IGEA Pharma N.V.
Annual report 2019

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Section I - Management review 2019

1 Company profile

IGEA Pharma N.V. focuses on health-tech and med-tech products and devices.

Health-tech products are exclusively preventative. IGEA commercializes an Alzheimer's prevention set (which includes 'Alz1', an at-home lab test kit to measure non-bound copper in the blood and a natural dietary supplement branded 'Alz1 Tab' designed to reduce blood heavy metals content), and expects to launch a diabetes type II prevention set in 2020. Non-ceruloplasmin bound copper is an expected Alzheimer's and diabetes type II associated biomarker. Determining and regulating non-bound copper can contribute to reduce the risk of Alzheimer's and diabetes type II. Since 2020, IGEA furthermore commercializes a COVID-19 rapid test for the detection of IgM and IgG SARC-CoV-2 related antibodies.

Med-tech products focuses on selected solutions and specialities. IGEA commercializes dry aerosol generators for air and inanimate environmental surfaces sanitization and air sterilization and purification devices and expects to start commercializing medical bags and other polymeric based specialty devices for medical use during 2020.

IGEA is listed on the SIX Swiss Exchange (ticker IGPH) and is headquartered in Hoofddorp, the Netherlands.

Unless the context indicates otherwise, all reference to 'IGEA' or the 'Company' or the 'Group' refer to IGEA Pharma N.V. and its consolidated subsidiaries.

2 Operating and financial overview 2019

Profit and loss

- The Group generated only marginal revenue for the year ended 31 December 2019 (same as previous year) due to the ongoing market launch of its products, for which the Group does not expect significant revenues before the second half of 2020;
- Cost of revenues were TUSD 439.9 (2018: TUSD 197.9). The increase is due to the impairment (TUSD 166.8) of certain intangible assets the Group does no more consider strategic for the business, together with the generally increased level of activities for TUSD 75.2;
- Operating expenses were TUSD 1,491.3 (2018: 1,275.4), of which TUSD 122.1 from research and development activities (2018: none), TUSD 528.7 from sales and marketing activities (2018: none) and TUSD 841.1 (2018: TUSD 1'280.3) for general and administration. The increase of TUSD 122.1 in research and development during the reporting year is mainly due to certain registrations and submissions with the FDA – Food and Drug Administration and related costs and to the cost of the Managing Director serving as Chief Scientific Officer. Sales and marketing expenses increased by TUSD 528.7, mainly due to the generally increased level of e-commerce related activities and services. General and administration decreased significantly by TUSD 439.2 during 2019, despite the generally increased level of activity. The main reduction for TUSD 741.2 is due to the rationalization and optimization in getting corporate services (of which TUSD 374.5 however related to the extraordinary costs of listing by end of 2018), against an increase of TUSD 302, mainly driven by the cost of the Managing Directors and the key management that started to operate in 2019;
- The EBITDA as adjusted (before impairment charge) and EBIT figures for the reporting year amount to TUSD -1,616.7 (2018: TUSD -1,387.5) and TUSD -1,929.8 (2018: TUSD -1,467.4) respectively;
- Finance income and finance costs were not of a material amount in both 2019 and 2018 (net financial result of TUSD 21.9 and TUSD 39.5 in 2019 and 2018 respectively, mainly due to exchange gains);
- The net loss for the year 2019 is TUSD 1,907.9 (2018: TUSD 1,427.9), representing a basic and diluted loss per share of USD 0.076 (2018: USD 0.062).

Balance sheet and cash flow

- As of 31 December 2019, the Group held total assets of TUSD 1,066.9 (2018: 3,486.8), of which TUSD 496.2 in non-current assets (2018: TUSD 546.2) and TUSD 570.7 in current assets (2018: 2,940.6). The decrease of TUSD 2,419.9 is mainly due to the decrease of cash (including all called-up equity commitments from investors in settlement by end of 2018) during the period;
- Liabilities were TUSD 523.1 (2018: TUSD 935.4), the decrease being mainly related to the impact on the liabilities as at 31 December 2018 deriving from the extraordinary listing transaction by end of 2018, and the total shareholder's equity was TUSD 543.8 (2018: TUSD 2,551.4);

- The cash used during 2019 (net of any exchange difference effects for TUD 59.7) was TUSD 2,152.0 (2018: cash inflow for TUSD 2,139.6), of which TUSD 1,409.1 (2018: TUSD 1,384.9) for operating activities, TUSD 175.2 (2018: none) for acquiring intangible assets (then impaired during the period) and TUSD 61.6 for the net settling of marginal financing activities (2018: cash inflow for 3,555.2);
- Cash and cash equivalents at year's end is TUD 446.4 (2018: 2,152.0). The Group ensured additional cash beginning of 2020 and has enough cash and cash equivalents necessary to finance its actual level of activities for at least twelve months.

3 Outlook 2020

- In January 2020, the Group entered into a strategic partnership with Acalis for the wholesale distribution of its health-tech products (Alz1, Dbt2 and the dietary supplements branded by IGEA) in new markets. Acalis is an international healthcare group whose goal is to maximize the standards of comfort in care around the world. Acalis and AcalisCare are brands that today represent a seal of quality in the field of global elderly care, home care, rehabilitation, and post-hospital support with more than 40 centres, over 3,000 beds and more than 2,600 employees. As such, Acalis is one of the most global private home care and assistance providers in Europe, Latin America and Middle East, in particular Saudi Arabia and Turkey, and is expanding in Asia and North America,. The partnership was then extended also to the wholesale distribution of Alz1 in the US. The Group expects to start recognizing revenues from this partnership during the last quarter of 2020. The e-commerce distribution of the health-tech products in the US remains a Group activity;
- In April 2020, the Group expanded its health-tech products portfolio to a COVID-19 antibody-based rapid test produced by a PRC independent manufacturer. The Group intends to sell the test with focus the US market, for which the Group received – under certain volume-based conditions - an exclusivity for the States New York, California and Louisiana. At the date of this Annual Report, the test was in approval by the FDA-Food and Drug Administration. The Group expects to recognize revenues from the sale of the product in particular during the first half of 2020;
- The transaction with certain shareholders of Meditalia Industriale Srl, which is the spin-off of the med-tech activities of Meditalia Srl, disclosed on November 2019 and aiming to expand the Group's product portfolio in the med-tech business, is in stand-by due to COVID-19 global spread. Given the contractual uncertainty resulting from this unusual situation, the parties are currently evaluating and discussing different scenarios to find a solution of common interest, but the Group does not anticipate any impact on its financial statements from this transaction during 2020;
- The Group intended to further expand its med-tech product portfolio by acquiring Medical Jet Srl, a company specialized in dry aerosol generators for the non-wet sanitization of air and inanimate environmental surfaces and air purification devices. On February 2020, the Group announced that a memorandum of understanding was signed and that the expectations were to close the acquisition by June 2020. Due to the global spread of COVID-19 this will not be feasible. The parties are currently discussing a possible transaction agreement to rule this acquisition by beginning of 2021, and thus the Group does not anticipate any impacts on its financial statements from this transaction until 2021;
- Beginning 2020, IGEA pursued plans to raise additional funds through the issuance of shares as previously disclosed in connection with the transaction of Meditalia Srl. The sudden shutdown in the capital markets, the general downturn in market sentiment and the various government-ordered lockdown following the global spread of COVID-19 required IGEA to suspend and postpone this initiative. IGEA intends to resume its fundraising and so contribute to establish solid products market position and strengthen its overall financial position.

Section II - Corporate Governance

This Corporate Governance Report follows the SIX Swiss Exchange Directive on Information relating to Corporate Governance dated 20 March 2018 and takes into account the Swiss Code of Best Practice for Corporate Governance and the Dutch Corporate Governance Code (the 'Code'). The Company, being Dutch, is not subject to the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies.

Important changes occurred to the Company's corporate governance between 31 December 2019 (the 'Previous Governance') and the date of this Annual Report (the 'New Governance'):

- The General Meeting on 8 January 2020 adopted an amendment of the articles of association (the 'Articles') introducing a one-tier board structure (the 'Board of Directors' or 'Board') with executive directors (the 'Executive Directors') and non-executive directors (the 'Non-executive Directors', and jointly with the Executive Directors, the 'Directors') instead of a two-tier structure with a management board (the 'Management Board') and a supervisory board (the 'Supervisory Board');
- after amendment of the Articles, the members of the Management Board became the Executive Directors, the former Supervisory Board has been abolished as a corporate body and the General Meeting on 8 January 2020 appointed the Non-executive Directors among persons bindingly nominated by the former Supervisory Board on 3 December 2019.

The New Governance became effective as per the executed deed on 26 March 2020. Where required, reference to the above described change is be made in this Corporate Governance Report for disclosure to investors in an appropriate and comprehensible form.

The Company's corporate governance principles are laid out in the Articles, in the Board rules (the 'Board Rules') as adopted and in a set of other directives. The Articles, the Board Rules as well as the other documents building the corporate governance framework of the Company can be viewed or downloaded on the Company's webpage at https://www.igeapharma.nl/corporate-governance/. In order to avoid redundancies, references are inserted to other parts of this Annual Report and links to IGEA's website that could provide additional, more detailed information.

1 Group structure and shareholders

1.1 Group structure

1.1.1 Operational group structure

The business was initiated and operated by IGEA Research Corporation ('IGEA Research'), a company incorporated on 1 May 2015 under the laws of the State of Florida, US. On 14 December 2017, IGEA, incorporated on 1 December 2017 as a private company with limited liability (*besloten vennootschap*) under the laws of Netherland, acquired IGEA Research, ultimately controlled by the same group of shareholders, to manage the existing business activities in the US and to roll out in the EU market under a single holding entity. The Company converted into a public company with limited liability (*naamloze vennootschap*) on 16 March 2018 and changes its legal name to IGEA Pharma N.V.

IGEA is the holding and finance company of the Group. IGEA controls 98.673% of IGEA Research, 2600 SW 3rd Avenue, Suite 350, Miami, FL, 33129, US, having an outstanding share capital consisting of 60'000'000 shares without par value. The operations of IGEA Research focuses on commercialization in the US territory (delivery of products and services, including the performance of certain laboratory analysis). The previously 100% held subsidiary IGEA Healthcare Europe Srl has been dismissed in May 2019.

The operations of the Group are managed by the Chief Executive Officer (CEO) together with the other Executive Directors (formerly members of the Management Board) and the Chief Financial Officer (CFO).

1.1.2 Listed company

IGEA is registered in the trade register of the Dutch Chamber of Commerce of Amsterdam (*Kamer van Koophandel)* under number 70212821, with headquarter and registered office is in Siriusdreef 17, 2123 WT Hoofddorp, the Netherlands. Its shares have been listed on the SIX Swiss Exchange in Zürich, Switzerland, since 18 December 2018 under the ticker symbol 'IGPH', Swiss Security Number 41217478 and ISIN code NL0012768675. The market capitalization on 31 December 2019 was CHF 20 million.

1.1.3 Non-listed companies

The Group subsidiaries are listed in note 29 of the consolidated financial statements in this Annual Report.

