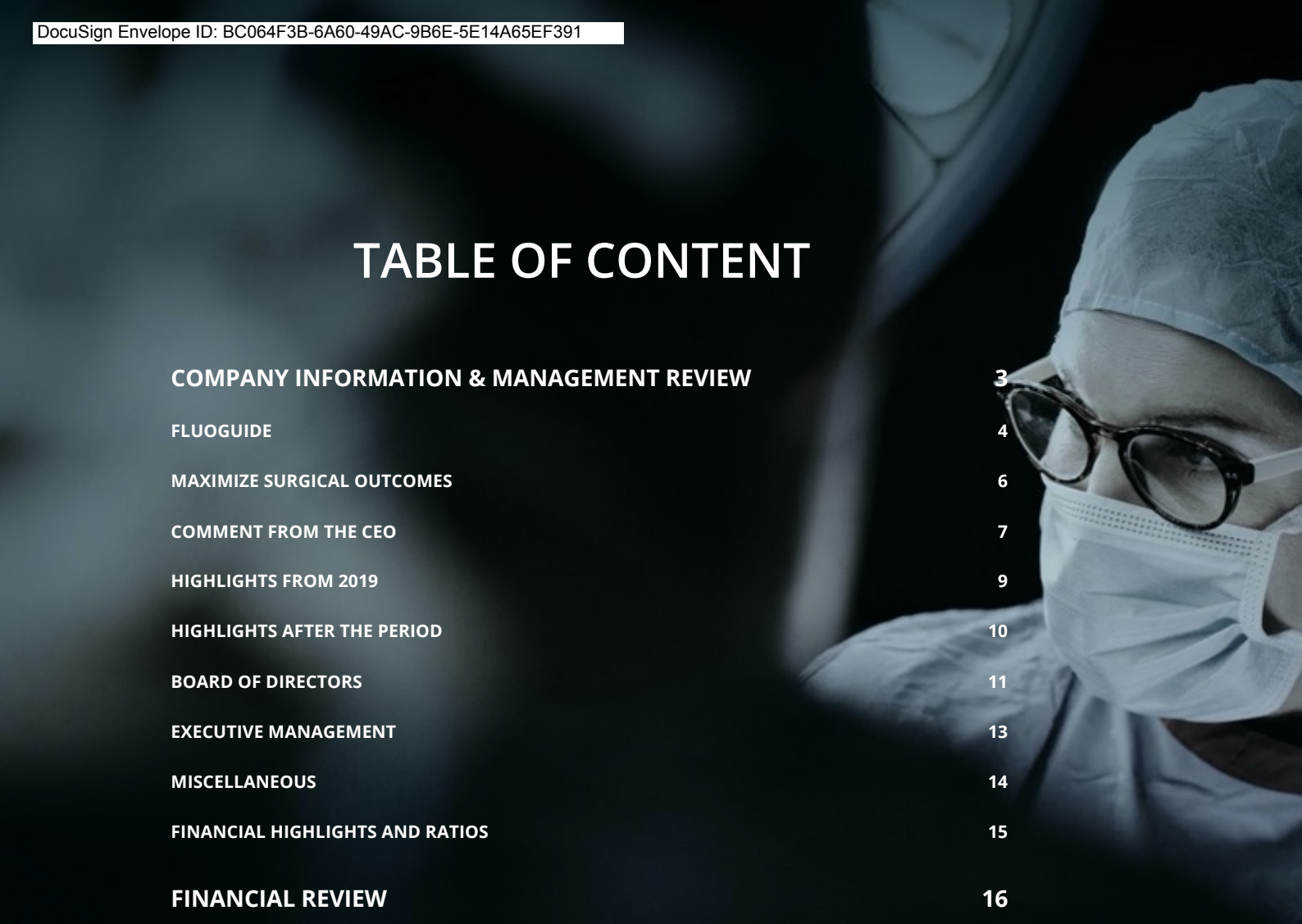
Annual Report 2019

MAXIMIZING SURGICAL OUTCOME BY INTELLIGENT TARGETING

Approved on Annual General Meeting 23 April 2020

Chairman (Anders Rubinstein): DocuSigned by: Anders Rubinstein 254C563986F9461...

FluoGuide



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COMPANY INFORMATION & MANAGEMENT REVIEW

In this document, the following definitions shall apply unless otherwise specified: "the Company" or "FluoGuide" refers to FluoGuide A/S, with CVR number 39296438. Figures in '()' refers to same period last year.

The Company
FluoGuide A/S
Ole Maaløes Vej 3
DK-2200 Copenhagen N
CVR no.: 39 29 64 38

Board of Directors
Arne Ferstad (Chairman)
Lisa Micaela Sjökvist
Shomit Adhip Ghose
Peter Mørch Eriksen
Andreas Kjær

Executive Management
Morten Albrechtsen, CEO

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. DK 33 77 12 31

FLUOGUIDE

The primary focus of FluoGuide A/S (Spotlight Stock Market: FLUO) is to maximize surgical outcomes in oncology. FluoGuide's first product, FG001, does this by improving the precision of surgery by illuminating cancer cells.

FluoGuide's products can reduce the frequency of local recurrence of cancer after surgery and sequelae following surgery. Ultimately, they will lower healthcare costs and increase the chance of a complete cure for patients. Currently, the Company is planning a human proof-of-concept clinical study (phase I/IIa) to demonstrate the effect of FG001.

FG001 is an innovative and patent protected product that illuminates

FG001

FluoGuide's first product is designed to allow surgeons to clearly delignate cancer from normal tissue during surgery through a novel uPAR-targeted luminescent technology. During standard white light procedures, surgeons are faced with the challenging task of completely removing all cancerous tissue while saving normal tissue. The increased precision enabled by FG001 decreases the risk of leaving malignant cells behind, reducing the risk of local recurrence and maximizing outcomes.

How it works

FG001 is made of a cancer-targeting molecule linked to a fluorophore. The targeting molecule binds to the urokinase-type plasminogen activator receptor (uPAR), which is extensively expressed on the surface of most types of solid cancer cells. This binding identifes the cancer through fluorescence during surgery.

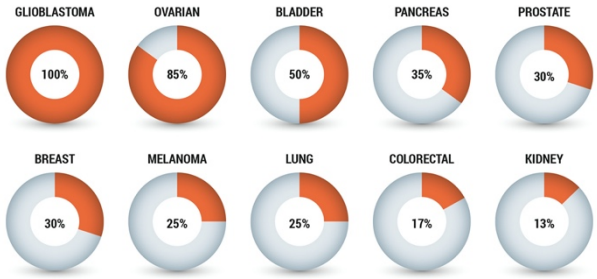
Seamless integration

FG001 is injected while the patient undergoes anesthesia, so it does not disrupt standard surgical workflows. Furthermore, use of FG001 does not require specific equipment, reducing the cost and complexity of integrating FG001 into the operating environment.

