



Annual Report 2023



**Helping healthcare
professionals make
better decisions**

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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". ViroGates develops and sells prognostic products to the healthcare sector. ViroGates has brought to market the proprietary biomarker suPARnostic®, used in hospital emergency services to support the clinical decision on hospitalization or discharge (triage) of acute patients and to identify high-risk sepsis patients at an early stage. The products are also used for the prognosis of lifestyle-related diseases such as cardiovascular disease, type 2 diabetes, and cancer, as well as for the assessment of longevity and biological age in a non-hospital setting. The suPARnostic® product line covers four commercially available products, enabling the measurement of suPAR as a point-of-care (POC) test, by an ELISA assay as well as on several larger turbidimetric platforms.

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.

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

Following the 2023 rights issue in December, funds will be targeted primarily at promoting new application areas in the acute care segment in Europe, entering the US market, and approaching the health and longevity segment. The board remains aware of the capital resources and strives to make the business generate a positive cash flow to benefit its shareholders.

Vision

ViroGates envision suPAR transforming acute medicine, empowering clinicians with life-saving insights for improved triage and revolutionizing sepsis diagnosis. Beyond hospitals, suPAR can play a pivotal role in proactive medicine, identifying inflammatory processes for enhanced health and longevity.

Investment highlights

~500 EURm

Addressable market in Acute care

Current primary market is in acute care, where the prognostic value of suPARnostic® is applied for patient triaging in emergency departments at hospitals, where fast decisions regarding high volumes of patients are required. The potential stated refers to Europe and North America and is assessed based on hospital data

+2 EURbn

Additional market potential

Significant addressable market opportunities lies in the health and longevity segment regarding especially clinical laboratory services and non-hospital point-of-care diagnostics as well as in the use of suPARnostic® in guiding treatment across infectious, immune system, respiratory, digestive system, and heart diseases. The potential stated refers to Europe and North America

16 DKKm

Cash end-of-period

16 DKKm in cash and cash equivalents as a result of the 2023 rights issue, primarily aimed at promoting new application areas in the acute care segment, entering the US market as well as approaching the health and longevity segment

17 recurring customers

In clinical routine and research

17 customers across Europe, North America, and ROW who have placed at least two orders in 2023 with a minimum value of EUR 10,000

+20 countries

Clinical routine evaluation and research

suPARnostic® orders have been placed from more than 20 countries in 2023

+950 peer-reviewed articles

Peer-reviewed articles

Closing in on 1,000 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 2023

Letter from the Chairman and the CEO

2023 was a challenging year for ViroGates. Our business had to adapt from a period where our products were used primarily to help manage COVID-19 patients and back to our regular focus on managing patient triage in the emergency departments. That has proven to be a challenging task, and we have adjusted our business accordingly and focused increasingly on the utility of our products in the longevity and wellness segment. We continue our work with Swedish medical company Sobi with the aim of getting suPARnostic® products approved by the US FDA for clinical promotion and use in the United States. During the year, we also witnessed the reporting of important clinical data on the use of suPARnostic® for the early identification of sepsis patients. This is a strong and concrete use case that we will promote in 2024 along with our continued efforts to increase the adoption of suPARnostic® for general triage in emergency departments.

Revenues were disappointing

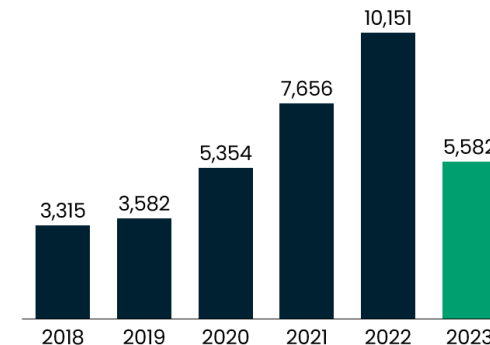
The first quarter of 2023 saw revenues decline 67% compared to Q1 2022. Comparing the sales figures, we learned that we ended 2022 with a large part of our revenue stemming from COVID-19 customers, and that these customers during Q1 had largely disappeared along with the pandemic. Furthermore, our previous triage customers seemed to re-think all their diagnostic use patterns and ways of handling patients, which negatively affected our sales. The negative trend continued into Q2, albeit at a less significant level. We had to adjust our guidance to reflect the lower revenue expectations. Additionally, we revisited our way of reporting on routine customers to reflect sustainable revenue levels more accurately. Q3 finally showed growth rates of 40% compared with last year's figures, but overall, our revenues were still 39% behind last year's figures for Q1-Q3. We continued efforts to mitigate the shortcomings in

revenues from traditional hospital and emergency department customers by addressing new customer segments. In Q4, we again had to adjust our revenue guidance downwards for the full year. The full year ended with revenues of DKKm 5.6, corresponding to 55% of revenue in 2022.

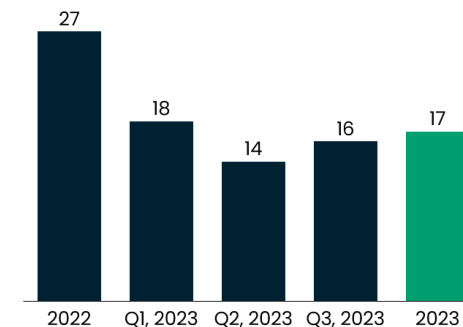
Revamping of definitions of recurring customers

We realized that our traditional way of reporting recurring customers did not correlate well enough with the impact on revenue. In connection with our half-year report, we redefined our definitions of routine customers to include both research and clinical customers, but contingent on the customer having placed at least two purchase orders within the last 12 months and with a minimum value of EUR 10,000. This reduced the number of reported routine customers. We believe this way of reporting is a more valuable proxy for assessing ViroGates' annual recurring revenue.

Net revenue
DKK ('000)



Recurring customers
of customers (end of period)



Note: Recurring customers are customers who have placed at least two orders over the last 12 months with an accumulated value of > 10,000 EUR.

Targeting the longevity market

For many years, ViroGates has worked to collect data not only from diseased populations, but also from healthy individuals. The scope of this work was to provide a tool for individuals to assess and potentially track development in chronic inflammation. In 2023, we launched an interactive tool for the assessment of the biological age of individuals based on a large dataset from a blood bank. We are excited to start working in the longevity field since we see a higher degree of convergence between individuals' assessment of their own health and the public healthcare systems. We expect that the sales cycles will be shorter in the longevity segment since the clinics and labs desire to offer their customers novel products.