1.2 Significant shareholders

Following shareholders (or group of shareholders) have disclosed a shareholding of 3% or more of the shares capital and voting rights of IGEA as of 31 December 2019:

Shareholder/Group of shareholders	Number of shares / number of shares for which voting rights can be exercised	Percentage of voting rights
Group consisting of Mr. Pierpaolo Cerani, Mrs. Cristina Canepa and Mr. Giovanni Cusmano (1) ……………………………………………………………………	10,013,500	39.98%
Group consisting of Mr. Canio Mazzaro, Mrs. Daniela Garnero Santanché, Mr. Giovanni Mazzaro and Mr. Michele Mario Mazzaro (2) ………………………………………	13,356,069	53.32%
Diego Mortillaro, Milano, Italy (3) ……………………………………………………………	4,668,441	18.64%
D&D - Trust & directors Srl., Milano, Itlay (4) ………………………………………………	4,450,000	17.77%

(1) Mr. Pierpaolo Cerani, Estoril, Portugal, Mrs. Cristina Canepa, Milano, Italy and Mr. Giovanni Cusmano, Milano, Italy, are shareholders acting in concert by virtue of a shareholder's agreement. With respect of Mr. Pierpaolo Cerani only, the shares are held indirectly through C.H.I. B.V. a company existing under Dutch law with registered office in Hoofddorp, the Netherlands;

(2) Mr. Canio Mazzaro, Milano, Italy, Mrs. Daniela Garnero Santanché, Milano, Italy, Mr. Giovanni Mazzaro, Milano, Italy, and Mr. Michele Mario Mazzaro, Milan, Italy, indirectly through Meditalia Holding Srl, Milano, Italy, are shareholders acting in concert by virtue of a lock-up understanding. Shares or number of shares for which voting rights can be exercised result from shares as consideration in connection with IGEA's contemplated acquisition of a 66% stake in the spin-off of the med-tech activities of Meditalia S.r.l. The shares to be acquired will be subject to lock-up for the duration of one year. Under the transaction agreement entered into with IGEA, Mr. Giovanni Mazzaro and Meditalia Holding S.r.l. have agreed to support an equity fundraising of IGEA Pharma N.V. in an amount of up to EUR 1,000,000 (subject to the overall placement result). Under such commitment, IGEA has the right to sell such numbers of newly issued shares as are required to reach proceeds of up to EUR 1,000,000. IGEA can exercise its rights under the commitment partially or in full and in connection with its equity fundraising which is expected to occur in March or April 2020. The newly issued shares will be sold by IGEA at the relevant offer price and against cash contribution. The number of shares corresponding to such commitment has been calculated based on the closing price of IGEA shares on 20 November 2019 and the CHF/EUR exchange rate of the same date;

(3) Diego Mortillaro holds 0.87% of the share capital and 17.77% of the voting rights of IGEA. Diego Mortillaro holds 218'441 shares of IGEA and can discretionarily exercise the voting rights on additional 4'450'000 shares directly held by Dmh S.r.l. (see note (4) below);

(4) Dmh S.r.l. Milano, Italy, hold 17.77% of the share capital and 17.77% of the voting rights of IGEA. Dmh S.r.l is held by T&D - Trust Directors S.r.l, Miano, Italy, acting as trustee of Teca Trust, a discretionary and irrevocable trust established under the laws of England.

For a comprehensive list of notifications of shareholdings received during 2019 pursuant to article 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA) and its implementing ordinances, please refer to the SIX website https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=IGEA.

1.3 Cross-shareholding

There are no cross-shareholdings.

2 Capital structure

2.1 Share capital

As of 31 December 2019, the issued Company's share capital was EUR 250'487.69, consisting of 25'048'769 fully paid-up shares with a nominal value of EUR 0.01 per share.

2.2 Authorized and conditional share capital

The Swiss law concept of conditional share capital is not known under Dutch law and accordingly, there is no and there will be no conditional share capital.

The Swiss law concept of authorized capital deviates from the applicable Dutch law. The General Meeting or the corporate body so authorized by the General Meeting, may resolve to issue shares. The General Meeting is only authorized to resolve to issue shares at the proposal of the Board. This also applies to the granting of rights to subscribe for shares, such as options, but is not required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares. An authorization as referred to above is valid for a fixed term of no more than five years and may each time only be extended for a maximum period of five years.

The General Meeting on 10 October 2018 (the resolution becoming effective as per the date of the executed deed on 14 December 2018) has authorized the Management Board, subject to approval of the Supervisory Board, to resolve to issue shares up to a maximum of 50% of the total number of shares issued and outstanding on the date of the General Meeting and to limit or exclude pre-emptive rights in respect thereof. As of 31 December 2018, the Management Board was therefore authorized, subject to and in accordance with the conditions indicated hereof, to issue up to 12'524'384 shares with a par value of EUR 0.01 within 14 December 2023. No further authorizations were granted during 2019. As of 31 December 2019, the Management Board may therefore, subject to and in accordance with the conditions indicated hereof, issue up to 12'524'384 shares with a par value of EUR 0.01 within 14 December 2023.

Under the New Governance, the corporate body authorized by the General Meeting to issue shares is the Board of Directors. Furthermore, the General Meeting on 8 January 2020 (the resolution becoming effective as per the executed deed on 26 March 2020) has authorized the Board to issue, within a period of five years, shares up to maximum of 50% of the total number of shares issued and outstanding on the date of the General Meeting and to limit or exclude pre-emptive rights hereto. At the date of this Annual Report, the Board may therefore, subject to and in accordance with the conditions indicated hereof, issue up to 25'048'768 shares with a par value of EUR 0.01, of which 12'524'384 shares within 14 December 2023 and 12'524'384 shares within 26 March 2025.

2.3 Changes in share capital

IGEA was incorporated on 1 December 2017 with a share capital of EUR 1 consisting of 100 issued shares with a par value of EUR 0.01. On 14 December 2017, IGEA acquired 76.683% of the equity of IGEA Research by way of a share-for-share exchange, issuing 20'000'000 new shares with a par value of EUR 0.01. On 31 December 2017, the Company had a share capital of EUR 200'001 consisting of 20'000'100 issued shares with a par value of EUR 0.01 each.

The General Meeting on 16 April 2018 resolved to increase the Company's share capital by issuing 4'000'000 new shares to perform the acquisition of a further 21.99% of the equity of IGEA Research and to restructure the Group's financial debts. During November and December 2018, the Company's share capital was increased through issuance of 1'048'669 new shares with a par value of EUR 0.01 each to perform private placements, with exclusion of any pre-emptive rights of existing shareholders. As of 31 December 2018, the Company has an issued share capital of EUR 250'488 consisting of 25'048'769 shares with a par value of EUR 0.01 each.

There were no changes in the share capital during the year 2019. As of 31 December 2019, the Company has an issued share capital of EUR 250'488 consisting of 25'048'769 shares with a par value of EUR 0.01 each.

Further information on share capital is provided in note 14 of the consolidated financial statements.

2.4 Shares

As of 31 December 2019, the Company's outstanding shares were 25'048'769. The only class of shares is 'ordinary shares' without any special right attached to them. Furthermore, there are no special shareholders rights for any of the shareholders of the Company. Each share carries one vote and is entitled to dividends if the General Meeting resolves in favour of a dividend payment.

Upon issue of shares, the existing shareholders have a pre-emptive right in proportion to their existing shareholding except (i) for shares issued to employees of the Company or a Group company, (ii) share issued against payment other than in cash and (iii) shares issued to persons exercising a previously granted right to subscribe for shares. Pre-emptive rights may be restricted or excluded by a resolution of the General Meeting at the proposal of the Board, or by the Board if and to the extent the Board has been designated by the General Meeting to do so. Such resolution of the General Meeting requires a majority of at least two-thirds of the votes cast, if less than 50% of the issued and outstanding share capital is represented at the General Meeting. The designation of the Board will only be valid for a specific period and may from time to time be extended by the General Meeting, in each case not exceeding five years. Unless provided otherwise in the designation, the designation cannot be cancelled.

The Shares are in registered form (*op naam*). No share certificates (*aandeelbewijzen*) are or may be issued. If requested, the Board will provide a shareholder, usufructuary or pledgee of such shares with an extract form the register relating to his or her title to a share free of charge. If the shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall to. The shareholders register is kept by the Board of Directors. The Company's shareholders register records the names and addresses of the shareholders, the number of shares held, the amount paid on each share and the date of registration in the shareholders register. In addition, each transfer or passing of ownership is registered in the shareholders register. The shareholders register also includes the names and addresses of persons and legal entities with a right of pledge (*pandrech*) or a right of usufruct (*vruchtgebruik*) on those shares. For shares as referred to in the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*), as the shares of the Company are, the name and address of the intermediary or the central institute shall be entered in the shareholders register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share. As of 31 December 2019, Euroclear Nederland as the central institute which keeps the shares in its collective depot is the only shareholder registered in the Company's shareholders register.

2.5 Transfer of shares

The shares are freely transferable and no limitations on transfer restrictions apply. The transfer of book-entry rights representing deposit shares shall be made in accordance with the provisions of the Dutch Act on Securities Transactions by Giro. The booking of the shares in the share account of the acquirer is sufficient for the transfer of the shares. The same applies to the establishment of a right of pledge and the establishment or transfer of a right of usufruct on these book-entry rights.

2.6 Participation certificates and profit-sharing certificates

The Company has not issued any non-voting securities, such as participation certificates or profit-sharing certificates, nor has it issued any preference shares or any similar instruments under Dutch law.

2.7 Convertible bonds, options, and warrants

As of 31 December 2019, there are no outstanding options, warrants or convertible bonds on the Company's securities.

3 Board of directors

Governance structure in place on 31 December 2019
Under the Previous Governance in place on 31 December 2019, the Company had a so called 'two-tier' structure, consisting of a Management Board and a Supervisory Board with following features:

- The Management Board (*raad van bestuur*) shares responsibility for the deployment of IGEA's strategy and policies, the day-by-day management and the achievement of its objectives and results. Under Dutch Law, the Management Board has ultimate responsibility for the management and external reporting of the Company and is answerable to shareholders at the General Meeting. Pursuant to the two-tier corporate structure, the Management Board is accountable for its performance to the Supervisory Board;

- The Supervisory Board (*raad van commissarissen*) is a separate and independent corporate body supervising the policies of the Management Board and the general course of affairs of IGEA and advising the Management Board thereon.

Governance structure in place at the date of this Annual Report
The General Meeting on 8 January 2020 adopted the New Governance regime, introducing a one-tier board structure. The members of the former Management Board became the Executive Directors, the former Supervisory Board has been abolished as a corporate body and the General Meeting appointed Non-executive Directors bindingly nominated by the former Supervisory Board. The amendment came into force with the deed of amendment dated 26 March 2020.

3.1.1 Members

Management Board
The following table sets out information with respect to the Management Board members (the 'Managing Directors') on 31 December 2019:

Name	Nationality	Year of birth	Position	First elected	Elected until
Vinvcenzo Moccia	Italian	1960	Chief Executive Officer	2018	-
Rosanna Squitti	Italian	1968	Chief Scientific Officer	2018	-
Marco Seniga	Italian	1958	Head of Marketing&Sales	2018	2020

Professional background and other activities and functions of the Managing Directors is as follow:

- **Vincenzo Moccia** holds a degree in business administration from Sapienza University of Rome, Italy. Former activities and functions were in MV Yachting S.r.l., President and Owner; Leopard Yachts S.r.l., CEO; Azimut Benetti S.p.A., Sales & Marketing Director; Camuzzi Nautica S.p.A., Sales & Marketing Director; Christian Dior Italia S.r.l., General Manager; Gucci Italia S.p.A., District Manager North Italy; Bulgari Italia S.p.A, Retail Senior Director; Bulgari S.p.A, various positions; American Express Co. S.p.A. and Mercedes Benz Finanziaria S.p.A., various positions. Currently, Mr. Moccia is not engaged in other activities outside of IGEA;

- **Rosanna Squitti** holds a degree in Biology as well as a PhD in Cellular and Developmental Biology from Sapienza University of Rome, Italy and a post-doc degree in Molecular Biology from the University of Liverpool, UK. Former activities and functions were in CNR (National Research Council Italy), Associated Researcher; IGEA Research Corporation, Consultant; Leonard M. Miller School of Medicine, University of Miami, Visiting Professor of Neurology; Canox4drug S.p.A., Consultant; IRCCS (Italian Research Hospital) San Raffaele Pisana, Consultant; "Campus Bio-medico" University of Rome, Department of Neurology; Head of Laboratory of Neurobiology and Professor in Neurochemistry and Neuroimmunology and Sapienza University of Rome, Department of Cellular and Developmental Biology, Research Assistant and Graduate Teaching Assistant. Currently Mrs. Squitti is engaged in following activities outside of IGEA: IRCCS (Italian Research Hospital) Istituto Centro San Giovanni di Dio, Researcher Molecular Markers Laboratory; Ospedale Fatebenefratelli San Giovanni Calibita, Department of Neuroscience, Head of Laboratory of Neurobiology;

- **Marco Seniga** holds a Science Diploma from the 'Istituto Francescano del Cairo', Egypt. Former activities and functions were in Publieurope Ltd., Board Member; Publiespaña S.A., CEO; Publitalia '80 S.p.A., General Manager; Mediaset S.p.A., department Start-Ups and Development Projects. Currently Mr. Seniga is engaged in following activities outside of IGEA: Senxation Ltd. and S.r.l., CEO.

