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VIROGATES A/S
BLOKKEN 45, 3460 BIRKERØD
ANNUAL REPORT
2015

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 27 April 2016**

Nicolai Jung

CONTENTS

	Page
Company details	
Company details.....	2
Statement and Report	
Statement by Board of Directors and Board of Executives.....	3
Independent Auditor's Report.....	4-5
Management's Review	
Management's Review	6-7
Financial Statements 1 January - 31 December	
Accounting Policies.....	8-10
Income Statement.....	11
Balance Sheet.....	12-13
Notes.....	14-16

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, formand Bernd Peter Uder Jørgen Axel Thorball
Board of Executives	Jakob Ole Knudsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nykredit Bank A/S Kalvebod Brygge 1-3 1780 Copenhagen V
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 year 1 January - 31 December 2015.

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 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

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

We recommend that the Annual Report be approved at the Annual General meetings.

Birkerød, 4 April 2016

Board of Executives

Jakob Ole Knudsen

Board of Directors

Lars Kongsbak
Chairman

Bernd Peter Uder

Jørgen Axel Thorball

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ViroGates A/S

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of ViroGates A/S for the financial year 1 January to 31 December 2015, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 4 April 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-no. 20 22 26 70

Jesper Buch
State Authorised Public Accountant

MANAGEMENT'S REVIEW

Principal activities

ViroGates has developed a very effective patented method to monitor health and disease progression in human beings by measuring the level of a protein, suPAR (soluble urokinase Plasminogen Activator Receptor), located on the surface of a variety of blood 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 therefore of high value in assessing patient prognosis in various diseases including infections, (e.g. sepsis, HIV, tuberculosis), pneumonia, cardio vascular diseases, diabetes and in a number of different types of organ failure, also when it is not precisely clear what a patient suffers from, and the clinician needs to evaluate whether the patient should be investigated further and thus be admitted to a hospital stay. In addition, suPAR will be useful as a general marker for health status.

ViroGates has developed and are marketing three products for analyzing, suPARnostic® Standard and suPARnostic® Auto Flex, both ELISA based and suPARnostic® Quick Triage. All three are easy-to-use and cost effective tools for measuring patients' level of suPAR.

suPARnostic® continues to be used in research contexts, but in 2013 the company introduced suPAR measurements in routine clinical use in an Acute Care Unit in a Danish hospital, and negotiations with other customers in Denmark and via distributors outside of Denmark for similar use are ongoing. In 2015, this had led to a number of hospitals testing the product in their acute clinical wards and we expect this will continue in 2016.

As in previous years, the company has supported clinical trials conducted by several research groups. Activities within the clinical research are an important strategy to ensure dissemination and, ultimately wide recognition of the value of the suPAR marker by the medical community. ViroGates thus continues to work towards greater access to the routine diagnostic market as well as to continue to expand sales to the research market. A large number of the performed studies have led to publications in reputable medical journals. At present, more than 200,000 patients have had their suPAR level measured, which has given rise to more than 350 scientific publications in peer reviewed medical journals.

ViroGates has during 2015 planned to set up what will be the largest acute care interventional study ever conducted. The study will commence in January 2016 at different hospitals in Denmark and will comprise approximately 50,000 patients altogether of which about 10,000 will have had their suPAR level measured. We expect to conduct the last patient visit during June 2016 and final data read out will be available upon a 1 year follow up in Q3 2017. Preliminary data will be available Q4 2016.

Development in activities and financial position

In 2015 ViroGates had a net loss of DKK 5,3 million before tax. The result is in accordance with the budget and the latest forecast.

The company had revenues of DKK 3,6 million for the year. The expenditures decreased slightly compared to 2014 mainly due to lower cost for marketing activities as well as various administrative cost.

The company's biggest marketing activity was the organization of the 1. Nordic suPAR symposium held in Helsinki, Finland June 1-2, 2015. The event was a success and was attended by more than 100 business associates and physicians. The symposium has given rise to several studies, as well as significantly increasing the general interest in suPAR.

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.

MANAGEMENT'S REVIEW

Development in activities and financial position (continued)

In 2015, the Company's network of distributors consists of companies placed in most European countries and in Canada, United States and India.

ViroGates continuously apply for funding from a range of both private and public funds. In 2011, commitment to a project under Det Strategiske Forskningsråd (MUSE) was obtained. The project intends to develop a new test platform for the measurement of suPAR, but will in addition also provide insight into the various molecular aspects of suPAR. Work on the project started in 2012 and the first publications from this collaboration were published in 2013. This work has continued in 2015 and a spinout company from the project has been registered in Denmark. This company (BluSense) is interested in a continued collaboration with ViroGates regarding the measurement of suPAR. ViroGates is also part of a EU funded project HEMOSPEC which is aimed at developing an algorithm as well as new test platform for detection and monitoring of sepsis patients. The program will continue in 2016.

ViroGates also sought and was granted funding under the Danish Markedsmodningsfond. The total grant is worth 3 million DKK of which ViroGates is to receive 2 million DKK. Other partners in the project include Hvidovre Hospital, Vendsyssel Hospital and ERASME Hospital (Brussels). Several activities are funded under the program including, initiating clinical use at the three abovementioned hospitals, Developing new test methods and assembling clinical and health economic data from the project. Work under the program commenced in 2013 and continued in 2015. The program will continue in 2016.

ViroGates continues to be primarily owned by private investors. A capital increase in November 2015 injected DKK 11 million into the Company. The funds were raised to run the intervention study mentioned above. Capital was subscribed by a number of existing shareholders.

