

Interim Report, Q1 2023

May 2023



Forward-looking statements

Certain information set forth and given in this presentation contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of ViroGates A/S (ViroGates); (ii) the expected development of ViroGates’ business, projects and joint ventures; (iii) execution of ViroGates’ vision and growth strategy, including with respect to future M&A activity and global growth; (iv) sources and availability of third-party financing for ViroGates’ projects; (v) completion of ViroGates’ projects that are currently underway, in development or otherwise under consideration; (vi) renewal of ViroGates’ current customer, supplier and other material agreements; and (vii) future liquidity, working capital, and capital requirements.

Forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.


Although forward-looking statements contained in this presentation are based upon what management of ViroGates believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. ViroGates undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

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On 4 May 2023, the Board of Directors has accepted the interim report for the first quarter of 2023 (the period 1 January – 31 March 2023) for ViroGates A/S. The interim report is unaudited.

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In Q1, 2023, ViroGates reported low sales, committed to revisiting disclosure policies for routine customers, and achieved progress with the finger prick product, POC+, and debt financing from EIFO (previously Vækstfonden)



Jakob Knudsen,
CEO

Reporting of customer base

The monetary value per clinical routine customer is currently too low and management is currently working with the Board of Directors to determine a better way to report ViroGates' recurring revenue so that the overall revenue trends are closer correlated with the number of customers disclosed.

Loan facility with EIFO (prev. Vækstfonden)

The loan facility that was committed from Vækstfonden as a matching loan during summer 2022 is still in preparation to be issued. There have been some issues related to the consolidation of Vækstfonden and EKF (into EIFO), but in general the terms are the same as in the original loan offer. The offer requires ViroGates to issue warrants to Vækstfonden. A proposal for the authorization of the issue of such warrants was approved at the annual general meeting, and the BoD will proceed to claim the first tranche of the loan, comprising 5.1 DKKm.

Launch of suPARnostic® POC+

The commercial launch of suPARnostic POC+, ViroGates' novel Point of Care solution for measuring suPAR from a finger prick of blood, took place at HQ with attendance from almost all distribution partners and our direct sales agents. The launch event focused on how to attract new customer groups with this application and also allowed for knowledge sharing among our partners. We expect to see the first orders for our POC+ product during Q3.

Partnering with Sobi

As previously reported, the US FDA has notified Sobi, the manufacturer and owner of the Anakinra drug, that a pre-requisite for maintaining Sobi's Emergency Use Authorization is that suPAR is made commercially available in the US by 31 January 2025 at the latest. ViroGates continues its negotiations for an agreement with Sobi to this end, and negotiations are ongoing. It is currently unknown when the negotiations for the development project will be finalized.

Our quarterly revenue was affected by a slower-than-expected conversion of COVID-19 hospitals into use for triage in the emergency departments

Financial results in Q1, 2023

(Q1, 2022 results in brackets)

- Revenue declined by 67% to TDKK 1,049 (TDKK 3,197)
- Operating expenses decreased by 28% to TDKK -4,165 (TDKK -5,819)
- Operating loss decreased by 5% to TDKK -3,279 (TDKK -3,435)
- Net loss decreased by 1% to TDKK -2,942 (TDKK -2,966)
- Cash and cash equivalents at the end of the period amounted to TDKK 6,462 (TDKK 10,870)

"It has been a rough start to the year, as we expected much more of our quarterly performance. The situation has forced us to look deeper into last year's figures, trying to explain how it can be that our customers came to such a halt in Q1. The shortcoming was a result of both lower demand from COVID-19 customers due to milder variants and fewer hospitalizations and a longer conversion period of COVID-19 hospitals into hospitals using our products in general triage in the ED. We need to bring the core value proposition of suPARnostic® back to the top of the minds of the clinicians, which will be a primary focus area for 2023."