Supervisory Board
The following table sets forth information with respect to the Supervisory Board members (the 'Supervisory Directors') on 31 December 2019. All Supervisory Directors are independent:

Name	Nationality	Year of birth	Position	First elected	Elected until
Giovanni Ferrario	Italian	1948	Chairman, member of the Audit Committee and ot the Remuneration and Compensation Committee	2018	2022
Mark De Simone	Italian	1958	Member, chair of the Audit Committee	2018	2022

Professional background and other activities and functions of the Supervisory Directors is as follow:

- **Giovanni Ferrario** is a business economist with a degree in economics from the Bocconi University of Milan, Italy. Former activities and functions were in Ciments Français S.A.S., Chairman and General Manager; Italcementi S.p.A., COO; Olivetti S.p.A., CEO; Morgan Stanley S.p.A., Senior Advisor; Tower Brook Capital Partners LP, Advisor; Pirelli & C. S.p.A., CEO and Board Member; Pirelli Pneumatici S.p.A., Different Positions (CEO, Italy Commercial Manager, Italy Country General Manager); Pirelli Armstrong Tire Corp., CEO. Currently, Mr. Ferrario is engaged in following activities outside of IGEA: Ikaria Consulting S.r.l., Chairman; Alfagomma S.p.A., non-executive director;

- **Mark De Simone** is a business engineer and holds a degree in electrical engineering from the Cornell University, USA and an MBA from the Columbia University New York, USA. Former activities and functions were in Aegate Holdings LTD., CEO; Clouditalia S.p.A., CEO, Founder and Chairman; CORDYS (later OpenText), Different Positions (Chief Sales and Business Development Officer, Board Member and Managing Director); CISCO, Different Positions (Vice President MEA Region, Vice President Marketing, Channels, Technology, Alliances EMEA Region); STORM Telecom, Executive Vice President and Managing Director; GE Medical Systems, General Manager; Mc Kinsey Milan, Senior Associate. Currently, Mr. De Simone is engaged in following activities outside IGEA: La cooperative Welcoop, Managing Director International and Business Development; Welfinity Group, Board Member; Carmeds Ltd., non-executive director; Nexta Ltd., non-executive director.

Board of Directors from 26 March 2020
The following table sets out information with respect to each member of the Board of Directors as of the date of this Annual Report:

Name	Nationality	Year of birth	Position	First elected	Elected until
Francesco Mario Patrocollo	Italian/Swedish	1942	chairman, non-executive	2020	2024
Giovanni Ferrario	Italian	1948	non-executive	2020	2024
Mark De Simone	Italian	1958	non-executive	2020	2024
Camillo Ricordi	US	1957	non-executive	2020	2024
Barth Armand Green	US	1945	non-executive	2020	2024
Vincenzo Moccia	Italian	1960	executive, CEO	2018	-
Rosanna Squitti	Italian	1968	executive, CSO	2018	-
Marco Seniga	Italian	1958	executive, head of M&S	2018	2020

Unless otherwise stated, the Non-executive Directors have no significant business relationship with IGEA. None of the Non-executive Directors were members of the management of the Company or one of the Company subsidiaries. The professional background and other activities and functions of the Directors is as follow:

- **Francesco Mario Patrocollo** is a business consultant. Mr. Patrocollo's career spans the full range from Rx pharmaceuticals, through OTC medication to FMCG. His career began in advertising with McCann Eriksson, progressing through to hands-on marketing with companies and brands that are household names: Colgate, Wilkinson, Mars and Vicks. He has held many senior positions, including member of the executive committee at Nobel Consumer Goods (Stockholm), senior vice president at Nordbanken (Stockholm), divisional president at Hackman (Helsinki), regional president at Pharmacia (Milan) and director (Europe) at Boots Healthcare International. Mario led many successful reorganisations and acquisitions projects. Currently, Mr. Patrocollo is engaged in following activities outside IGEA: Walgreens Alliance Boots group, various positions as advisor to the co COO, chairman, managing director and strategic leadership team member; InterPharma Investments LTD, chairman; Marbea International, partner;

- **Camillo Ricordi** graduated and post-graduate with the highest scores and honors in Milan. After medical school, board certification and military service as a medical officer in the Italian Air Force, he moved to Washington University in St. Louis, Missouri, where he received an NIH Research Trainee Award working with islet cell transplant pioneer Prof. Paul E. Lacy. Dr. Ricordi subsequently spent many years with transplant pioneer, Prof. Thomas E. Starzl, as Director of Cellular Transplantation at the University of Pittsburgh Transplantation Institute. Since 1993, he has been working at the University of Miami. Dr. Ricordi is the Stacy Joy Goodman Professor of Surgery, Distinguished Professor of Medicine, Professor of Biomedical Engineering, and Microbiology and Immunology of the University of Miami, where he serves as Director of the Diabetes Research Institute and the Cell Transplant Center. Dr. Ricordi also serves as Head of the NIH funded Human Cell Processing Facility for the manufacturing of advanced human cell and other biologic products for research and clinical applications at University of Miami, in the US and worldwide;

- **Barth Armand Green** received his MD from Indiana University School of Medicine and completed his general surgery training at the Henry Ford Hospital in Detroit and his neurosurgical residency at Northwestern University in Chicago. Dr. Green is Executive Dean for Global Health and Community Service after having served for 20 years as Chairman of the Department of the Neurological Surgery at the University of Miami Miller School of Medicine. He is a Professor of Neurological Surgery, Neurology, Orthopedics, and Rehabilitation Medicine and a world-renowned specialist in the surgical management of complex spine and spinal cord injuries and disorders. He is chairman of 'The Miami Project to Cure Paralysis', an internationally acclaimed spinal cord injury and paralysis research center, and a diplomat of the American Board of Neurological Surgeons and of the American College of Surgeons. He served 37 years in the US Army Reserve Medical Corps where he reached the rank of Lt. Colonel;

- **Giovanni Ferrario** - see section 3.1.1 above;

- **Mark De Simone** - see section 3.1.1 above;

- **Vincenzo Moccia** – see section 3.1.1 above;

- **Rosanna Squitti** – see section 3.1.1 above;

- **Marco Seniga** – see section 3.1.1 above.

3.1.2 Changes during the period

Management Board

Diego Mortillaro resigned from his role of Managing Director and CEO on 1 October 2019. On 2 October 2019, the Supervisory Board appointed Vincenzo Moccia, chairman of the Management Board and former CFO of the Company, as new CEO. Vincenzo Moccia left the role as CFO on July 2019 - see section 4 for more details.

Supervisory Board

Flavio Peralda and Federico Bazzoni did not stay for election as Non-Executive Directors pursuant to the New Governance and resigned from their role as Supervisory Directors on 3 December 2019.

3.1.3 Other activities and vested interests

None other than described above for all disclosed Management Board and Supervisory Board members and for all Directors.

3.1.4 Appointment, terms of office and removal

Previous Governance

Managing Directors and Supervisory Directors are appointed by the General Meeting on a binding nomination made by the Supervisory Board, which also determines the numbers of Managing Directors. A resolution to appoint a Managing Director or a Supervisory Director other than at the proposal of the Supervisory Board requires a two-thirds majority of the votes cast, representing more than 50% of the issued share capital. If binding nominations are overruled, the General Meeting may appoint on a free basis in a next general meeting on simple majority of the vote cast. The Supervisory Board appoints the chairman of the Management Board and may grant titles to Managing Directors. All Supervisory Directors are independent.

Managing Directors and Supervisory Directors are appointed for a term of four years, unless specified otherwise in the nomination for their appointment (a year being normally the period from the appointment to the annual General Meeting held in the year after the year of appointment). A Managing Director may be reappointed with due observance of the preceding sentence. Supervisory Directors may be reappointment once for a term of not more than four years and subsequently for a period of not more than two years then extendable with another two years period is possible. The Supervisory Board appoints a chairman and a vice-chairman among its members. The chairman of the Supervisory Board is the main contact on behalf of the Supervisory Board for the Management Board and the General Meeting.

The General Meeting may at any time suspend or remove a Managing Director or a Supervisory Director. A resolution to suspend or remove a Managing Director or a Supervisory Director other than at the proposal of the Supervisory Board requires a two-thirds majority of the votes cast, representing more than 50% of the issued share capital and if no such resolution can be adopted, by simple majority of the vote cast in a second convened General Meeting.

The Supervisory Board may always suspend but not remove a Managing Director or a Supervisory Director. A General Meeting must be held within three months after the suspension of a Managing Director or Supervisory Director has taken effect, in which meeting a resolution must be adopted to either remove or terminate or continue the suspension. If no such resolution is adopted, the suspension will cease after the period of suspension has expired. The suspended Managing Director or Supervisory Director is entitled to be heard at the General Meeting. A suspension by the Supervisory Board may, at any time, be discontinued by either the Supervisory Board or the General Meeting with a two-thirds majority of the votes cast, representing more than 50% of the issued share capital.

New Governance

Under the New Governance, Directors are appointed as such by a resolution of the General Meeting on a binding nomination by the Board. The General Meeting may at any time overrule binding nominations and appoint on a free basis by a two-thirds majority of the votes cast representing more than 50% of the issued share capital. If binding nominations are overruled, the General Meeting may appoint on a free basis in a second convened General Meeting on simple majority of the vote cast.

Directors are appointed for a term of four years (a year being normally the period from the appointment to the annual General Meeting held in the year after the year of appointment), unless specified otherwise in the nomination for their appointment. Reappointment is allowed.

The General Meeting may at any time suspend or dismiss a Director. A resolution to suspend or dismiss a Director other than at the proposal of the Board requires a two-thirds majority of the votes cast representing more than 50% of the issued share capital and if no such resolution can be adopted, by simple majority of the vote cast in a second convened General Meeting. The Board may always suspend but not dismiss a Director. A General Meeting must be held within three months after the suspension of a Director has taken effect, in which meeting a resolution must be adopted to either dismiss the Director or to terminate or continue the suspension. If no such resolution is adopted, the suspension will cease after the period of suspension has expired. The suspended Director is entitled to be heard at the General Meeting. A suspension of a Director may, at any time, be discontinued by either the Board or the General Meeting with a two-thirds majority of the votes cast representing more than 50% of the issued share capital.

3.1.5 Internal organisation structure

Previous Governance - Management Board

The Management Board is responsible for the management of the Company's operations as well as the operations of the Group. This includes, among other things, setting the Company's management agenda, enhancing the Group's performance, developing a general strategy, identifying, analysing and managing the risks associated with the Company's strategy and risks connected to the Group's business activities, determining and pursuing operational and financial objectives, structuring and managing internal business control systems, overseeing the Group's financial reporting processes, preparing the Company's management report, the annual budget and significant capital expenditures and monitoring corporate social responsibility issues. The Management Board may perform all acts necessary or useful for achieving the Company's objectives, except for those acts that are prohibited or are expressly attributed to the General Meeting or the Supervisory

Board by law or by the articles of association. In performing their duties, the Managing Directors are guided by the interests of the Company and its business enterprise, taking into consideration the interests of the Group's stakeholders.

The Management Board may adopt written rules governing, among other things, its decision-making process including specification of how duties are divided between the Managing Directors, subject to the approval of the Supervisory Board. Furthermore, the Management Board may designate one or more of its Managing Directors to exercise one or more of its powers or activities, subject to approval of the Supervisory Board.