Collaboration with Sobi for a US FDA approval of suPARnostic®

In June, we announced the collaboration agreement with the Swedish pharmaceutical company Sobi, aiming at bringing suPARnostic® to the US market. The agreement is based on the post-authorization commitment for Sobi's anakinra-based drug Kineret®, which was granted an authorization for use in COVID-19 patients in the US. The commitment is to facilitate the use of suPARnostic® in the US market, and Sobi will initially fund the development efforts for making suPARnostic® available. Development costs will be repaid based on a royalty model on subsequent sales in the US. We will communicate more firm development timelines once we have had a pre-submission meeting with the FDA.

suPARnostic® POC+ launch

In 2023, we made the commercial launch of our most recent product application, the suPARnostic® POC+ which measures suPAR in fingerprick blood. The product was rolled out to selected customers to gain customer feedback from a clinical perspective. Throughout this process and based on initial customer feedback, we realized that we needed additional development work to be conducted by our instrument partner, Genspeed Biotech, in Austria. This development work is ongoing and we want to ensure that the product meets all requirements from a customer perspective before we initiate a broader roll-out.

High-impact clinical data in sepsis

This year's most important clinical milestone for ViroGates was the presentation of data from the randomized controlled study SUPERIOR at the European Shock Society in Vienna, September 21-23. The results of the study show that patients with an expected sepsis infection and a high suPAR value, despite being placed in a low-risk group as per traditional classification, require immediate antibiotic treatment to prevent disease progression. The data from the SUPERIOR study will be submitted for publication in a medical journal. The data are particularly important since they point to a concrete use case for suPARnostic® that is aligned with how clinicians in hospitals traditionally use biomarkers. We expect to see effects from this study on the use of our products in the hospital segment during 2024 when the data are published in a peer-reviewed journal.

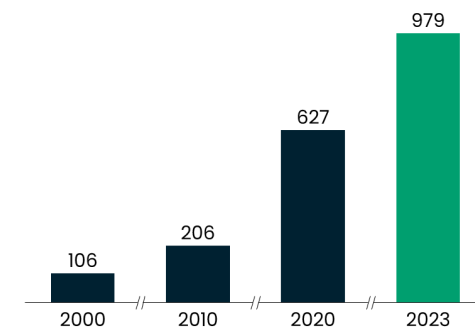
Securing additional financial runway

ViroGates' revenue in 2023 were disappointing, and we needed a stronger cash position to maintain operations. During autumn, a rights issue was planned and pre-subscriptions for shares were collected from the three largest shareholders and several management and board members. The gross proceeds from the rights issue were DKKm 13.9, which was considered satisfactory given the constraints in the capital markets.

Prospectives for 2024

Despite facing challenges in 2023, we remain optimistic that we can help healthcare professionals make better decisions for patients as well as inform individuals who wish to track measures taken to avoid chronic ailments. With this, we also thank colleagues, partners, shareholders, and customers for their support during the year, and we look forward to continuing our work in 2024.

Number of studies published on suPAR
of studies (end of period)





ViroGates



Jakob Knudsen
Chief Executive Officer

Patrik Dahlen
Chairman of the Board

“2023 was a challenging year for ViroGates, but we learned valuable lessons and devised strategies for more successful years ahead.

With the positive outcome of the capital raise at the end of the year, we are ready to leverage these funds to drive growth in 2024 in both longevity and hospital segments of the market”

