

Annual Report 2020



**Improving
patient outcomes
and reducing
healthcare costs**

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In brief



ViroGates at a glance

ViroGates is an international medical technology company headquartered in Denmark and listed on Nasdaq First North Growth Market Copenhagen, ticker "VIRO". The company develops and markets prognostic products for the healthcare sector. The products are primarily used at emergency departments in hospitals to improve clinical decisions on hospitalization or discharge of acute medical patients. This may lead to better clinical outcomes, 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.

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. suPARnostic® provides for quick health assessment in only 10-20 minutes via simple blood sampling.



Vision

ViroGates envisions that all hospital patients are screened and monitored based on the suPAR biomarker and that the general population is screened on a routine basis using suPAR to allow them to adjust lifestyle in due time to avoid the development of lifestyle-related diseases.



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.

Investment highlights



~240 million €

Initial market potential

Short-term focus on the European Acute Care market

+40 billion €

Large addressable market

Significant future opportunities in the Pre-hospital, Post-Acute Care, General Practitioners, and Direct-to-Consumer segments

34 million DKK

Cash end-of-period

34 million DKK in cash primarily directed at commercialization efforts



+10 hospitals

Clinical routine customers

+10 clinical routine customers in five countries

+20 countries

Clinical routine evaluation

suPARnostic® orders from more than 20 countries in 2020

+450,000 tests

Global suPAR tests

More than 450,000 suPAR tests have been performed globally, hereof +100,000 in an Acute Care setting



+700 peer-reviewed articles

Peer-reviewed articles

More than 700 published peer-reviewed articles in many leading journals, e.g. Nature Medicine, New England Journal of Medicine and JAMA, and +80 new articles published in 2020

Letter from the Chairman and the CEO

In 2020, ViroGates made promising progress. Our team delivered revenue growth amidst the global COVID-19 pandemic and established a more robust platform for the future commercialization of our products. Despite challenges throughout the year, we demonstrated that our European strategy and commercial efforts are working.

The COVID-19 outbreak heavily influenced the year. The pandemic had severe implications for healthcare professionals and patients globally, and it presented ViroGates with both challenges and opportunities.

At ViroGates, we experienced a sudden halt in our traditional sales activities in emergency departments when the pandemic gained a foothold in Europe. Simultaneously, the COVID-19 disease also became an opportunity that allowed us to help healthcare professionals and patients battle the pandemic.

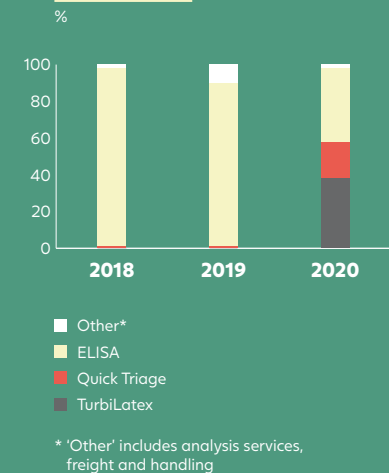
Since suPAR is a leading biomarker in reflecting the activity of the immune system, we were confident that our suPARnostic® products could play a crucial role in the risk stratification of COVID-19 patients. We expected low suPAR levels to indicate a low risk of an adverse outcome and high suPAR levels to indicate a high risk of an adverse outcome. This hypothesis was later confirmed in peer-reviewed studies.

Managing the first European COVID-19 wave – spring and summer 2020

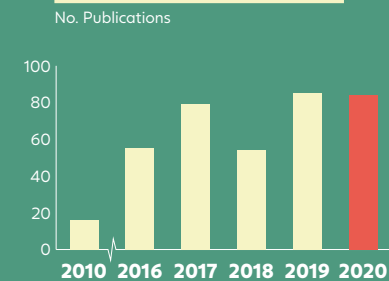
We experienced a significant setback in sales activities towards potential customers at the beginning of the COVID-19 outbreak. The hospitals implemented access restrictions. The healthcare professionals were overburdened with COVID-19 patients, the hospitals' key responsible people were asked to focus solely on using existing tools at hand and cease all development and implementation efforts. As a result, our organization started implementing a more digital approach to sales and marketing.

