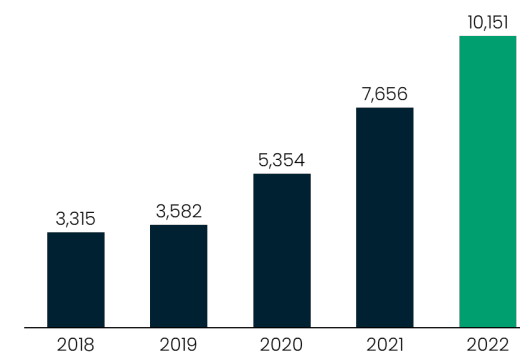
Cash flows from operating activities	-14,276	-21,437	-15,602	-18,073	-16,380
Cash flows from investment related activities	-13	-4	-114	-603	-2
Cash flows from financing activities	9,308	2,776	7,835	-	75,000
Total cash flows	-4,981	-18,666	-7,881	-18,676	58,618
Cash and cash equivalents	9,878	14,859	33,526	41,407	60,083

## Ratios

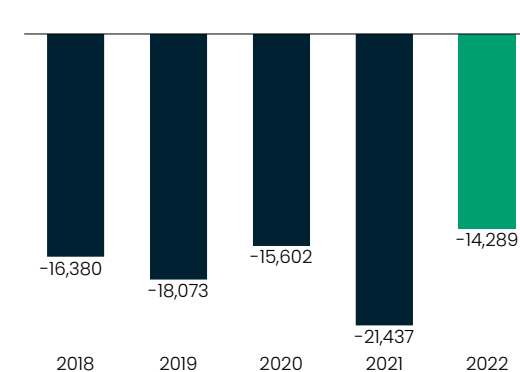
Rate of return	-185.2	-658.2	-1,028.1	-736.8	-824.3
Number of employees, end of period	9	13	14	12	8
Market share price, end of period (DKK)	40.10	144.0	81.5	34.3	60.0

\*From 2022 grants are segregated from R&D cost and shown as Other Income

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' suPAR-<sup>nostic</sup>® 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.

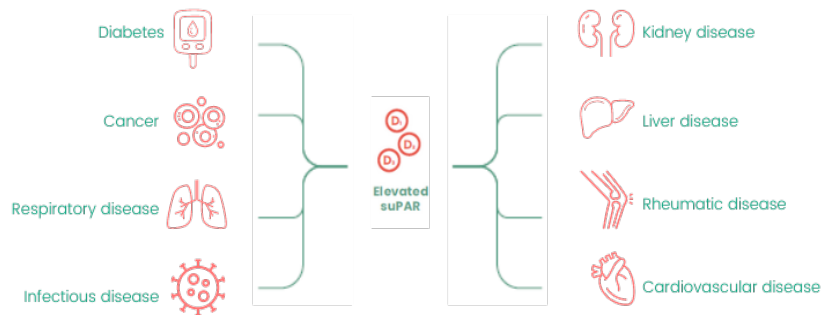
Today, suPAR is considered a general risk status biomarker indicating:

- 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:

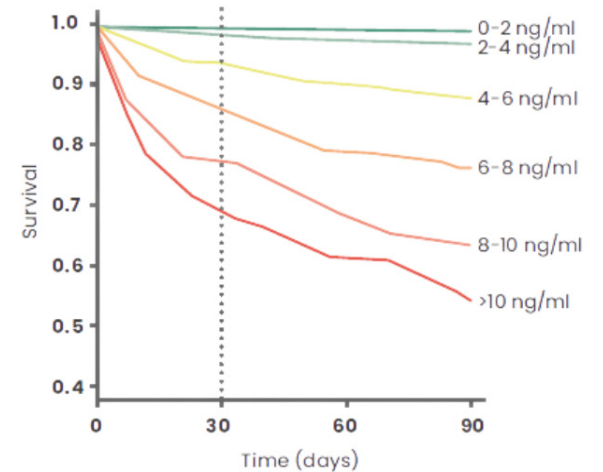
- Cardiovascular diseases
- Kidney diseases
- Cancer
- Diabetes
- Liver diseases
- Infectious diseases
- Respiratory diseases
- Rheumatic diseases

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).