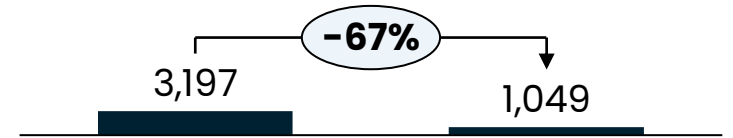
Josephine Baum Jørgensen, CFO



Josephine Baum Jørgensen

TDKK

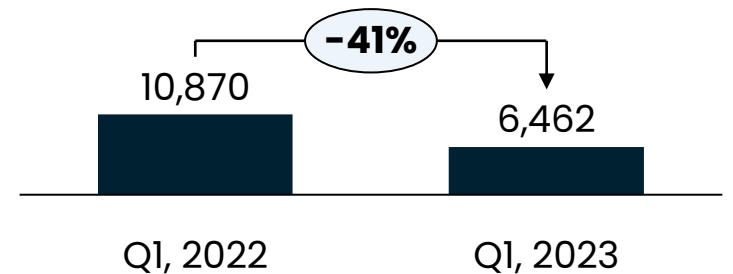
Revenue



Operating loss



Cash balance



In Q1, 2023, we announced the commercial launch of POC+ and the approval for suPARnostic® on Roche cobas® Pure and Pro

Business highlights in Q1, 2023






- Announced the commercial launch of our suPARnostic® POC+ product for a complete quantitative analysis of suPAR in finger prick blood.
- Announced CE-IVD approval for suPARnostic® TurbiLatex on the Roche Diagnostics cobas® Pure and Pro instrument platforms.
- Continued negotiations with Vækstfonden debt financing as well as Sobi regarding funding for commercializing suPARnostic® in the US in response to the EUA post-authorization requirement by the FDA.

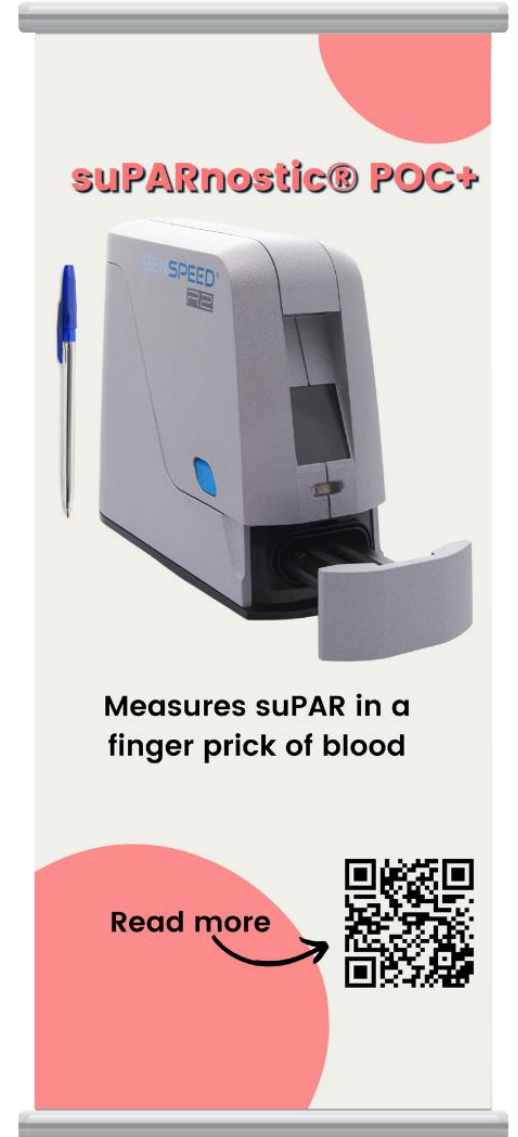


Jakob Knudsen

"Despite the rough start of the year with respect to revenue, we take pride in having launched our novel suPARnostic® POC+, allowing us to expand our target customer base. We gathered our salespeople and distributors for a launch meeting and are very excited to work with this product going forward."

Jakob Knudsen, CEO

- 1 Add a finger prick blood drop to the test cassette 
- 2 Place the sample in the POC+ device 
- 3 Wait for analysis 
- 4 The result is available on the screen 
- 5 Clinical decision making is supported 



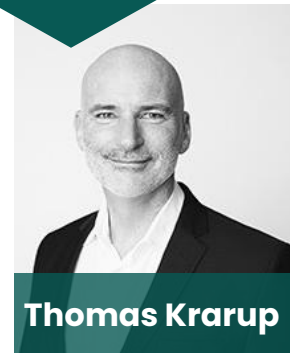
Revised guidance due to shortcomings of sales in Q1 2023 – however, continued belief in becoming cash flow positive with existing cash in 2025

