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Havneholmen 29
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CVR no. 20 22 26 70

VIROGATES A/S
BLOKKEN 45, 3460 BIRKERØD
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2017

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 23 April 2018**

Nicolai Jung

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 25 73 40 33

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COMPANY DETAILS

Company	ViroGates A/S Blokken 45 3460 Birkerød CVR no.: 25 73 40 33 Established: 1 November 2000 Registered Office: Rudersdal Financial Year: 1 January - 31 December
Board of Directors	Lars Kongsbak, Chairman Bernd Peter Uder Jørgen Axel Thorball Lars Krogsgaard
Board of Executives	Jakob Ole Knudsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Handelsbanken Frederiksborgvej 25 3450 Allerød
Law Firm	Mazanti-Andersen Korsø Jensen Amaliegade 10 1256 Copenhagen K

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 2017.

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 the Company's financial position at 31 December 2017 and of the results of the the Company's operations and cash flows for the financial year 1 January - 31 December 2017.

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.

Rudersdal, 5 April 2018

Board of Executives

Jakob Ole Knudsen

Board of Directors

Lars Kongsbak
Chairman

Bernd Peter Uder

Jørgen Axel Thorball

Lars Krogsgaard

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ViroGates A/S

Opinion

We have audited the Financial Statements of ViroGates A/S for the financial year 1 January - 31 December 2017, 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 2017 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2017 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility 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 Responsibility for 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.

INDEPENDENT AUDITOR'S REPORT

- 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, 5 April 2018

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Buch
State Authorised Public Accountant
MNE no. mne34089

MANAGEMENT'S REVIEW

Principal activities

ViroGates has developed a comprehensive product range based on patented methods to monitor health and disease progression in humans by measuring the level of the protein, suPAR (soluble urokinase Plasminogen Activator Receptor), located on the surface of a variety of blood cells and endothelial cells. Increased levels of suPAR indicates that the immune system is activated to a greater extent than in healthy individuals. The levels of suPAR are indicative of progression of disease/poor prognosis.

The measurement of suPAR is of high value in assessing patient prognosis in various diseases including infections, (e.g. sepsis, HIV, tuberculosis, pneumonia), cancer, cardio vascular diseases, diabetes and in various types of organ failure. Even in asymptomatic patients our test will show elevated immune response thereby urging the medical professionals to evaluate the patient further and thus be admitted to the hospital or, if the level is low, the patient can be discharged from the hospital.

In addition, suPAR will be useful as a general marker for health status.

ViroGates has marketed two products for analyzing suPAR levels, suPARnostic® Auto Flex (ELISA based) and suPARnostic® Quick Triage (gold-conjugated lateral flow test). The suPARnostic® Auto Flex (ELISA based) product addresses the market needs for clinical research and the suPARnostic® Quick Triage product is a point of care product, which provides clinical actionable data in just 20 minutes.

In 2017 ViroGates continued its support of clinical trials conducted by several clinical research-teams. Activities within clinical research are an important strategy to ensure documentation of clinical utility and thereby dissemination of our products in the medical community.

ViroGates continues to work towards greater access to the routine diagnostic market as well as continue to expand the sales into the research market. A large number of the performed studies have led to publications in reputable medical journals. At present, more than 300,000 patients have had their suPAR level measured, resulting in more than 700 scientific publications in peer reviewed medical journals.

ViroGates has during 2016-2017 conducted the largest acute care interventional study ever based on a biomarker. The study was conducted during Q1 and Q2 of 2016 at two different investigational sites in Denmark, Herlev and Bispebjerg Hospitals with a follow up period ranging into 2017. The clinical utility study enrolled 16,800 patients in two different arms (control and intervention). The read out of the study was in December 2017 and the study data will likely be published in 2018 in one or more publications.

To accommodate the market needs for performing suPARnostic tests on high throughput and fully automated platforms provided by e.g. Roche, Abbott, Siemens etc., ViroGates has continued its product development efforts. Great progress has been achieved in 2017 and a product for high throughput testing is expectedly ready for commercial launch in 2018. The product will be CE-IVD labelled.

MANAGEMENT'S REVIEW

Development in activities and financial position

In 2017 ViroGates had a net loss of DKK 7,7 million before tax. The majority of the cost was associated with the large clinical utility study described above and the loss was therefore as expected.

The company had revenues of DKK 2,4 million for the year. Our limited financial resources have been allocated the establishment of clinical utility documentation, and Sales and Marketing efforts have been devoted to building awareness in new markets. The effect of increased Sales and Marketing efforts will likely materialize during 2018 onwards.

ViroGates invests actively in its portfolio of patents and patent applications within the suPAR area. The Company's patent coverage is geographically very broad and covers the majority of the world.

ViroGates continuously apply for funding from a range of both private and public funds. During 2017 ViroGates continued its participation in the EU funded project HEMOSPEC which is aimed at developing an algorithm for sepsis patients as well as new test platform for detection and monitoring of sepsis patients. The program continues during 2018.

ViroGates continues to be primarily owned by private investors.

Significant events after the end of the financial year

From the balance sheet date and to this date, no events have occurred which could materially change the assessment of the annual report.

Future expectations

On the back of the large clinical utility study performed in 2016 and 2017 and the planned launch of the suPARnostic product for high throughput screening platforms, ViroGates intends to build a commercial organization.

ViroGates intends to sell its products to acute care facilities as a risk stratification marker to help medical professionals in rapid discharge of patients at low risk of serious disease. This will allow the medical professionals to focus at patients who need attention the most.