## Prediction of disease severity over time using suPAR

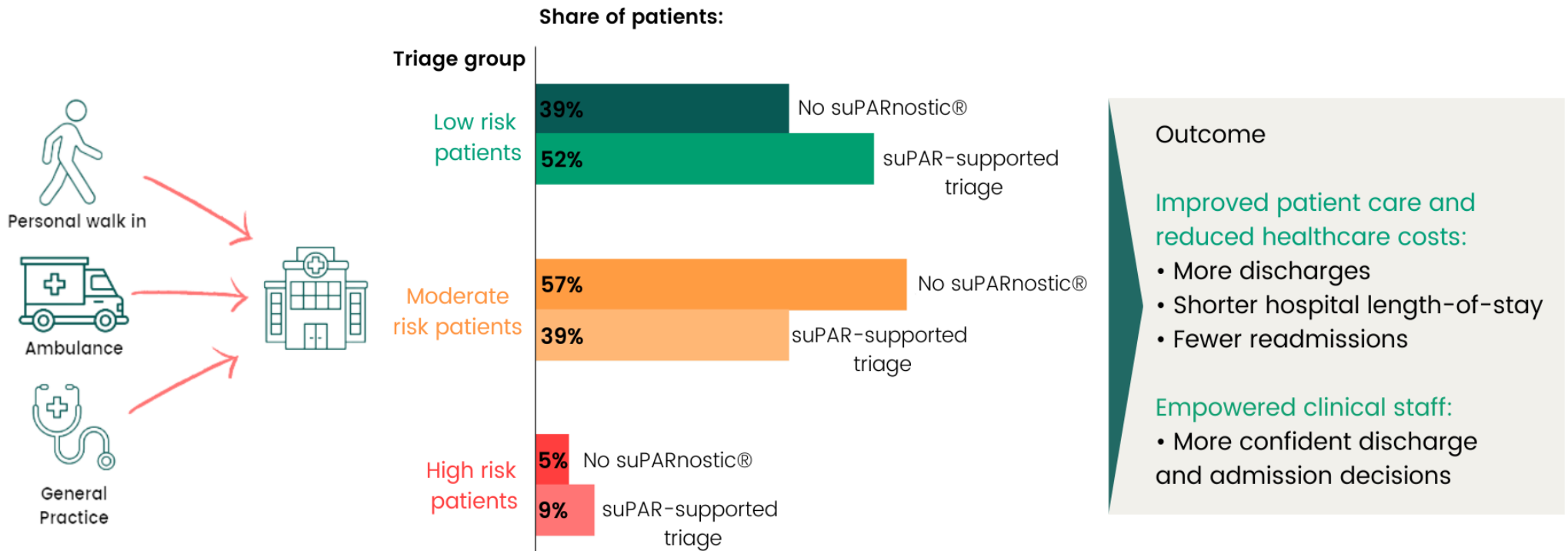
Survival rate over time



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



Schultz M, et al. Availability of suPAR in emergency departments may improve risk stratification: a secondary analysis of the TRIAGE III trial. Scand J Trauma Resusc Emerg Med. 2019 Apr 11;27(1):43.

Schultz M, et al. Early Discharge from the Emergency Department Based on Soluble Urokinase Plasminogen Activator Receptor (suPAR) Levels: A TRIAGE III Substudy. Dis Markers. 2019 May 19;2019:3403549.

## The value of suPARnostic® in clinical routine use



Based on the level of suPAR in the bloodstream, ViroGates' 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.