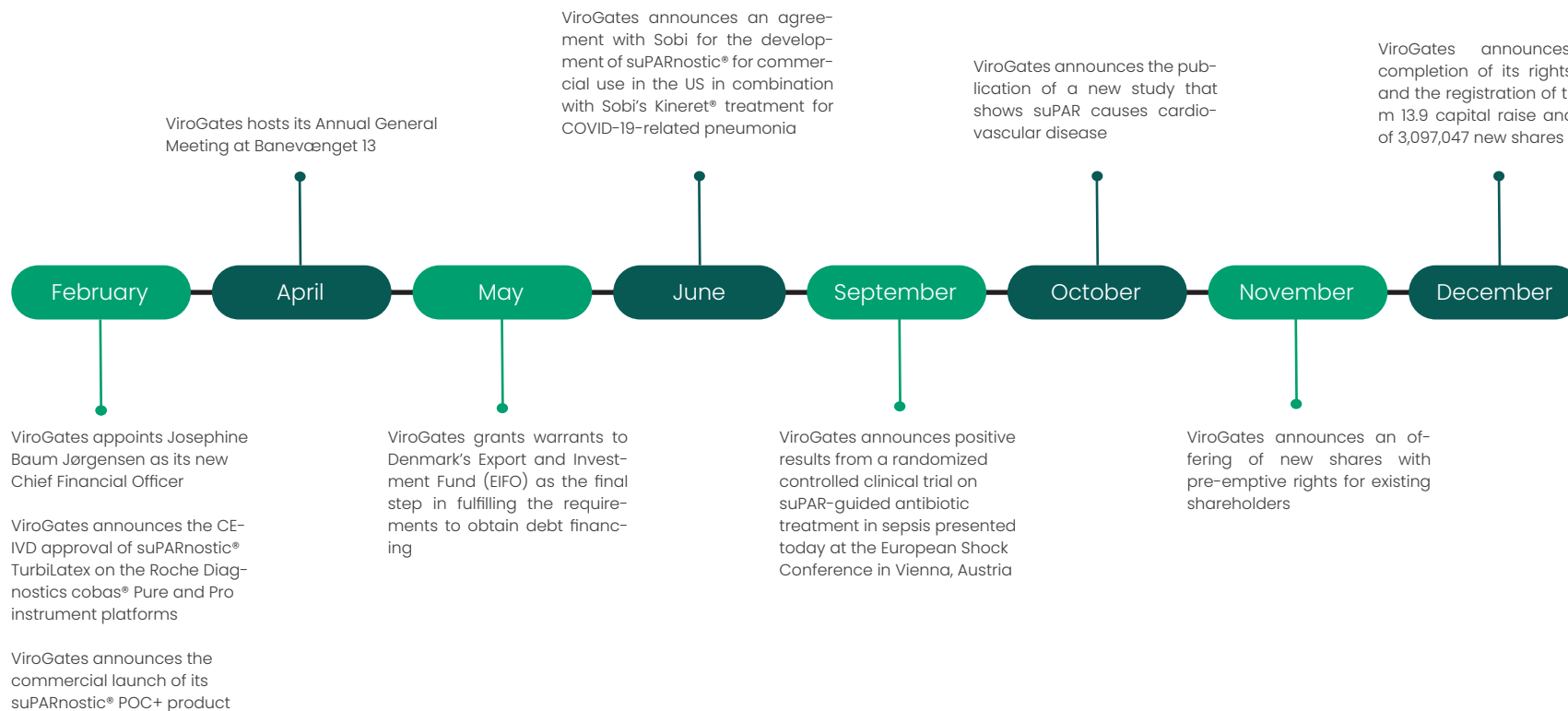


Jakob Knudsen
Chief Executive Officer



Patrik Dahlen
Chairman of the Board

Key events in 2023



Financial highlights and key ratios 2023

Note: Amount in DKK ('000)

Income statement

	2023	2022	2021	2020	2019
Net revenue	5,582	10,151	7,656	5,354	3,582
Other Income	1,405	5,046	0,591	3,033	-
Gross profit/loss	5,805	12,656	6,379	7,223	3,198
Operation profit/loss	-12,565	-10,845	-18,790	-19,729	-19,723
Financial income and expenses, net	-525	-30	-175	-253	-286
Profit/loss for the year before tax	-13,090	-10,876	-18,965	-19,982	-20,009
Profit/loss for the year	-12,096	-9,646	-17,663	-18,736	-18,797

Balance sheet

Balance sheet total	24,555	17,539	20,229	38,246	45,157
Equity	17,007	16,088	16,426	31,314	42,215
Invested capital	6,909	6,898	4,815	895	2,942

Cash flows

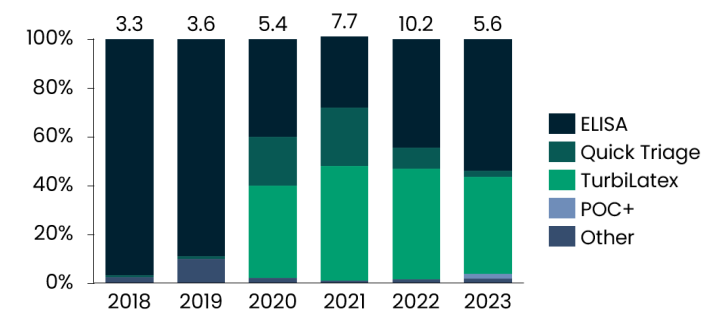
Cash flows from operating activities	-12,179	-14,276	-21,437	-15,602	-18,073
Cash flows from investment related activities	12	-13	-4	-114	-603
Cash flows from financing activities	18,315	9,308	2,776	7,835	-
Total cash flows	6,149	-4,981	-18,666	-7,881	-18,676
Cash and cash equivalents	16,027	9,878	14,859	33,526	41,407

Ratios

Rate of return	-182.0	-185.2	-658.2	-1,028.1	-736.8
Number of employees, end of period	10	9	13	14	12
Market share price, end of period (DKK)	6.02	40.10	144.0	81.5	34.3

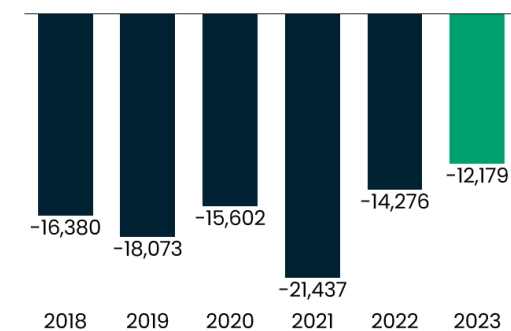
Revenue by product

DKK m, % of total



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-
nostic® 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, and based on extensive
further scientific research, it became clear that
suPAR is also elevated and has a **high predictive
value** of outcomes in a wide array of other diseases,
for example:

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

Today, suPAR is considered a general risk status
biomarker measuring the level of chronic
inflammation in the body. A high level of chronic
inflammation in the body indicates:

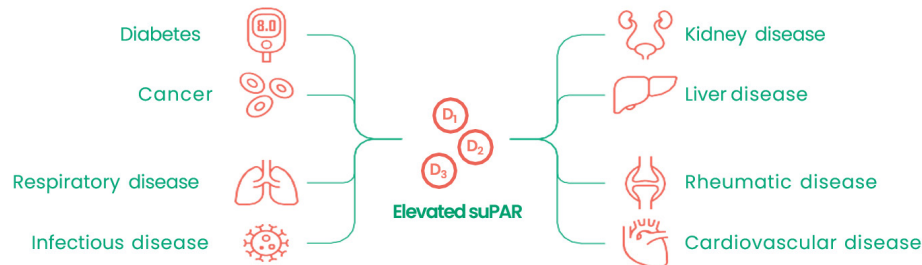
- Disease development
- Disease presence (acute, chronic, infectious, and non-communicable)
- Disease severity & progression
- Organ damage
- Mortality risk

In essence, the higher the level of chronic
inflammation (the higher the level of suPAR), the worse
the prognosis. suPAR is thus indicative of the "overall
state" of the body and its success rate in dealing with
the various health challenges that it is faced with.

The suPAR level is stable, meaning that it is not
affected by circadian changes (day-to-day
changes) or mild temporary illnesses (e.g. influenza).

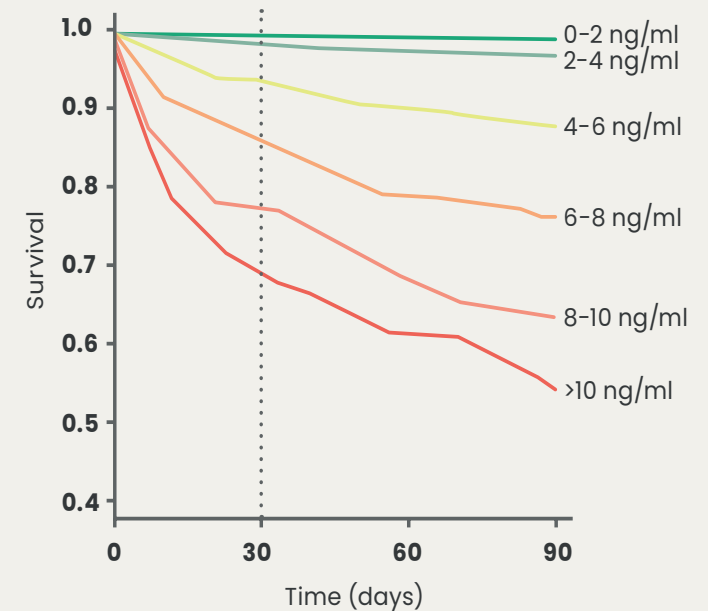
What is suPAR?