The Management Board shall timely provide the Supervisory Board with all information necessary for the exercise of the duties of the Supervisory Board. The Management Board must obtain the approval of the Supervisory Board and the General Meeting for resolutions entailing a significant change in the identity or character of the Company or its associated business enterprise, including in any event: (i) the transfer of the business enterprise, or practically the entire business enterprise of the Company, to a third party; (ii) concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal person or company or as fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and (iii) acquiring or disposing of a participating interest in the capital of a company with a value of at least one-third of the Company's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts by the Company or one of its subsidiaries. Pursuant to the Articles, the Supervisory Board may make other resolutions subject to its approval. Those resolutions must be clearly specified and communicated in writing to the Management Board. The resolutions requiring approval of the Supervisory Board under the Previous Governance were:

a. entering into any strategic joint ventures or strategic partnership (including entering into any limited partnership agreement and making any amendments of the terms of that agreement or the entering into obligations in connection with a limited partnership) by the company or any member of the group;
b. any acquisition or sale of shares in a company or of the business of a company by the company or any member of the group, other than in the ordinary course of business;
c. issuing of shares in the share capital of the company or any member of the group and the granting of any options or other rights in respect of these shares to third parties;
d. resolutions on a subject where the Supervisory Board has found one or more Managing Directors to have a conflict of interest, if the conflict of interest is of material significance to the Company or to the relevant Managing Director;
e. making any transaction with legal or natural persons who hold at least ten percent of the shares in IGEA Pharma N.V.;
f. granting a loan by the company or any member of the group to any third party not within the group that exceeds an amount of EUR 20,000 or the granting of loans by these parties in excess of EUR 50,000 in aggregate per year;
g. making investments by the company not included in the budget, representing a value in excess of EUR 300,000;
h. making any divestments exceeding an amount of EUR 500,000;
i. entering into credit facilities and/or loan agreements exceeding an amount of EUR 300,000;
j. making any material change to the business plan;
k. implementing or approving any restructuring or reorganisation of the group;
l. entering into new lines of business by the company or any member of the group;
m. encumbering any assets of the company or any member of the group;
n. performing legal acts outside the ordinary course of business of the company or any member of the group;
o. entering into, amending or terminating any contract by the company or any member of the group, representing a value in excess of EUR 500,000 on an annual basis;
p. commencing bankruptcy, dissolution, liquidation or winding up proceedings (or any similar proceedings in the relevant jurisdiction) with respect to any group companies;
q. decisions regarding an exit, including the terms of an exit.

The Management Board as a whole and each Managing Director acting individually is authorized to represent the Company. The Management Board is authorized to appoint proxy holders (*procuratiehouders*) to represent the Company within the limits of the specific delegated powers provided to them in such proxies.

The Management Board meets pursuant to an annually set schedule or at any Managing Director's request. Resolutions may only be adopted when at least the majority of the Managing Directors is present or represented at the meeting, provided that any Managing Director with a direct or indirect personal conflict of interest with the Company, is not taken into account when establishing this quorum. Each Managing Director has one vote and may be represented by another Managing Director by way of a written proxy. Resolutions may also be adopted without holding a meeting, provided that such resolutions are adopted in writing or by reproducible electronic communication, and all Managing Directors entitled to vote have consented to adopting the resolutions without holding a meeting. Resolutions are adopted by unanimous vote. Where unanimity cannot be reached and the law, the articles of association or the Management Board rules do not prescribe otherwise, resolutions are adopted by a majority of votes cast. In the event of a tie vote, the resolution is rejected.

During 2019, the Management Board adopted four resolutions, always without holding physical meetings. The resolutions refers to (i) & (ii) the approval of the financial statements (consolidated and statutory) of both 2018 and half-2019 of the Company, (iii) the proposal, subject to the Supervisory Board approval, to enter into a transaction agreement to acquire the spin-off of the med-tech activities of privately held Meditalia S.r.l. as further described in note 6 of the consolidated financial statements and (iv) the proposal to convene an extraordinary general meeting resolving, among others, to amend - subject to the Supervisory Board approval - the article of association by introducing a one-tier structure and to further elect the Management Board (or after amendment of the articles, the Board) as the corporate body authorized to issue shares and to limit or exclude pre-emptive rights hereto, with a view of issuing or grant rights to subscribe for up to a maximum of 50% of the issued shares capital of the Company at the date of the General Meeting, to further support the execution of the Company's strategy and the development of the business.

Previous Governance - Supervisory Board

The Supervisory Board supervises the conduct and policies of the Management Board, the general course of affairs of the Company and the Group and the relations with shareholders. This includes, among other things, the supervision of how the Management Board determines its position on the long-term value creation strategy and how the strategy is implemented, and the principal risks associated with it. The Supervisory Board also provides advice to the Management Board. In performing its duties, the Supervisory Directors are guided by the interests of the Company and the Group, taking into consideration the interests of the stakeholders. The Supervisory Board will also observe the corporate social responsibility issues that are relevant to the Group. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board may, at the Company's expense, seek the advice which it deems desirable for the correct performance of its duties.

The Supervisory Board appoints a chairman and a vice-chairman among its members and may adopt written rules governing, among other things, its decision-making process and conduct of meetings. The number of Supervisory Directors is determined by the Supervisory Board itself. A minimum number is not defined. The Supervisory Board has drawn up a profile for its size and composition taking into account the nature of the Company's business, the activities to be performed and the desired expertise and background of its members.

The chairman of the Supervisory Board is primarily responsible for ensuring the functioning of the Supervisory Board and the respect of the Supervisory Board rules and acts as the main contact for the Supervisory Directors, the Management Board and the shareholders, and must consult regularly with the chairman of the Management Board. The vice-chairman deputies for the chairman in the event of vacancy (*ontstentenis*) or inability to act (*belet*). The Supervisory Board and each of its members have their own responsibility for obtaining any information that the Supervisory Board needs to properly function as a supervisory board from the Management Board and the external auditor.

The Supervisory Board meets pursuant to an annually set schedule or at any Supervisory Director's request. Resolutions may only be adopted when at least the majority of the Supervisory Directors is present or represented at the meeting, provided that any Supervisory Director with a direct or indirect personal conflict of interest with the Company, is not taken into account when establishing this quorum. Each Supervisory Director has one vote and may be represented by another Supervisory by way of a written proxy. Adoption of resolutions without holding a meeting is possible, provided those resolutions are adopted in writing or in a reproducible manner by electronics means of communication and all Supervisory Directors entitled to vote have consented to adopting the resolutions outside a meeting. Resolutions are adopted by unanimous vote. Where unanimity cannot be reached, resolutions are adopted by a majority of vote cast unless law, the articles of association or the Supervisory Board rules provides otherwise. In the event of a tie vote, the resolution is rejected. The chairman does not have casting vote.

In 2019, the Supervisory Board met six times, three of which without holding a physical meeting. The resolutions refer to (i) the presentation and discussion of the report 2018 to the Supervisory Board by the statutory auditor of the Company, (ii) the appointment, outside of the Management Board, of the CFO of IGEA, the role being previously assumed *ad-interim* by Vincenzo Moccia, chairman of the Management Board, (iii) the appointment beginning of October 2019 of Vincenzo Moccia as new CEO of the Group, replacing Diego Mortillaro (iv) the approval of the proposal of the Management Board to enter into a transaction agreement to acquire the spin-off of the med-tech activities of privately held Meditalia S.r.l. as further described in note 6 of the consolidated financial statements, (v) the approval of the proposal of the Management Board to amend the article of association introducing a one-tier structure with executive and non-executive directors and to set the number of said executive and non-executive directors and (vi) the binding nominations for the appointment – as of the date of coming into force of the amendment of the articles of association as mentioned before – of the non-executive directors of the Company.

New Governance - Board of Directors

The Board of Directors is the ultimate governing body of the Company. It is responsible for the management of the Company's operations as well as the operations of the Group. This includes, among other things, setting the Company's management agenda, enhancing the Group's performance, developing a general strategy, identifying, analysing and managing the risks associated with the Company's strategy and risks connected to the Group's business activities, determining and pursuing operational and financial objectives, structuring and managing internal business control systems, overseeing the Group's financial reporting processes, preparing the Company's management report, the annual budget and significant capital expenditures and monitoring corporate social responsibility issues. The Board attends to all matters which are necessary or useful for achieving the Company's objectives, except for those acts that are prohibited or are expressly attributed by law or by the Articles to others. In performing their duties, the Directors are guided by the interests of the Company and its business enterprise, taking into consideration the interests of all the Group's stakeholders.

The Board appoints a chairman among its Non-executive Directors and the Chief Executive Officer (CEO) among its Executive Directors. The Board may grant other titles to its Executive Directors as it may deem fit. The day to day management of the Company shall be entrusted to the Executive Directors. The task to supervise the performance by the Directors of their duties cannot be taken away from the Non-executive Directors. The chairman shall ensure the proper and independent functioning of the Board and of the other bodies of the Company.

Pursuant to the Articles, the Board may adopt written rules (the 'Board Rules') governing, among other things, its decision-making process including specification of how duties are divided between the Directors. The Board Rules shall not conflict with the law and the Articles. Furthermore, the Board may designate one or more of its Directors to exercise one or more of its powers or activities. The Board Rules as adopted, substituting the Management Board rules and the Supervisory Board rules under the Previous Governance, are published on the Company's website under https://www.igeapharma.nl/corporate-governance/.

The Board must obtain the approval of the General Meeting for resolutions entailing a significant change in the identity or character of the Company or its associated business enterprise, including in any event: (i) the transfer of the business enterprise, or practically the entire business enterprise of the Company, to a third party; (ii) concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal person or company or as fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and (iii) acquiring or disposing of a participating interest in the capital of a company with a value of at least one-third of the Company's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts by the Company or one of its subsidiaries.

The Board as a whole or two executive Director acting jointly are authorized to represent the Company. The Board may authorize one or more persons to represent the Company on a continuing basis whether or not employed by the Company and may grant these persons a title.

The Board meets at least four times pursuant to an annually set schedule or at any Director's request. Resolutions may only be adopted when at least the majority of the Directors is present or represented at the meeting, provided that any Director with a direct or indirect personal conflict of interest (as specified in the Board Rules) with the Company, is not taken into account when establishing this quorum. Each Director has one vote. An Executive Director may grant another Executive Director a written proxy to represent him at a Board meeting. Non-executive Directors cannot be represented in this manner. Resolutions may also be adopted without holding a meeting, provided that such resolutions are adopted in writing or by reproducible electronic communication, and all Directors entitled to vote have consented to adopting the resolutions without holding a meeting. Where the law, the Articles or the Board Rules do not prescribe otherwise, resolutions are adopted by a majority of votes cast. In the event of a tie vote, the resolution is rejected.

The Board of Directors entered in charge on 26 March 2020 and meet the first time on 26 April 2020 for organizing itself, including the creation of committees, and resolve on the adoption of the new Board Rules and the update of certain other documents being part of the Company's governance framework.

3.1.6 Information and control system

The Management Board ensures that it received all necessary information to perform its duties and to make decisions that are reserved for the Management Board. The CEO informs the chairman of the Supervisory Board on a regular basis about significant matters involving the Group and the Group's business.

3.1.7 Committees

Under the Previous Governance regime, the Supervisory Board has established an audit committee and a nomination and remuneration committee, both consisting of Supervisory Directors. Membership on 31 December 2019 is set out note 3.1.1 - 'Supervisory Board' of this Governance Report. The committees have a preparatory and/or advisory role to the Supervisory Board. In accordance with the Supervisory Board rules, the Supervisory Board drew up rules on each committee's role, responsibilities, and functioning. Committees report their findings to the Supervisory Board, which is ultimately responsible for all decision-making.

Under the New Governance regime, the Board of Directors, in its meeting on 26 April 2020, has re-established an audit committee and a nomination and remuneration committee. The committees have a preparatory and/or advisory role to the Board. The Board Rules drew up rules on each committee's role, responsibilities, and functioning. The committees report their findings to the Board, which is ultimately responsible for all decision-making. Membership of the committees at the date of this Annual Report is as follows:

Name	Position	Audit Committee	Nomination and Compensation Committee
Francesco Mario Patrocollo	chairman		
Giovanni Ferrario	non-executive	X	
Mark De Simone	non-executive		X
Camillo Ricordi	non-executive	X	
Barth Armand Green	non-executive		
Vincenzo Moccia	executive, CEO		X
Rosanna Squitti	executive, CSO		
Marco Seniga	executive, director M&S		

3.1.7.1 Audit Committee

The audit committee oversee the accounting and financial reporting processes and the internal risk management and control system and prepares the Board's (or the Supervisory Board's under the Previous Governance) decision making thereof. The audit committee focuses on, among other things:

- the provision of financial information by the company (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the financial statements, forecasts, work of internal and external auditors, etc.);
- the internal risk management and control systems, including supervision of the enforcement of relevant primary and secondary legislation, and supervising the operation of the codes of conduct;
- the relations with the external auditor, including, in particular, his independence, remuneration and any non-audit services for the Company and compliance with recommendations and observations of external auditors;
- the Company's tax policy;
- the Company's funding;
- the applications of information and communication technology, including risks relating to cyber security;
- annually reviewing the need for an internal audit function. An internal audit function does for the time being not exists since the current scope of the business does not justify such a role. The AC is focused on in the design, implementation and monitoring of internal risk management and control system to manage the significant risks to which the Company is exposed.