Early on in the pandemic, we decided to initiate studies that could provide scientific evidence documenting the benefits of improving triaging for overburdened hospitals. We applied for a grant from the EU HORIZON 2020 program with our long-term collaborators, Hvidovre Hospital and the Hellenic Institute for the Study of Sepsis. We were awarded 6.6 DKK million to establish a guideline with optimal cut-off values, initiate a clinical intervention study focused on COVID-19 patients, and boost European

Sales by product



suPAR publications 2010-2020



production. The work will continue into 2021, but already in 2020, we saw indications of the clinical value of suPARnostic® in terms of both early discharge as well as early pharmacological intervention.

Despite the sales challenges caused by the pandemic, we announced our first clinical customer in Spain in April. The University Hospital in León was particularly hard hit by the pandemic and wanted to implement suPARnostic® TurbiLatex to help triage patients in the emergency setting – and COVID-19 patients in particular.

Dealing with the second European COVID-19 wave – autumn and winter 2020

As the levels of COVID-19 patients went down over the summer, we experienced that doctors became receptive to discuss utilities of suPARnostic® in the management of COVID-19 patients. We collected more evidence, and, particularly in Spain, hospitals decided to implement our products to manage patients in the emergency setting. Several hospitals became clinical routine customers during the second half of 2020 including two Spanish customers. We believe the first initial local reference hospital was vital to gaining more business in Spain.

In November, we announced the first clinical customer in Finland after a dedicated effort in the market in the past year. The Finnish customer was announced following a

local clinical trial based on approximately 1,700 patients, in which suPARnostic® showed excellent results concerning safe early discharge. The hospital immediately implemented suPARnostic® TurbiLatex following the trial and the data will be published during 2021.

Delivering growth amidst a global pandemic and building a more robust platform

Our revenue and number of clinical routine customers grew in 2020 despite the challenging environment caused by the pandemic.

We welcomed six new clinical routine customers in Denmark, Spain, and Finland, and sales through distributors in other markets increased significantly.

The strategic focus on the TurbiLatex product started to materialize. In 2019, TurbiLatex was a fraction of the revenue, but in 2020, more than a third of the revenue originated from TurbiLatex on a positive trend.

We are happy to see the results of our investments in sales and marketing in European markets and that our strategy is working despite not growing as fast as expected at the beginning of the year.

In 2020, we initiated several commercial excellence initiatives. We simplified our pricing, abandoned free-of-

charge pilot use with customers, increased focus on key potential customers, significantly boosted digital marketing efforts, improved incentive schemes for sales representatives, and more.

We added a sales representative in France, and a senior marketing person in Denmark to head our digital presence.

As a result of these initiatives, we believe we can continue the growth trajectory in 2021 with better approaches, processes, tools, and an even more robust and more focused sales pipeline than previous years.

Making progress in research and development

We continued developing our fingerprick product, suPARnostic® POC+, in collaboration with our Austrian partner, GENSPEED Biotech GmbH. The development is expected to be finalized in 2021 and will open up a range of possibilities for ViroGates with new applications in new and existing customer segments.

The suPARnostic® TurbiLatex CE-IVD product was validated on new instruments. The two new instruments the Siemens Healthineers ADVIA® XPT Chemical Diagnostics System and the Abbott Labs Architect 16000 Clinical Chemistry Platform. The new validations are added to our existing validations on the Roche Diagnostics cobas 6000 and 8000 modular systems. Following the new validations,

Despite challenges throughout the year, we demonstrated that our European strategy and commercial efforts are working.



Jakob Knudsen
Chief Executive
Officer

Lars Kongsbak
Chairman
of the Board

suPARnostic® TurbiLatex covers a significant part of the hospital market, with more validations ongoing to maximize ViroGates' addressable market.

Numerous studies on the positive effects of using suPAR for triage and risk stratification across diseases were published in leading peer-reviewed journals in 2020. Of particular importance for battling the pandemic, two studies on COVID-19 showed that suPAR could be used to predict severe respiratory failure (need for mechanical ventilation) and to predict in-hospital acute kidney incidence and the need for dialysis. Furthermore, an exploratory study showed that suPAR could be used as a companion diagnostic to aid in selecting and excluding COVID-19 patient groups for drug treatment to lower mortality and other adverse outcomes.

Revising the strategic objectives

In March 2020, we decided to update the strategic objectives due to a longer than expected sales cycle and the growing impact of the COVID-19 outbreak. The original objective was to become cash flow positive in 2020. The objective was changed to become cash flow positive with the existing cash at hand.

We look forward to an exciting 2021.

