

ViroGates Releases First Quarter 2019 Results

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

Highlights in the first quarter of 2019

Financial highlights

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

Operational highlights

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

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

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

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About ViroGates

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

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

OPERATIONAL REVIEW

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

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

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

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

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

FINANCIAL REVIEW

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

Revenue

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

Expenses

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

Profit & loss

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

Cash flow and investments

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

Equity and net cash

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

Numbers of shares

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

Largest shareholders as of 31 March 2019

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

Financial calendar

H1 report	21 August 2019
Q3 report	28 October 2019

Forward-looking statements

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

INCOME STATEMENT

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

BALANCE SHEET

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

BALANCE SHEET

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

CASH FLOW STATEMENT

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

NOTES

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

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

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

1 January 2018 - 31 March 2018

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

1 January 2018 - 31 December 2018

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

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

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

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

Contingencies etc**6**

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

Other external expenses**7**

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

KPI

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