The challenge of local recurrence post-surgery

Surgery is the cornerstone of cancer therapy – of the 15 million new cancer patients each year, 80% will need surgery. For localized cancers, surgery is performed with a curative intent, during which the surgeon uses sight and palpation to find and delineate cancer from normal tissue. Because this is difficult, the average recurrence rate is approximately 50%, with wide variation, depending on the type of cancer.

Percent local recurrence after surgery [1]

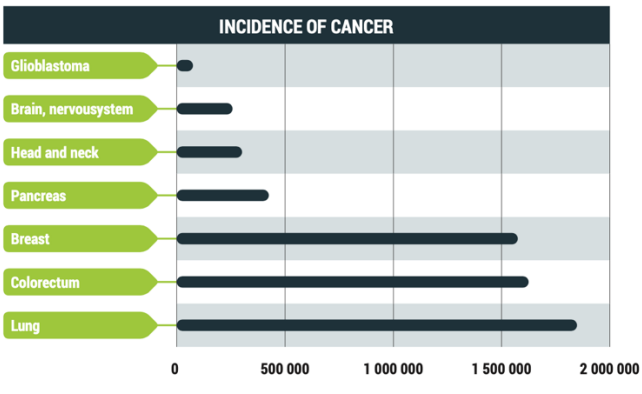


Significant potential for FG001

FluoGuide has chosen glioblastoma for the initial indication of FG001 due to the significant unmet need in this segment of patients. Nearly all glioblastomas express uPAR and glioblastoma is an aggressive form of brain cancer that has a nearly 100% local recurrence rate post-surgery, translating into a very poor prognosis. Half of all glioblastoma patients die within 14 months, with only 5% surviving after 5 years.2 The improved precision that FG001 can bring to glioblastoma surgery has the potential to dramatically improve patient outcomes.

While glioblastoma is the initial indication for FG001, there is tremendous opportunity to address other solid cancers as well because uPAR is extensively expressed in most aggressive cancers. Preclinical studies have confirmed the effect of FG001 in glioblastoma, pancreatic cancer, as well as head and neck cancer. FG001 has the potential to demonstrate a clinical benefit in these and other cancers with high incidence rates, including breast cancer and colorectal cancer.

Incidence rates of solid tumor cancers[3]



Incidence in world's high and upper middle income population (WHO definition)

FG001's route to market

Active fluorescent targeting products are regulated as pharmaceutical products following imaging agent guidelines set out by health authorities, which must approve the products' safety and efficacy. Broad commercialization of FluoGuide's products will be contingent on such approvals, which in the USA and Europe are granted by FDA and EMA, respectively.

FluoGuide has developed high-quality production procedures required for human use of products following Good Manufacturing Practice (GMP) requirements. Although both the targeting molecule and the fluorophore have been demonstrated to be well tolerated in humans, FG001 has undergone a comprehensive safety testing program in preparation for human clinical studies.

Early commercialization is important for patients

FluoGuide's ambition for FG001 is to initiate compassionate use sales – a process by which a therapy that has not yet been approved can be used because withholding it would be considered unethical. These sales would be contingent on positive results from the proof-of-concept clinical study of FG001, which will be initiated during the summer of 2020.

High concentration of FluoGuide's potential customers

FluoGuide's products will be used in hospitals, paid for either by patient insurance or by governments through the hospital payment system. The key customers will be surgeons as the key decision-makers in the hospitals. The ability to focus on leading hospitals with a specialized neurosurgical practice provides an opportunity for FluoGuide to directly serve customers in targeted geographies.

Intellectual property protection

The patent family protecting FG001 is owned by FluoGuide and has been issued in Europe and the USA. The patents do not expire until 2034, providing a long period of protection to maximize the commercial opportunity of the product.

PATENT NAME: uPAR targeting peptide for use in peroperative optical imaging of invasive cancer
PATENT NUMBER: WO/2016/041558A1
TYPE: Issued in the USA and in the EU.
FILED: 17/Sep/2014
EXPIRES: 16/Sep/2034
OWNER: FluoGuide A/S

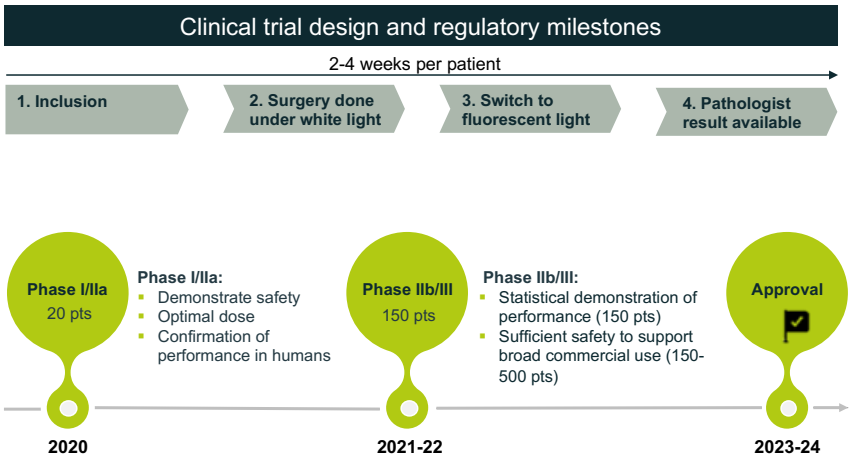
FG001 has a direct and short path to market

Classified as an imaging agent within medicinal product regulation

First indication (glioblastoma) qualifies for orphan drug designation

Clinical studies are straightforward and require few patients

- **Clear endpoint:** At least one additional local lesion detected
- **No/small placebo arm**: Fewer patients needed
- **Short time frame**: Enrollment to surgery
- **Single blind**: Initial results known after the first few patients
- **No competition for patients:** Treatment can be done in addition to other treatments



MAXIMIZE SURGICAL OUTCOMES

FluoGuide A/S provides solutions for maximizing surgical outcomes through intelligent targeting. FG001 is the Company's lead product, representing just the beginning of FluoGuide's potential.

uPAR – broadly expressed, highly selective to delineate cancer

uPAR's robust scientific foundation

uPAR is a protein present on the surface of cancer cells that directly correlates to the aggressiveness of the cancer. uPAR is part of a cell-bound enzyme system present on the aggressive invasive forefront of cancer where it breaks down normal tissue to allow the cancer to spread. uPAR is therefore an optimal target to delineate cancer from normal tissue. The protein is extensively expressed in most solid tumors, including prevalent forms of cancer such as breast, colorectal and lung cancer, as well as in less prevalent but deadly cancers such as glioblastoma, pancreatic cancer and head and neck cancer. Estimates indicate that uPAR is expressed in over 50% of all cancers that undergo surgical removal, making FG001 an attractive target to improve surgical outcomes for millions of oncology patients worldwide.