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

In 2016, ViroGates continues to focus on support of and sale to clinical use of suPARnostic®. The company expects that new studies will continue to document that suPARnostic® is a superior risk status marker compared to existing, routinely used disease and health markers. Likewise it is expected that more hospitals will start using suPARnostic® products in routine clinical use. The Company thus expects revenues from sales to increase compared to 2015.

A financial loss is however still expected for 2016.

ACCOUNTING POLICIES

The annual report of ViroGates A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

General about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

INCOME STATEMENT

Net revenue

The 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 costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

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.

ACCOUNTING POLICIES

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.

BALANCE SHEET

Tangible fixed assets

Machinery, other plants, 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 as follows:

	Useful life	Residual value
Other plants, fixtures and equipment.....	3-8 år	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.

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.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

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.

Dividend

The expected payment of dividend for the year is recognised as a separate item under the equity capital.

ACCOUNTING POLICIES

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 would 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

Liabilities are measured at amortised cost equal to nominal value.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 DKK	2014 DKK '000
NET REVENUE		3.592.468	3.104
Cost of sales.....		-255.781	-264
Other external expenses.....		-5.028.101	-6.008
GROSS PROFIT		-1.691.414	-3.168
Staff costs.....	1	-3.563.448	-4.076
Depreciation, amortisation and impairment.....		-99.502	-83
OPERATING LOSS		-5.354.364	-7.327
Other financial income.....		26.193	38
Other financial expenses.....		-4.073	-244
LOSS BEFORE TAX		-5.332.244	-7.533
Tax on profit/loss for the year.....	2	1.262.406	1.807
LOSS FOR THE YEAR		-4.069.838	-5.726
PROPOSED DISTRIBUTION OF LOSS			
Accumulated loss.....		-4.069.838	-5.726
TOTAL		-4.069.838	-5.726

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2015 DKK	2014 DKK '000
Other plants, machinery, tools and equipment.....		330.000	430
Tangible fixed assets.....	3	330.000	430
Rent deposit and other receivables.....		103.263	101
Fixed asset investments.....		103.263	101
FIXED ASSETS.....		433.263	531
Finished goods and goods for resale.....		498.716	154
Inventory.....		498.716	154
Trade receivables.....		588.982	217
Other receivables.....		3.092	108
Receivables corporation tax.....		1.225.531	1.807
Prepayments and accrued income.....		161.182	21
Accounts receivable.....		1.978.787	2.153
Cash and cash equivalents.....		14.501.508	7.668
CURRENT ASSETS.....		16.979.011	9.975
ASSETS.....		17.412.274	10.506

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK	2014 DKK '000
Share capital.....		2.210.172	1.831
Retained profit.....		12.177.198	5.626
EQUITY.....	4	14.387.370	7.457
Trade payables.....		609.954	442
Other liabilities.....		2.414.950	2.607
Current liabilities.....		3.024.904	3.049
LIABILITIES.....		3.024.904	3.049
EQUITY AND LIABILITIES.....		17.412.274	10.506
 Contingencies etc.	 5		
Ownership	6		

NOTES

	2015 DKK	2014 DKK '000	Note
Staff costs			1
Wages and salaries.....	3.166.469	3.648	
Pensions.....	237.207	245	
Social security costs.....	29.571	36	
Other staff costs.....	130.201	147	
	3.563.448	4.076	
<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 10.4 m.</p>			
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-1.225.532	-1.807	
Adjustment of tax for previous years.....	-36.874	0	
	-1.262.406	-1.807	
Tangible fixed assets			3
		Other plants, machinery, tools and equipment	
Cost at 1 January 2015.....		764.327	
Cost at 31 December 2015.....		764.327	
Depreciation and write-down at 1 January 2015.....		334.825	
Depreciation.....		99.502	
Depreciation and write-down at 31 December 2015.....		434.327	
Carrying amount at 31 December 2015.....		330.000	

NOTES

	Note
Equity	4

	Share capital	Share premium account	Retained profit	Total
Equity at 1 January 2015.....	1.830.840	0	5.626.259	7.457.099
Capital increase.....	379.332	10.620.777		11.000.109
Transfers to/from other items.....		-10.620.777	10.620.777	
Proposed distribution of profit.....			-4.069.838	-4.069.838

Equity at 31 December 2015..... 2.210.172 0 12.177.198 14.387.370

**2015
DKK**

Equity at 1 January 2010.....	759.179
Capital increase 2010.....	56.543
Capital increase 2011.....	90.241
Capital increase 2014.....	924.877
Capital increase 2015.....	379.332

Equity at 31 December 2015..... 2.210.172

**2015
DKK 2014
DKK '000**

Share capital

Share capital:

A-shares, 2.210.172 stk. a nom. 1 kr.....	2.210.172	1.831
	2.210.172	1.831

Treasury shares

The treasury shares are as follows:

A-shares, 2.585 stk. a nom. 1 kr.....	2.585	3
	2.585	3

Treasury shares in % of share capital:

Share of capital.....	0,1	0,1
	0,1	0,1

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.

The company has entered into a lease agreement that runs until June 2016. There is a residual liability of DKK ('000) 219.

NOTES**Note****Ownership****6**

The following shareholders are recorded in the company's register of shareholders as owning more than 5% of the votes or the share capital:

DueMila S.A.

160 Route De Thionville
2610 Luxembourg

N. P. Louis-Hansen ApS
Gammel Strandvej 22A
2990 Nivå

Kim Ginnerup ApS
Jægersborg Alle 58
2920 Charlottenlund

4AM ApS
Krathusvej 32
2920 Charlottenlund

The Way Forward ApS
Sankt Annæ Plads 19A, 2. mf
1250 København K

JEO Holding ApS
Vedbendvej 14
2900 Hellerup

ScanafriC A/S
Selchausdalvej 6
4291 Ruds Vedby