

ViroGates Releases First Quarter 2019 Results

ViroGates A/S (Nasdaq First North Denmark: VIRO), who delivers blood test systems for emergency departments in hospitals, today reported financial results for the first quarter 2019 (1 January – 31 March).

Highlights in the first quarter of 2019

Financial highlights

- Revenue grew by 93% to TDKK 1,105 (TDKK 574 in Q1 2018)
- Net operating expenses of TDKK 4,848 (TDKK 3,231 in Q1 2018)
- Net result of TDKK -3,675 (TDKK -2,312 in Q1 2018)
- Cash position of TDKK 55,992 per 31 March 2019 (TDKK 10,264 end Q1 2018)

Operational highlights

- ViroGates entered a co-development agreement with Austria-based GENSPEED Biotech GmbH to develop a combined suPAR and CRP Point of Care triage test for use in hospitals, general practitioners and ambulances (announced 20 February).
- Completion of CE-IVD approval and launch of the suPARnostic® TurbiLatex product for use on the Roche Cobas c 502 module (announced 6 March) .
- ViroGates completed the CE-IVD approval and launched the suPARnostic® TurbiLatex product for all commercially relevant Roche Diagnostics cobas instruments (announced 26 March).
- After the balance sheet date, Amager Hospital, Denmark was announced as a new clinical routine customer (announced 25 April).

CEO Jakob Knudsen, says in a comment: *"In the first quarter of 2019, we expanded our international activities as a result of our commercial hires in the autumn of 2018. We expect to add more trial and clinical routine customers over the coming months since we now have local and more consistent sales efforts conducted in the major markets in Europe. We are also very satisfied, that we now have suPARnostic® TurbiLatex available for all commercially relevant Roche Diagnostics cobas instruments. We are confident, that the availability of suPARnostic® TurbiLatex on the cobas instruments will facilitate the decisions for hospitals to initiate use of our products in clinical routine use."*

The report, which is approved by the Board of Directors, is unaudited.

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About ViroGates

ViroGates is an international medtech company headquartered in Denmark. ViroGates develops and sells prognostic products to the healthcare sector. The products are used in hospital emergency services, in particular to make a clinical decision on hospitalization or discharge of emergency patients, which can lead to better clinical decisions, faster discharge and optimization of healthcare resources. The products can also be used for the prognosis of lifestyle-related diseases such as cardiovascular disease, type 2 diabetes, cancer, etc. The ViroGates test suPARnostic® measures the suPAR (Soluble

urokinase Plasminogen Activator Receptor) protein in the bloodstream, and with the suPARnostic® Quick Triage test, hospital staff will get answers in just 20 minutes. The prognostic value of suPARnostic® is validated by more than 500 clinical trials and studies which included more than 350,000 blood samples.

OPERATIONAL REVIEW

During the first quarter of 2019, sales representatives in Germany, Spain and France commenced activities in the market. The sales representatives were hired as planned during a process initiated in the early autumn 2018. ViroGates now have own sales representation in the Nordic markets, Germany, Spain and France.

ViroGates entered a co-development agreement with Austria-based GENSPEED Biotech GmbH to develop a combined suPAR and CRP Point of Care triage test. The aim is to expand the market for using suPARnostic® testing to new segments such as general practitioners and ambulances. The new product will potentially also expand use in the hospitals since it will use finger-prick capillary blood as opposed to a venous (traditional) blood sample. This will enable triage nurses to use the product earlier in the triage phase than currently possible. The sales and marketing rights for the new products will remain exclusively with ViroGates and the co-development partner GENSPEED Biotech GmbH will manufacture the product.

ViroGates launched the suPARnostic® TurbiLatex product for all commercially relevant Roche Diagnostics cobas instruments. Immuno-chemical analysers such as the Roche cobas product line are the dominant instruments used for blood samples analysed in the hospital setting and Roche Diagnostics have more than 20,000 cobas instruments placed worldwide. Roche Diagnostics is the market leader in Europe within this business segment.