Full year outlook, 2023

- The level of the shortcoming has required an adjustment in the financial guidance for the year, meaning that ViroGates now expects full-year revenue between DKK 8 to 11 million in 2023 (previously DKK 14 to 17 million) and EBIT of approx. DKK -10 to -13 million (previously DKK -8 to -11 million).
- ViroGates now expects to become cash flow positive in 2025.
- Compared to last year, the sales mix of the quarter has shifted in favor of ELISA, accounting for 57% of sales in Q1 2023. Viewed in absolute numbers, however, ELISA sales have been relatively stable, while it is sales of TurbiLatex and QT that have fallen short during Q1 2023.
- The reason for this gap is partly that a large part of clinically relevant sales in Q1 2022 was for COVID-19 purposes – and since the currently dominating variants are much less severe, we are witnessing fewer hospitalizations and thereby lower demand for TurbiLatex and QT for COVID-purposes this year.
- Converting previous sales for COVID-19 purposes to sales to triage in the EDs is a main focus for ViroGates in 2023, and we are expecting these efforts to pay off during H2 2023. ViroGates is launching the suPARnostic® POC+ this Spring, opening opportunities for additional sales to known customers and sales to new customer segments.

“Our sales to hospitals using suPARnostic® for acute medical patient discharge decisions are growing, but at a slower pace than anticipated. In addition, we noticed a decline in hospital customers using suPARnostic® for COVID-19 patients in Q1. Many may still get sick due to COVID-19, but they are no longer hospitalized due to vaccine programs, which have generated a high level of immunity. We will therefore continue working on growing revenue from our customers in other segments, including ED triage and research.”

Thomas Krarup, VP Sales & Marketing



Thomas Krarup

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Financial highlights

Key figures and ratios

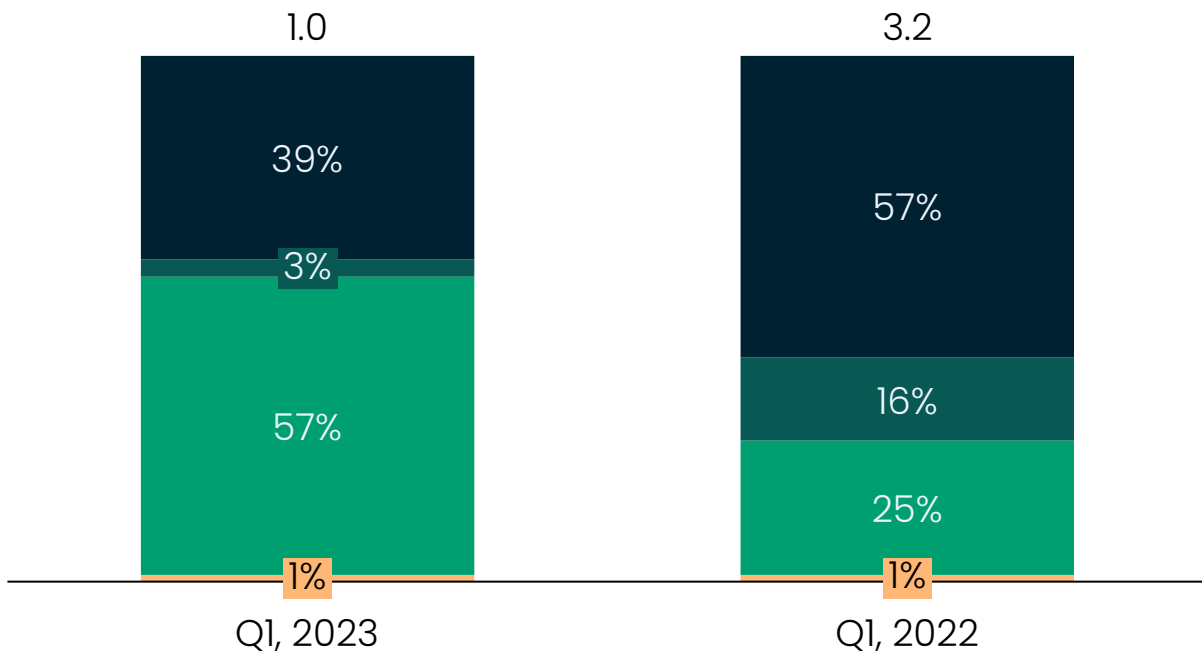
<i>DKK ('000) unless otherwise stated</i>		Q1, 2023	Q1, 2022	% change	2022
INCOME STATEMENT	Net revenue	1,049	3,197	-67%	10,151
	Other income	42	0	-	5,046
	Gross profit/loss	886	2,384	-63%	12,655
	Operating profit/loss	-3,279	-3,435	-5%	-10,845
	Financial income and expenses, net	1	-25	-101%	-30
	Profit/loss for the period before tax	-3,278	-3,460	-5%	-10,876
	Profit/loss for the period	-2,942	-2,966	-1%	-9,646
BALANCE SHEET	Assets	14,114	17,485	-19%	17,539
	Equity	13,146	13,460	-2%	16,088
	Liabilities	968	4,025	-76%	1,451
CASH FLOW STATEMENT	Cash flows from operating activities	-3,435	-3,989	-14%	-14,276
	Cash flows from investment activities	19	0	-	-13
	Cash flows from financing activities	0	0	-	9,308
	Investment in tangible fixed assets	0	0	-	0
	Total cash flows	-3,417	-3,989	-14%	-4,981