The audit committee in charge under the Previous Governance met one time during 2019 for discussing the financial statements 2018 of the Company and the other sections of the annual report 2018.

3.1.7.2 Nomination and Remuneration Committee

The nomination and remuneration committee advises the Board (or the Supervisory Board under the Previous Governance) in reviewing, approving or recommending the remuneration policy to be adopted by the General Meeting, including all forms of compensation of the Directors (or the Managing Directors and the Supervisory Directors under the Previous Governance) with regards to the amount and structure of their own remuneration, and on the remuneration of the individual Executive Directors (or Managing Directors under the Previous Governance, determined by the Supervisory Board). The nomination and remuneration committee furthermore advised the Board (or the Supervisory Board under the Previous Governance) in selecting individuals qualified to become directors, in determining the composition of the Board and its committees (or the Management Board and the Supervisory Board together with its committees under the Previous Governance) and in periodically assessing the performance of the individual Directors (or Managing Directors and Supervisory Directors under the Previous Governance). The nomination and remuneration committee also proposed on appointments and reappointments.

The nomination and remuneration committee in charge under the Previous Governance never meet during 2019 because all matters concerning the remuneration of the Managing Directors as well as the remuneration of the Supervisory Directors were still defined before the committee came into force on 14 December 2018. The nomination and remuneration committee did not specifically advice the Supervisory Board on the binding nominations of the Non-executive Directors to be proposed for election at the General Meeting on 8 January 2020.

4 Executive Management

The Company did not operate during 2019 and until the date of this Annual Report with a formal established management body because of the existence of the two-tier structure with a management board prepared for this purpose. Patrick Pozzorini is the sole person that operates as an executive manager with the role of CFO. Patrick Pozzorini (1967) is Swiss citizen. He has more than 28 years' experience in financial and operating management, ranging from 'Big Four' at PricewaterhouseCoopers to CFO's positions mainly in start-up environments in various industries, among others webbased enterprise management, biotech, and technology. He holds a dree in business economics from the University of Zürich. Mr. Pozzorini does not have any other activities in and with important organizations.

IGEA does not have management contracts delegating portions of the management to third parties not belonging to the Group.

5 Compensation, equity holdings and loans

5.1 Previous Governance

Management Board

The Supervisory Board establish the remuneration of the individual Managing Directors in accordance with the Company remuneration policy. The remuneration policy is adopted by the General Meeting at the proposal of the Supervisory Board. The remuneration policy of the Company in place under the Previous Governance was adopted on 14 December 2018 and is available at the Company website under https://www.igeapharma.nl/corporate-governance/. The Board will submit a new remuneration policy to the approval of the next coming General Meeting.

The remuneration policy determines that the remuneration package of the Managing Directors shall consist of a mix between fixed and variable remuneration components, including fixed salary, variable remuneration in the form of bonuses, profit sharing arrangements and cash and/or equity incentives, pension, allowances and benefits and severance payment. The Supervisory Board may include such other components in a Managing Director's remuneration package as the Supervisory Board will deem appropriate, with due observance of the remuneration policy.

Pursuant to Dutch law, the remuneration of managing directors may be reduced or managing directors may be obliged to repay (part of) their variable remuneration to the company if certain circumstances apply. The Supervisory Board will have the authority under Dutch law to recover from a managing director any variable remuneration awarded on the basis of incorrect financial or other data in respect of underlying targets or other circumstances of which the variable remuneration is dependent (claw back). The Supervisory Board may furthermore adjust the variable remuneration (to the extent that it is subject to reaching certain targets and the occurrence of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to the requirements of reasonableness and fairness.

Supervisory Board

The remuneration of the Supervisory Board is determined by the General Meeting on a proposal of the Supervisory Board. The Supervisory Directors are reimbursed for reasonable expenses incurred. In accordance with the Dutch requirements, the remuneration of Supervisory Directors will not be dependent on the Company's results.

5.2 Compensation

Management Board

The compensation of the Management Directors for the reporting period is as follow:

Name	Position	2019	2018
Vinvcenzo Moccia	CEO and member of the Management Board	62.7	3.0
Rosanna Squitti	CSO and member of the Management Board	30.8	-
Marco Seniga	Head of Sales&Marketing, member of the Management Board	-	-
Diego Mortillaro (1)	Former CEO and member of the Management Board	108.6	-
		202.1	**3.0**

(1) Diego Mortillaro resigned and left IGEA on 1 October 2019.

The compensation is in fixed form only. No additional fees and remunerations have been charged to the Group by any member of the Management Board or parties closely linked to them for additional services performed during 2019. Management Directors were not entitled to any fringe benefit.

Supervisory Board

The compensation of the Supervisory Directors for the reporting period is as follow:

Name	Position	2019	2018
Giovanni Ferrario	Chairman of the Supervisory Board	-	n.a.
Mark De Simone	Member of the Supervisory Board	7.6	n.a.
Flavio Peralda (1)	Former member of the Supervisory Board	-	n.a.
Federico Bazzoni (1)	Former member of the Supervisory Board	-	n.a.
		7.6	**-**

(1) Flavio Peralda and Federico Bazzoni did not stay for election as Non-Executive Directors pursuant to the New Governance and resigned from their role as Supervisory Directors on 3 December 2019.

The compensation is in fix form only. No additional fees and remunerations have been charged to the Group by any member of the Supervisory Board or parties closely linked to them for additional services performed during 2019. The Supervisory Directors renounced to their compensation (still approved by the General Meeting in 2018) for 2019.

Management compensation
The compensation of Patrick Pozzorini acting as CFO of IGEA since 12 July 2019 onward amount to TUSD 39. No additional fees and remunerations have been charged to the Group by any parties closely linked to the CFO for additional services performed during 2019, nor was the CFO entitled to any fringe benefit.

5.3 Ownership of shares and options

As at 31 December 2019, the Supervisory Directors, the Management Directors and the key Management held following shares ownership:

Name	Position	Number of shares	Voting rigjhts in %
Giovanni Ferrario	Chairman of the Supervisory Board	160,000	0.64%
Mark De Simone	Member of the Supervisory Board	-	0.00%
Vincenzo Moccia	CEO and chairman of the Management Board	10,000	0.04%
Rosanna Squitti	CSO and member of the Management Board	600,000	2.40%
Marco Seniga	Head of Sales&Marketing, member of the Management Board	-	0.00%
Patrick Pozzorini	CFO	472,300	1.89%

No options were granted during 2019 or even before to any Supervisory Directors, Management Directors or to key management.

5.4 Loans granted

To date, no loans were granted to any previous Managing Director and Supervisory Director or the actual Directors and key management.

6 Shareholder’s participation rights

6.1 General meeting and shareholder’s voting rights

All shareholders as well as other persons with voting rights or meeting rights may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to their shareholding, either in person or by proxy. The Board may determine that those shareholders may exercise these rights, that are the holders of shares on the record date, which, as required by Dutch law, is the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting.

Unless the law or the Articles provides otherwise, resolutions of the General Meeting shall be adopted by an absolute majority of votes cast regardless of which part of the issued capital such votes represents.

No voting rights may be exercised for any shares held by the Company or its subsidiaries. The Company or its subsidiaries may not exercise voting rights in respect of shares for which it or its subsidiaries have a right of usufruct or a pledge. No other voting right restrictions apply to the shares of the Company. Furthermore, there are not procedure and conditions for abolishing voting rights restrictions laid down in the Articles.

General Meetings can be held in Amsterdam, Hoofddorp and Haarlemmermeer (Schiphol Airport), the Netherlands. Annually, at least one General Meeting must be held, within six months after the end of the financial year. Extraordinary General Meetings may be held, as often as the Board of Directors deem desirable. Pursuant to Dutch law, one or more shareholders, who solely or jointly represent at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered. Within three months of it becoming apparent to the Board of Directors that the equity of the Company has decreased to an amount equal to or lower than one-half of the paid-up part of the capital, a General Meeting will be held to discuss any requisite measures.

The General Meeting is chaired by the chairman of the Board or another person charged by the chairman to do so or by a Director appointed by the Board of Directors present at the meeting. The chairman will have all powers necessary to ensure the proper and orderly functioning of the General Meeting. Directors may attend a General Meeting. In these General Meetings, they have an advisory role. The chairman of the General Meeting may decide at its discretion to admit other persons to the General Meeting.

6.2 Convocation of general meetings

General Meeting are convened by notice that must be published through an announcement in a Dutch national newspaper. The notice must state the subjects to be considered at the meeting, time and place of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place where the meeting documents may be obtained. The notice must be given by at least such number of days prior to the day of the meeting as required by law and in accordance with the law and the regulations of any stock exchange where the shares are quoted on the official list.

6.3 Agenda rules

The agenda for the annual General Meeting must contain certain subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of profits, insofar as this is at the disposal of the General Meeting. In addition, the agenda shall include such items as have been included therein by the Board or shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively. The agenda shall also include such items as one or more shareholders and others entitled to attend General Meetings, representing, pursuant to the Articles, at least the percentage of the issued and outstanding share capital as required by law, have requested the Company by a motivated request to include in the agenda, no later than on the day prescribed by law. The Board does not place such proposals on the agenda if the Board judges them to be evidently not in the interest of the Company. No resolutions may be adopted on items other than those which have been included in the agenda.

7 Changes in control and defence measures

7.1 Duty to make an offer

In line with Swiss law, which is applicable to IGEA as a Dutch entity since listing to the SIX, the Company’s shareholders (and any direct or indirect holder, acquirer, or seller of shares) are required to comply with the provisions as set forth in Articles 125 ss. of the FMIA and pertinent regulations, including FMIO-FINMA Articles 30 ss. and the Ordinance of the Takeover Board on Public Takeover Offers of August 21, 2008, as amended (all such laws and regulations, the ‘Swiss Tender Offer Laws’). The Swiss Tender Offer Laws provide, among other things, that if a person acquires shares of a company, whether directly or indirectly or acting in concert with third parties, which, when added to the shares already held by such person, exceed the threshold of 33 1/3% of the voting rights (whether exercisable or not) of such company, that person must make an offer to acquire all of the listed shares of that company. A company’s articles of association may either eliminate application of the FMIA or may raise the relevant threshold to 49% (“opting out” or “opting up”, respectively). The Articles do not contain an opting-out or an opting-up provision.

Since the Dutch rules on public takeovers and mandatory bid rules do not apply to a Dutch company listed at SIX Swiss Exchange, no exception applies to the application of Swiss takeover rules and, consequently, mandatory bid rules.

7.2 Clause on change of control

There are no change-of-control agreements or schemes in place benefiting members of the Board or the Management. In particular, no agreements on severance payments in the event of takeover, special provisions on the cancellation of contractual arrangements, agreements concerning special notice periods or longer-term contracts exceeding three months exist that protect the abovementioned persons in case of take overs.

8 Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The General Meeting on 10 October 2018 (with the resolution becoming effective with the respective deed on 14 December 2918) elected Mazars Netherlands as Company auditors for a period of four years. The auditor in charge is Mr. Onno Opzitter. He assumed his responsibility in December 2018.

8.2 Audit and additional fees

The total of the auditing fees for the year 2019 amounts to TUSD 92.9, of which Mazars, including network firms, in their capacity as Group auditors, receive the full amount. Additional fee for TUSD 25.4 were charged by Mazars for tax matters related services. For further details, please refer to note 30 of the consolidated financial statements of the Company.

9 Risk management and internal control system

The business of IGEA is subject to numerous risks and uncertainties. In order to manage risks and offer reasonable assurance that the Company's targets can be realized, that the financial information is reliable, and that applicable laws and regulations are observed, the Company has adopted and is committed on promoting and maintaining an internal control and risk management system. The Board (or the Supervisory Board under the Previous Governance) has a control function hereof.

The key risks are those that threaten the achievement of the Company's corporate objectives. If any of these risks occurs, the business, prospects, operating results and financial condition could suffer materially. The table below focus on the key risks and uncertainties the Group currently faces.