By the end of the quarter, 29 hospitals in 8 different European markets were using suPARnostic® products for evaluation of implementation in clinical routine use. Several hospitals have finalised their trials and have moved on to internal evaluations of the progression into clinical routine use.

After the balance sheet date, ViroGates announced in April, that Amager Hospital, Denmark has entered an agreement with ViroGates as paying customer for the use of suPARnostic® TurbiLatex in clinical routine practice for the triage and severity assessment of acute clinical patients. The hospital is run by the Capital Region and treats approximately 50,000 patients annually of which approximately 16,000 are admitted for hospitalisation.

FINANCIAL REVIEW

(Unless otherwise stated, financials are Q1 2019 numbers. Comparative figures for the corresponding period of 2018 are shown in brackets)

Revenue

Revenue increased to TDKK 1,105 (TDKK 574). Revenue in the first quarter of 2019 derived primarily from large orders from one major customer in Denmark.

Expenses

Total operating expenses amounted to TDKK 4,848 (TDKK 3,231). The increase was due to increased costs from sales activities of TDKK 417 and an increase in staff cost of TDKK 1,162 from hiring of new employees.

Profit & loss

Operating loss came to TDKK -3,864 (TDKK -2,748). Net financial items amounted to TDKK 81 (TDKK 216 primarily interest on the convertible loan). Loss before tax was TDKK -3,945 (TDKK -2,964). Net loss amounted to TDKK -3,675 (TDKK -2,312). Earnings per share (EPS) was DKK -1,21 against an EPS of DKK -1,05 in the first quarter of 2018.

Cash flow and investments

Total cash flow amounted to TDKK -4,091 (TDKK +8,798). Cash flow from operating activities amounted to TDKK -4,089 (TDKK -2,093). The outflow in the quarter was mainly due to the change in net working capital, which included increase in sales activities, hereunder new sales personnel. Investments in equipment amounted to TDKK 0,0 (TDKK 0,0). Cash flow from financing activities amounted to TDKK -0,0 (TDKK 10,893 convertible loans).

Equity and net cash

As of 31 March 2019, equity was TDKK 57,336 (TDKK 685). On 31 March 2019 net cash amounted to TDKK 55,992 (TDKK 10,264).

Numbers of shares

At 31 March 2019 the total number of outstanding shares in ViroGates A/S was 3,034,347 (2,210,172).

Largest shareholders as of 31 March 2019

| Shareholder | Number of shares | Percent of capital |
|-------------------------------------|------------------|--------------------|
| N. P. LOUIS-HANSEN APS. | 735,919 | 24.25% |
| KIM GINNERUP APS | 325,965 | 10.74% |
| 4AM APS | 325,965 | 10.74% |
| THE WAY FORWARD APS | 180,063 | 5.93% |
| Avanza Bank | 161,099 | 5.31% |
| JEO Holding ApS | 156,008 | 5.14% |
| Others | 1,149,328 | 37,89% |
| Total no. shares outstanding | 3,034,347 | 100.00% |

Financial calendar

| | |
|-----------|-----------------|
| H1 report | 21 August 2019 |
| Q3 report | 28 October 2019 |