Pipeline

The Innovation Fund Denmark awarded a Grand Solution grant titled, "FluoGuide: an optical probe to guide cancer surgeons" to FluoGuide's Chief Scientific Officer, Andreas Kjaer in 2017. This EUR 1.39 million grant will run until the end of 2021 and gives FluoGuide the first right to new inventions in its field that may arise from the grant project.

Partnerships

In parallel with the development of FG001, FluoGuide is exploring commercial partnerships to accelerate value creation based on this novel product. Such partnerships cover a wide range of activities such as equipment integration during clinical development, exploring novel surgical equipment, investigating new uses of FG001 or other new products, and post-approval commercialization.

Tremendous opportunity to transform surgical outcomes

The market for new surgical products is significant – it is estimated that surgical costs account for more than 5% of GDP (Gross Domestic Product) in the USA and Europe. FluoGuide's products will be used in hospitals by surgeons, providing both a clear payment path and a natural concentration of the potential customer base, allowing FluoGuide to market directly to these customers in targeted regions.

The team

FluoGuide has a strong management team with expertise across the entire value chain, from the discovery of imaging techniques and the development of new healthcare products to international commercialization of medical solutions.

FluoGuide also has an experienced Board of Directors representing diverse skill sets and networks to guide FluoGuide in its ambitious plans for value creation.

Outlook for FluoGuide

FluoGuide's first goal is to advance its lead product – FG001 – to improve outcomes for the 60,000 patients per year who suffer from glioblastoma in the USA and Europe.

Expanding to the broader mission to realize the vast potential of uPAR to guide cancer surgery, FluoGuide's second objective is to accelerate the development of FG001 for indications beyond glioblastoma and to begin to develop second generation products. These could include enhanced precision and luminescence to further improve cancer detection through uPAR targeting fluorophores.

In January 2020 the Company announced a directed issue to strengthen its ownership, accelerate the development of FG001 and initiate implementation of its new product strategies designed to transform FluoGuide into a company with a robust pipeline of products for multiple indications by the end of 2020, and a pivotal study (phase IIb/III) underway in 2021.

uPAR targeting – potential to help more than 3,000,000 cancer patients undergoing surgery every year

References:

1 Cancer Recurrence Statistics, Nov-2018
2 Tamimi, A. F. et al. (2017). Epidemiology and Outcome of Glioblastoma. Glioblastoma, 143–153. https://doi.org/10.15586/codon.glioblastoma.2017.ch8
3 http://gco.iarc.fr/today/home

COMMENT FROM THE CEO

The year 2019 began with preparation for FluoGuide's IPO, which was successfully conducted in May, and which provided capital to plan for a clinical phase I/IIa proof-of-concept study for FG001 in 2020. This study aims to demonstrate enhanced precision in surgical removal of glioblastoma, a deadly and aggressive brain cancer in which nearly all patients experience a local recurrence, even after "successful" surgery.

During 2019 we established manufacturing of FG001 for human testing and successfully developed a formulation that could be scaled up. This achievement is significant because it will allow us to test FG001 globally in different indications. The formulation can be made in batches large enough to support early commercialization efforts through compassionate use sales. While we incurred additional development costs in 2019 to complete this effort, it will, in the long term, contribute to significant cost savings.

Another important development milestone was that preclinical safety tests of FG001 demonstrated a lack of acute toxicity in doses far beyond what is expected to be the required human therapeutic dose.

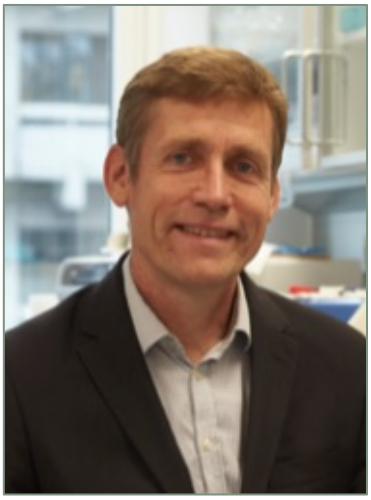
Data from a dose-finding study of FG001's effect in illuminating glioblastoma was presented at the World Molecular Imaging Congress 2019 in September. This meaningful study tested different doses in order to guide the dose selection for the proof-of-concept study in glioblastoma patients and provided a reason for optimism as we look forward to the 2020 phase I/IIa clinical study of FG001.

While the primary endpoint for the forthcoming proof-of-concept study is safety, we expect that it will also generate data on the magnitude of FG001's effect to guide surgical treatment of glioblastoma. Regulatory consultation for this study is running in parallel with its clinical development.

In addition to presenting the results of our dose-finding study at the World Molecular Imaging Congress, we also presented a preclinical study of FG001 in pancreatic cancer using the da Vinci robot from Intuitive Surgical. The design of this study was significant because it is similar to what we will use in our upcoming late clinical development and shows the use of FG001 in a standard surgical environment. Results demonstrated that FG001 helped to identify and remove local additional metastases that were overlooked in the standard white light procedure in 50% of subjects. This study underlined the potential for uPAR-targeted products to address a broad range of cancers.

As FG001 will co-exist with standard surgical equipment, in 2019 we also took the opportunity to begin building relationships with leading surgical equipment manufacturers in order to understand their needs and capabilities. Partnership development efforts will continue to grow in 2020 as we generate clinical data and demonstrate the value of FG001.

Finally, in 2019 we also registered ownership of the key patent family for FG001, which was acquired prior to the IPO. The patent family was issued nationally in the USA in 2018, in Europe in 2019 and is valid until 2034, providing important long-term protection for FG001. During the course of this work, we also gained significant know-how that will help us to find and execute on opportunities to expand FluoGuide's intellectual property going forward.



Morten Albrechtsen
CEO, FluoGuide A/S

In January 2020 the Board of Directors of FluoGuide proposed a directed share issue, which was later approved by an extraordinary general meeting, in order to strengthen the ownership and the Company's financial position. Proceeds from this share issue are expected to increase the company's value by helping us to shorten the time to market for FG001. Amongst the participants were the institutional investors A/S Arbejdernes Landsbank and Linc AB, a Swedish based life science investor with a long list of successful investments. Through this capital injection of approximately MDKK 11.6, we are simultaneously broadening our base of ownership and accelerating our path to commercialization of FG001. As a result of this activity, we will prepare for scale-up of FG001 manufacturing for the Phase IIb/III glioblastoma clinical trials in Q2 2020, which is 6-12 months sooner than our prior capitalization would have allowed.

I would like to take this opportunity to thank our shareholders for their confidence in our business and product vision. Together with an extraordinary team, I am looking forward to the year ahead and to continuing FluoGuide's ambitious journey to bring new solutions to surgeons and cancer patients worldwide. We are eager to transform FluoGuide from a pre-clinical organization into a late clinical-phase company with a pipeline of indications and products in 2021 – a very exciting time ahead for the Company and its shareholders.