Risk related to	Risk area	Expected impact	Mitigation actions
Regulatory approval of the products	The products will not be approved for commercialization.	The Group will be unable to commercialize products and generate revenues and/or will generate revenues in a manner that negatively affects the Group's business, result of operations and/or financial condition	The Group monitors the progress of the approval process and relay to qualified third party service providers.
	The regulatory environment changes and become averse to the Group's products.		Changes in the regulatory environment is outside the Group's control, but this generally occur progressively.
Commercialization of the products	The Group faces competition at products and technology level.	If competitors develop products and/or technologies which are more effective, the ability of the Group to commercialize products may be adversely affected.	Competition is an inherent risk for any business. Through intellectual property, the Group attempt to have freedom to operate. Development by third parties is out of control, but the Group monitors the competitive landscape.
	The Group faces market acceptance of its products.	Negative effects from safety, quality and efficacy on its products or effectiveness of competitors' products could adversely affect the Group 's business.	The Group does not have a quality management system in place and relay on first class suppliers.
	The Group faces changes in consumer habits.	Changes in health and prevention consciousness could adversely affect the ability of the Group to commercialise its products.	This is an inherent risk for any business. The Group monitors the social and economic stratification of the selected and potential markets.
	The pipeline of the Group is highly concentrated.	If a product fails on the market, the Group will be unable to commercialize and generate revenues.	This is an inherent risk for any new started business. The Group is looking continually for new products and market opportunities.

	The Group faces product liability.	The Group faces potential liability risks that could adversely affect the ability of the Group's business, result of operations and/or financial condition.	This is an inherent risk for any business. Cost-benefit analysis is performed before deciding to ensure product liability.
Reliance on third parties	The Group relay upon third party contractors and service providers for the execution of most of the aspects of its value chain (including among others regulatory approval; manufacturing; distribution and communication)	Failure of third parties to provide services of suitable quality and quantity may cause delay or failure on the Group's commercial program	The Group relay on first class suppliers and review and monitors their activities.
Capital needs and financial position	Until revenues will not be generated in such a way that adequate liquidity is ensured to finance operating, investing and financing activities, the Group depends on equity and/or debt financing.	Delays or failures in the commercialization roadmap, volatility of the Company's share price and concentration in the shareholding structure are, among others, factors that may have a negative impact on the Group's ability to obtain future financing.	The ability to raise funds also depends on external factors and is not entirely in the Group's control. The Group explore the market conditions for opportunities to add additional funds.
Intellectual property and other similar rights	The Group depends on certain intellectual property rights acquire and on intellectual property rights that could additionally be necessary to perform and is subject to the risk of infringing third party intellectual property rights.	The Group faces restriction of business freedom that could adversely affect the ability of the Group's business, result of operations and/or financial condition.	The intellectual property is managed by specialized consultants. Before acquiring intellectual properties, investigations take place.

In addition to the above key risks, the Group's activity and stage expose it to following financial risks controlled pursuant to the Group's risk management. The following sections provide an overview of the extent of the individual risks and the goals, principles and process employed to handle these risks:

– Liquidity risk is the risk that the Group will face difficulties to meet obligations when due. Liquidity risk management implies maintaining enough liquidity in adequate form to meet financial obligations when due. The liquidity sources of the Group are represented by its cash and cash equivalents position as of 31 December 2019 of TUSD 446.4 (2018: TUSD 2'152.0) and the additional funds the Group was able to ensure as further described in note 4.1 of the consolidated financial statements, granting herewith the necessary liquidity reserve until revenues will reach – if ever - such an adequate level to generate cash in the manner necessary to sustain the Group operation. Consequently, the Group is exposed to significant liquidity risk. The management maintain detailed financial forecasts and monitors actual results on a regular basis so that measures can be taken to ensure the Group remains solvent.

– Credit risk is the risk of financial losses to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Group's bank receivables. The creditworthiness of the bank institution is reviewed periodically. The maximum credit risk exposure of the Group is limited to the carrying amounts of its financial assets, amounting at the reporting date to TUSD 446.4 (previous year: TUSD 2'655.2).

– Capital risk. The Group's objectives in managing capital are to grant the Group's ability to continue as a going concern in order to get return for shareholders and to maintain a capital structure that optimize cost of capital. The instruments for achieving an optimal capital structure depends for the time being on external factors not entirely under the Group's control. The Group explore constantly the market conditions for opportunities to raise funds and optimally structure its capital. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

– Market risk - Foreign exchange risk arises from future transactions and recognized financial assets and liabilities not denominated in the Group's functional currency. The actual level of the Group activities does not require an active management of the foreign exchange risks different from maintaining currency correlation between financial asset and liabilities and the Group does not considers shifts in the exchange rates of all involved currencies as a realistic scenario. Variations in all Group currencies in respect of the USD would have an immaterial impact compared to the year-end 2019 status (2018: a EUR/USD variation of 5% impacted positively/negatively for TUSD 75.2).

The risk management and internal control framework is reviewed, improved and optimized on an ongoing basis within the Group as a result of internal evaluations, discussions and interaction between the involved parties. A whistle-blower's policy as part of that framework has also been adopted by the Group.

In accordance with best practice 1.4.3 of the Code, the Board of Directors confirms that:

- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis;
- this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

10 Information policy

IGEA intends to undertake a significant effort to keep its shareholders informed and to properly achieve capital markets and public interest. Near to a regular update of the corporate website (www.igeapharma.nl), the regular and extraordinary reporting to the SIX Swiss Exchange and the general public and the possibility to receive from IGEA free and timely notification of potentially price-sensitive facts by way of the webpage pull service and the webpage push service, the Group is implementing an active communication policy oriented to the presentation of IGEA to opinion leaders, multiplicators of public opinion, analysts and other stakeholder's having a potential interest in the business of IGEA.

The push and pull service of IGEA is available at https://www.igeapharma.nl/corporate-information/.

Important dates for 2020 are the annual General Meeting on 26 June 2020 and the presentation of the half-year financials on 31 August 2020.

11 Deviations from the Dutch Corporate Governance Code

The Code applies to all companies whose registered offices are in the Netherlands and whose shares have been admitted to listing on a stock exchange, or more specifically to trading on a regulated market or a comparable system.

The Code contains principles and best practice provisions that regulate relations between the corporate bodies in charge with the management and the shareholders and is based on a "comply or explain" principle. Accordingly, the Company is required to disclose in its annual report which principles and best practices of the Code it does not apply and the reason why.

IGEA acknowledge the importance of good corporate governance. However, at this stage, the Group does not comply with all the provisions of the Code for specific reasons. The main deviations are listed below:

- In relation to best practice rules 1.3.1 through 1.3.6 it is noted that given its small size, the Group does not have an internal audit department;
- In relation to best practice provision 2.1.5 it is noted that a diversity policy exists but given its small size, the Group expects not to be in the condition to comply with this best practice provision within at least the next years;
- Best practice provision 2.2.6 and 2.2.7 provide that the Supervisory Board as well as the Management Board should evaluate once per year their own functioning (as well as the committees and the individuals), and for the Supervisory Board only, the functioning of the Management Board. With the New Governance implemented by end 2019 (then becoming effective in 2020), both corporate bodies were substituted by the Board of Directors and two of the four members of the Supervisory Board did not stay for election as Non-executive Members. The Board of Directors entered in charge on 26 March 2020. This led both the Supervisory Board and the Management not proceeding with its duties pursuant to the Code;
- Although the Supervisory Board consists of 4 directors, the Supervisory Board maintains both an audit committee and a nomination and remuneration committee. The latter is a combined committee and not separated in two committees as required by the best practice 2.3.2;
- IGEA does not yet comply with best practice provision 2.4.5, which requires that the Supervisory Directors will follow an introductory program. Supervisory Directors have extensive business experience and/or have substantial experience

with IGEA itself. Therefore, an introductory program has so far not been deemed relevant or needed. The Company will re-evaluate in the future the necessity and benefit of such an introductory program;

- Pursuant to best practice provision 3.3.3, any shares held by Supervisory Board members are long-term investments. The Company does not request to the Supervisory Board members to comply with this provision. IGEA believe it is in the best interest of the Company not to apply this provision in order to be able to attract and retain highly skilled supervisory board members on internationally accepted competitive terms;
- The Group does not announce, for practical reasons, meeting with analysts and presentations to analysts and (institutional) investors, nor does the Group provide for shareholders to follow these meetings in real time. As such, best practice provision 4.2.3 is not applied. IGEA believe that enabling shareholders to follow in real time all the meetings with analysts, presentations to analysts and presentations to (institutional) investors would create an excessive burden on its resources and therefore, the Company does not intend to comply with the above requirements. However, presentations used by the Group are posted on its website and regularly updated;
- Best practice provision 4.3.3 provides that the general meeting may pass a resolution to cancel the binding nature of a nomination to appoint or remove a member of the Management Board or of the Supervisory Board by an absolute majority of the votes cast. The articles of association provided that such a resolution not in conformity with or without a proposal of the Supervisory Board can only be adopted in a first general meeting with at least a two/third majority which must represent more than 50% of the issued share capital because IGEA believe that the decision to overrule binding nominations must be widely supported by its shareholders;
- In view of best practice provision 4.2.6, it is noted that the Group has no outstanding or potential protection measures against a takeover of control of the Group.

Section III – Consolidated financial statements

Consolidated balance sheet (*)

(in thousand USD, unless otherwise stated)

	Notes	2019	2018
ASSETS			
Property, plant and equipment	7	59.5	103.5
Right-of-use assets	8	25.9	-
Intangible assets	9	410.8	442.7
Non current assets		**496.2**	**546.2**
Inventories	11	13.6	9.2
Trade and other receivables	12	110.7	779.4
Cash and cash equivalents	13	446.4	2,152.0
Current assets		**570.7**	**2,940.6**
Total assets		**1,066.9**	**3,486.8**
EQUITY AND LIABILITIES			
Share capital	14	296.5	296.5
Reserves	15	4,838.9	4,938.6
Accumulated loss		(4,568.2)	(2,661.1)
Equity attributable to owners of IGEA Pharma N.V.		**567.2**	**2,574.0**
Non-controlling interests		(23.4)	(22.6)
Total shareholders' equity		**543.8**	**2,551.4**
Trade and other payables	16	257.0	620.6
Financial debts	17	45.2	-
Lease liabilities	8	27.2	-
Accruals	18	193.7	314.8
Current liabilities		**523.1**	**935.4**
Total equity and liabilities		**1,066.9**	**3,486.8**

(*) After appropriation of result

The accompanying notes are an integral part of these financial statements.

Consolidated statement of profit or loss

(in thousand USD, unless otherwise stated)

	Notes	2019	2018
Revenues		1.4	5.9
Cost of revenues	19	(439.9)	(197.9)
Gross result		**(438.5)**	**(192.0)**
Research and development	19	(122.1)	-
Sales and marketing	19	(528.7)	-
General and administration	19	(841.1)	(1,280.3)
Other income	21	0.6	4.9
Operating result		**(1,929.8)**	**(1,467.4)**
Finance income	22	34.6	61.6
Finance costs	22	(12.7)	(22.1)
Result before income tax		**(1,907.9)**	**(1,427.9)**
Income tax expense	23	-	-
Result of the period		**(1,907.9)**	**(1,427.9)**
Attributable to:			
Owners of IGEA Pharma N.V.		(1,907.1)	(1,423.9)
Non-controlling interests		(0.8)	(4.0)
		(1,907.9)	**(1,427.9)**
Basic and diluted loss per share (in USD units)	24	**(0.076)**	**(0.062)**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of other comprehensive income

(in thousand USD, unless otherwise stated)

	2019	2018
Result of the period	**(1,907.9)**	**(1,427.9)**
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(60.9)	(16.1)
Other comprehensive result for the period, net of tax	**(60.9)**	**(16.1)**
Total comprehensive result for the period	**(1,968.8)**	**(1,444.0)**
Attributable to:		
Owners of IGEA Pharma N.V.	(1,968.0)	(1,440.0)
Non-controlling interests	(0.8)	(4.0)
	(1,968.8)	**(1,444.0)**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of changes in equity

(in thousand USD, unless otherwise stated)