Forward-looking statements

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

INCOME STATEMENT

| | | Q1 2019 | Q1 2018 | 2018 |
|---|-------------|-------------------|-------------------|--------------------|
| | Note | | | |
| NET REVENUE | | 1,105,039 | 573,638 | 3,315,563 |
| Cost of sales | | -89,803 | -63,847 | -312,488 |
| Other external expenses | 7 | -2,542,443 | -2,083,486 | -9,624,711 |
| GROSS PROFIT/LOSS | | -1,527,207 | -1,573,695 | -6,621,636 |
| Staff costs | 1 | -2,305,361 | -1,143,025 | -5,857,612 |
| Depreciation, amortisation, impairment | | -31,250 | -31,250 | -124,999 |
| OPERATING PROFIT/LOSS | | -3,863,819 | -2,747,970 | -12,604,246 |
| Other financial income | | 188 | 1,816 | 9,236 |
| Other financial expenses | | -81,155 | -217,982 | -823,327 |
| PROFIT/LOSS BEFORE EXTRAORDINARY POSTS | | -3,944,786 | -2,964,136 | -13,418,337 |
| Extraordinary posts | | 0 | 0 | -5,498,125 |
| PROFIT/LOSS BEFORE TAX | | -3,944,786 | -2,964,136 | -18,916,462 |
| Tax on profit/loss for the year | 2 | 270,000 | 652,110 | 1,930,250 |
| PROFIT/LOSS FOR THE YEAR | | -3,674,785 | -2,312,026 | -16,986,212 |
| PROPOSED DISTRIBUTION OF PROFIT/LOSS | | | | |
| Retained profit | | -3,674,785 | -2,312,026 | -16,986,212 |
| TOTAL | | -3,674,785 | -2,312,026 | -16,986,212 |

BALANCE SHEET

| | | Q1 2019 | Q1 2018 | 2018 |
|---|-------------|-------------------|-------------------|-------------------|
| ASSETS | Note | | | |
| Other plant, machinery, tools and equipment | | 86,250 | 211,249 | 117,500 |
| Tangible fixed assets | 3 | 86,250 | 211,249 | 117,500 |
| Rent deposit and other receivables | | 112,154 | 110,212 | 109,857 |
| Fixed asset investments | 4 | 112,154 | 110,212 | 109,857 |
| FIXED ASSETS | | 198,404 | 321,461 | 227,357 |
| Finished goods and goods for resale | | 578,164 | 601,072 | 693,868 |
| Inventories | | 578,164 | 601,072 | 693,868 |
| Trade receivables | | 751,524 | 432,582 | 430,546 |
| Other receivables | | 57,816 | 29,140 | 23,886 |
| Receivables, corporation tax | | 2,200,251 | 2,362,316 | 1,930,250 |
| Prepayments and accrued income | | 356,554 | 173,342 | 33,765 |
| Receivables | | 3,366,146 | 2,997,379 | 2,418,447 |
| Cash and cash equivalents | | 55,991,899 | 10,264,302 | 60,083,501 |
| CURRENT ASSETS | | 59,936,209 | 13,862,753 | 63,195,816 |
| ASSETS | | 60,134,612 | 14,184,214 | 63,423,173 |

BALANCE SHEET

| | | Q1 2019 | Q1 2018 | 2018 |
|-------------------------------|-------------|-------------------|-------------------|-------------------|
| EQUITY AND LIABILITIES | Note | | | |
| Share capital | | 3,034,347 | 2,210,172 | 3,034,347 |
| Retained profit | | 54,301,884 | -1,524,887 | 57,976,670 |
| EQUITY | 5 | 57,336,231 | 685,285 | 61,011,017 |
| Trade payables | | 1,108,058 | 718,175 | 338,791 |
| Other liabilities | | 1,690,323 | 1,887,306 | 2,073,365 |
| Convertible loan | | 0 | 10,893,449 | 0 |
| Current liabilities | | 2,798,381 | 13,498,930 | 2,412,156 |
| LIABILITIES | | 2,798,381 | 13,498,930 | 2,412,156 |
| EQUITY AND LIABILITIES | | 60,134,612 | 14,184,215 | 63,423,172 |
| Contingencies | 6 | | | |
| Check | | 0 | 0 | 0 |