Lars Kongsbak
Chairman of the Board

Jakob Knudsen
Chief Executive Officer

Key events in 2020



January

Launch of suPARnostic® TurbiLatex on Siemens Healthineers ADVIA® XPT Chemical Diagnostics System.



March

Næstved Hospital announced as a new clinical routine customer in Denmark. Strategic objectives updated to become cash flow positive with existing cash at hand.



April

León Hospital announced as the first clinical routine customer in Spain.



June

Award of 6.6 DKKm EU Horizon grant for a project to optimize hospital resources, ensure early therapeutic intervention for COVID-19 patients, and move production to Europe.



June

Hospital General Universitario Santa Lucía announced as a new clinical routine customer in Spain. Launch of suPARnostic® TurbiLatex on the Abbott Labs Architect Clinical Chemistry Platform.



August

Hospital Clínico Universitario Virgen de la Arrixaca announced as the third clinical routine customer in Spain.



September

University Hospital of Salamanca announced as the fourth clinical routine customer in Spain.



November

Mikkeli Central Hospital announced as the first clinical routine customer in Finland. First order from a private health clinic in Sweden is announced.

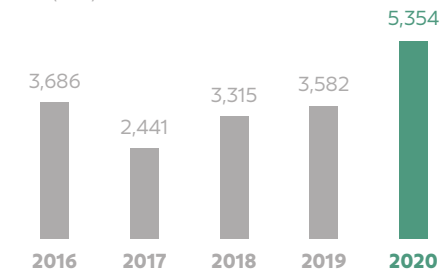
Financial highlights and key ratios 2020

DKK ('000) unless otherwise stated

	2020	2019	2018	2017	2016
Income statement					
Net revenue	5,354	3,582	3,315	2,441	3,686
Gross profit/loss	4,190	3,198	3,003	2,170	3,330
Operating profit/loss	-19,729	-19,723	-18,102	-7,690	-6,937
Financial income and expenses, net	-253	-286	-814	-7	39
Profit/loss for the year before tax	-19,982	-20,009	-18,916	-7,697	-6,898
Profit/loss for the year	-18,736	-18,797	-16,986	-5,987	-5,403
Balance sheet					
Balance sheet total	38,246	45,157	63,424	4,977	11,997
Equity	31,314	42,215	61,012	2,998	8,984
Invested capital	895	2,942	2,412	1,980	3,013
Cash flows					
Cash flows from operating activities	-15,602	-18,073	-16,380	-6,225	-6,679
Cash flows from investment related activities	-114	-603	-2	-132	-
Cash flows from financing activities	7,835	-	75,000	-	-
Total cash flows	-7,881	-18,676	58,618	-6,357	-6,679
Cash and cash equivalents	33,526	41,407	60,083	1,466	7,823
Ratios					
Rate of return	-1,028.1	-736.8	-824.3	-308.0	-229.8
Number of employees, end of period	14	12	8	4	4
Market share price, end of period (DKK)	81.5	34.3	60.0	-	-

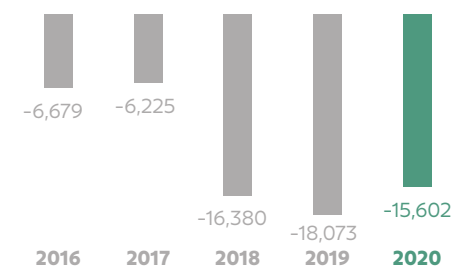
Net revenue

DKK ('000)



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, it became clear that
suPAR was also elevated and predictive of outcome in
many other diseases.

Today, suPAR is considered a general risk status biomark-
er indicating:

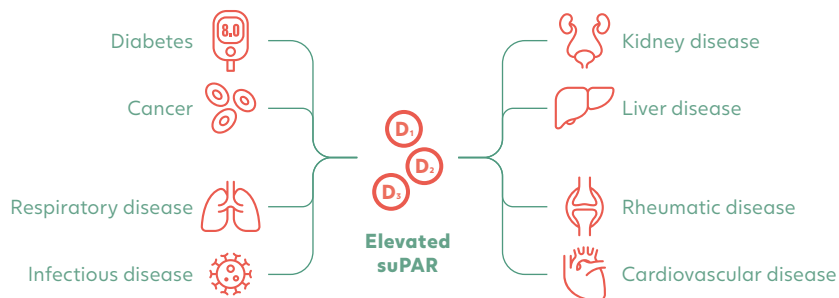
- Disease presence (acute, chronic, infectious, and non-communicable)
- Disease severity & progression
- Organ damage
- Mortality risk