HIGHLIGHTS FROM 2019

Q1

- FluoGuide announced its ambition to list the Company's shares on the Spotlight Stock Market and its intention to prepare an IPO in Q2 2019.
- FluoGuide received preliminary approval to be listed on the Spotlight Stock Market.

Q2

- FluoGuide conducted a successful IPO that initially provided the Company approximately DKK 15.9 million and more than 1,000 new shareholders.
- Trading in FluoGuide's shares and warrants commenced on the Spotlight Stock Market.

Q3

- FluoGuide announced the registration of ownership of the key patent family for FG001, which was acquired by the Company prior to its IPO in April/May 2019. The patent family was issued nationally in the USA in 2018 and is valid until 2034.
- The Company announced new data confirming FG001's potential in guiding surgical removal of glioblastoma. The data was presented at the World Molecular Imaging Congress 2019 (WMIC) in Montreal.
- FluoGuide announced data confirming FG001's potential in guiding surgical removal of pancreatic cancer. The data was presented at the World Molecular Imaging Congress 2019 (WMIC) in Montreal.

Q4

- The manufacturing process for FG001 was successfully scaled up.
- A formulation was successfully developed for use in early commercialization through compassionate use sales.
- The safety program for F001 was initiated.

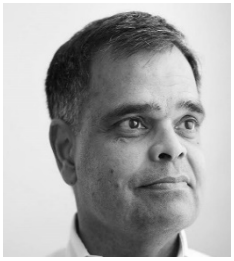
HIGHLIGHTS AFTER THE PERIOD

- FluoGuide announced the grant of European patent No. EP3193945 “uPAR targeting peptide for use in preoperative optical imaging of invasive cancer” which is the core patent protecting FG001 in Europe. The patent protection is valid until September 2034.
- FluoGuide announced FG001 has demonstrated lack of acute toxicity in doses far beyond the expected relevant human dose.
- FluoGuide strengthened its ownership through a directed share issue with proceeds of approximately MDKK 11.6 (before costs of about KDKK 500), allowing the Company to potentially reduce the time to initiation of its phase IIb/III clinical study of FG001 in glioblastoma by 6-12 months.
- FluoGuide announced that the Company has been shortlisted for an EU grant by the European Commission.

BOARD OF DIRECTORS

Arne Ferstad – Chairman of the Board since 2019

Arne Ferstad, born in 1950, is professional board member. He is presently serving as Chairman of the Board at CombiGene AB. He is board member at Peptonic Medical AB and CLS AB. He is CEO and Director at Ankor Consultants Ltd. Previously, he was responsible for Baxter Healthcare's operations in the Nordic and Benelux countries, President for EMEA Baxter Renal Division, Head of Business for Baxter Bioscience in Asia. He was also General Manager and Vice President at the Pharmacia Corporation. Arne Ferstad has extensive experience in the field of biotech and drug development. He holds a degree in Finance/Marketing from Markedforingskolen in Oslo and has also studied Management at INSEAD/Cedep in France. Arne Ferstad is an independent Board Member.



Shomit Ghose – Board member since 2019

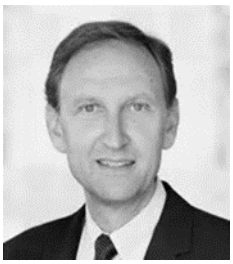
Shomit A. Ghose, born in 1961, is a Managing Director and General Partner at ONSET Ventures, a Silicon Valley venture fund, where he has been active since 2001. He has served on multiple boards within ONSET's portfolio, and previously also served as Chief Executive Officer of Truviso, where he also held a Board seat. He is a seasoned tech executive and a venture capitalist with operating experience. In addition to his time as an investor, he has 19 years of executive experience at high-tech companies in Silicon Valley. Shomit Ghose specializes in the information technology sector with a focus on software, networking and infrastructure. He has been instrumental in several IPOs. He holds a degree in Computer Science from the University of California Berkeley. Shomit Ghose is an independent Board Member.

Micaela Sjökvist – Board member since 2019

Micaela Sjökvist, born in 1970, is Head of Investor Relations at Securitas AB, a publicly listed company active in the security sector. Micaela Sjökvist has over 20 years of experience in corporate communications, financial communications and investor relations in listed international companies. Previous experience includes operating roles at both the international PR consultancy company Grayling and Telia Sonera AB. She holds a B.Sc in Economics and Business Administration from Uppsala University. Micaela Sjökvist is an independent Board Member.

Peter Mørch Eriksen – Board member since 2019

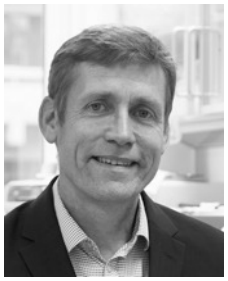
Peter Mørch Eriksen, born in 1960, is the CEO of BioPorto A/S. Peter Mørch Eriksen has more than 20 years of experience in medtech/life science both in Denmark and abroad. Prior to joining BioPorto A/S, Peter Mørch Eriksen was the CEO of Sense A/S and before this role, held positions as Vice President of Medtronic in both the USA and Denmark. Peter Mørch Eriksen brings extensive experience in creating growth, restructuring and funding for technology intensive and complex companies. Current directorships in other companies includes Member of the Board of BioPorto Diagnostics A/S, BioPorto Inc., BioPorto Diagnostic Inc. and Veterinary Diagnostics A/S. Member of the Advisory Board at Lund University Diabetes Centre. Peter Mørch Eriksen also serves on the Medical Device and Diagnostics Advisory Committee of Cincinnati Children's Hospital Center in Cincinnati, Ohio (US). Peter Mørch Eriksen is Director in PME Holding ApS. He holds a degree in Economics/Accounting from the Copenhagen Business School. Peter Mørch Eriksen is an independent Board Member.



Andreas Kjær – Board member since 2018

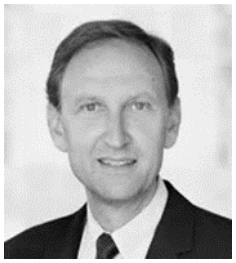
Andreas Kjær, born in 1963, is professor at the University of Copenhagen and chief physician at Rigshospitalet, the National University Hospital of Denmark. His research is focused on molecular imaging with PET and PET/MRI in cancer and cardiovascular disease and his achievements include development of several new tracers that have reached first-in-human clinical use. ERC Advanced Grant, has published more than 500 peer-review articles and has received numerous prestigious scientific awards over the years. Andreas Kjær holds an MBA from Copenhagen Business School and is an MD, PhD, DMSc from University of Copenhagen. He is not an independent board member.

