

FluoGuide proposes directed share issue to strengthen its ownership and shorten the time to market for FG001

The Board of Directors of FluoGuide A/S (“FluoGuide” or “the Company”) proposes to conduct a directed share issue which can provide the Company with approximately MDKK 11.6 before issue costs. Participants are, amongst others, the institutional investors A/S Arbejdernes Landsbank and Linc AB. In combination with FluoGuide strengthening its ownership base, the capital brought in gives the Company the opportunity to shorten the time to market for FG001. The proposal is subject to approval at an Extraordinary General Meeting on February 17, with a separate notice communicated shortly. In connection with the directed share issue, the company's CEO Morten Albrechtsen and scientific founder and member of the board Andreas Kjaer have chosen to extend their respective lock-up agreements.

FluoGuide provides solutions for maximizing surgical outcome through intelligent targeting. FluoGuide's first product, FG001, improves precision in cancer surgery by lighting up the cancer and its invasive growth into the surrounding tissue. Since FluoGuide's IPO in May 2019, it is the Board's opinion that the interest in the Company has steadily increased and given the positive momentum for FG001. FluoGuide's board of directors proposes to combine a strengthened ownership and a shortened time to market for FG001.

FG001 has demonstrated lack of acute toxicity in doses far beyond the expected human dose. The path to use FG001 in surgery of human patients with glioblastoma is now a straightforward process where the first results can be expected in Q3 2020. Scale-up of the manufacturing of FG001 is time limiting for a marketing approval for glioblastoma and the initiation of the phase IIb/III clinical trials can be reduced by 6-12 months by starting the upscaling in Q2 2020 rather than planned in H1-2021. The acceleration of the manufacturing activities will require an additional investment in Q2 2020 of approx. MDKK 4.

The development of the drug product formulation went faster than expected and FluoGuide has decided to conduct the first clinical study with the formulation planned for commercial use. It adds to the costs in H1-2020 of approx. MDKK 3 but provides an overall saving in the development costs due to a longer shelf-life of the product. MDKK 2 is planned allocated to accelerate the pipeline preparing FluoGuide from a one product-, one indication-company to a multiple products- and indications-company by the end of 2020.

"We are happy that FG001 is showing such promising momentum and that we can accelerate the clinical development. Through this investment we will secure funds that will both shorten the time to market for FG001 as well as enable us faster to develop a portfolio of indications and products", says Morten Albrechtsen, CEO of FluoGuide A/S

The directed share issue

To finance acceleration of the development of FG001, FluoGuide's Board of Directors proposes to conduct a directed share issue of approx. MDKK 11.6, before issue costs of approx. MDKK 0.5. The proposal is subject to approval at an extraordinary general meeting on February 17, 2020, communicated separately. Participants in the directed share issue are, amongst others, the institutional investors A/S Arbejdernes Landsbank and Linc AB, a Swedish based life science investor with a long list of successful investments.

"This is a great opportunity for FluoGuide to simultaneously broaden the owner base and raise new capital for an accelerated commercialization of FG001. The Board of Directors considers it advantageous for FluoGuide and existing shareholders to attract such knowledgeable industry investors that gives great condition for the future", says Arne Ferstad, chairman of FluoGuide A/S

The directed share issue comprises a total of 2,230,994 shares. The subscription price per share is set to DKK 5.20. The subscription price corresponds to a market-based price determined by the Board based on a twenty-day average volume-weighted price for the Company's share prior to the decision, with a discount of approx. 10 percent. The Company has received binding commitments regarding subscription in the directed share issue in accordance with the distribution (number of shares): Linc AB (718,500); A/S Arbejdernes Landsbank **); (376,924); Gerhard Dal (288,461); Patrik Dahlén (192,307); Curt Mählér (144,230); Eastbridge Capital AB (136,538); Grethe Nørskov Rasmussen *) (74,038); Robert Joki (67,307); Tonoy Sayeed (67,307); Göran Ofsén (50,000); Råsunda Förvaltning AB (48,076); Jimmie Landerman (48,076); JSH Biotech ApS (19,230).

*) Existing shareholder. Instrumental in the speed and success of the progress of the manufacturing, formulation and preclinical safety studies.

***) To the best of the Company's knowledge, an existing shareholder with a mutual intentional understanding to increase its shareholding to approx. 5% being motivated in supporting FluoGuide going forward.

The Board's reason for deviating from the shareholders' preferential rights

The reason for waiving the shareholders' pre-emptive right is that the Board of Directors considers it advantageous for the Company and the shareholders to seize the opportunity to raise new working capital in a cost-optimal and flexible manner, while at the same time acquiring strong new shareholders. The capital raise gives the Company the opportunity to add value through shortening the time to market for FG001 and make preparation of clinical trials in multiple indications faster.

Dilution

Through the directed share issue, the number of shares increases by 2,230,994. The total number of shares will thus amount to 9,455,268, corresponding to a dilution effect of approx. 23.6 percent. The share capital will increase by DKK 223,099.40 to DKK 945,526.80.

Extended lock up

In connection with the directed share issue, the company's CEO Morten Albrechtsen and scientific founder and member of the board Andreas Kjaer have chosen to extend their respective lock-up agreements until December 31, 2020. The lock-up agreements represent 100 percent of the parties' respective holdings. Under previous agreements, the lock-up period would end on May 7, 2020, which is 12 months after the Company's listing.

For further information, please contact:

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FluoGuide A/S is obliged to publish this information in accordance with the EU Market Abuse Regulation. The information was provided by the contact person above for publication on 29 January 2020.

About FluoGuide

FluoGuide A/S provides solutions for maximizing surgical outcome through intelligent targeting. FluoGuide's first product FG001 increases precision in cancer surgery by lighting up the cancer and its invasive growth into the surrounding tissue. FG001 is expected to reduce suffering for the patients and increase the likelihood of cure. It can also reduce costs for the health care system for the benefit of society. FluoGuide focuses on demonstrating the effect of FG001 in patients by conducting a human proof-of-concept clinical trial and expects to announce the first result of this study during first half of 2020.

About FG001

FG001, FluoGuide's first product, lights up the cancer and its invasive growth into the surrounding tissue. It helps the surgeon remove the entire tumor during surgery and increases the chance for complete cure of the patient. The task for the surgeon is simply to "turn the lights on and see the entire tumor". The solution helps surgeons remove a minimal amount of normal tissue while also reducing the risk of leaving cancer tissue behind. This reduces the suffering of the patient and increases the likelihood of cure, and also reduces costs for the health care system. FG001 is currently prepared for a proof-of-concept clinical study.