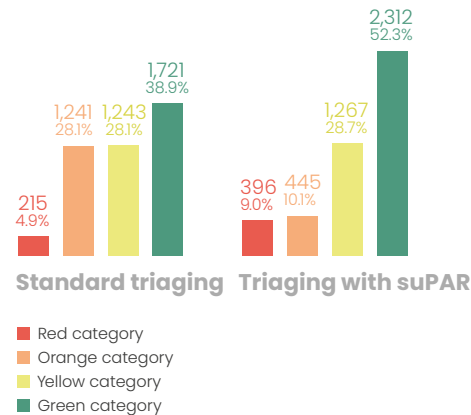
Thus, suPARnostic® can help physicians improve patient care and reduce healthcare costs. Using suPARnostic® in clinical routine practice contributes to avoiding unnecessary hospitalization of low-risk patients, shortening hospital stays, and ensuring that important underlying diseases are not overlooked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

staff with information to make more confident clinical decisions.

An acute care study 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.

### Triaging (Included N=4,420)

Numbers of



# 34%

More patients classified into low-risk, discharge category and with lower mortality<sup>1</sup>

# 6%

reduction in hospital length-of-stay per patient<sup>2</sup>

# €100–380

savings per admission depending on medical specialty and geography<sup>3</sup>

<sup>1</sup> Schultz et al. Scandinavian Journal of Trauma, Resuscitation and Emergency Medicine, 2019, 27:43

<sup>2</sup> Schultz et al. Disease Markers, 2019, 10:1-8

<sup>3</sup> 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. ViroGates helped to provide this evidence already in 2021, but continued to build the evidence and also supplied customers products for clinical use during 2022.<sup>i</sup>

In 2020 and 2021, several studies documented suPARnostic®'s prognostic value in predicting severe respiratory failure and mortality in COVID-19 patients.<sup>ii</sup> In collaboration with the Hellenic Institute for the Study of Sepsis led by Professor Evangelos J. Giamarellos Bourboulis, ViroGates set up subsequent prospective and interventional studies investigating early identification and treatment of COVID-19 patients.

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.<sup>iii</sup>

The SAVE-MORE study was designed as a confirmatory, phase III randomised controlled trial 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.<sup>iv</sup>

## 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 concen-

tration of suPAR of at least 6 ng/mL. The European Commission granted the extension on 17 December 2021.

During 2022, ViroGates experienced increased interest in the use of suPARnostic® products for clinical use within this combination of suPARnostic® with the pharmaceutical product anakinra. Hospitals did however also want to assess the impact of the "third wave" of COVID-19 and ViroGates saw uptake mainly in Greece, Germany, Spain and Italy.

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 and can be deployed in any type of infection when stratifying patients for treatment. In addition, ViroGates' sales representatives and distributors are collaborating with Sobi's sales representatives in multiple European markets to realise the commercial potential.

In 2022 Sobi received an Emergency Use Authorisation from the US FDA. This authorisation letter specifically requested Sobi to help develop suPAR for commercial availability in the US. At the end of 2022, an agreement with Sobi regarding this scope is still pending.

<sup>i</sup> <https://www.frontiersin.org/articles/10.3389/fimmu.2020.570993/full>

<sup>ii</sup> 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>

<sup>iii</sup> 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

<sup>iv</sup> 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



***“I take particular pleasure in noting that our revenue this year reached DKKm 10.2 which allows ViroGates, for the first time, to report a two-digit million full-year revenue.”***

**Thomas Krarup**  
VP of Sales and Marketing

# Financial review

Unless otherwise stated, financials are 2022 numbers. Comparative figures for the corresponding period of 2021 are shown in brackets.

## Income statement

The net loss was TDKK - 9,646 (TDKK -17,663). The negative net result in 2022 continues to be a consequence of commercial and R&D investments, and current revenue levels.

## Revenue

Revenue increased to TDKK 10,151 (TDKK 7,656). The higher revenue in 2022 originated from an increasing number of routine hospital customers in more markets and increasing interest from researchers globally.