<i>DKK unless otherwise stated</i>	Q1, 2023	Q1, 2022	% change	2022
Rate of return (%)	-47.21	-86.37	-45%	-185.20
Market share price, end of period	47.0	40.1	17%	130.0
Equity ratio (%)	93%	77%	21%	81%
Employees, end of period (#)	10	12	-17%	9

Financial highlights (continued)

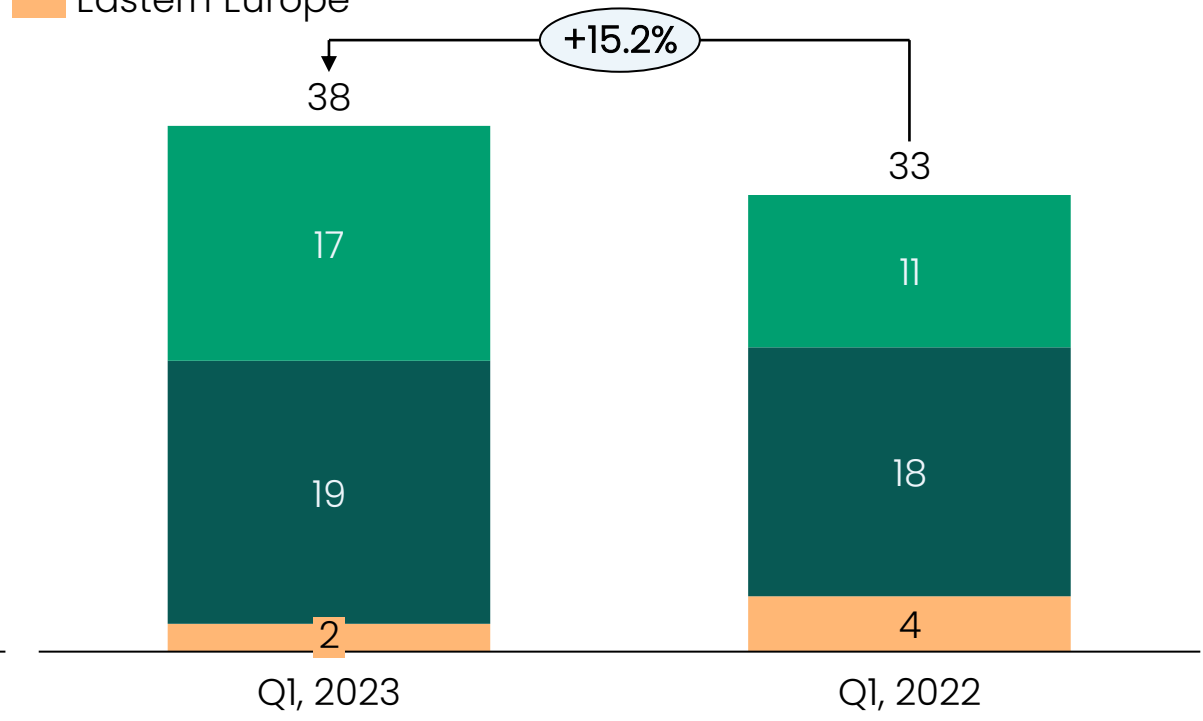
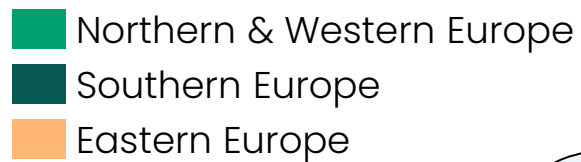
Revenue by product