In essence, the higher the level of suPAR, the worse the prognosis. suPAR is supported by strong scientific evi-
dence across a wide range of diseases, for example:

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

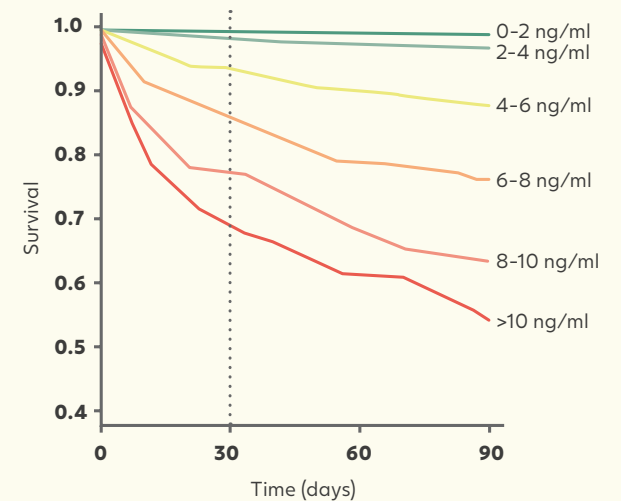
The suPAR level is not related to specific diseases and is not affected by circadian changes, short-term life circumstances (e.g. fasting), or temporary illnesses (e.g. influenza).

Elevated suPAR



Prediction of disease severity over time using suPAR

Survival rate over time



Recreated from Martin Schultz, 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 standard triaging, suPARnostic® reveals significantly more low-risk patients and slightly more high-risk patients



* Early Warning Score
 Rasmussen et al. Critical Care Medicine, 2018, 46(12); 1961-1968
 Schultz et al. Scandinavian Journal of Trauma, Resuscitation and Emergency Medicine, 2019, 27:43
 Numbers may not add up due to rounding. Orange and yellow category combined to "moderate risk patients"

The value of suPARnostic® in clinical routine use



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 to assist in making decisions regarding admission for further examination or discharge.

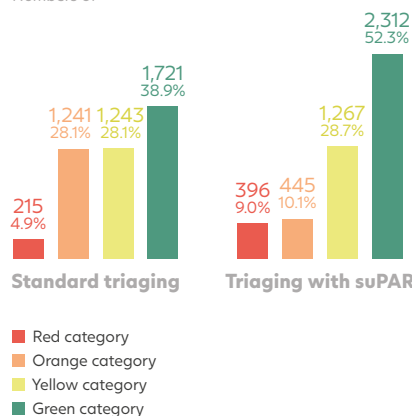
Thus, suPARnostic® can help physicians improve patient care and reduce healthcare costs. Using suPARnostic® in clinical routine practice contributes to avoiding unnecessary hospitalization of low-risk patients, shortening hospital stays, and ensuring that important underlying diseases are not overlooked before discharging high-risk patients. Furthermore, suPARnostic® empowers clinical

staff with information to make more confident clinical decisions.

The study described on page 15 also showed that hospital length-of-stay per patient could be shortened by 6% (equivalent to 6.5 hours per hospital stay) by using suPARnostic®. This could lead to significant healthcare cost savings without negatively affecting readmissions or mortality.

Triaging (Included N=4420)

Numbers of



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

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

Financial review





Financial review

Unless otherwise stated, financials are 2020 numbers. Comparative figures for the corresponding period of 2019 are shown in brackets.

Income statement

The net loss was TDKK -18,736 (TDKK -18,797). The negative net result in 2020 continues to be a consequence of investments in the commercial organization and activities.

Revenue

Revenue increased to TDKK 5,354 (TDKK 3,582). The higher revenue in 2020 originated from an increasing number of customers and more orders per customer.

Expenses

Total operating expenses amounted to TDKK -23,919 (TDKK -22,921). The administrative costs increased primarily due to investments in IT infrastructure and the administrative organization and the new office's full-year effect. The sales and distribution costs remained relatively

stable with a shift towards digital marketing compared to traditional marketing combined with fewer sales consultant costs and higher costs related to products used during the sales process. The research and development costs remained relatively stable with higher expenses related to the EU Horizon 2020 project and lower costs related to product development.