CASH FLOW STATEMENT

| | Q1 2019 | Q1 2018 | 2018 |
|---|-------------------|-------------------|--------------------|
| Profit/loss for the year | -3,674,785 | -2,312,026 | -16,986,215 |
| Reversed depreciation for the year | 31,250 | 31,250 | 125,000 |
| Reversed tax on profit/loss for the year | -270,000 | -652,110 | -1,930,250 |
| Corporation tax received | 0 | 0 | 1,710,206 |
| Change in inventory | 115,703 | 93,400 | 600 |
| Change in receivables | -677,698 | 119,000 | 268,270 |
| Change in current liabilities | 386,225 | 627,621 | 431,892 |
| CASH FLOWS FROM OPERATING ACTIVITY | -4,089,305 | -2,092,865 | -16,380,497 |
| Purchase of tangible fixed assets | 0 | 0 | 0 |
| Purchase of financial assets | -2,297 | -2,374 | -2,019 |
| CASH FLOWS FROM INVESTING ACTIVITY | -2,297 | -2,374 | -2,019 |
| Loans | 0 | 10,893,449 | 0 |
| Subscription of Share Capital | 0 | 0 | 74,999,925 |
| CASH FLOWS FROM FINANCING ACTIVITY | 0 | 10,893,449 | 74,999,925 |
| CHANGE IN CASH AND CASH EQUIVALENTS | -4,091,602 | 8,798,210 | 58,617,409 |
| Cash and cash equivalents at beginning of period | 60,083,513 | 1,466,090 | 1,466,090 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 55,991,911 | 10,264,300 | 60,083,499 |
| Specification of cash and cash equivalents at end of period | | | |
| Cash and cash equivalents | 55,991,911 | 10,264,300 | 60,083,499 |
| CASH AND CASH EQUIVALENTS, NET DEBT | 55,991,911 | 10,264,300 | 60,083,499 |
| Dif | 0 | 0 | 0 |

NOTES

| | Q1 2019 | Q1 2018 | 2018 | Note |
|--|------------------|------------------|-------------------|-------------|
| Staff costs | | | | 1 |
| Average number of employees | 11 | 4 | 6 | |
| Wages and salaries | 1,695,642 | 1,038,490 | 5,080,549 | |
| Pensions | 173,708 | 64,179 | 280,135 | |
| Social security costs | 11,353 | 6,862 | 33,906 | |
| Other staff costs | 424,658 | 33,495 | 463,025 | |
| | 2,305,361 | 1,143,026 | 5,857,615 | |
| <p>The incentive programme for the board of executive, executive staff and the board of directors includes the option of subscribe shares during the period from 2015 to 2018 for up to 9 pct. of the present share capital at a pre-determined price. The subscription cannot exceed one-third per year. Thus, in the period up to 2018 the subscription of shares cannot exceed a nominal amount of DKK 208,715 at price 32.77 - 68.27, equal to a total value of DKK ('000) 10,400.</p> | | | | |
| Tax on profit/loss for the year | | | | 2 |
| Calculated tax on taxable income for the year | -270,000 | -652,110 | -1,930,250 | |
| | -270,000 | -652,110 | -1,930,250 | |
| Tangible fixed assets | | | | 3 |
| Other plants, machinery, tools and equipment | | | | |
| Cost at 1 January 2019 / 1 January 2018 | 727,671 | 727,671 | 727,671 | |
| Additions | 0 | 0 | 0 | |
| Disposals | 0 | 0 | 0 | |
| Cost at Q1 2019, Q1 2018, 2018 | 727,671 | 727,671 | 727,671 | |
| Depreciation and impairment losses at 1 January 2019 / 1 January 2018 | 610,172 | 485,172 | 485,172 | |
| Reversal of depreciation of assets disposed of | 0 | 0 | 0 | |
| Depreciation for the year | 31,250 | 31,249 | 125,000 | |
| Depreciation and impairment losses at Q1 2019, Q1 2018, 2018 | 641,421 | 516,421 | 610,171 | |
| Carrying amount of Q1 2019, Q1 2018, 2018 | 86,250 | 211,250 | 117,500 | |
| Fixed asset investments | | | | 4 |
| Rent deposit and other receivables | | | | |
| Cost at 1 January 2019/1 January 2018 | 109,857 | 107,838 | 107,838 | |
| Additions | 2,297 | 2,019 | 2,019 | |
| Cost at Q1 2019, Q1 2018, 2018 | 112,154 | 109,857 | 109,857 | |
| Carrying amount of Q1 2019, Q1 2018, 2018 | 112,154 | 109,857 | 109,857 | |