DKKm, % of total



Clinical routine customers by region

#



Note: Clinical routine customers are measured as customers who have placed at least two purchasing orders within the last 12 months at the reporting time, excluding customers who, to ViroGates' knowledge, are research use only. Management is currently working with the Board of Directors on a revised measure. Regional split uses the United Nations geoscheme for Europe created by the UNSD.

ViroGates is progressing towards achieving the strategic objective of becoming cash flow positive – COVID-19 uncertainty remains

Decreasing COVID-19 demand

The performance of Q1, 2023 underlined the continued risk that COVID-19 poses to ViroGates. On the one hand, COVID-19 has been an advantage and a source of increased revenue for the last couple of years, enabling the easier implementation of suPARnostic® at hospitals for sole COVID-19 purposes. Albeit being a significant source of revenue in 2022, sales stemming from such COVID-19 customers did fall short during Q1, 2023, as the prevailing variants were milder and therefore led to fewer hospitalizations.

On the other hand, regarding the strategic objective of implementing suPARnostic® for general triage in the EDs, COVID-19 has been a challenge. It continues to be of strategic importance to convert customers from COVID-19 triage to ED triage, as these hospitals represent great and more accessible potential since a majority of these hospitals have already installed suPAR in their central laboratories from COVID-19. However, the potential comes with a financial risk if the efforts are unsuccessful.

Monitoring shift in sales mix

In 2022, ELISA regained territory in the product mix, TurbiLatex remained stable, and Quick Triage fell slightly behind. This trend continued in Q1, 2023, and we will closely monitor the development of the product mix as we move forward and expect to onboard more customers to the use of suPARnostic® products in the Emergency Departments as well as respond to research interest globally.

Setting up production in Europe

As partly funded by the EU grant received in 2020, ViroGates is now closer to having production in Europe, which will ensure a stable supply of suPARnostic® TurbiLatex from multiple manufacturers and lower risks related to production and product sourcing.

Maintaining the strategic objective

ViroGates still expects to become cash flow positive with the existing cash at hand based on the existing activities. The guidance is now to become cash flow positive in 2025.

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Income Statement

PROFIT & LOSS					
<i>Amounts in DKK ('000)</i>	Note	Q1, 2023	Q1, 2022	% change	2022
Net revenue		1,049	3,197	-67%	10,151
Other income		42	0	-	5,046
Cost of goods/services sold		-205	-812	-75%	-2,541
Gross profit		886	2,384	-63%	12,655
Sales and distribution costs	1	-1,873	-2,422	-23%	-8,968
Research and development costs		-1,554	-2,199	-29%	-10,580
Administrative costs		-738	-1,196	-38%	-3,953
Operating loss		-3,279	-3,435	-5%	-10,845
Financial income		18	10	75%	82
Financial expenses		-18	-35	-50%	-112
Loss before tax		-3,278	-3,460	-5%	-10,876
Tax on profit/loss for the period	2	336	494	-32%	1,230
Loss for the period		-2,942	-2,966	-1%	-9,646
Proposed distribution of loss					
Retained profit		-2,942	-2,966	-1%	-9,646
Total		-2,942	-2,966	-1%	-9,646

Balance Sheet

ASSETS					
<i>Amounts in DKK ('000)</i>	Note	Q1, 2023	Q1, 2023	% change	2022
Other plant, machinery, tools & equipment		23	163	-86%	40
Tangible fixed assets	3	23	163	-86%	40
Rent deposit and other receivables		170	176	-3%	189
Fixed asset investments	4	170	176	-3%	189
Fixed assets		193	339	-43%	229
Finished goods and goods for resale		3,596	1,922	87%	3,770
Inventories		3,596	1,922	87%	3,770
Trade receivables		1,641	2,172	-24%	1,796
Other receivables		177	203	-13%	599
Corporation tax receivable		1,566	1,796	-13%	1,230
Prepayments and accrued income		479	184	-161%	37
Receivables		3,863	4,354	-11%	3,661
Cash and cash equivalents		6,462	10,870	-41%	9,878
Current assets		13,921	17,147	-19%	17,310
Assets		14,114	17,485	-19%	17,539