## Other income

Other Income TDKK 5,046 (TDKK 0,591) consists of grants received for development projects. ViroGates received funding from two EU COVID-19 grants and an Innobooster grant.

## Expenses

Total operating expenses amounted to TDKK -23,501 (TDKK -25,167). The operating costs decreased due to overall lower employee costs in sales & marketing and administration. The cost base is geared toward future revenue growth and is not expected to grow significantly going forward. The investments have been made in expectation of increased future revenue.

## Profit & loss

Operating loss came to TDKK -10,845 (TDKK -18,790). Net financial items amounted to TDKK -30 (TDKK -175). Loss before tax was TDKK -10,876 (TDKK -18,965). Net loss amounted to TDKK -9,646 (TDKK -17,663). Earnings per share (EPS) diluted was DKK -2.77 against an EPS diluted of DKK -5.31 in 2021.

## Cash flow and investments

Net cash flow amounted to TDKK -4,981 (TDKK -18,666). Cash flow from operating activities amounted to TDKK -14,276 (TDKK -21,437). The increase from 2021 to 2022 is due to higher revenue and lower operating costs. Investments in equipment amounted to TDKK 0 (TDKK

0). Cash flow from financing activities amounted to TDKK 9,308 (TDKK 2,776) due to the rights issue and the exercise of warrants in June/July 2022.

## Equity and net cash

As of 31 December 2022, equity was TDKK 16,088 (TDKK 16,426). On 31 December 2022 net cash amounted to TDKK 9,878 (TDKK 14,859). The decrease is due to the continuous investment of proceeds in commercialisation activities. ViroGates expects to become cash flow positive during 2024 and is in dialogue with Vækstfonden regarding debt financing.

## Numbers of shares

On 31 December 2022, the total number of shares in ViroGates A/S was 3,350,507 (3,170,083).

## 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

### 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.

## Risk mitigation

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 2019-2022, ViroGates added its own sales representatives and new distributors 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 has experienced a positive effect from this in 2022 and expects this to continue.

## Risk

### 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.

### 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.

### 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.

## Risk mitigation

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 2019-2022 show that ViroGates is able to attract skilled international professionals from large peers. In addition, the company has shown resilience by successfully attracting new talents and continuing growth despite the departure of key individuals.

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.

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 the rights issue in 2022, 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 IVDMD (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 came into force on 26 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 11 meetings in 2022 (2021: 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.

ViroGates intends to review and comply or otherwise explain deviances from the Foreningen af Børsnoterede Vækstvirksomheder "Recommendations on corporate governance for listed growth companies".

## **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 2022, 31,700 warrants were issued to Patrik Dahlen and 9,510 warrants to Valérie Soulier as members of the Board of Directors (2021: 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 2022, was unchanged compared to 2021. An identical fee for 2023 will be submitted for approval at the Annual General Meeting in April 2023.

The aggregate remuneration to the Management Team in 2022 totalled DKK 4,595,263 (2021: 4,654,791).

# Shareholder information

## Share capital

The share capital amounts to DKK 3,350,507 divided into 3,350,507 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 2022, ViroGates held 2,585 (0.08%) treasury shares.

## Shareholders

At the end of 2022, ViroGates had 1,685 registered shareholders. Three shareholders had notified shareholdings of 5% or more:

Shareholder	Number of shares	Percent of capital
N. P. Louis-Hansen ApS	859,075	25.64%
Ginnerup Capital ApS	342,665	10.23%
4AM ApS	342,632	10.23%

## 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 2022 at DKK 40.10.

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 2023. ViroGates aims to become cash flow positive during 2024.

## 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 2022, the company published 28 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](#).