EXECUTIVE MANAGEMENT



Morten Albrechtsen – CEO since 2018

Morten Albrechtsen, born in 1964, is a physician and seasoned entrepreneur with a strong medical, commercial and financial background that includes expertise gained in a broad range of therapeutic areas in both drugs and devices. Morten Albrechtsen's development expertise includes pre-clinical, clinical and post-market development stages in various disciplines. His commercial expertise is international and includes sales through partners, affiliates as well as direct-to-patient, -hospital and -end user. His background also includes business development, conducting both licensing and corporate M&A deals. Morten Albrechtsen founded and acted as CEO for Nanovi A/S – a medical device company developing and selling markers for guiding radiotherapy treatment of cancer - with responsibility of the commercial launch in Europe and commercial preparation in the USA. He has also worked at Nycomed Pharma, now Takeda Pharmaceuticals Ltd, in pain control and Boehringer Ingelheim GmbH (hospital sales, cardiovascular, stroke, women's health and pain control). Further, he has an experience in early clinical development from Enkam A/S (CNS drug development including medicines for Alzheimer's disease, Parkinson's disease and depression). He holds a BBA in Marketing from the Copenhagen Business School and an MD from Copenhagen University.



Andreas Kjær – Board member since 2018

See above under Board of Directors.

Grethe Nørskov Rasmussen – Chief Development Officer since 2019

Grethe Nørskov Rasmussen, born in 1962, is an experienced product developer with a deep understanding of CMC gained while serving as Senior Vice President, Product Development at Ascendis Pharma A/S, where Rasmussen worked for over 10 years. Previously, Grethe Rasmussen served as Vice President for Protein Science at Maxygen, Inc. and later as Managing Director for the Danish subsidiary of Maxygen. Prior to joining Maxygen, Dr. Rasmussen held various positions at Novo Nordisk A/S, a global healthcare company, where she contributed to research and development. She holds a MSc and a PhD in Biochemistry from the Danish Technical University.

MISCELLANEOUS

The share

The shares in FluoGuide were listed at Spotlight Stock Market on 7 May 2019. The ticker is FLUO and the ISIN code is DK0061123312.

The total number of shares as of 31 December 2019 amounted to 7,224,274 shares (105,500). There was no change to the number of shares during the fourth quarter 2019, hence the average number of shares for the fourth quarter was 7,224,274 shares (2,203,143). The average number of shares for the period from 1 January 2019 to 31 December 2019 was 6,475,514 shares (675,307). Note that the number of shares in the Company after the end of the period, through a directed issue of shares, has increased to 9,455,268 shares registered on the 27 February 2020.

Every share equals the same rights to the Company's assets and results.

Shareholders after the IPO (Shares)	Number of shares	Votes and capital
Life Science IVS *	2,124,891	29.4%
Wexotec ApS **	1,487,394	20.6%
Grethe Nørskov Rasmussen ***	254,218	3.5%
Arne Ferstad ****	254,218	3.5%
PME Holding ApS *****	112,577	1.6%
Micaela Sjökvist ****	57,678	0.8%
Shomit Ghose ****	39,810	0.6%
Others shareholders	2,893,488	40.1%
TOTAL	7,224,274	100.0%

* *Life Science IVS is a wholly owned company by Board Member and Head of the Scientific Advisory Board Andreas Kjaer.*
** *Wexotec ApS is a wholly owned company by CEO Morten Albrechtsen.*
*** *Management*
**** *Member of the Board of Directors,*
***** *PME Holding ApS is a wholly owned company by Board member Peter Mørch Eriksen.*

Warrants

The warrants of series TO 1 in FluoGuide were listed at Spotlight Stock Market on 7 May 2019. The ticker is FLUO TO1 and the ISIN code is DK0061138773. In total, there is 1,074,758 outstanding warrants. Each warrant entitles the holder the right to subscribe for one (1) new share in FluoGuide at a subscription price of DKK 5.95 per share during the exercise period 16 April – 7 May 2020. The warrants can provide the Company with a total of DKK 6,394,810.10 if all warrants are exercised.

Proposed appropriation of retained earnings

The Board and the CEO have proposed that no dividend is paid out for the fiscal year, 1 January 2019 – 31 December 2019.

Financial calendar

Q1 report:	29 May 2020
Q2 and half-year report:	14 August 2020
Q3 report:	20 November 2020
Q4 and year-end report 2020:	26 February 2021

FINANCIAL HIGHLIGHTS AND RATIOS

Key figures	**2019**	**2018**
Amounts in DKK '000		
Income Statement		
Operating Loss	10,645	52
Total financial items	-1	-1
Loss for the period	9,653	53
Balance sheet		
Total assets	5,238	75
Equity	4,542	7
Cash flows		
Cash flows from:		
Operating activities	-10,554	-1
Investing activities	-389	0
Financing activities	13,228	60
The period's cash flow	2,285	59
Dividend	0	0
Ratios		
Solvency ratio	87%	9%
Earnings per share (DKK)	-1.49	-0.08

For definitions of ratios, see under accounting policies.

FINANCIAL REVIEW

Financial Development

Operating income and operating results

The operating income and result for 2019 were as expected. Net revenue amounted to DKK 0 (0) and the operating result was KDKK -10,644 (-52) in 2019. The operating result was as expected as the Company is currently conducting development activities.

Balance sheet and solidity

The total equity at 31 December 2019 was KDKK 4,542 (7). The solidity as per 31 December 2019 was 87% (9%).

Cash flow and investments

The total cash flow in 2019 was KDKK 2,285 (59).
The payment for the patent ((WO/2016/041558A1, "uPAR targeting peptide for use in peroperative optical imaging of invasive cancer") related to FG001 took place in Q4 2019. The payment was DKK 378.000 as earlier communicated in the IPO memorandum and it is considered an investment. There were no other investments during the period.

Capital resources

As a development stage start-up life-science company, and like other similar development stage companies, the Company expects negative cash flow in 2020 from operating activities. Therefore, the company is dependent on being recapitalized or selling rights to its products against cash until reaching the point where the size of the revenue in-creases the costs resulting in a positive cash flow. The activities of the company in the future will depend on proceeds obtained from capital increases or sales of rights. Please refer to note 2 to the Financial Statements.

Subsequent events

A directed share issue was completed 28 February 2020. 2,230,994 shares were issued with a total proceed DKK 11.6 million before cost of approximately DKK 0.5 million.

The European Commission has shortlisted over 100 game-changing ideas from across Eu-rope with high chance of being granted EIC support. The EU's research and innovation program (funded by Horizon 2020) has among other proposals selected FluoGuide. The EIC funding is typically between EUR 0.5 -2.5 million.

The current tough humanitarian and economic situation is not as of today expected to have any specific impact on our timelines in FluoGuide. We are, as everyone else, monitoring the situation carefully as this can change overnight as for any current business. We have already before the start of the current situation applied for relevant grants and will continue to do so.