	Notes	Attributable to owners of IGEA Pharma N.V.			Non controll. interest	Total
		Share capital	Reserves	Retained earnings		
Equity as at 1 January 2018		**235.3**	**(43.7)**	**(873.9)**	**(327.0)**	**(1,009.3)**
Result of the period		-	-	(1,423.9)	(4.0)	(1,427.9)
Other comprehensive result for the period		-	(16.1)	-	-	(16.1)
Total comprehensive income		**-**	**(16.1)**	**(1,423.9)**	**(4.0)**	**(1,444.0)**
Issuance of shares, net of costs		61.2	4,490.9	-	-	4,552.1
Transaction in a subsidiary associated with the share issue in the parent		-	569.6	-	-	569.6
Purchase (net of sales) of treasury shares	15	-	(46.4)			(46.4)
Purchase of minorities		-	(15.7)	(363.3)	308.4	(70.6)
Total transactions with owners		**61.2**	**4,998.4**	**(363.3)**	**308.4**	**5,004.7**
Equity as at 31 December 2018		**296.5**	**4,938.6**	**(2,661.1)**	**(22.6)**	**2,551.4**
Equity as at 1 January 2019		**296.5**	**4,938.6**	**(2,661.1)**	**(22.6)**	**2,551.4**
Result of the period		-	-	(1,907.1)	(0.8)	(1,907.9)
Other comprehensive result for the period		-	(60.9)	-	-	(60.9)
Total comprehensive income		**-**	**(60.9)**	**(1,907.1)**	**(0.8)**	**(1,968.8)**
Purchase (net of sale) of treasury shares	15	-	(39.4)	-	-	(39.4)
Discontinued subsidiary	6		0.6			0.6
Total transactions with owners		**-**	**(38.8)**	**-**	**-**	**(38.8)**
Equity as at 31 December 2019		**296.5**	**4,838.9**	**(4,568.2)**	**(23.4)**	**543.8**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

(in thousand USD, unless otherwise stated)

	Notes	2019	2018
Cash generated from operations	25	(1,436.4)	(1,384.9)
Interest and income tax paid		-	-
Net cash flow from operating activities		**(1,436.4)**	**(1,384.9)**
Purchase of intangible assets	9	(175.2)	-
Cash flow from investing activities		**(175.2)**	**-**
Proceeds from issuance of shares, net of cost		-	3,276.1
Purchase (net of sale) of treasury shares	15	(39.4)	(46.4)
Proceeds from financial debts	17	45.2	401.5
Repayments of financial debts, including lease liabilities	8	(60.6)	(58.9)
Finance cost		(6.8)	(17.1)
Cash flow from financing activities		**(61.6)**	**3,555.2**
Net effect of currency translation		(32.4)	(30.7)
Increase (decrease) in cash and cash equivalents		**(1,705.6)**	**2,139.6**
Cash and cash equivalents at beginning of period		2,152.0	12.4
Cash and cash equivalents at end of period	13	**446.4**	**2,152.0**

The accompanying notes are an integral part of these financial statements.

Notes to the consolidated financial statements 2019

1 General information

IGEA Pharma N.V. is incorporated under Dutch law (*naamloze vennootschap*) and registered with the trade register of the Dutch Chamber of Commerce of Amsterdam (*Kamer van Koophandel)* under number 70212821. The Company headquarter and registered office is in Siriusdreef 17, 2123 WT Hoofddorp, the Netherlands. The principal place of business is in the US. The consolidated financial statements 2019 of the Company include the Company and its subsidiaries. Unless the context indicates otherwise, all reference to 'IGEA' or the 'Company' or the 'Group' refer to IGEA Pharma N.V and its consolidated subsidiaries.

IGEA focuses on health-tech and med-tech products and devices. Health-tech products are exclusively preventative. IGEA commercializes an Alzheimer's prevention set (which includes 'Alz1', an at-home lab test kit to measure non-bound copper in the blood and a natural dietary supplement branded 'Alz1 Tab' designed to reduce blood heavy metals content), and expects to launch a diabetes type II prevention set in 2020. Non-ceruloplasmin bound copper is an expected Alzheimer's and diabetes type II associated biomarker. Determining and regulating non-bound copper can contribute to reduce the risk of Alzheimer's and diabetes type II. Med-tech products focuses on selected solutions and specialities. IGEA commercializes dry aerosol generators for air and inanimate environmental surfaces sanitization and air sterilization and purification devices and expects to start commercializing medical bags and other polymeric based specialty devices for medical use during 2020.

The Group activities initiated in May 2015 and was operated by IGEA Research Corporation ('IGEA Research'), a company incorporated under the laws of the State of Florida, US. In 2017, IGEA Research and the newly formed IGEA Pharma N.V. combined as entities under common control to manage the existing activities and to roll out in new markets under a single entity. The resulting consolidated financial statements of IGEA were the continuation of IGEA Research's 2017 financial statements restated pursuant to the first-time adoption of IFRS.

These Group consolidated financial statements have been approved for disclosure on 22 May 2020 and are subject to approval of the general meeting.

2 Summary of significant accounting policies

The following are the principal accounting policies applied by the Group in preparing these consolidated financial statements.

2.1 Basis of preparation

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU) and Title 9 Chapter 2 of the Dutch Civil Code.

These consolidated financial statements have been prepared on a historical cost basis. The presentation currency is USD. All figures included in these consolidated financial statements and notes are rounded to the USD thousands, except when otherwise indicated.

The preparation of financial statements in accordance with IFRS EU requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. It also requires management to make judgements in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.1 'Critical accounting estimates and judgements' of these consolidated financial statements.

2.2 Principles of consolidation

Subsidiaries are all entities over which the Company has direct or indirect control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The following legal entities are subsidiaries of IGEA and together form the Group. The Group disposed IGEA Healthcare Europe Srl on 28 May 2019, which is the date of loss of control:

			Ownership interest	
Name	**Country**	**Consolid.**	**2019**	**2018**
IGEA Pharma NV	Hoofddorp, the Netherlands	-	parent	parent
IGEA Research Corporation	Miami, United States	full	98.67%	98.67%
IGEA Healthcare Europe Srl	Tiene, Italy	-	-	100.00%

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recognized in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 Segment reporting

The Group operates in one segment, which is the commercialization of health-tech and med-tech products and devices. A small management team that reports to the Chief Executive Officer comprehensively manages the entire business. The operating decision-maker is the Chief Executive Officer who reviews the Group operations and makes decisions in the segment. The activities of the Group are not affected by any significant seasonal effect. The Group is focused on the US market and operates on other markets with an opportunistic approach, but the Group does not consider geographies to be separate segments.

2.4 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in USD, which is IGEA's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in other currencies are recognized in the statement of profit or loss.

Group companies
Assets and liabilities of Group entities using a functional currency different from the presentation currency are translated into the presentation currency using year-end rates of exchange. Income and expenses and cash flows are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case they are translated at the dates of the transactions). All resulting translation differences are recognized directly in other comprehensive income. On the divestment of a foreign entity, the identified cumulative currency translation difference relating to that foreign entity is recognized in income as part of the gain or loss on divestment. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant, and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical costs include expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss. Depreciation is calculated using the straight-line method to allocate costs to residual values over each asset's estimated useful lives as follows:

- Leasehold improvements: over life of lease (at present: less than 1 year)
- Lab equipment: 5 years
- Furniture and fixtures: 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.6 Leases

Until the 2018 financial year, lease of property, plant and equipment were classified as either finance or operating lease based on a 'risks and rewards' principle. From 1 January 2019, nearly all contracts that convey the right to use an underlying physical asset for a period of time in exchange for consideration are recognized as a right-of-use asset together with a corresponding liability at the date at which the leased asset is available for use, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. In determining the lease term, management consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option are only considered if the lease is reasonably certain to be extended. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances, that is within the control of the lessees, occurs.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease liabilities include the net present value of the future payments, discounted using the interest rate implicit in the lease or, if not readily determinable, an incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment. Lease payments are allocated between principal and finance cost. The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred by the Group, and expected costs for obligations to dismantle and remove right-of-use assets when they are no longer used.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are assessed for impairment whenever there is an indication that the balance sheet carrying amount may not be recoverable using cash flow projections for the useful life.

2.7 Intangible assets

Separately acquired intangible assets are shown at cost. Intangible assets acquired through a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life as follow, and assessed for impairment whenever there is an indication that the intangible asset may be impaired:

- Patents and similar rights: over life of the rights (at present: 13 years)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2.8 Impairment of non-financial assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial instruments

2.9.1 Financial assets

The classification of financial assets depends on the Group's business model for holding the financial assets and the contractual terms of the cash flows. The Group has only one category of financial assets which is 'Financial assets at amortized cost'. Financial assets are initially recognized at fair value plus any directly related transaction costs if applicable and subsequently measured at amortized cost using the effective interest method. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 3 for more information.

Trade and other receivables
Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Due to their short-term nature, their carrying amount generally correspond to their fair value.

Cash and cash equivalents
Cash and cash equivalents are stated at nominal value. They only include deposits held at call with financial institutions immediately available for use by the Group.

2.9.2 Financial liabilities

Financial liabilities are initially recognized at fair value less any directly attributable transaction costs. They are subsequently stated at amortized cost.

Financial debts
Financial debts are initially recognized at fair value, net of transaction costs incurred, and subsequently stated at amortized cost. Any difference between the proceeds received (net of transaction costs) and the redemption amount is recognised in profit or loss over the debt period using the effective interest method. Financial debts are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial debt that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

Trade and other payables
Trade and other payables are initially recognized at fair value and subsequently measured at amortized costs. Due to their short-term nature, their carrying amount generally correspond to their fair value.

Lease liabilities
Finance lease liabilities were included in financial debts until 31 December 2018. In adopting the new standard, liabilities deriving from lease arrangements are classified separately.

2.10 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated market price less applicable variable selling expenses. Inventories consist of health-tech products and devices in finished form ready to be sold.

2.11 Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, from the proceeds and accounted for within equity. In cases where the costs of issuing new shares goes to the benefit of all existing shares (listing), the issuance costs are reduced proportionally with a correction based on the issuance parameters that occurred previously.

2.12 Treasury shares

Own equity instruments reacquired are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized directly in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

2.13 Non-controlling interests

The Group treats transactions with non-controlling interests that do not result in a change of control as transactions with equity owners of the group. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recognized in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.15 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when the following is given. All other assets are classified as non-current:

- It is expected to be realized or intended to be sold or consumed in the normal operating cycle or to be realized within twelve months after the reporting period;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when the following is given. All other liabilities are classified as non-current:

- It is expected to be settled in the normal operating cycle or it is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.16 Income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable income will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax is recognized in the statement of profit or loss except to the extent that it releases to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.17 Employee benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service

are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Pension and other post-employment cost
The Group did not operate pension and other post-employment benefits schemes during the reporting period.

Share-based compensation
The Group did not operate equity incentive plans during the reporting period.

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for products sold, stated net of discounts, cancellations and value added taxes, based in the consideration to which the Group expects to be entitled in a contract with a customer.

The Group recognizes revenue when it transfers control of the product to a customer. For the test kits and dietary supplements, products revenue is recognized when control of the goods has transferred, being when the goods have left the warehouse of the Group for shipment to the customer.

2.19 Earnings per share

Basic earnings or losses per shares are calculated by dividing the net result of the period attributable to the equity holders of IGEA by the weighted average number of shares outstanding during the period. The number of shares outstanding varied as a result of different operations on the share capital structure of the Company. Diluted losses per share adjusts the figures used in the determination of basic losses per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.20 Related party transactions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Please refer to note 28 for additional details.

3 Changes in accounting policies

3.1.1 Changes

There were no changes in the accounting policies used in the preparation of these consolidated financial statements in respect of those adopted in the previous year.

3.1.2 New standards and interpretations

IFRS 16
On 1 January 2019, IGEA adopted IFRS 16 'Leases' (IFRS 16). IFRS 16 provides a single lessee accounting model, requiring lessees to recognize right-of-use assets and lease liabilities for most leases, excluding short-term and low value leases, in the balance sheet. IGEA adopted IFRS 16 using the modified retrospective method, with right-of-use assets measured at an amount equal to the lease liability, eventually adjusted by the amount of the prepaid or accrued lease payments relating to those leases recognized in the balance sheet immediately before the date of initial application. Prior period's figures were not restated. For further information on the impact of adoption and additional disclosure of IFRS 16, see note 8.

Other Standards
The following new, revised or amended standards and interpretations which are mandatory for the financial periods beginning on 1 January 2019 did not have any material impact on the Group's consolidated financial statements:

- IFRIC 23, Uncertainty over Income tax positions;
- Amendments to IFRS 9, Prepayment features with negative compensation;
- Amendments to IAS 28, Long-term interests in associates and joint ventures;
- Amendments to IAS 19, Plan amendment, curtailment or settlement;
- Various annual improvements to IFRS Standards, 2015-2017 Cycle.