EQUITY AND LIABILITIES					
<i>Amounts in DKK ('000)</i>	Note	Q1, 2023	Q1, 2022	% change	2022
Share capital		3,351	3,170	6%	3,350
Retained profit		9,796	10,290	-5%	12,738
Equity	5	13,146	13,460	-2%	16,088
Trade payables		490	3,300	-85%	574
Other liabilities		478	725	-34%	876
Current liabilities		968	4,025	-76%	1,451
Liabilities		968	4,025	-76%	1,451
Equity and liabilities		14,114	17,485	-19%	17,539
Contingencies	6				

Cash Flow Statement (1 January – 31 March)

CASH FLOW <i>Amounts in DKK ('000)</i>	Note	Q1, 2023	Q1, 2022	% change	2022
Profit/loss for the period		-2,942	-2,966	-1%	-9,646
Reversed depreciation of the period		17	53	-67%	175
Reversed tax on profit/loss for the period		-336	-494	-32%	-1,230
Corporation tax received		0	0	-	1,302
Change in inventory		175	-227	-177%	-2,075
Change in receivables		-183	-577	-68%	-450
Change in current liabilities (ex bank and tax)		-165	222	-174%	-2,352
Cash flows from operating activity		-3,435	-3,989	-14%	-14,276
Purchase of tangible fixed assets		0	0	-	0
Purchase of financial assets		19	0	-	-13
Cash flows from investing activity		19	0	-	-13
Subscription of share capital		0	0	-	9,308
Cash flows from financing activity		0	0	-	9,308
Change in cash and cash equivalents		-3417	-3,989	-14%	-4,981
Cash and cash equivalents at 1 January		9,878	14,859	-34%	14,859
Cash and cash equivalents at end of period		6,462	10,870	-41%	9,878
Specification of cash and cash equivalents at end of period:					
Cash and cash equivalents		6,462	10,870	-41%	9,878
Cash and cash equivalents, net debt		6,462	10,870	-41%	9,878

Notes to the financial statements

1 Staff costs

<i>Amounts in DKK ('000) unless otherwise stated</i>	Q1, 2023	Q1, 2022	% change	2022
Average number of employees (#)	8	12	-33%	9
Sales & Marketing	1,343	1,679	-20%	5,987
Research & Development	559	840	-33%	2,993
Administration	336	376	-11%	1,342
Total staff costs	2,238	2,895	-23%	10,322

The remuneration for the Board of Directors and Executive Management are published annually in the Company's Remuneration Report in connection with the Annual Report.

2 Tax on profit/loss for the period

<i>Amounts in DKK ('000)</i>	Q1, 2023	Q1, 2022	% change	2022
Calculated tax on taxable income	336	494	-32%	1,230
Total	336	494	-32%	1,230

Notes to the financial statements (continued)

3 Tangible fixed assets

Amounts in DKK ('000)	Q1, 2023	Q1, 2022	% change	2022
<i>Other plants, machinery & equipment</i>				
Cost at 1 January 2023 / 2022	40	216	-81%	216
Additions	0	0	-	0
Disposals	0	0	-	0
Cost at Q1, 2023, Q1 2022, 2022	40	216	-81%	216
Depreciation and impairment losses at 1 January 2023 / 2022	0	0	-	0
Reversal of depreciation of assets disposed of	0	0	-	0
Depreciation for the year	17	53	-67%	175
Depreciation and impairment losses at 2023, 2022	17	53	-67%	175
Carrying amount of 2023, 2022	23	163	-86%	40

4 Fixed asset investments

Amounts in DKK ('000)	Q1, 2023	Q1, 2022	% change	2022
<i>Rent deposit and other receivables</i>				
Cost at 1 January 2023 / 2022	189	176	7%	176
Additions	-19	0	-	13
Cost at Q1 2023, Q1 2022, 2022	170	176	-3%	189
Carrying amount of 2023, 2022	170	176	-3%	189