To date, the Company has not yet been negatively impacted by the effects of COVID-19.

Subsequent to the balance sheet date, no other events than mentioned above that could significantly affect the financial statements for 2019 have occurred.

MANAGEMENT STATEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of FluoGuide A/S for the financial year 1 January – 31 December 2019.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act for annual reports of class B companies. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2019.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 7 April 2020

Executive Management

Morten Albrechtsen
CEO

Board of Directors

Arne Ferstad
Chairman

Andreas Kjær

Shomit Ghose

Lisa Micaela Sjökvist

Peter Mørch Eriksen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of FluoGuide A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act for annual reports of class B companies.

We have audited the Financial Statements of FluoGuide A/S for the financial year 1 January - 31 December 2019, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

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 International Financial Reporting Standards as adopted by the EU and further requirements in 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, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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.

Hellerup, 7 April 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
Mne18651

Claus Carlsson
State Authorised Public Accountant
Mne29461

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Note		1 January - 31 December 2019 DKK '000	30 January - 31 December 2018 DKK '000
	Other operating income	100	0
3	Other external expenses	-8,880	-52
	Staff expenses	-1,864	0
	Operating loss before net financials	**-10,644**	**-52**
4	Financial expenses	-1,062	-1
	Loss before tax	**-11,706**	**-53**
5	Tax on loss for the year	2,053	0
	Net loss for the year	**-9,653**	**-53**
	Other comprehensive income for the year, net of tax	**0**	**0**
	Total comprehensive income	**-9,653**	**-53**

BALANCE SHEET

ASSETS

Note		31 December 2019 DKK '000	31 December 2018 DKK '000
6	Acquired patents	378	0
	Deposit	12	0
	Total non-current assets	**390**	**0**
	Other receivables	324	0
5	Receivable corporate tax	2,053	0
	Prepayments	127	16
	Cash	2,344	59
	Total current assets	**4,848**	**75**
	Total assets	**5,238**	**75**

EQUITY AND LIABILITIES

Note		31 December 2019 DKK '000	31 December 2018 DKK '000
	Share capital	722	50
	Share premium	0	0
	Retained earnings	3,820	-43
7	**Total equity**	**4,542**	**7**
	Trade payables	388	13
	Other payables	308	55
	Current liabilities	**696**	**68**
	Total liabilities	**696**	**68**
	Total equity and liabilities	**5,238**	**75**

STATEMENT OF CHANGES IN EQUITY

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total equity
Equity as at 30 January 2018	1			1
Total comprehensive income 2018			-53	-53
Contribution			64	64
Capital increase - conversion	49		-49	0
Expenses in connection with capital increase			-5	-5
Equity as at 31 December 2018	**50**	**0**	**-43**	7
Total comprehensive income 2019			-9,653	-9,653
Contribution - cash	556	10,043		10,599
Capital increase – conversion bridge financing	116	5,645		5,761
Expenses in connection with capital increase			-2,172	-2,172
Transfer		-15,688	15,688	0
Equity as at 31 December 2019	**722**	**0**	**3,820**	**4,542**

CASH FLOW STATEMENT

Note		1 January – 31 December 2019 DKK '000	30 January – 31 December 2018 DKK '000
	Loss before tax	**-11,706**	**-53**
	Financial expenses, reversed	1,062	1
9	Change in working capital	193	52
	Cash flows from operating activities before net financials	**-10,451**	**0**
	Financial expenses paid	-102	-1
	Cash flows from operating activities	**-10,553**	**-1**
	Purchase of intangible assets	378	
	Paid deposit	12	
	Cash flows from investing activities	**-390**	**0**
	Cash capital increase	10,599	1
	Bridge financing and contribution	4,801	64
	Transaction cost, cash capital increase	-2,172	-5
	Cash flows from financing activities	**13,228**	**60**
	Total cash flows for the year	**2,285**	**59**
	Cash, beginning of year	59	-
	Cash, end of year	**2,344**	**59**

NOTES

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1. Accounting policies

FluoGuide A/S is a limited liability company domiciled in Denmark. The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Danish kroner (DKK) is the Company's presentation currency and functional currency. The financial statements are presented in Danish kroner (DKK '000).

First financial statements
The financial statements of FluoGuide A/S for 2019 are the Company's second financial year and are prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act for annual reports of class B companies.

New standards not yet effective
There are no IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

Foreign currency translation
On initial recognition, transactions in currencies other than the functional currency of the Company are recognized at the exchange rate applicable at the transaction date. Receivables, payables and other monetary items denominated in foreign currency not settled at the balance sheet date are translated using the exchange rate applicable at the balance sheet date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment and the balance sheet date, respectively, are recognized in the income statement as net financials.

Leases
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate, if leases exceeds USD 5,000 in value and are longer than twelve months.

Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Tax
Tax for the year, consisting of current tax and changes in deferred tax, is recognized in the income statement with the portion attributable to tax on the profit or loss for the year, and directly in equity or in other comprehensive income with the portion attributable to amounts recognized directly in equity or in other comprehensive income, respectively.

Current tax payables and receivables are recognized in the balance sheet as tax computed on the basis of the taxable income for the year results in taxes to be paid or refunded.

Current tax for the year is computed based on the tax rules and tax rates applicable at the balance sheet date.

Deferred tax is recognized using the balance sheet liability method on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities, except for deferred tax on temporary differences due to either initial recognition of goodwill or initial recognition of a transaction that is not a business combination, and where the temporary difference ascertained at the time of initial recognition does not affect either the tax results or the taxable income. The deferred tax is calculated based on the planned use of the individual asset or settlement of the individual liability.

Deferred tax is measured applying the tax rules and tax rates expected to be applicable when the deferred tax is expected to crystallize as current tax. Any change in deferred tax as a result of changes in tax rules or rates is recognized in the income statement, unless the deferred tax is attributable to transactions that have previously been recognized directly in equity or in other comprehensive income. In the latter case, the change is recognized directly in equity or in other comprehensive income, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognized in the balance sheet at the expected realizable value, either through offsetting against deferred tax liabilities or as a net tax asset for offsetting against future positive taxable incomes. An assessment is made on each balance sheet date of whether it is probable that sufficient taxable income will be generated in future to enable utilization of the deferred tax asset.

Statement of comprehensive income

Other operating income

Other income comprises income of a secondary nature in relation to the group's activities, including grants and license income. Income from licenses that do not transfer the right of ownership to an intangible asset are recognized over time in accordance with the substance of the agreements.

Other external expenses

Other external expenses comprise expenses relating to administrative expenses, costs of premises, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as social security expenses, pensions for group staff, other staff-related expenses and share-based payment compensation.

Net financials

Net financials comprise interest income and expenses, realized and unrealized gains and losses on transactions in foreign currency and realized and unrealized gains and losses on other financial assets.