Elevated suPAR



Prediction of disease severity over time using suPAR

Recreated from Rasmussen et al., 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 ordinary triage, suPARnostic® reveals significantly more low-risk patients and slightly more high-risk patients, providing valuable information for clinicians and for more efficient use of hospital resources

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 and the patient's prognosis 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®. Another study found that 34% more patients could be classified into the low-risk group supporting discharge.

Thus, using suPARnostic® to complement current standard of triage could lead to significant healthcare cost savings without negatively affecting readmissions or mortality.

The value of suPARnostic® in clinical routine use



Improve patient care

Reduce healthcare costs

Empower clinical staff

34%

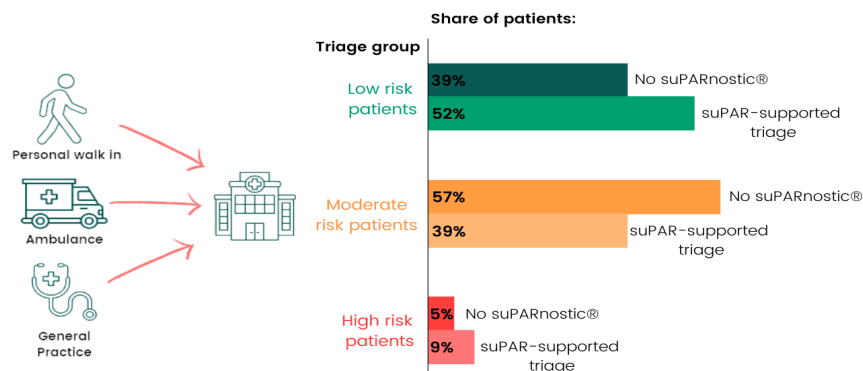
More patients classified into low-risk, discharge category and with lower mortality¹

6%

reduction in hospital length-of-stay per patient²

€100–380

savings per admission depending on medical speciality and geography³



Outcome

Improved patient care and reduced healthcare costs:

- More discharges
- Shorter hospital length-of-stay
- Fewer readmissions

Empowered clinical staff:

- More confident discharge and admission decisions

Note: Numbers may not add up due to rounding. Orange and red categories in triaging are combined to "moderate risk patients"

Schultz M, et al. Scand J Trauma Resusc Emerg Med. 2019 Apr 11;27(1):43.
Schultz M, et al. Dis Markers. 2019 May 19;2019:3403549.

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

suPARnostic® in guiding treatment

suPAR in COVID-19

Following the SAVE-MORE study, the European Medicines Agency (EMA) recommended the approval for suPAR-guided treatment of COVID-19 with anakinra. The European Commission granted the extension on 17 December 2021, and, in November 2022, the United States Food and Drug Administration (FDA) granted an Emergency Use Authorisation (EUA) for the use of Sobi®'s medicine Kineret (anakinra) for the treatment of COVID-19 in hospitalized adults with pneumonia requiring supplemental oxygen (low- or high-flow oxygen) who are at risk of progressing to severe respiratory failure.

Commercial potential

The revenue effect of the COVID-19 application of suPARnostic® in the acute care segment has not materialized in 2023 due to the pandemic wearing off. However, the use case of pairing suPARnostic® with a specific medical treatment continues to have high commercial potential in relation to entering the US market.

In 2023, ViroGates announced an agreement with Sobi for the development of suPARnostic® for commercial use in the US in combination with Sobi's Kineret® treatment. The collaboration on an FDA filing is ongoing.

suPAR in sepsis

In September 2023, ViroGates received positive results from the SUPERIOR study on suPAR-guided antibiotic treatment in sepsis.

In the study, 1,650 patients were screened for their suPAR level in the ED using suPARnostic®, and 91 patients with a qSOFA score of 1 and suPAR equal to or above 12 ng/ml were randomized to receive either one dose of meropenem, an antibiotic treatment (44 patients), or one dose of placebo (47 patients).

The study met its primary endpoint: Meropenem treatment guided by suPARnostic® was accompanied by significantly lower odds for progression into sepsis compared to placebo (OR: 0.28, 95% CI 0.10 – 0.76, p = 0.012). An additional significant benefit for patients treated early with meropenem was a relative decrease in their SOFA score on day 2 and a significantly faster recovery from the infection.

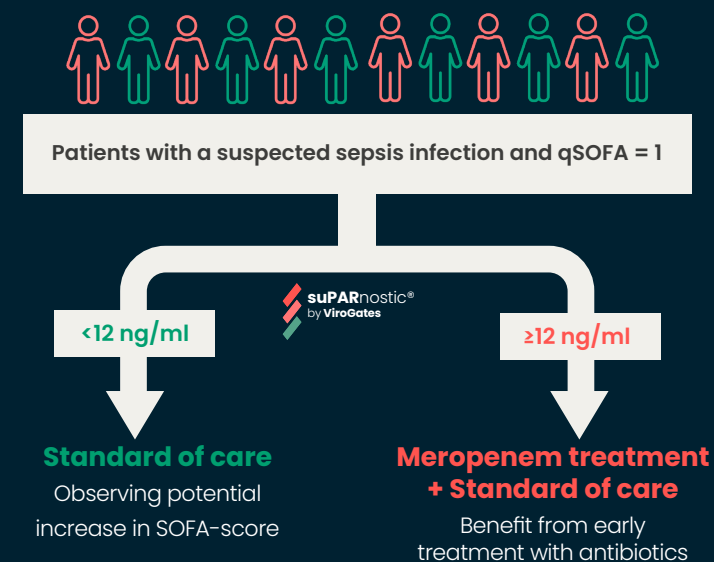
Commercial potential

Sepsis is a deadly disease that is estimated to account for around 11 million deaths annually. The recent results show that suPARnostic® can play an important role in the early detection of sepsis patients requiring treatment, ultimately providing better patient outcomes.