## 2023 Financial calendar

27 April 2023	Annual General Meeting
4 May 2023	Interim Report Q1 2023
17 August 2023	Interim Report H1 (Q2) 2023
9 November 2023	Interim Report Q1-Q3 2023

# 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
- Ingeniørssystem A/S

### Shareholding

44,781 shares, 41,168 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

143,799 shares, 11,894 warrants



## Mark Christian Hvidberg da Silva

Born 1990. CFO since 2019 (stepping down during Q1, 2023).

### 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

4,329 shares, 21,619 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 2022	Total 2021	% change
Total Management	4,073,709	219,741	241,991	4,595,263	4,654,791	-1%

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. Patrik Dahlen, Chairman

Born 1962. Chief Executive Officer, Immudex. Joined 2022.

### Education

Ph.D., Biochemistry, University of Turku. MSc, Biochemistry, Åbo Akademi University.

### Competencies

Seasoned executive with more than 35 years of experience in the international life science, med-tech, and diagnostics business. Leadership experience in development, manufacturing, and commercial companies with solutions for laboratories and hospitals.

### Directorships

- Immudex ApS (M)
- SSI Diagnostica A/S (Board member)
- Visiopharm A/S (Chairman of the Board)
- Advalight ApS (Chairman of the Board)

### Shareholding

5,282 shares, 31,700 warrants



## Lars Krogsgaard

Born 1967. 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 (C)
- 4AM ApS (M)
- 6AM ApS (M)
- Samplix ApS

### Shareholding

342,632 shares, 0 warrants



## Dr. Lars Kongsbak

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, 8,546 warrants



## Dr. Valérie Soulier

Born 1967. Founder & Managing Director, 2C4P. Joined 2022.

### Education

Ph.D., Human Biology – Neurochemistry, University Claude Bernard, Lyon, and Karolinska Institute Stockholm.

Diploma of Advanced Studies, University Claude Bernard, Lyon. MSc, Biochemistry, University Claude Bernard, Lyon.

### Competencies

Proven leadership ability, multicultural management, and general corporate experience from helping healthcare companies for more than 25 years. Experience from diagnostics companies such as Radiometer/Danaher, Siemens Healthineers, Dade Behring, and Abbott Labs.

### Directorships

- Founder & Managing Director, 2C4P (M)
- BioAnalyt GmbH (BM)

### Shareholding

0 shares, 9,510 warrants

\* 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 were re-elected at the 2022 Annual General Meeting.

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, and no member of the Board represents a controlling shareholder.

\* Warrants are listed as vested warrants.

## Remuneration to the Board of Directors

DKK	Fixed cash remuneration	Expenses	Other fixed remuneration	Total 2022	Total 2021	% 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 2022



# Income Statement 1 January – 31 December

Note	Amounts in DKK ('000)	2022	2021
	<b>Net revenue</b>	10,151	7,656
	Other Income*	5,046	0,591
	Cost of goods sold	-2,541	-1,868
	<b>Gross profit/loss</b>	<b>12,656</b>	<b>6,379</b>
1	Sales and distribution costs	-8,968	-14,554
1	Research and development costs	-10,580	-6,528
1	Administrative costs	-3,953	-4,086
	<b>Operating loss</b>	<b>-10,845</b>	<b>-18,790</b>
	Financial income	82	19
	Financial expenses	-112	-194
	<b>Loss before tax</b>	<b>-10,876</b>	<b>-18,965</b>
2	Tax on profit/loss for the year	1,230	1,302
	<b>Loss for the year</b>	<b>-9,646</b>	<b>-17,663</b>
	<b>Proposed distribution of loss</b>		
	Retained earnings	-9,646	-17,663
	<b>Total</b>	<b>-9,646</b>	<b>-17,663</b>