Amortization of capital losses and borrowing costs relating to financial liabilities is recognized on an ongoing basis as part of the interest expenses.

Earnings per share

Basic net result per share is calculated as the net result for the year divided by the weighted average number of outstanding ordinary shares, excluding treasury shares.

Diluted net result per share is calculated as the net result for the year divided by the weighted average number of outstanding ordinary shares, excluding treasury shares adjusted for the dilutive effect of share equivalents. As the income statement shows a net loss, no adjustments have been made for the dilutive effect.

Balance sheet

Acquired patents

Acquired patents are measured in the balance sheet at the lower of cost less accumulated amortization and recoverable amount.

Cost comprises the acquisition price, costs directly related to the acquisition and costs for preparation of the asset until such time as the asset is ready for use. The amortization is performed on a straight-line basis with no residual value over the period of validity starts when patent is taken into use Amortization methods, useful lives and residual values are reviewed every year.

Receivables

Receivables comprise trade receivables and other receivables. Receivables are included in the category loans and receivables, which are financial assets with fixed or determinable payments that are not listed in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value and subsequently at amortized cost, which usually corresponds to the nominal value, less write-downs for bad debts.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

Direct and incremental costs associated with capital increases are accounted for as a reduction in the proceeds from the capital increase and recognized in shareholders' equity.

Liabilities

Other financial liabilities comprise trade payables, other payables to public authorities and other liabilities. On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortized cost according to the effective interest method, so that the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the period of the loan.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash at the beginning and end of the year. Cash flows from operating activities are presented in accordance with the indirect method and are determined as the operating profit or loss adjusted for non-cash operating items, changes in working capital and paid financial income, financial expenses and income tax.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of companies and financial assets as well as the purchase, development, improvement and sale of property, plant and equipment and intangible assets.

Cash flows from financing activities comprise changes in the Company's share capital and associated costs as well as the raising and repayment of loans, the repayment of interest-bearing debt, the purchase and sale of treasury shares and the payment of dividends.

Cash flows in currencies other than the functional currency are recognized in the cash flow statement using average exchange rates, unless they deviate significantly from the actual exchange rates at the transaction dates.

Cash and cash equivalents comprise cash less overdraft facilities that are an integrated part of the cash management.

Financial highlights

Explanation of financial ratios:

$$\text{Solvency ratio} : \frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$$

$$\text{Earnings per share} : \frac{\text{Net loss for the year}}{\text{Average numbers of outstanding shares}}$$

Significant accounting estimates and assessments

In connection with the preparation of the financial statements, the management performs accounting estimates and assessments that affect the recognized values of assets, liabilities, income, expenses and cash flows as well as their presentation.

Accounting estimates reflect the management's best estimates in terms of amounts where the measurement is subject to uncertainty, typically because the estimate is based on assumptions concerning future events. The accounting estimates are based on historical experience and other assumptions deemed relevant, but the actual results may, naturally, deviate from the estimates made. The estimates are regularly reassessed, and the effect of changes is recognized in the consolidated financial statements.

Accounting judgements reflect decisions made by the management as to how the accounting policies are applied in specific situations where the accounting treatment depends on qualitative assessments. Examples could be when the risk passes or how a certain transaction or item is best presented to provide reliable and relevant information.

Development projects
Costs incurred in relation to individual development projects are capitalized only when the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) Management has the intention and ability to complete the intangible asset and use or sell it.

Currently no other significant accounting estimates and judgements have been applied in the preparation of the financial statements for 2019:

2. Capital resources and liquidity

As a development stage start-up life-science company, and like other similar development stage companies, the Company has had a negative cash flow in 2019, why the company is dependent on being recapitalized or selling rights to its products against cash until reaching the point where the size of the revenue increases the costs resulting in a positive cash flow. The activities of the company in the future will depend on proceeds obtained from capital increases or sales of rights.

The Board of Directors and Executive Management are constantly monitoring the Company's financial position to be prepared to take adequate measures to secure the company. In this connection the Covid-19 outbreak is also taking into consideration.

The Company became listed on Spotlight Stock Market Copenhagen in May 2019 and raised DKK 10.2 million. A bridge loan was agreed in February 2019 of approximately DKK 4.6 million that was converted to share capital in connection with the IPO.

A direct share issue was completed 2 March 2020. 2,230,994 shares were issued with a total proceed DKK 11.6 million before cost of approximately DKK 0.5 million. Furthermore, warrants issued in connection with the IPO is expected to be exercised as they are in the money at the times of this Annual Report. The warrants can be exercised in the period 16 April – 7 May 2020 at a subscription price of DKK 5.95 per share. The warrants can provide the Company with a total proceed of DKK 6.4 million (before costs), if all warrants are exercised.

Based on this the Board of Directors and Executive Management have concluded that the Company has the necessary capital resources to finance the planned activities for 2020. In case the warrants will not be subscribed the activities will be adjusted.

The Board of Directors and Executive Management have based on the above concluded that the company is a going concern for 2020.

3. Staff expenses

	1 January – 31 December 2019 DKK '000	30 January – 31 December 2018 DKK '000
Wages and salaries	1,852	0
Other social security costs etc.	12	0
Total	1,864	0

Key management comprise Executive Management and the Board of Directors.

Compensation for key management personal (Morten Albrechtsen and Andreas Kjær):

Short term employee benefits	1,003	0
Total	1,003	0

The average number of employees during 2019 is 2 (2018: 0).

4. Financial expenses

	1 January - 31 December 2019 DKK '000	30 January - 31 December 2018 DKK '000
Interest expense on liabilities measured at amortized costs	965	0
Exchange rate losses	97	0
Other	0	1
Total	1,062	1

5. Tax

	1 January – 31 December 2019 DKK '000	30 January – 31 December 2018 DKK '000
Tax on profit/loss for the year:		
Current tax (tax under the tax credit scheme)	2,053	0
Total	2,053	0
Reconciliation of effective tax:		
Tax computed on loss	2,575	12
Non-deductible expenses	-211	0
Other permanent differences	31	0
Non-recognized deferred tax asset	-342	-12
Effective tax (18% / 0%)	2,053	0
Deferred tax:		
Tax loss carried forward	353	12
Write down to accessed value	-353	-12
Total	0	0

Under the Danish tax credit scheme the 22% tax value of negative taxable income related to costs from development activities up to DKK 25 million can be received in cash. Tax value of costs to the related to development activities amounts to TDKK 2,053, is anticipated to be paid out from SKAT in Q4 2019 to the Company.

The unrecognized deferred tax assets from tax losses carried forward of TDKK 353 can be carried forward indefinitely.

Tax has been computed at 22% corresponding to the current tax rate.