The results of the SUPERIOR study are of great value to ViroGates, and this new application of the suPARnostic® products will be promoted to both existing and new customers in acute care.

New results: suPAR-guided antibiotic treatment in sepsis

- Randomized controlled study (SUPERIOR)
- Prevention of patient worsening by initiating early treatment
- Shorter time to infection resolution
- Validating the prognostic performance of qSOFA + suPAR



suPARnostic® in prevention and longevity

A molecular crystal ball

As a biomarker of systemic chronic inflammation that is highly predictive of individuals' health prognosis, suPAR is a form of "molecular crystal ball", answering the question:

Is everything OK or should something be changed?

A high level of chronic inflammation (a high suPAR level), entails a high-risk health condition associated with accelerated brain and facial aging as well as functional decline due to either underlying disease or inflammatory processes in your body, making you more prone to develop disease over the next 10 years (such as cancer, diabetes, organ failure, or cardiovascular disease). A low suPAR level, on the other hand, is a low-risk health condition, suggesting that "everything is OK" and that you are leading a sustainable lifestyle for your body.

suPAR will thus provide unique and precise information in both ends of the "healthiness" scale, enabling the early discovery of health challenges or preconditions of disease, but also informing otherwise healthy individuals of how to optimize for a longer healthy lifespan. By monitoring suPAR levels over time, individuals and healthcare providers can assess the effectiveness of interventions and treatments aimed at reducing the level of chronic inflammation and increasing the prognosis towards a longer healthy lifespan.

suPAR and biological age

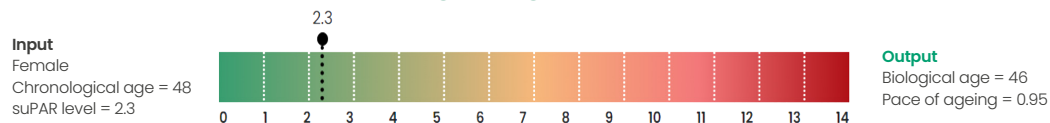
A suPAR level can be translated into a biological age using the suPAR Biological Age Calculator on ViroGates' website. The calculator allows healthcare professionals using suPARnostic® products to interpret, calibrate and translate clients' suPAR level into a biological age.

Commercial potential

The longevity segment has high commercial potential, and we already experience interest in suPARnostic® from longevity players, spanning from health clinics covering information medicine, wellness, physiotherapy, exercise, diet, etc. to private laboratories specializing in blood analyses. The potential for suPARnostic® in longevity builds upon a number of general trends within healthcare:

- **Health span** – a strive to raise the quality of life and the number of "healthy years"
- **Prevention** – an increasing interest in and attention to discovering early signs
- **Curiosity** – a drive to monitor, track, and compete on health performance indicators
- **Personalization** – a demand for a more personalized treatment and desire to be tested

Biological age calculator



Rasmussen LJH, Petersen JEV, Eugen-Olsen J. Front Immunol. 2021;12:780641. Published 2021 Dec 2.

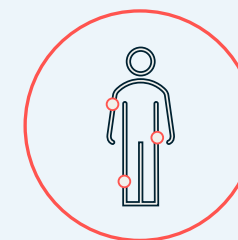
Prediction of mortality over time using suPAR

Recreated from Eugen-Olsen, J., Andersen, O. et al. (2010)



Individual in the lowest suPAR quartile

(suPAR in the lowest 25%)



Individual in the highest suPAR quartile


(suPAR in the highest 25%)

The difference between people with the 25% lowest and 25% highest levels of suPAR is an **increased life expectancy** of

15 years



Financial review



“It is dissatisfying not delivering on our revenue targets for 2023 due to lower-than-expected sales to clinical routine customers. We look forward to rebuilding this sale in 2024, and also to increasing our stronghold with health clinics, where suPAR has a special appeal and our sales cycles are shorter.”

Thomas Krarup
VP of Global Sales and Marketing

Financial review

Unless otherwise stated, financials are 2023 numbers. Comparative figures for the corresponding period of 2022 are shown in brackets.

Income statement

The net loss was TDKK -12,096 (TDKK -9,646). The negative net result in 2023 is a consequence of lower revenue levels along with continued investments in commercial and R&D activities to regain traction within both existing and newer customer segments.

Revenue

Revenue decreased to TDKK 5,582 (TDKK 10,151). The shortfall of revenue in 2023 stems from a lack of COVID-19 use of suPARnostic® due to lower infection rates and less severe variants combined with the difficult conversion of the previous COVID-19 customers into customers applying suPARnostic® in general triage.

Other income

Other Income TDKK 1,405 (TDKK 5,046) consists of grants and contributions received for development projects. ViroGates received funding from an Innobooster grant as well as from Swedish Orphan Biovitrum A/S as part of the project of making suPARnostic® commercially available in the US.

Expenses

Total operating expenses amounted to TDKK -18,370 (TDKK -23,501). The operating expenses decreased due to fewer sponsored R&D projects as well as overall lower employee costs in sales & marketing and research and development. 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 -12,565 (TDKK -10,845). Net financial items amounted to TDKK -525 (TDKK -30). Loss before tax was TDKK -13,090 (TDKK -10,876). Net loss amounted to -12,096 TDKK (TDKK -9,646). Earnings per share (EPS) diluted was DKK -3.28 against an EPS diluted of DKK -2.77 in 2022.

Cash flow and investments

Net cash flow amounted to TDKK 6,149 (TDKK -4,981). Cash flow from operating activities amounted to TDKK -12,179 (TDKK -14,276). The increase from 2022 to 2023 is a result of lower operating costs. Investments in equipment amounted to TDKK 0 (TDKK 0).

Cash flow from financing activities amounted to TDKK 18,315 (TDKK 9,308) due to the rights issue and the loan agreement with EIFO (previously Vækstfonden).

Equity and net cash

As of 31 December 2023, equity was TDKK 17,007 (TDKK 16,088). On 31 December 2023 net cash amounted to TDKK 16,027 (TDKK 9,878). The relative increase is a result of financing activities along continued investments in commercialisation and R&D activities. Due to the uncertainty surrounding sales and entering into new segments, ViroGates has paused its guidance to the market on becoming cash flow positive.