Profit & loss

Operating loss came to TDKK -19,729 (TDKK -19,723). Net financial items amounted to TDKK -253 (TDKK -286). Loss before tax was TDKK -19,982 (TDKK -20,009). Net loss amounted to TDKK -18,736 (TDKK -18,797). Earnings per share (EPS) diluted was DKK -5.51 against an EPS diluted of DKK -5.43 in 2019.

Cash flow and investments

Net cash flow amounted to TDKK -7,881 (TDKK -18,676). Cash flow from operating activities amounted to TDKK -15,602 (TDKK -18,073). Investments in equipment

amounted to TDKK -114 (TDKK -546). Cash flow from financing activities amounted to TDKK 7,835 (TDKK 0) due to capital increases related to the exercise of warrants.

Equity and net cash

As of December 31, 2020, equity was TDKK 31,314 (TDKK 42,215). On December 31, 2020 net cash amounted to TDKK 33,526 (TDKK 41,407). The decrease is due to the continuous investment of proceeds in commercialization activities from the IPO.

Numbers of shares

On December 31, 2020, the total number of shares in ViroGates A/S was 3,125,426 (3,034,347).

Events after the reporting period

No events have occurred after the balance sheet date of importance to the financial statements.

The background features a large, stylized illustration of several hands in various shades of orange, reaching towards the center to hold a globe. The hands are rendered in a simple, rounded style. The text 'Corporate Matters' is positioned in the lower-left quadrant of the image.

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	Risk mitigation
<p>Commercial execution</p> <p>Being in the initial commercialization 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 emergency departments and other clinical facilities.</p>	<p>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 2019-2020, ViroGates added its own sales representatives in selected markets to further speed up the commercialization process.</p> <p>ViroGates hired a dedicated sales representative to address other markets via partnerships with distributors. Current agreements cover markets in Europe, North America, the Middle East and India, and the company continuously seeks to add new distributors to serve other markets. ViroGates is investing significantly in educating and supporting distributors while distributors reversely commit to schemes with requirements to activity, sales, etc.</p> <p>ViroGates has secured a broad product offering with compatibility for its key products on all market leading instruments for performing immunochemical analysis in the hospitals across Europe.</p> <p>Key to the commercialization efforts is ViroGates' ability to elucidate the cost effectiveness and clinical value of its product range in 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.</p>

Risk**Risk mitigation****Dependency on key individuals**

ViroGates is to a large extent dependent on key individuals, not least the Management Team. Furthermore, global commercialization is subject to successful recruitment of skilled sales professionals.

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 2019-2020 show that ViroGates is able to attract skilled international sales professionals from large peers.

Dependency on third parties

ViroGates is an R&D-intensive company with primarily in-house commercial expertise and is therefore highly 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, Norway, the UK, Japan and Sweden.

Risks related to these agreements are managed through contractual stipulations, thorough monitoring, close co-ordination and build-up of ample stocks of manufactured products and/or back-up facilities, wherever possible. Production processes and Q&A systems are also subject to routine inspections by regulatory authorities. None of the external service providers are deemed irreplaceable and, in ViroGates' view, replacement could take place with limited cost and burden to ViroGates.

ViroGates has entered into exclusive and non-exclusive agreements with distributors. None of these distributors are currently deemed material. 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, has filed a new application in 2017 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 trademarks, logo-types, 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 a 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 and does not expect to raise additional cash.

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 IVDMDD (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 is coming into force during a period until 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 7 meetings in 2020 (2019: 7) with full attendance at all 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), the VP, Global Sales & Marketing and Accounting. 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.

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 2020, no warrants were issued to members of the Board of Directors (2019: 0). 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 2020, was unchanged compared to 2019. An identical fee for 2021 will be submitted for approval at the Annual General Meeting in April 2021.

The aggregate remuneration to the Management Team in 2020 totalled DKK 3,958,191 (2019: 4,230,080).

Shareholder information

Share Capital

The share capital amounts to DKK 3,125,426 divided into 3,125,426 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 shareholder 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 2020, ViroGates held 2,585 (0.08%) treasury shares.

Shareholders

At the end of 2020, ViroGates had 1,161 registered shareholders. Three shareholders had notified shareholdings of 5% or more:

Shareholder	Number of shares	Percent of capital
N.P. LOUIS-HANSEN APS	817,075	26.14%
KIM GINNERUP APS	325,965	10.43%
4AM APS	325,965	10.43%

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 2020 at DKK 81.5.