6. Intangible assets

Amounts in DKK '000	Acquired patents	Intangible assets
Costs at 1 January 2019	0	0
Addition for the year	378	0
Costs 31 December 2019	378	378
Reconciliation of effective tax:		
Amortization and impairment losses 1 January 2019	0	0
Amortization and impairment losses for the year	0	0
Amortization and impairment losses 31 December 2019	0	0
Net book value 31 December 2019	378	378

7. Equity

Share capital

The share capital consists of 7,224,274 shares of DKK 0.1 each. The shares are fully paid in. The shares are not divided into classes, and no shares have special rights. The number of shares increased after end of the fiscal year, through a directed issue of shares, and has increased to 9,455,268 shares registered on the 28 February 2020.

Shares issued and fully paid:	1 January – 31 December 2019	30 January – 31 December 2018
Shares issued, 1 January	5,000,000	
Shares issued, 30 January at formation paid in by cash		105,500
Capital increase by conversion of debt to shareholders and conversion from IVS to ApS		4,894,500
Cash contribution 8 March 2019 and conversion from ApS to A/S by	35,000,000	
Reverse share split (10:1) 8 March 2019	-36,000,000	
Total shares after reverse split and before the IPO	4,000,000	
Increase in shares in relation to the IPO (incl. conversion of bridge loan)	3,224,274	
Shares issued, 31 December	7,224,274	5,000,000

All shares have a nominal value of DKK 0.1 (DKK 0,01 before reverse split).

Capital management

The Company aims to ensure structural and financial flexibility as well as competitive strength. For that purpose, the Company regularly assesses what the appropriate capital structure for the Company is.

Warrants
In connection with the IPO, units were issued. One unit contained 3 shares and one warrant. The warrants were also listed at Spotlight Stock Market on 7 May 2019. In total, there is 1,074,758 outstanding warrants. Each warrant entitles the holder the right to subscribe for one (1) new share in FluoGuide at a subscription price of DKK 5.95 per share during the exercise period 16 April – 7 May 2020. The warrants can provide the Company with a total of DKK 6.4 million (before costs) if all warrants are exercised.

8. Distribution of profit/loss for the year

	1 January – 31 December 2019 DKK '000	30 January – 31 December 2018 DKK '000
Proposed dividend for the year	0	0
Retained earnings	-9,653	-53
Total	-9,653	-53

9. Change in working capital

	1 January – 31 December 2019 DKK '000	30 January – 31 December 2018 DKK '000
Other receivables and prepayments	-435	-16
Change in trade payables	375	55
Change in other payables	253	13
Total	193	52

10. Financial risks and financial instruments

Risk management policy
The Company's financial risks are managed by the Executive Management. The Company has an insurance plan. Otherwise the company has not prepared policies for the identification and handling of risks. The management of the Company's risks is included in the Executive Management's day-to-day monitoring of the Company.

Interest rate risk
The Company is not subject to material interest rate risks.

Currency risk
The Company is not subject to material currency risks.

Credit risk
The Company is not subject to material credit risks.

Liquidity risk

The Company's liquidity risk covers the risk that the Company is not able to meet its liabilities as they fall due.

As a development stage start-up life-science company, and like other similar development stage companies, the Company has had a negative cash flow in 2019, why the company is dependent on being recapitalized or selling rights to its products against cash until reaching the point where the size of the revenue increases the costs resulting in a positive cash flow.

The Board of Directors and Executive Management are constantly monitoring the Company's financial position to be prepared to take adequate measures to secure the company. Several options are possible such as partnering deals, service agreements, reduce investments in fixed assets and increase the capital in the company.

The Board of Directors and Management have confidence in the company as a going concern.

The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

31 December 2019 Amounts in DKK '000	**Within 1 year**	**1-2 year(s)**	**2-5 years**	**Over 5 years**	**Total**
As at 31 December 2019					
Trade payables	388	0	0	0	388
Other payables	308	0	0	0	308
Total	696	0	0	0	696

31 December 2018 Amounts in DKK '000	**Within 1 year**	**1-2 year(s)**	**2-5 years**	**Over 5 years**	**Total**
As at 31 December 2018					
Trade payables	55	0	0	0	55
Other payables	13	0	0	0	13
Total	68	0	0	0	68

There were no assets nor liabilities measured at fair value as at 31 December 2019.

11. Related parties

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	1 January - 31 December 2019 DKK '000	30 January - 31 December 2018 DKK '000
Other related parties:		
Contribution and share capital increase – Life Science IVS *)	207	33
Contribution and share capital increase – Wexotec ApS**)	193	32
Total	400	65

**) Life Science IVS is a wholly owned company by Board Member and CSO Andreas Kjaer*
***) Wexotec ApS is a wholly owned company by CEO Morten Albrechtsen.*

Transactions with key management personnel

For remuneration to key management in 2018 please refer to note 3.

Patent payment

The patent protecting FG001 (WO/2016/041558A1, "uPAR targeting peptide for use in peroperative optical imaging of invasive cancer") was originally assigned from Rigshospitalet (the National University Hospital of Denmark), then acquired by Life Science IVS and finally by FluoGuide. FluoGuide paid for patent (WO/2016/041558A1, "uPAR targeting peptide for use in peroperative optical imaging of invasive cancer") during 2019 as outlined on the prospectus for the IPO of FluoGuide (reimbursement of Life Science IVS's costs for payment to Rigshospitalet for the patent).

There were no other transactions with related parties.

12. Operating lease commitments and other commitments

The company has entered into a purchase obligation with a supplier in the amount of DKK 3.5 million and short-term lease commitments of DKK 0.1 million. Both a fall due within the next 4 months.

13. Events occurring after the balance sheet date

Cf. note 2, a directed share issue was completed 28 February 2020. 2,230,994 shares were issued with a total proceed DKK 11.6 million before cost of approximately DKK 0.5 million. Furthermore, in 2 quarter the Company expects that outstanding warrants from the IPO will be exercised with a total proceed of DKK 6.4 million (before costs), if all warrants are exercised

These events are expected to provide the Company with necessary funding for the Company to progress with the expected activities.

The European Commission has shortlisted over 100 game-changing ideas from across Europe with high chance of being granted EIC support. The EU's research and innovation program (funded by Horizon 2020) has among other proposals selected FluoGuide. The EIC funding is typically between EUR 0.5 -2.5 million.

The current tough humanitarian and economic situation is not as of today expected to have any specific impact on our timelines in FluoGuide. We are, as everyone else, monitoring the situation carefully as this can change overnight as for any current business. We have already before the start of the current situation applied for relevant grants and will continue to do so.

To date, the Company has not yet been negatively impacted by the effects of COVID-19.

Management considers the implications of COVID-19 as a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Consequently, the assessments of impairment indications made by Management at 31 December 2019 is based on the future cash flows expected by Management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the Annual Report.

Subsequent to the balance sheet date, no other events than mentioned above that could significantly affect the financial statements for 2019 have occurred.

FluoGuide

Intelligent surgical targeting

www.fluoguide.com