Numbers of shares

On 31 December 2023, the total number of shares in ViroGates was 6.447.554 (3,350,507).

Auditor's fee

From 2023, ViroGates is obliged to disclose the fee charged for the fiscal year by the company's auditor, BDO Statsautoriseret revisionsaktieselskab. The audit services related to the annual financial statements amounted to TDKK -134 (TDKK -137) and other audit services amounted to TDKK -29 (TDKK -66).

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 hospitals, laboratories, and other clinical facilities.

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 2019–2023, ViroGates has 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, South-East Asia and Australia.

ViroGates has secured a broad product offering with compatibility for its key products on all market-leading instruments for performing immunochemical analysis, covering selected systems from Roche, Siemens, Abbott, and Beckman Coulter.

Key to the commercialization efforts is ViroGates' ability to elucidate the cost-effectiveness and clinical value of its product range in the hospital 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 hedge the risk from varying and/or longer sales cycles to the acute care segment, ViroGates is currently working to expand its efforts into a new segment within health testing and longevity. In 2023, ViroGates has experienced interest from customers in this segment, and expects this to continue going forward.

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.

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 2019–2023 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.

Dependency on third parties

ViroGates is an R&D-intensive company with primarily in-house commercial expertise and is therefore dependent on collaborations with external partners on production, quality assurance and sales.

ViroGates has lab-service and production agreements with well-established providers in Poland, the UK and Austria.

Risks related to these agreements are managed through contractual stipulations, thorough monitoring, close coordination and build-up of ample stocks of manufactured products and/or back-up facilities, wherever possible. Production processes and Quality Management Systems are also subject to routine inspections by regulatory authorities. While none of the external service providers are deemed irreplaceable and, in ViroGates' view, replacement could take place short to mid-term negative effects can occur and ViroGates works continuously to secure that the external service providers are complying to contractual and regulatory standards.

ViroGates has entered into exclusive and non-exclusive agreements with distributors. None of these distributors are currently deemed irreplaceable. To balance any future dependency, ViroGates deploys a direct sales strategy for selected markets and seeks to widen its geographical footprint through new distributor relationships and partnerships.

Intellectual property rights (IPR)

ViroGates is dependent on its capacity to file and maintain patents to protect intellectual property and specific knowledge. There is a risk that other companies may infringe ViroGates' patents and/or trade mark rights or vice versa – or that new technologies and products will circumvent or replace the company's present and future patents.

IPR is monitored closely by Management, R&D and patent attorneys contracted by ViroGates.

ViroGates files patent applications and registers brands and trademarks continuously to protect its intellectual property rights. The company currently owns five patent families, and has filed two new applications that are pending patent authorities' evaluation, and further holds exclusive licenses to two patent families. The most important granted patent family expires in 2028 and the most recent patent filing may not expire until 2035. The patent families cover the use of suPAR for broad-based clinical prognostication and, to the best of ViroGates' knowledge, patents provide solid protection providing full freedom to operate in this area.

The R&D department continuously generates new patent opportunities. All current and future patent applications have been and will be designated for major global markets in the Western world, newly industrialized countries and in developing regions.

ViroGates is also applying significant trade secrets in the manufacturing processes, having developed proprietary antibodies and using unique techniques in manufacturing and clinical trials. Furthermore, the company has trademark-protected all important names, logotypes, brands and domain names.

Risk

Risk mitigation

Competition and pricing

ViroGates could be challenged by competition from existing and/ or potential new competitors with greater financial resources and skills.

ViroGates closely monitors the competitive situations and initiatives in all major markets with the aim of appropriate risk mitigation.

Additionally, ViroGates controls all issued and relevant patents within the clinical application of suPAR in humans and this is believed to not allow competitors to enter the field of prognostication based on a suPAR biomarker within the foreseeable future.

Furthermore, ViroGates constantly innovates to ensure that its products are commercially viable and include the features and applications requested by customers.

Financing needs

ViroGates may in the future be forced to raise new capital to strengthen its financial position.

ViroGates aims to be cash positive by deploying the cash raised in the IPO in 2018 as well as the rights issues in 2022 and 2023, but may need to raise additional cash pending on the commercial success of the company.

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 12 meetings in 2023 (2022: 11) with full attendance at four 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), and the VP of Global Sales and Marketing. 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 2023, 30,000 warrants were issued to Josephine Baum Jørgensen as Chief Financial Officer (2022: 0). No new warrant schemes were awarded to members of the Board of Directors (2022: 41,210).

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 2023, was unchanged compared to 2022. An identical fee for 2024 will be submitted for approval at the Annual General Meeting in April 2024.

The aggregate remuneration to the Management Team in 2023 totalled DKK 4,601,707 (2022: 4,494,920).

Shareholder information

Share capital

The share capital amounts to DKK 6,447,554 divided into 6,447,554 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 share holder 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 2023, ViroGates held 2,585 (0.04%) treasury shares.

Shareholders

At the end of 2023, ViroGates had 1,627 registered shareholders. Four shareholders had notified shareholdings of 5% or more:

Shareholder	Number of shares	Percent of capital
N. P. Louis-Hansen ApS	1,598,150	24.79%
Ginnerup Capital ApS	685,330	10.63%
4AM ApS	685,264	10.63%
Aetas Healthcare ApS	383,941	5.95%

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 2023 at DKK 6.02.

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 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 2023, the company published 27 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](#).

2024 Financial calendar

21 Marts 2024	Annual Report 2023
25 April 2024	Annual General Meeting
2 May 2024	Interim Report Q1 2024
15 August 2024	Interim Report H1 (Q2) 2024
7 November 2024	Interim Report Q1-Q3 2024

Management Team



Jakob Knudsen

Born 1968. CEO since 2011.

Education

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

Competencies

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

Directorships

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

Shareholding

125,514 shares, 43,186 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 +200 peer reviewed scientific publications and 12 patents with two further patents pending. Further to being CSO at ViroGates, he is an independent expert and evaluator for a range of EU financed projects.

Directorships

- JEO Holding ApS (M)

Shareholding

260,976 shares, 3,033 warrants



Josephine Baum Jørgensen

Born 1991. CFO since 2023.