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 2021. ViroGates aims to become cash flow positive with the existing cash at hand.

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 2020, the company published 25 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](#).

2021 Financial calendar

27 April 2021	Annual General Meeting
29 April 2021	Interim Report Q1 2021
19 August 2021	Interim Report Q2 2021
11 November 2021	Interim Report Q3 2021

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
- Ingeniørssystem A/S

Shareholding

9,775 shares, 61,406 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 +150 peer reviewed scientific publications and 12 patents. Further to being Senior Researcher and Principal Investigator at Copenhagen University Hvidovre Hospital, he is an independent expert and evaluator for a range of EU financed projects.

Directorships

- JEO Holding ApS (M)

Shareholding

147,685 shares, 49,318 warrants



Mark Christian Hvidberg da Silva

Born 1990. CFO since 2019.

Education

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

Competencies

+5 years experience as a management consultant in QVARTZ (acquired by Bain & Company) heading projects within corporate strategy, M&A and commercial excellence primarily in Europe and North America. He has previously worked for Novozymes in Denmark and Nova Founders Capital in Malaysia and the Philippines.

Directorships

- MDASI Holding ApS (M)
- FIAFF ApS (M)

Shareholding

0 shares, 8,648 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

4,977 shares, 3,031 warrants

BM: Board Member, M = Management

Remuneration to the Management Team

DKK	Fixed salary	Pension	Bonus	Total 2020	Total 2019	% change
Total Management	3,526,853	195,797	235,541	3,958,191	4.230.080	-6%

* 2019 figures include 12 months of employment for Jesper-Eugen Olsen and Thomas Krarup, 8.5 months of employment for May Britt Dyvelkov and 3.5 months of employment for Mark Christian Hvidberg da Silva (employed 16 September 2019)

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. Lars Kongsbak, Chairman

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 listed biopharmaceutical company; strategic business development; M&A; financing, broad-based leadership experience; senior scientist positions at blue-chip companies.

Directorships

- None

Shareholding

6,968 shares, 36,371 warrants



Lars Krogsgaard

Born 1967. Chief Investment Officer at The Investment Fund for Developing Countries (IFU). 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 (BM)
- Forward Capital A/S (BM, M)
- 4AM ApS (M)
- Samplix A/S (MB)
- 6AM ApS (M)

Shareholding

325,965 shares, 0 warrants



Dr. Jørgen Thorball MD

Born 1962. Managing Partner at XOventure GmbH. Joined 2000.

Education

MD, University of Copenhagen

Competencies

Life science entrepreneur and founder of several companies, many of them based on his own medical inventions; management and board positions in listed blue-chip pharma companies; financing; M&A.

Directorships

- 3Brain AG (C)
- BioMe AS (BM)
- Retipharma A/S (BM)
- Rigi Care (M)

Shareholding

10,204 shares, 18,919 warrants



Dr. Henrik Stender

Born 1965, Owner of Stender Diagnostics. Joined 2020.

Education

M.Sc. in Chemical Engineering and Ph.D. in Immunology from Technical University of Denmark; B. Comm. in Business Informatics and Economics, Copenhagen Business School.

Competencies

30 years of international experience with all aspects of development of innovative in vitro diagnostic (IVD) medical devices improving patient care; strong track-record of regulatory approvals, incl. +20 U.S. FDA clearances

Directorships

- Visiopharm A/S (BM)

Shareholding

Shares: 0 Warrants: 0

* Excluding IFU-related board positions

C = Chairman of the Board; BM = Member of the Board; M = Management.

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. Lars Kongsbak, Lars Krogsgaard and Jørgen Thorball were re-elected at the 2020 Annual General Meeting and all have accepted re-nomination at the 2020 Annual General Meeting. Bernd Uder resigned from the board and Henrik Stender was elected at the 2020 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. Henrik Stender performed consultancy services related to regulatory affairs during the last part of 2020. Dr. Jørgen Thorball, co-founder of ViroGates, has been on the Board for more than 12 years and can therefore not be deemed independent, according to the Danish Corporate Governance Recommendations.

Remuneration to the Board of Directors

DKK	Fixed cash remuneration	Expenses	Other fixed remuneration	Total 2020	Total 2019	% change
Total	383,131	58,047	72,947	514,125	424.154	21%

In accordance with ViroGates' Remuneration Policy, please see the 2020 Remuneration Report for more details on Board remuneration. The report is available on ViroGates.com.