The company expects that new clinical studies will continue to document the superiority of suPARnostic® as a risk marker compared to existing procedures in the clinic.

A convertible loan was established in 2017 with a principal amount of 10.9 million DKK and will be made available to the company on 20th February 2018.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2017 DKK	2016 DKK '000
NET REVENUE		2.441.166	3.686
Cost of sales.....		-271.187	-356
Other external expenses.....		-6.434.683	-6.832
GROSS LOSS		-4.264.704	-3.502
Staff costs.....	1	-3.308.072	-3.336
Depreciation, amortisation and impairment.....		-118.500	-99
OPERATING LOSS		-7.691.276	-6.937
Other financial income.....		15.845	69
Other financial expenses.....		-21.937	-30
PROFIT BEFORE TAX		-7.697.368	-6.898
Tax on profit/loss for the year.....	2	1.710.206	1.495
PROFIT FOR THE YEAR		-5.987.162	-5.403
PROPOSED DISTRIBUTION OF LOSS			
Retained profit.....		-5.987.162	-5.403
TOTAL		-5.987.162	-5.403

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2017 DKK	2016 DKK '000
Other plant, machinery, tools and equipment.....		242.500	232
Tangible fixed assets.....	3	242.500	232
Rent deposit and other receivables.....		107.838	105
Fixed asset investments.....	4	107.838	105
FIXED ASSETS.....		350.338	337
Finished goods and goods for resale.....		694.467	451
Inventories.....		694.467	451
Trade receivables.....		366.767	1.661
Other receivables.....		329.407	185
Receivables, corporation tax.....		1.710.206	1.495
Prepayments and accrued income.....		60.295	45
Receivables.....		2.466.675	3.386
Cash and cash equivalents.....		1.466.090	7.823
CURRENT ASSETS.....		4.627.232	11.660
ASSETS.....		4.977.570	11.997

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK '000
Share capital.....		2.210.172	2.210
Retained profit.....		787.137	6.775
EQUITY.....	5	2.997.309	8.985
Trade payables.....		262.485	1.356
Other liabilities.....		1.717.776	1.656
Current liabilities.....		1.980.261	3.012
LIABILITIES.....		1.980.261	3.012
EQUITY AND LIABILITIES.....		4.977.570	11.997
 Contingencies etc.	 6		

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2017 DKK	2016 DKK '000
Profit/loss for the year.....	-5.987.162	-5.403
Reversed depreciation of the year.....	118.500	99
Reversed tax on profit/loss for the year.....	-1.710.206	-1.495
Corporation tax received.....	1.495.289	1.226
Change in inventory.....	-242.774	47
Change in receivables.....	1.134.652	-1.138
Change in current liabilities.....	-1.032.677	-13
CASH FLOWS FROM OPERATING ACTIVITY.....	-6.224.378	-6.677
Purchase of tangible fixed assets.....	-130.000	0
Purchase of financial assets.....	-2.316	-2
CASH FLOWS FROM INVESTING ACTIVITY.....	-132.316	-2
CHANGE IN CASH AND CASH EQUIVALENTS.....	-6.356.694	-6.679
Cash and cash equivalents at 1. januar.....	7.822.784	14.502
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	1.466.090	7.823
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents.....	1.466.090	7.823
CASH AND CASH EQUIVALENTS, NET DEBT.....	1.466.090	7.823

NOTES

	2017 DKK	2016 DKK '000	Note
Staff costs			1
Average number of employees 4 (2016: 4)			
Wages and salaries.....	2.902.258	2.972	
Pensions.....	234.042	233	
Social security costs.....	22.826	26	
Other staff costs.....	148.946	105	
	3.308.072	3.336	
<p>The incentive programme for the board of executives, executive staff and the board of directors includes the option to 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 of the year.....	-1.710.206	-1.495	
	-1.710.206	-1.495	
Tangible fixed assets			3
		Other plants, machinery, tools and equipment	
Cost at 1 January 2017.....		764.327	
Additions.....		130.000	
Disposals.....		-166.656	
Cost at 31 December 2017.....		727.671	
Depreciation and impairment losses at 1 January 2017.....		533.327	
Reversal of depreciation of assets disposed of.....		-166.656	
Depreciation for the year.....		118.500	
Depreciation and impairment losses at 31 December 2017.....		485.171	
Carrying amount at 31 December 2017.....		242.500	
Fixed asset investments			4
		Rent deposit and other receivables	
Cost at 1 January 2017.....		105.522	
Additions.....		2.316	
Cost at 31 December 2017.....		107.838	
Carrying amount at 31 December 2017.....		107.838	

NOTES

Note

Equity

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	Share capital	Retained profit	Total
Equity at 1 January 2017.....	2.210.172	6.774.299	8.984.471
Proposed distribution of profit.....		-5.987.162	-5.987.162
Equity at 31 December 2017.....	2.210.172	787.137	2.997.309

The Company's share capital consists of 2.210.172 shares of nom. 1 kr.

The company has 2.582 treasury shares of nom. 1 kr. which equals to 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.

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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.

ACCOUNTING POLICIES

The annual report of ViroGates A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B, with additional choice of rules relating to reporting class C.

The annual report is prepared consistently with the accounting principles used 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.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from debt and transactions in foreign currencies 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 on profit for the year

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.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

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.

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
Other plant, fixtures and equipment.....	3-8 years	0-30 %

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.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, 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 net realisable value is lower than the carrying amount, write-down is provided to the lower value.

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, write-down is provided to the lower value.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-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.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

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.