\*From 2022 grants are segregated from R&D cost and shown as Other Income

## Balance Sheet at 31 December

Note	Amounts in DKK ('000)	2022	2021
	<b>ASSETS</b>		
	Other plant, machinery tools and equipment	31	171
	Leasehold improvements	9	45
	<b>Tangible fixed assets</b>	<b>40</b>	<b>216</b>
	Rent deposit and other receivables	189	176
	<b>Fixed asset investments</b>	<b>189</b>	<b>176</b>
	<b>Fixed assets</b>	<b>229</b>	<b>391</b>
	Finished goods and goods for resale	3,770	1,695
	<b>Inventories</b>	<b>3,770</b>	<b>1,695</b>
	Trade receivables	1,796	1,474
	Other receivables	599	468
	Corporation tax receivable	1,230	1,302
	Prepayment and accrued income	37	41
	<b>Receivables</b>	<b>3,661</b>	<b>3,284</b>
	<b>Cash and cash equivalents</b>	<b>9,878</b>	<b>14,859</b>
	<b>Current assets</b>	<b>17,310</b>	<b>19,838</b>
	<b>Assets</b>	<b>17,539</b>	<b>20,229</b>

Note	2022	2021	
	<b>EQUITY AND LIABILITIES</b>		
	Share capital	3,350	3,170
	Retained earnings	12,738	13,256
3	<b>Equity</b>	<b>16,088</b>	<b>16,426</b>
	Trade payables	574	380
	Other liabilities	876	3,423
	<b>Current liabilities</b>	<b>1,451</b>	<b>3,803</b>
	<b>Liabilities</b>	<b>1,451</b>	<b>3,803</b>
	<b>Equity and liabilities</b>	<b>17,539</b>	<b>20,229</b>
4	Contingencies etc.		

Note	Share capital	Share premium account	Retained earnings	Total	
	<b>STATEMENT OF CHANGES IN EQUITY</b>				
	Equity at 1 January 2022	3,170	0	13,256	16,426
	Proposed profit allocation		-9,646	-9,646	
	<b>Transactions with owners</b>				
	Capital increase	180	10,130		10,310
	Cost of transactions		-1,002		-1,002
	<b>Transfers</b>				
	Allowed equalization		-9,128	9,128	0
	<b>Equity at 31 December 2022</b>	<b>3,350</b>	<b>0</b>	<b>12,738</b>	<b>16,088</b>

## Cash Flow Statement 1 January – 31 December

Note	Amounts in DKK ('000)	2022	2021
	Profit/loss for the year	-9,646	-17,663
	Reversed depreciation of the year	175	217
	Reversed tax on profit/loss for the year	-1,230	-1,302
	Corporation tax received	1,302	1,246
	Change in inventory	-2,075	-788
	Change in receivables	-450	-18
	Change in current liabilities (ex bank and tax)	-2,352	-3,130
	<b>Cash flows from operating activity</b>	<b>-14,276</b>	<b>-21,437</b>
	Purchase of financial assets	-13	-4
	<b>Cash flows from investing activity</b>	<b>-13</b>	<b>-4</b>
	Capital increase	9,308	2,776
	<b>Cash flows from financing activity</b>	<b>9,308</b>	<b>2,776</b>
	<b>Change in cash and cash equivalents</b>	<b>-4,981</b>	<b>-18,666</b>
	Cash and cash equivalents at 1 January	14,859	33,525
	<b>Cash and cash equivalents at 31 December</b>	<b>9,878</b>	<b>14,859</b>
	Specification of cash and cash equivalents at 31 December		
	<b>Cash and cash equivalents</b>	<b>9,878</b>	<b>14,859</b>
	<b>Cash and cash equivalents, net debt</b>	<b>9,878</b>	<b>14,859</b>

# Notes to the financial statements

Amounts in DKK ('000)

## 1 Staff costs

	2022	2021
Average number of full-time employees	9	13
Sales & marketing	5,987	9,573
Research & development	2,993	268
Administration	1,342	2,114
	<b>10,322</b>	<b>11,955</b>

### The incentive program

The incentive program for the executive management, the Board of Directors, and the employees includes the opportunity of exercising new shares of nom. 177 DKkt corresponding to 1.1% of the current share capital, in the period 2023-2031. The exchange rate is determined at the time of subscription. For 2023, a maximum of nom. 136 DKkt shares can be exercised at a price of 35-133.04, corresponding to a total of 5,454 DKkt in market value based on 2022 closing share price. In the period 2024-2031, a maximum of nom. 136 DKkt shares can be exercised at a price of 39.2-319.4. Maximum number of shares are stated in absolute values for the reported period, meaning that the value for the period of 2024-2031 changes if shares are exercised earlier and so forth.