Financial statements 2020



Income Statement 1 January - 31 December

Note	Amounts in DKK ('000)	2020	2019
	Net revenue	5,354	3,582
	Costs of goods sold	-1,164	-384
	Gross profit/loss	4,190	3,198
1	Sales and distribution costs	-14,147	-13,921
1	Research and development costs	-5,798	-5,584
1	Administrative costs	-3,974	-3,416
	Operating loss	-19,729	-19,723
	Financial income	34	12
	Financial expenses	-287	-298
	Loss before tax	-19,982	-20,009
2	Tax on profit/loss for the year	1,246	1,212
	Loss for the year	-18,736	-18,797
	Proposed distribution of loss		
	Retained earnings	-18,736	-18,797
	Total	-18,736	-18,797

Balance Sheet at 31 December

Note	Amounts in DKK ('000)	2020	2019
	ASSETS		
	Other plant, machinery tools and equipment	352	432
	Leasehold improvements	80	116
	Tangible fixed assets	432	548
	Rent deposit and other receivables	171	167
	Fixed asset investments	171	167
	Fixed assets	603	715
	Finished goods and goods for resale	907	390
	Inventories	907	390
	Trade receivables	1,601	244
	Other receivables	314	838
	Corporation tax receivable	1,246	1,212
	Prepayments and accrued income	49	351
	Receivables	3,210	2,645
	Cash and cash equivalents	33,526	41,407
	Current assets	37,643	44,442
	Assets	38,246	45,157

Note	Amounts in DKK ('000)	2020	2019
	EQUITY AND LIABILITIES		
	Share capital	3,125	3,034
	Retained earnings	28,189	39,181
3	Equity	31,314	42,215
	Trade payables	3,654	927
	Other liabilities	3,278	2,015
	Current liabilities	6,932	2,942
	Liabilities	6,932	2,942
	Equity and liabilities	38,246	45,157
4	Contingencies etc.		

Note	Amounts in DKK ('000)	Share capital	Retained earnings	Total
	STATEMENT OF CHANGES IN EQUITY			
	Equity at 1 January 2020	3,034	39,181	42,215
	Proposed profit allocation		-18,736	-18,736
	Transactions with owners			
	Capital increase	91	7,744	7,835
	Equity at 31 December 2020	3,125	28,189	31,314

Cash Flow Statement 1 January – 31 December

Note	Amounts in DKK ('000)	2020	2019
	Profit/loss for the year	-18,736	-18,797
	Reversed depreciation of the year	229	116
	Reversed tax on profit/loss for the year	-1,246	-1,212
	Corporation tax received	1,212	1,930
	Change in inventory	-517	304
	Change in receivables	-534	-944
	Change in current liabilities (ex bank and tax)	3,990	530
	Cash flows from operating activity	-15,602	-18,073
	Purchase of tangible fixed assets	-114	-546
	Purchase of financial assets	0	-57
	Cash flows from investing activity	-114	-603
	Capital increase	7,835	0
	Cash flows from financing activity	7,835	0
	Change in cash and cash equivalents	-7,881	-18,676
	Cash and cash equivalents at 1 januar	41,407	60,083
	Cash and cash equivalents at 31 December	33,526	41,407
	Specification of cash and cash equivalents at 31 December:		
	Cash and cash equivalents	33,526	41,407
	Cash and cash equivalents, net debt	33,526	41,407

Notes to the financial statements

Amounts in DKK ('000)		2020	2019
1 Staff costs			
Average number of full-time employees		11	9

Amounts in DKK ('000)		2020	2019
2 Tax on profit/loss for the year			
Calculated tax on taxable income of the year		-1,246	-1,212
		-1,246	-1,212

3 Equity

The company's share capital consists of 3,125,426 shares in the denomination of DKK 1.

In 2020, ViroGates' share capital increased in connection with the exercise of warrants. On 19 May 2020, the total nominal value of ViroGates A/S' share capital increased from DKK 3,034,347 to DKK 3,044,270 consisting of 3,044,270 shares at a nominal value of DKK 1 each. On 26 June 2020, the total nominal value of ViroGates A/S' share capital increased from DKK 3,044,270 to 3,125,426 consisting of 3,125,426 shares at a nominal value of DKK 1 each.

The company has 2,585 treasury shares in the denomination of DKK 1, which is equivalent to 0.08% of the total share capital.