Notes to the financial statements (continued)

5 Equity

<i>Amounts in DKK</i>	Q1, 2023	Q1, 2022	% change	2022
Share capital	3,350,507	3,170,083	6%	3,170,083
Retained profit	12,737,605	13,256,070	-4%	13,256,069
Equity at 1 January	16,088,112	16,426,153	-2%	16,426,152
Capital increase (share capital)	0	0	-	180,424
Capital increase (retained profit)	0	0	-	9,127,676
Proposed distribution of loss to retained profit	-2,941,983	-2,966,057	-1%	-9,646,140
Equity end of period	13,146,129	13,460,096	-2%	16,088,112

The Company's share capital consists of 3,350,507 shares of nom. 1 kr.

The Company has 2.585 treasury shares of nom. 1 kr. which equals 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 purposes of incentive programs for consultants and employees of the company

6 Contingencies

The Company has entered into an agreement for office rent with a notice of termination period of 35 months. There is a liability of DKK ('000) 909.

7 Other external expenses

<i>Amounts in % of total expenses</i>	Q1, 2023	Q1, 2022	% change	2022
R&D expenses (incl. staff) in % of total expenses	37.3%	37.8%	-1%	45,0%
Sales expenses (incl. staff) in % of total expenses	44,9%	41,62%	8%	38,2%

Active management & board warrant programs (as of 31 March 2023)

2015 warrant program

Management & board warrants (#, % of total)	Warrants allocated	Warrants exercised	Warrants expired	Warrants outstanding (vested)	Warrants outstanding (total)
Jakob Knudsen (CEO)	54,925 (100%)	20,852 (38%)	23,392 (43%)	10,681 (19%)	10,681 (19%)
Jesper-Eugen-Olsen (CSO)	54,925 (100%)	9,813 (18%)	34,431 (63%)	10,681 (19%)	10,681 (19%)
Lars Kongsbak (BM)	43,940 (100%)	3,500 (8%)	31,894 (73%)	8,546 (19%)	8,546 (19%)
May Britt Dyvelkov (VP Accounting)	10,985 (100%)	3,451 (31%)	5,396 (49%)	2,138 (19%)	2,138 (19%)

2019 warrant program

Management warrants (#, % of total)	Warrants allocated	Warrants exercised	Warrants expired	Warrants outstanding (vested)	Warrants outstanding (total)
Jakob Knudsen (CEO)	56,439 (100%)	13,253 (23%)	0 (0%)	34,720 (62%)	43,186 (77%)
Thomas Krarup (VP S&M)	20,209 (100%)	10,102 (50%)	0 (0%)	7,075 (35%)	10,107 (50%)
Jesper Eugen-Olsen (CSO)	8,084 (100%)	5,051 (62%)	0 (0%)	1,819 (8%)	3,033 (38%)

Note: Numbers may not add up due to rounding. Jørgen Thorball (resigned BM) and Bernd Uder (resigned BM) still has 3,869 and 4,273 outstanding warrants in the 2015 warrant program. Mark Da Silva (resigned CFO) still has 21,619 outstanding warrants in the 2019 warrant program. A group of employees no longer employed by ViroGates still has 2,250 in total outstanding warrants in the 2022 program.

2022 warrant program

Warrants (#, % of total)	Warrants allocated	Warrants exercised	Warrants expired	Warrants outstanding (vested)	Warrants outstanding (total)
Other employees	15,000 (100%)	0 (0%)	0 (0%)	3,000 (20%)	15,000 (100%)
Patrik Dahlen (Chairman)	31,700 (100%)	0 (0%)	0 (0%)	3,170 (10%)	31,700 (100%)
Válerie Soulier (BM)	9,510 (100%)	0 (0%)	0 (0%)	951 (10%)	9,510 (100%)
Josephine B. Jørgensen (CFO)	30,000 (100%)	0 (0%)	0 (0%)	0 (0%)	30,000 (100%)

2015 program details

- Strike price at 32.71, 49.16, and 68.27 DKK (one third of warrants each)
- 10% annual price increase from award date
- Expiry five calendar years (excl. vesting year) from vesting date

2019 program details

- Strike price at 35 DKK
- 12% annual price increase from vesting date
- Expiry five years from vesting date