Amounts in DKK ('000)

## 2 Tax on profit/loss for the year

	2022	2021
Calculated tax on taxable income of the year	-1,230	-1,302
	<b>-1,230</b>	<b>-1,302</b>

## 3 Equity

The company's sharecapital consists of 3,350,507 shares in denomination of DKK 1.

In 2022 ViroGates' share capital increased in connection with a capital increase and the exercise of warrants. On 13 July 2022, the total nominal value of ViroGates A/S' share capital increased from DKK 3,170,283 to DKK 3,350,507 consisting of 3,350,507 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 treasury shares up to 10% of the share capital. Treasury 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 28 months. The liability in this respect is DKK ('000) 1,077. 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 2022 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.

### Other Operating Income

Other operating income includes grants received for development costs from donors. Grants are recognised in the Income Statement by the amounts, that relate to the financial year.

### 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:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
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):	$\frac{\text{Profit/loss after tax ex minorities} \times 100}{\text{Average equity ex minorities}}$
Earnings per share, diluted	$\frac{\text{Net earnings DKK ('000)}}{\text{Average number of shares after dilution}}$

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 2022.

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 2022 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2022.

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 2023

## Executive Management



Jakob Ole Knudsen  
CEO

## Board of Directors



Patrik Dahlen  
Chairman



Valérie Soulier



Lars Kongsbak



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 2022, 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 2022 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2022 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 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Mikkel Mauritzen  
State Authorised  
Public Accountant  
MNE no. mne46621

Mads Juul Hansen  
State Authorised  
Public Accountant  
MNE no. mne44386

# Additional information

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

	Full year	
	2022	2021
<b>Amounts in DKK ('000)</b>		
Net sales	10,151	7,656
Operating earnings	-10,845	-18,790
Earnings before tax	-10,876	-18,965
Net earnings	-9,646	-17,663
<b>Amount in DKK/share</b>		
Earnings per share before dilution	-2.96	-5.60
Earnings per share after dilution	-2.77	-5.31
<b>Numbers of shares ('000)</b>		
Average number of share before dilution	3,255	3,153
Average number of share after dilution	3,480	3,328
Numbers of shares before dilution	3,351	3,170
Numbers of shares after dilution	3,562	3,345
Equity ratio, %	92%	81%
<b>Number of warrants</b>		
Warrants outstanding, average	224,704	174,986
Warrants outstanding, end-period	211,127	150,950
<b>Amounts in DKK</b>		
Shareholders equity per share	4.80	5.18
Period-end share market price	<b>40.10</b>	<b>144.00</b>

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

## Financial highlights by quarter (unaudited)\*

Amounts in DKK ('000)