Education

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

Competencies

With more than five years in Deloitte's management consulting department, Josephine has a solid background within project management, strategy, process optimization, and finance. More recently, she has held positions at the Ministry of Finance (as chief consultant) and in ATP (as manager of a large holiday fund).

Directorships

- None

Shareholding

1,200 shares, 30,000 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

16,116 shares, 10,107 warrants

BM: Board Member, M = Management

Remuneration to the Management Team

DKK	Fixed salary	Pension	Bonus	Total 2023	Total 2022	% change
Total Management	4,368,119	233,588	0	4,601,707	4,495,920	+2.4%

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

10,570 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

685,264 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 a biotech 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, 0 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

Directorships

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

Shareholding

0 shares, 9,510 warrants

C = Chairman of the Board; BM = Member of the Board; M = Management.
* Excluding IFU-related board positions

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. All board members were re-elected at the 2023 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 total outstanding warrants.

Remuneration to the Board of Directors

DKK	Fixed cash remuneration	Expenses	Other fixed remuneration	Total 2023	Total 2022	% change
Total	375,000	0	0	375,000	439,048	-15%

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

Financial statements 2023

Income Statement 1 January – 31 December

Note	Amounts in DKK ('000)	2023	2022
	Net revenue	5,582	10,151
	Other Income	1,405	5,046
	Cost of goods sold	-1,182	-2,541
	Gross profit/loss	5,805	12,656
1	Sales and distribution costs	-8,540	-8,968
1	Research and development costs	-6,443	-10,580
1	Administrative costs	-3,386	-3,953
	Operating loss	-12,565	-10,845
	Financial income	44	82
	Financial expenses	-569	-112
	Loss before tax	-13,090	-10,876
2	Tax on profit/loss for the year	994	1,230
	Loss for the year	-12,096	-9,646
	Proposed distribution of loss		
	Retained earnings	-12,096	-9,646
	Total	-12,096	-9,646

Balance Sheet at 31 December

Note	Amounts in DKK ('000)	2023	2022
	ASSETS		
	Other plant, machinery tools and equipment	0	31
	Leasehold improvements	0	9
	Tangible fixed assets	0	40
	Rent deposit and other receivables	177	189
	Fixed asset investments	177	189
	Fixed assets	177	229
	Finished goods and goods for resale	5,139	3,770
	Inventories	5,139	3,770
	Trade receivables	1,754	1,796
	Other receivables	378	599
	Corporation tax receivable	994	1,230
	Prepayment and accrued income	87	37
	Receivables	3,213	3,661
	Cash and cash equivalents	16,027	9,878
	Current assets	24,379	17,310
	Assets	24,555	17,539

Note	2023	2022	
	EQUITY AND LIABILITIES		
	Share capital	6,448	3,350
	Retained earnings	10,560	12,738
3	Equity	17,007	16,088
	EIFO loan	5,300	0
4	Non-current liabilities	5,300	0
	Trade payables	1,559	574
	Other liabilities	688	876
	Current liabilities	2,248	1,451
	Liabilities	7,548	1,451
	Equity and liabilities	24,555	17,539
5	Contingencies etc.		

Note	Share capital	Share premium account	Retained earnings	Total	
	STATEMENT OF CHANGES IN EQUITY				
	Equity at 1 January 2023	3,350	0	12,738	16,088
	Proposed profit allocation		-12,096	-12,096	
	Transactions with owners				
	Capital increase	3,097	10,840		13,937
	Cost of transactions		-921		-921
	Transfers				
	Allowed equalization		-9,918	9,918	0
	Equity at 31 December 2023	6,447	0	10,560	17,007

Cash Flow Statement 1 January – 31 December

Note	Amounts in DKK ('000)	2023	2022
	Profit/loss for the year	-12,096	-9,646
	Reversed depreciation of the year	40	175
	Reversed tax on profit/loss for the year	-994	-1,230
	Corporation tax received	1,230	1,302
	Change in inventory	-1,368	-2,075
	Change in receivables	213	-450
	Change in current liabilities (ex bank and tax)	797	-2,352
	Cash flows from operating activity	-12,179	-14,276
	Purchase of financial assets	12	-13
	Cash flows from investing activity	12	-13
	Loan	5,300	0
	Capital increase	13,015	9,308
	Cash flows from financing activity	18,315	9,308
	Change in cash and cash equivalents	6,149	-4,981
	Cash and cash equivalents at 1 January	9,878	14,859
	Cash and cash equivalents at 31 December	16,027	9,878
	Specification of cash and cash equivalents at 31 December		
	Cash and cash equivalents	16,027	9,878
	Cash and cash equivalents, net debt	16,027	9,878

Notes to the financial statements

Amounts in DKK ('000)		2023	2022
1 Staff costs			
Average number of full-time employees		10	9
Sales & marketing		5,683	5,987
Research & development		2,368	2,993
Administration		1,421	1,342
		9,471	10,322

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. TDKK 166 corresponding to 2.6% of the current share capital, in the period 2024-2032. The exchange rate is determined at the time of subscription. For 2024, a maximum of nom. TDKK 120 shares can be exercised at a price of 39.2-161.82, corresponding to a total of TDKK 720 in market value based on 2023 closing share price. In the period 2024-2032, a maximum of nom. TDKK 166 shares can be exercised at a price of 39.2-285.18. Maximum number of shares are stated in absolute values for the reported period, meaning that the value for the period changes as shares expires, are exercised and so forth.

Amounts in DKK ('000)		2023	2022
2 Tax on profit/loss for the year			
Calculated tax on taxable income of the year		-994	-1,230
		-994	-1,230

3 Equity

The company's sharecapital consists of 6.447,554 shares in denomination of DKK 1.

On 19 December 2023, the total nominal value of ViroGates' share capital increased from DKK 3,350,507 to DKK 6,447,554 consisting of 6,447,554 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 0.04% of the total share capital.

Under a resolution 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 in the company.

Amounts in DKK ('000)	31/12 2023 total liabilities	Repayment next year	Debt outstandig after 5 years	31/12 2022 total liabilities
4 Non-current liabilities				
EIFO loan	5,300	0	783	0
	5,300	0	783	0

In 2023, ViroGates entered a loan agreement with EIFO (Denmark's Export and Investment Fund). The loan principal amounts to TDKK 5,300, and the principal amount is secured by a floating charge covering all assets on the balance sheet day (see page 31). The floating charge includes the following: stocks of raw materials, semi-finished products, and finished goods; simple receivables arising from the sale of goods and services; goodwill, domain names, and rights according to the Patent Act, the Trademark Act, the Design Act, the Utility Model Act, the Design Act, the Copyright Act and the Act on the Protection of the Design of Semiconductor Products; operating inventory and operating equipment; propellants and other auxiliary substances; motor vehicles that are not or have previously been registered.

