

ViroGates releases third quarter 2018 results

ViroGates A/S (Nasdaq First North Denmark: VIRO), who delivers blood test systems for emergency departments in hospitals, today reported financial results for the third quarter 2018 (1 July – 30 September). The report, which is approved by the Board of Directors, is unaudited and has the following main points:

Financial highlights for the third quarter 2018

- Revenue grew by 81% to TDKK 824 (TDKK 457 in Q3 2017)
- Net operating expenses of TDKK 3,533 (TDKK 2,281 in Q3 2017)
- Net result of TDKK -2,341 (TDKK -1,469 in Q3 2017)
- Cash position of TDKK 62,591 per 30 September 2018 (TDKK 2,350 end Q3 2017)

Business highlights

- 9th City Clinical Hospital in Minsk, Belarus became ViroGates' first international customer to use suPARnostic® Quick Triage in clinical routine practice
- suPARnostic® TurbiLatex product developed and CE-IVD approved for the Roche Diagnostics cobas c111 analyzer; development for other cobas platforms have been initiated
- Subgroup analysis in TRIAGE III interventional study showed a statistically significant shorter length of stay for patients that had been risk stratified using suPARnostic® Quick Triage
- Observational study comparing suPAR and the National Early Warning Score (NEWS) showed that suPAR, statistically significantly, improved the risk prediction of both low- and high-risk acute medical patients (announced 3 October 2018)

CEO Jakob Knudsen, says in a comment: *"In the third quarter, we progressed commercially by engaging our first paying international customer and we added many prospective future customers to our pipeline by ways of congress attendance and personal sales visits. We continue to believe that one or more of our current trial customers will be converted to paying customers before year-end 2018. To further accelerate the roll-out of our products, including the newly launched suPARnostic® Turbilatex, we will be hiring sales managers in the Nordics, France, Germany and Spain."*

For further information contact:

CEO Jakob Knudsen: Tel. (+45) 2113 1336, Email: jk@virogates.com

Certified Advisor

Västra Hamnen Corporate Finance, Per Lönn: Tel. (+46) 40 200 250, Email: per.lonn@vhcorp.se

About ViroGates

ViroGates is an international medtech company headquartered in Denmark. ViroGates develops and sells prognostic products to the healthcare sector. The products are used in hospital emergency services, in particular to make a clinical decision on hospitalization or discharge of emergency patients, which can lead to better clinical decisions, faster discharge and optimization of healthcare resources. The products can also be used for the prognosis of lifestyle-related diseases such as cardiovascular disease, type 2 diabetes, cancer, etc. The ViroGates test suPARnostic® measures the suPAR (Soluble urokinase Plasminogen Activator Receptor) protein in the bloodstream, and with the suPARnostic® Quick Triage test, hospital staff will get answers in just 20 minutes. The prognostic value of suPARnostic® is validated by more than 500 clinical trials and studies which included more than 350,000 blood samples.

OPERATIONAL REVIEW

During the third quarter, ViroGates successfully converted the 9th City Clinical Hospital in Minsk, Belarus from trial user to paying customer, the first international hospital to use suPARnostic® Quick Triage in clinical routine practice.

By the end of the quarter, 18 hospitals in Spain, Romania, Serbia, Austria, and Cyprus were testing the company's products for clinical implementation. In Spain, a couple of the ongoing trials were concluded in Q3 and evaluation meetings with hospitals were generally positive. The hospitals are currently deciding on the future potential implementation of suPARnostic® in their clinical practice and ViroGates still expects that one or more of these hospitals will be converted from trial customers to paying customers before year-end.

During the summer period, emergency departments are affected by staff on holidays and are thus reluctant to initiate trials using new technology. ViroGates has therefore prioritized to meet potential customers at conferences as well as sales visits and these efforts led to the addition of many prospective future customers to the company's pipeline.

ViroGates participated in the 12th International Congress for Emergency Medicine in Glasgow with a booth and several poster presentations related to suPARnostic®, in the XII International Conference on Nephrology, Renal Replacement and Kidney Transplantation in Minsk, Belarus as well as in the Interdisciplinary Congress of Emergency Medicine in July in Cluj–Napoca, Romania, where ViroGates gave an oral presentation.

At the 12th European Congress of Emergency Medicine, ViroGates presented data from the TRIAGE III study, evidencing that use of suPARnostic® Quick Triage shortened patients' stay at emergency departments by 6.5 hours and allowed a significantly higher proportion of patients to be discharged within 24 hours. The study, conducted at Herlev and Bispebjerg hospitals, did not show a difference in relation to mortality but a subgroup analysis showed a shorter length of stay for patients who had been risk stratified using suPARnostic® Quick Triage.

In August, ViroGates launched the suPARnostic® Turbilatex product as planned. Initially developed for the instrument platform Roche Diagnostics cobas c111, suPARnostic® Turbilatex will also be developed for use on the larger instrument platforms cobas c500 and c700 series from Roche Diagnostics, the market leader within clinical chemistry in the European hospital sector. Additional development work was commenced in September in collaboration with a Danish hospital and work is expected to complete during Q1 2019.

suPARnostic® Turbilatex enables automatic handling of blood samples at central laboratories and adapts to clinical practice at larger hospitals in the northern Europe and other markets where blood tests from emergency departments are analysed in central laboratories. The launch, hence, is a pivotal element in the company's European expansion strategy. To support the commercialization of suPARnostic® Turbilatex, sales efforts in the Nordic markets have been increased and to further accelerate the roll-out of both suPARnostic® Turbilatex and existing products, ViroGates has initiated a hiring process for sales managers in the Nordic countries, France, Germany, and Spain.