NOTES**Equity****1 January 2019 - 31 March 2019****5**

| | Share capital | Retained profit | Total |
|---------------------------------|------------------|-------------------|-------------------|
| Equity at 1 January 2019 | 3,034,347 | 57,976,672 | 61,011,019 |
| Capital increase | 0 | 0 | 0 |
| Proposed distribution of profit | | -3,674,785 | -3,674,785 |
| Equity at 31 March 2019 | 3,034,347 | 54,301,886 | 57,336,233 |

1 January 2018 - 31 March 2018

| | Share capital | Retained profit | Total |
|---------------------------------|------------------|-------------------|----------------|
| Equity at 1 January 2018 | 2,210,172 | 787,137 | 2,997,309 |
| Capital increase | 0 | 0 | 0 |
| Proposed distribution of profit | | -2,312,026 | -2,312,026 |
| Equity at 31 March 2018 | 2,210,172 | -1,524,889 | 685,283 |

1 January 2018 - 31 December 2018

| | Share capital | Retained | Total |
|-----------------------------------|------------------|-------------------|-------------------|
| Equity at 1 January 2018 | 2,210,172 | 787,137 | 2,997,309 |
| Capital increase | 824,175 | 74,175,750 | 74,999,925 |
| Proposed distribution of profit | | -16,986,215 | -16,986,215 |
| Equity at 31 December 2018 | 3,034,347 | 57,976,672 | 61,011,019 |

The Company's share capital consists of 3.034.347 shares of nom. 1 kr.

The Company has 2.585 treasury shares of nom. 1 kr. which equals 0,1% 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

Contingencies etc**6**

The company has entered into an agreement for office rent with a notice of termination period of 6 months. There is a liability of DKK ('000) 115.

Other external expenses**7**

| | Q1 2019 | Q1 2018 | 2018 |
|-------------------------------------|----------------|-------------------------|-------------------------|
| R&D expenses in % of total expenses | 25,28% | 45,83% | 27,89% |
| | Turb Assey | Intervention study+Turb | Intervention study+Turb |

KPI

| DKK'000 | 1 January - 31 March | | Full year 2018 |
|--|----------------------|------------|-------------------|
| | 2019 | 2018 | |
| Net sales | 1,105,039 | 573,638 | 3,315,563 |
| Operating earnings | -3,863,819 | -2,747,970 | -12,604,246 |
| Earnings before tax | -3,944,786 | -2,964,136 | -18,916,462 |
| Net earnings | -3,674,785 | -2,312,026 | -16,986,212 |
| Earnings per share before dilution (DKK/share) | -1,21 | -1,05 | -6,44 |
| Earnings per share after dilution (DKK/share) | -1,06 | -0,95 | -5,73 |
| Average number of shares before dilution | 3,034,347 | 2,210,172 | 2,636,937 |
| Average number of shares after dilution | 3,464,421 | 2,427,687 | 2,963,495 |
| Number of shares before dilution | 3,034,347 | 2,210,172 | 3,034,347 |
| Number of shares after dilution | 3,464,421 | 2,427,687 | 3,465,521 |
| Equity ratio, % | | | 96% |
| Number of warrants outstanding, average | 430,074 | 217,515 | 326,558 |
| Number of warrants outstanding, end-period | 430,074 | 217,515 | 431,174 |
| Shareholders equity per share | 18,90 | 0,31 | 20,11 |
| Period-end share market price | 46,00 | n/a | 60,00 |
| Number of employees end of period | 11 | 6 | 8 |