As part of the loan agreement, EIFO was granted a total of 17,167 warrants, vesting upon payment of the first tranche of the loan. Each vested warrant entitles EIFO to subscribe one share of nominally DKK 1 in ViroGates upon payment of the exercise price of DKK 60 per nominal 1.00 share. The principal amount of the loan outstanding after 5 years, by 31 December 2028, is TDKK 783.

5 Contingencies etc.

The company has entered into an agreement for office rent with a notice of termination period of 26 months. The liability in this respect is TDKK 675.

Furthermore, the company has provided guarantee in the form of a bank deposits of TDKK 50 as security for all balances with Danske Bank.

Notes to the financial statements

Accounting policies

The Annual Report of ViroGates for 2023 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

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 2023.

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

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, 21 March 2024

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 2023, 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 2023 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2023 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, 21 March 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikkel Mauritzen
State Authorised
Public Accountant
MNE no. mne46621

Additional information

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

	Full year	
	2023	2022
Amounts in DKK ('000)		
Net sales	5,582	10,151
Operating earnings	-12,565	-10,845
Earnings before tax	-13,090	-10,876
Net earnings	-12,096	-9,646
Amount in DKK/share		
Earnings per share before dilution	-3.46	-2.96
Earnings per share after dilution	-3.28	-2.77
Numbers of shares ('000)		
Average number of shares before dilution	3,461	3,255
Average number of shares after dilution	3,658	3,480
Numbers of shares before dilution	6,448	3,351
Numbers of shares after dilution	6,631	3,562
Equity ratio, %	69%	92%
Number of warrants		
Warrants outstanding, average	196.833	224.704
Warrants outstanding, end-period	183.572	211.127
Amounts in DKK		
Shareholders equity per share	2.66	4.80
Period-end share market price	6.02	40.10

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

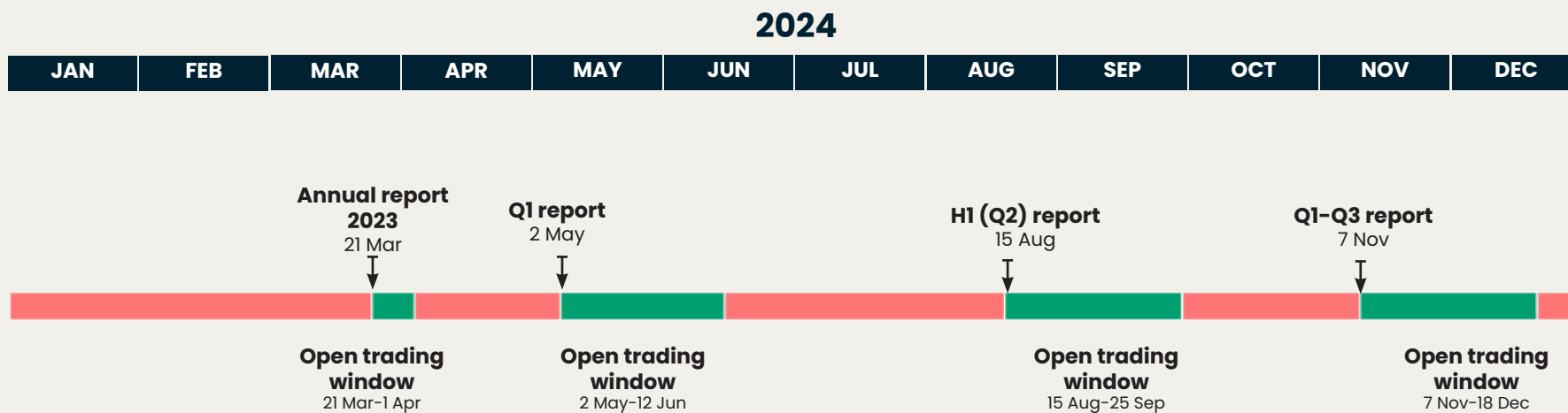
Financial highlights by quarter (unaudited)*

Amounts in DKK ('000)	2023					2022				
	Year audited	Q4 unaudited	Q3 unaudited	Q2 unaudited	Q1 unaudited	Year audited	Q4 unaudited	Q3 unaudited	Q2 unaudited	Q1 unaudited
Revenue	5,582	801	2,228	1,504	1,049	10,151	2,269	1,587	3,098	3,197
Other Income	1,405	872	389	101	42	5,046	1,877	2,199	970	0
Cost of sales	-1,182	-251	-415	-311	-205	-2,541	-645	-421	-664	-812
Sales and marketing expenses	-8,540	-1,918	-2,036	-2,713	-1,873	-8,968	-2,004	-2,154	-2,388	-2,422
Research and development expenses	-6,444	-1,650	-1,684	-1,556	-1,554	-10,580	-2,412	-3,907	-2,062	-2,199
Administrative expenses	-3,386	-1,042	-699	-907	-738	-3,953	-967	-660	-1,127	-1,199
Operating profit/-loss (EBIT)	-12,565	-3,188	-2,217	-3,882	-3,279	-10,845	-1,882	-3,356	-2,173	-3,435
Net financial items	-525	-179	-197	-149	0	-31	-17	3	8	-25
Profit/-loss before tax (EBT)	-13,090	-3,367	-2,413	-4,031	-3,278	-10,876	-1,899	-3,353	-2,164	-3,460
Tax	994	52	285	320	336	1,230	118	381	236	494
Net profit/-loss	-12,096	-3,315	-2,128	-3,711	-2,942	-9,646	-1,781	-2,972	-1,928	-2,966

⁽¹⁾ Personnel cost is allocated to divisions from 2021 and after

⁽²⁾ Depreciation is allocated to Administrative expenses from 2021 and after

Trading windows for persons discharging managerial responsibilities



Trading windows for PDMRs*	<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 period of a previous report overlaps a closed period of an upcoming report, the closed period applies)
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* 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)

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 25 April 2024 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