Under a resolution passed by the General Meeting, the company may acquire treasury shares up to 10% of the share capital. Treasury shares are acquired for the purpose of incentive programmes for consultants and employees of the company.

4 Contingencies etc.

Contingent liabilities

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 DKK ('000) 1,391.

The company has entered into operating leases for cars with a remaining period of 10 months and an average annual payment of DKK ('000) 77.

Further, the company has provided guarantee in the form of bank deposits of DKK ('000) 50 as security for all balances with Danske Bank

Notes to the financial statements

Accounting policies

The Annual Report of ViroGates A/S for 2020 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, except for the following changes.

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.

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

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 2020.

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 2020 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2020.

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, 24 March 2021

Executive Management



Jakob Ole Knudsen
CEO

Board of Directors



Lars Kongsbak
Chairman



Henrik Stender



Jørgen Axel Thorball



Lars Krøgsgaard

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 2020, 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 2020 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2020 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 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, 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, 24 March 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70


Jesper Buch
State Authorised
Public Accountant
MNE no. mne34089


Per Frost Jensen
State Authorised
Public Accountant
MNE no. mne27740

Additional information

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

	Full year	
	2020	2019
Amounts in DKK ('000)		
Net sales	5,354	3,582
Operating earnings	-19,729	-19,723
Earnings before tax	-19,982	-20,009
Net earnings	-18,736	-18,797
Amounts in DKK/share		
Earnings per share before dilution	-6.08	-6.19
Earnings per share after dilution	-5.51	-5.43
Number of shares ('000)		
Average number of shares before dilution	3,082	3,034
Average number of shares after dilution	3,402	3,462
Number of shares before dilution	3,125	3,034
Number of shares after dilution	3,321	3,466
Equity ratio, %	82%	93%
Number of warrants		
Warrants outstanding, average	319,813	427,391
Warrants outstanding, end-period	195,497	431,641
Amounts i DKK		
Shareholders equity per share	10.02	13.91
Period-end share market price	81.50	34.30

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

Financial highlights by quarter (unaudited)*

Amounts in DKK ('000)	2020					2019				
	Year Audited	Q4 Unaudited	Q3 Unaudited	Q2 Unaudited	Q1 Unaudited	Year Audited	Q4 Unaudited	Q3 Unaudited	Q2 Unaudited	Q1 Unaudited
Revenue	5,354	2,298	1,850	760	445	3,582	460	551	1,465	1,105
Cost of sales	-1,164	-511	-326	-182	-147	-384	-126	-88	-80	-90
Research and development expenses	-5,798	-1,741	-1,412	-1,164	-1,481	-5,584	-1,335	-1,447	-1,532	-1,270
Sales and marketing expenses	-14,147	-3,521	-3,279	-2,948	-4,402	-13,921	-5,008	-2,641	-3,468	-2,804
Administrative expenses	-3,974	-1,281	-812	-1,028	-848	-3,416	-1,018	-612	-980	-806
Personel cost ⁽¹⁾	0	0	0	0	0	0	0	0	0	0
Operating profit/-loss before depreciation (EBITDA)	-19,729	-4,755	-3,979	-4,562	-6,433	-19,723	-7,027	-4,237	-4,594	-3,865
Depreciation ⁽²⁾	0	0	0	0	0	0	0	0	0	0
Operating profit/-loss (EBIT)	-19,729	-4,755	-3,979	-4,562	-6,433	-19,723	-7,027	-4,237	-4,594	-3,865
Net financial items	-253	-54	-74	-48	-76	-286	-61	-66	-78	-81
Profit/-loss before tax (EBT)	-19,982	-4,809	-4,053	-4,610	-6,509	-20,009	-7,088	-4,303	-4,672	-3,946
Tax	1,246	367	305	253	322	1,212	311	309	322	270
Net profit/ -loss	-18,736	-4,443	-3,748	-4,358	-6,187	-18,797	-6,777	-3,994	-4,350	-3,676

⁽¹⁾ Personel cost is allocated to divisions from 2020 and 2019 figures adjusted to enable comparison

⁽²⁾ Depreciation is allocated to Administrative expenses from 2020 and 2019 figures adjusted to enable comparison

Company information

Company

ViroGates A/S
Banevænget 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 electronically on 27 April 2021.



Banevænget 13
DK-3460 Birkerød
Denmark