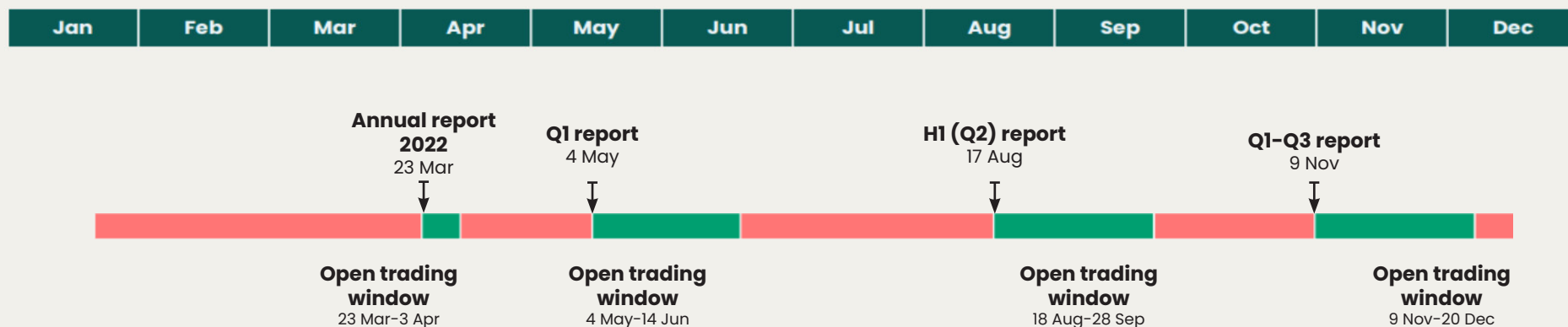
	2022					2021				
	Year audited	Q4 unaudited	Q3 unaudited	Q2 unaudited	Q1 unaudited	Year audited	Q4 unaudited	Q3 unaudited	Q2 unaudited	Q1 unaudited
Revenue	10,151	2,269	1,587	3,098	3,197	7,656	2,592	1,172	1,815	2,076
Other Income	5,046	1,877	2,199	970	0	0,591	0	0	0,591	0
Cost of sales	-2,541	-645	-421	-664	-812	-1,868	-722	-287	-407	-453
Research and development expenses	-10,580	-2,412	-3,907	-2,062	-2,199	-6,528	-1,580	-1,256	-1,912	-1,678
Sales and marketing expenses	-8,968	-2,004	-2,154	-2,388	-2,422	-13,394	-3,134	-3,054	-3,799	-3,406
Administrative expenses	-3,953	-967	-660	-1,127	-1,199	-5,347	-1,491	-1,134	-1,583	-1,139
Operating profit/-loss (EBIT)	-10,845	-1,882	-3,356	-2,173	-3,435	-18,790	-4,334	-4,559	-5,296	-4,600
Net financial items	-31	-17	3	8	-25	-175	-41	-50	-37	-48
Profit/-loss before tax (EBT)	-10,876	-1,899	-3,353	-2,164	-3,460	-18,965	-4,375	-4,609	-5,333	-4,648
Tax	1,230	118	381	236	494	1,302	353	289	286	373
Net profit/-loss	-9,646	-1,781	-2,972	-1,928	-2,966	-17,663	-4,022	-4,320	-5,046	-4,274

<sup>(1)</sup> Personnel cost is allocated to divisions from 2021 and after

<sup>(2)</sup> Depreciation is allocated to Administrative expenses from 2021 and after

## Trading windows for persons discharging managerial responsibilities

### 2023



\* Person Discharging Managerial Responsibilities (permanent insider with access to all information – PDMRs can only trade shares during open trading windows given no insider information at the time of trading)  
Note: The Board approved an extraordinary trading window in connection with the rights issue and warrant exercise in June/July 2022

Trading windows for PDMRs\*

- **Closed periods:** In accordance with MAR, ViroGates has a closed period of 30 days before the announcement of an interim financial report or a year-end report
- **Open periods:** ViroGates has an open period of six weeks after the announcement of an interim financial report or a year-end report (if an open period of a previous report overlaps a closed period of an upcoming report, the closed period applies)

# Company information

## Company

ViroGates A/S  
Banevaenget 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 as a physical meeting on 27 April 2023 at the Company's address, Banevaenget 13, 3460 Birkerød, Denmark. The meeting will commence at 17:00. ViroGates will arrange for shareholders who do not want to attend physically to attend informally via a webcast.



Banevaenget 13  
DK-3460 Birkerød  
Denmark