On 3 October, shortly after the end of the quarter, ViroGates announced that data from a study comprising 17,312 patients admitted to the Acute Medical Unit at Copenhagen University Hospital Amager and Hvidovre, Denmark were published in the highly accredited medical journal Critical Care Medicine. The study, combining the conventional triage/risk stratification system NEWS (National Early Warning Score) with suPAR, documented that use of suPARnostic® ELISA products in combination with NEWS significantly improved risk

prediction of both low- and high-risk acute medical patients. The findings support the value offered by suPARnostic® to Emergency Departments globally.

FINANCIAL REVIEW

(Unless otherwise stated, financials are Q3 2018 numbers. Comparative figures for the corresponding period of 2017 are shown in brackets)

Income Statement

The net loss was TDKK -2,341 (TDKK -1,469).

In the first nine months of 2018, the net loss was TDKK -13,377 (TDKK -4,558). The lower net result was primarily a consequence of costs related to the IPO in June 2018.

Revenue

Revenue increased to TDKK 824 (TDKK 457), primarily derived from large orders from one major customer in Denmark.

Revenue in the first nine months of 2018 amounted to TDKK 2,490 (TDKK 2,042).

Expenses

Total operating expenses amounted to TDKK 3,533 (TDKK 2,281). The increase was due to increased costs from sales activities of TDKK 0,835 and an increase in staff cost of TDKK 0,417 from hiring of new employees.

Total operating expenses amounted to TDKK 17,107 in the first 9 months of 2018 (TDKK 7,593), which included TDKK 5,178 in IPO expenses. The remaining increase was TDKK 2,000 related to sales and marketing, including fees for newly issued patents. Furthermore, there was an increase in research & development and administrative expenses by TDKK 2,335.

Profit & loss

Operating loss came to TDKK -2,792 (TDKK -1,878). Net financial items amounted to TDKK 0,186 (TDKK 0,005), negatively impacted by interest on the convertible loan. The convertible loan was converted to shares prior to the IPO. Loss before tax was TDKK -2,996 (TDKK -1,884). Net loss amounted to TDKK -2,341 (TDKK -1,469). Earnings per share (EPS) was DKK -0,77 (DKK -0,66).

In the first 9 months of 2018, operating loss was TDKK -14,820 (TDKK -5,741). Net financial items amounted to TDKK -0,776 (TDKK -0,016) in the first 9 months 2018, negatively impacted by interest on the convertible loan of TDKK 0,573. The result before tax was TDKK -15,690 in the first 9 months of 2018 (TDKK -5,844). Net loss amounted to TDKK -13,377 in the first 9 months of 2018 (TDKK -4,558). Earnings per share (EPS) was DKK -4,41 (DKK -2,46).

Cash flow and investments

Total cash flow amounted to TDKK -7,943 (TDKK -2,565). Cash flow from operating activities amounted to TDKK -7,731 (TDKK -2,565). The negative cash flow in the quarter was mainly due to the change in net working capital, which included payments related to the IPO in June and increase in sales activities. Investments in equipment amounted to TDKK 0,0 (TDKK 0,0). Cash flow from financing activities amounted to TDKK -0,211 (TDKK -0,0) due to repayment of one convertible loan note.

The total cash flow for the first 9 months of 2018 was TDKK 61,124 (TDKK -5,473), due to the proceeds from the IPO in June 2018. In the first 9 months of 2018, cash flow from operating activities amounted to TDKK -13,333 (TDKK -5,343), investments in equipment amounted to TDKK 0,0 (TDKK 0,130), and cash flow from financing activities amounted to TDKK 74,457 (TDKK 0,0).

Equity and net cash

As of September 30, 2018, equity was TDKK 64,620 (TDKK 4,426). This mainly related to the proceeds from the offering in June 2018. On September 30, 2018 net cash amounted to TDKK 62,590 (TDKK 2,350).

Numbers of shares

At September 30, 2018 the total number of outstanding shares in ViroGates A/S was 3,034,347 (2,210,172).

Largest shareholders as of 30 September 2018

Shareholder	Number of shares	Percent of capital
N. P. LOUIS-HANSEN APS.	735,919	24.25%
KIM GINNERUP APS	325,965	10.74%
4AM APS	325,965	10.74%
THE WAY FORWARD APS	188,183	6.20%
JEO Holding ApS	159,942	5.27%
Others	1,298,373	42.80%
Total no. shares outstanding	3,034,347	100.00%

Financial calendar

Annual Report 2018	27 March 2019
Annual General Meeting	25 April 2019

Forward-looking statements

Prospects about the future reflect ViroGates' current expectations for future events and results. The statements are by nature inherent in risks, uncertainties and other matters that are difficult to predict or out of control. The actual results may therefore differ from the expectations expressed. See also the description of risk factors in the prospectus, June 4, 2018.