2022 program details

- Strike price at 129 (other employees), 57.8 (BoD), and 49.50 DKK (CFO)
- 12% annual price increase from vesting date
- Expiry five years from vesting date

Shareholdings of the board and management

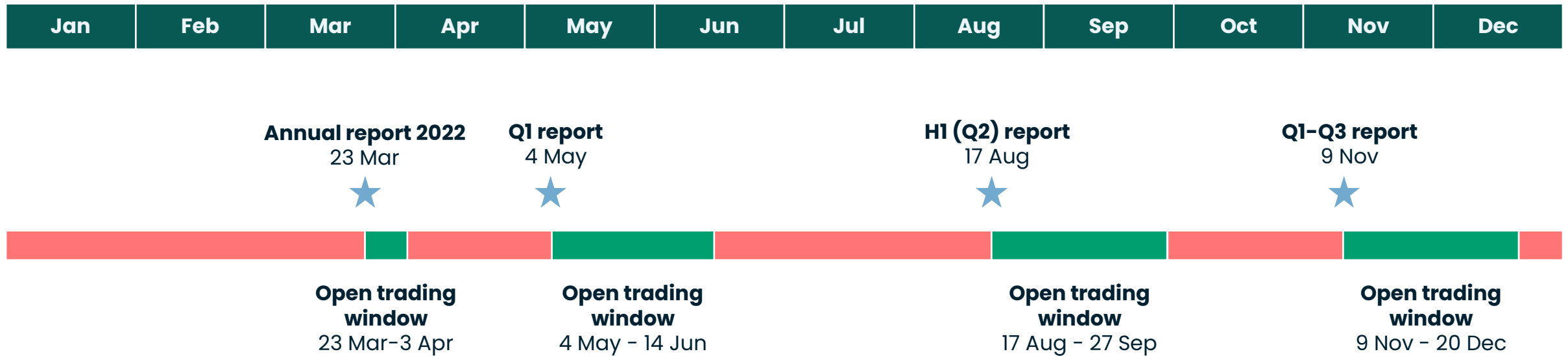
Management (role)	Executive Management (registered with the Danish Business Authority)	Management	PDMR	Shares (#, end of Q1, 2023)	Shares (#, end of Q4, 2022)	Shares (#, end of last year)
Jakob Knudsen (CEO)	Yes	Yes	Yes	44,781	44,781	Same as Q4
Josephine Baum Jørgensen (CFO)	No	Yes	Yes	0	0	Same as Q4
Thomas Krarup (VP Sales & Marketing)	No	Yes	Yes	8,058	4,017	Same as Q4
Jesper Eugen-Olsen (CSO)	No	Yes	No	141,200	143,799	Same as Q4

Board (role)	PDMR	Shares (#, end of Q1, 2023)	Shares (#, end of Q4, 2022)	Shares (#, end of last year)
Patrik Dahlén (Chairman)	Yes	5,285	5,285	Same as Q4
Lars Krogsgaard (Board member)	Yes	342,632	342,632	Same as Q4
Lars Kongsbak (Board member)	Yes	6,968	6,968	Same as Q4
Valérie Soulier (Board member)	Yes	0	0	Same as Q4

Note: PDMR stands for Person Discharging Managerial Responsibilities (permanent insider with access to all information).

Trading windows for persons discharging managerial responsibilities

2023



<p>Trading windows for PDMRs</p>	<ul style="list-style-type: none"> • 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)
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Note: PDMRs can only trade shares during open trading windows given no insider information at the time of trading.

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Statement by the Board of Directors and Executive Management

Statement

Today, the Board of Directors and the Executive Management have discussed and approved the Annual Report of ViroGates A/S for the first quarter 1 January – 31 March 2023.

The interim report has been created in accordance with IAS 34, Interim Financial Reporting as approved by the EU and additional disclosure requirements for companies listed on NASDAQ First North Denmark.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2023 and of the results of the company's operations and cash flows for the financial period 1 January – 31 March 2023.

The management's review includes in our opinion a fair presentation of the matters dealt with in the report.

The interim report is unaudited.

Birkerød, 4 May 2023

Executive Management

Jakob Ole Knudsen
CEO

Board of Directors

Lars Kongsbak
Chairman

Valérie Soulier

Patrik Dahlen

Lars Krogsgaard