The following new, revised or amended standards and interpretations have been published but are not yet mandatory and have not been adopted by the Group. They are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to IFRS 3: Definition of a business (effective 1 January 2020);
- Amendments to IAS 1 and IAS 8: Definition of material (effective 1 January 2020);
- IFRS 17 Insurance contracts (effective 1 January 2021);
- Various amendments to References to conceptual framework in IFRS Standards (effective 1 January 2020);
- Amendments to IAS 1: Amendments to the classification of liabilities as current or non-current (effective 1 January 2022).

4 Critical estimates, judgements, and errors

4.1 Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, income, expenses, and related disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or may have a significant impact on the reported results are described below:

Uncertainty and ability to continue operations. To date, IGEA has financed its cash requirements primarily from share issuance. By end of 2019 and beginning 2020, IGEA pursued plans to raise additional funds through the issuance of shares to mainly finance the commercial strengthening of Alz1 on the US market and diversify its product portfolio. The sudden shutdown in the capital markets, the general downturn in market sentiment and the various government-ordered lockdown following the global spread of COVID-19 required IGEA to suspend and postpone this initiative. Together with an extension of the distribution strategy to wholesale channels, as further described in the following paragraph, having an overall positive impact on the cash needs, the Company entered into discussions with major shareholders about alternative financing measures. With the signature of convertible loan agreements between end of April and beginning of May 2020, the Group get granted the funds management requires essential to operate the business as newly planned and to meet the Group obligations as they fall due through 31 December 2020, and hence these consolidated financial statements have been prepared on a going concern basis. However, the ability of the Group to start generating revenues and consistent cash flows to adequately support its operations is still uncertain, and this exposes the Group to all the risks inherent in establishing a business.

- ***Impairment on intangible assets.*** During 2019, the e-commerce-based retail distribution in the US of the health-tech product Alz1, for which the Group hold certain rights to ensure protection and freedom to operate, did not grow as expected and therefore the Group decided to amend its distribution strategy by diversifying to wholesale channels and entering into partnerships by end of 2019, then finalized beginning of 2020.. This triggered for an impairment assessment, the result of which is reported in note 9. Even if reasonable evidence exists that the carrying amount of the intangible assets continue to be supported by the new distribution strategy of Alz1, it cannot be excluded that the key assumptions made by the management will continue to exist as assumed also in the future, which may involve the existence of a risk on the carrying value of the assets concerned.

- ***Deferred tax assets and liabilities***. The assessment as to whether deferred tax assets relating to tax loss carry-forwards and temporary differences have to be recognized requires significant judgment, in particular on the future availability of taxable profits. At 31 December 2019 the Group did not capitalize any deferred tax assets because the capitalization criteria are not met. Deferred tax assets relating to tax loss carry-forwards and temporary differences that have not been recognized are reported in note 23.

4.2 Correction of errors

Section 2.2.6 of the consolidated financial statements 2018 contained an error. The remaining economic useful life of the intangible assets at the end of the reporting period was 14 years, instead of the reported 17 years. The error did not have any other impact on the consolidated financial statements 2018.

5 Segment information

5.1 Reportable segments

The Group has identified one single segment, related to the commercialization of health-tech and med-tech products and devices.

5.2 Entity wide information

The geographical information about revenues, cost of revenues, operating expenses and assets is as follow. Revenues for the year ended 31 December 2019 (same as in the previous year) are immaterial and still of casual nature only, and accordingly, the Group renounce to a major customers analysis:

	2019	2018
Revenues:		
Netherlands	-	-
United States	1.4	5.9
	1.4	**5.9**
Cost of revenues:		
Netherlands	(178.2)	(14.3)
United States	(261.7)	(183.6)
	(439.9)	**(197.9)**
Operating costs:		
Netherlands		
research and development	(80.2)	-
sales and marketing	(447.1)	-
general and administration	(716.0)	(1,097.8)
United States		
research and development	(41.8)	-
sales and marketing	(81.7)	-
general and administration	(125.1)	(170.6)
Italy		
general and administration	-	(11.9)
	(1,491.9)	**(1,280.3)**
Assets:		
Netherlands		
non-current	-	-
current	526.0	2,861.3
United States		
non-current	496.2	546.2
current	44.7	42.7
Italy		
current	-	36.6
	1,066.9	**3,486.8**

6 Business combinations and discontinued subsidiaries

On May 2019, the Group sold IGEA Healthcare Europe Srl, specifically formed in 2018 for acquiring and managing certain intellectual property rights. The contractual arrangements with the supplier were amended few times and beginning of 2019 the intellectual property rights were finally taken over by IGEA Pharma N.V. Assets and liabilities of IGEA Healthcare Srl disposed of were TUSD 1.1 and TUSD (1.1) respectively, with a resulting nil net assets value disposed of. The disposal did not generate any cash inflow. A net gain of TUSD 0.6 from previously generated exchange differences was recognised to profit or loss under 'Other income' (see note 21).

On November 2019, the Group announced the entry into a transaction agreement to acquire the spinoff of the med-tech activities of privately held Meditalia Srl (Meditalia) concerning the distribution in Europe of medical bags and other polymeric based specialties for medical use, the acquisition being expected to be closed by March 2020. IGEA proposed to acquire 66% of the spinoff from certain of the current shareholders of Meditalia, such shareholders being entitled to receive 12.2 million newly issued common shares of IGEA. The closing was subject to the satisfaction of certain customary conditions for a transaction of this type as well as IGEA having secured additional funds by way of issuing equity instruments, for which the selling shareholders of Meditalia committed themselves for a maximum amount of up to EUR 1 million, subject to the overall placement result. The sudden shutdown in the capital markets, the general downturn in market sentiment and the various government-ordered lockdown following the global spread of COVID-19 required a suspension of the acquisition process. Given the contractual uncertainty resulting from this unusual situation, the parties are currently evaluating and discussing different scenarios to find a solution of common interest. The Meditalia transaction did in any case not have any impact on these consolidated financial statements.

7 Property, plant, and equipment

	Leasehold improvements	Lab equipment	Furniture and fixtures fixtures	Total
Year ended 31 December 2018:				
Opening net book amount	25.8	111.6	10.0	147.4
Depreciation charges	(10.7)	(31.2)	(2.0)	(43.9)
Closing net book amount	**15.1**	**80.4**	**8.0**	**103.5**
Cost value	51.4	156.1	14.4	221.9
Accumulated depreciation and impairment	(36.3)	(75.7)	(6.4)	(118.4)
Net book amount	**15.1**	**80.4**	**8.0**	**103.5**
Year ended 31 December 2019:				
Opening net book amount	15.1	80.4	8.0	103.5
Depreciation charges	(10.7)	(31.2)	(2.1)	(44.0)
Closing net book amount	**4.4**	**49.2**	**5.9**	**59.5**
Cost value	51.4	156.1	14.4	221.9
Accumulated depreciation and impairment	(47.0)	(106.9)	(8.5)	(162.4)
Net book amount	**4.4**	**49.2**	**5.9**	**59.5**

Depreciation charges of TUSD 44.0 (2018: TUSD 43.9) is included in 'Cost of revenues'.

8 Leases

Notes 2 and 3 explain the new accounting policy and changes introduced on January 1, 2019 and resulting from the adoption of the new accounting standards IFRS 16 –Leases. The balance sheet shows the following amounts relating to leases:

	2019	1.1.2019*
Buildings	25.9	87.8
Right-of-use assets	**25.9**	**87.8**
Current lease liabilities	27.2	87.8
Lease liabilities	**27.2**	**87.8**

* In the previous year, the Group only recognized assets and liabilities in relation to leases that were classified as 'finance leases' under IAS 17. The assets were presented in property, plant and equipment and the liabilities as part of the Group's financial debts.

The Group has entered into lease agreements for laboratory and offices facilities in the US. The lease liability recorded on 1 January 2019 was TUSD 87.8, which is the lease commitment disclosed as at 31 December 2018 of TUSD 92.9 less discounting effects for TUSD 5.1 (using an incremental borrowing rate of 9%). As a result of applying the modified retrospective method at the date of implementation of IFRS 16, the right-of-use assets were measured at the amount equal to the lease liability. The right-of-use assets on 1 January 2019 comprises the underling class of buildings only. There was no impact on retained earnings upon implementation of IFRS 16.

The right-of-use assets are depreciated on a straight-line basis over the duration of the lease. The carrying value of the right-of-use assets on 31 December 2019 is TUSD 25.9. Depreciation charges for TUSD 61.9 are included in 'Cost of revenue' for TUSD 30.9 and in 'Sales and marketing' and 'General and administration' for TUSD 15.5 each. There were no additions to the right-to-use assets during 2019. The lease liability as of 31 December 2019 was TUSD 27.2, due within one year. The interest expense for finance lease and the proceeds used for reducing the lease liability during the year ended 31 December 2019 amounts to TUSD 4.6 and TUSD 60.6, respectively.

The Group accounts for the expenses of short-term leases of twelve months or less and low value leases on a straight-line basis over the lease term. The expense for the year ended 31 December 2019 related to these leases amounted to TUSD 26.1.

9 Intangible assets

	Patent and similar rights
Year ended 31 December 2018:	
Opening net book amount	554.7
Amortization charges	(112.0)
Closing net book amount	**442.7**
Cost value	554.7
Accumulated amortisation	(112.0)
Net book amount	**442.7**
Year ended 31 December 2019:	
Opening net book amount	442.7
Additions	175.2
Amortization charges	(40.3)
Impairment charges	(166.9)
Currency translation effects	0.1
Closing net book amount	**410.8**
Cost value	728.1
Accumulated amortisation and impairment	(317.3)
Net book amount	**410.8**

Amortization expenses of TUSD 40.3 (2018: TUSD 31.9) as well as impairment charges of TUSD 166.9 (2018: none) is included in 'Cost of revenues'. The impairment charge relates to certain rights for which the Group started negotiating acquisition in January 2017. In June 2018, the previous agreed terms were reviewed, and the existing agreement mutually terminated. The 2018 terms foresaw the option of the Group to definitively acquire the rights, for which a subsidiary was expressly formed, against full settlement of the agreed price at listing of the IGEA's shares, but not later than 30 November 2018. Then, between end of 2018 and beginning of 2019, a further new agreement was negotiated, substituting the previous one, mutually withdrawn. The rights were definitively acquired by IGEA Pharma N.V. beginning of 2019 and the previously formed subsidiary discontinued. The Group acquired the rights from Solosale S.r.l. ('Solosale'), a privately held company dealing in the cosmetic and nutraceutical industry and which was at the moment of the acquisition a related party to the Group, being a manager of Solosale also a managing director of the discontinued subsidiary IGEA Healthcare S.r.l. The Group has enough comfort on the arm's length character of this transaction, which was based on an independent valuation of the Group's business made in the second half of 2018 for listing purposes. By end of 2019, the Group anticipated its intention to discontinue the contract, which will imply the return of the intangible asset to Solosale. Consequently, the carrying value of the rights acquired beginning of 2019 were fully impaired.

During 2019 there was a trigger for impairment of intangible assets in use acquired in July 2015 for TUSD 554.7 as disclosed in note 4.1 subsection 'Impairment on intangible assets'. Management performed the impairment analysis using a risk-adjusted net present value model to determine the value in use of the intangible assets. Key assumptions used are (i) a risk adjusted operating cash flow from the wholesale distribution of Alz1 based on the expected terms of the commercial partnership. The Group will supply Alz1 and provide certain services including lab testing and users' data capture and will get a license fee determined pursuant to a shared risk-reward concept; (ii) a risk-adjusted operating cash-flow from the e-commerce-based retail distribution of Alz1, which mainly depends from the Group's ability to raise further funds to support the marketing costs related to such distribution; (iii) the expected annual capital expenditures to maintain the rights over their useful life; (iv) the long-term growth rates used after a five-years period and until the useful life of the rights is reached and the cash-flows are expected to fall down to zero; and (v) a discount rate, for which a pre-tax weighted average cost of capital is used.

The value in use determined by the management amounts to TUSD 1'361. A sensitivity to the discount rate and the risk adjustment factor applied to the operating cash flows has been applied. The sensitivity is referred to the headroom between the expected net present value and the carrying amount of the intangible assets. Possible changes at the reporting date of the pre-tax weighted average cost of capital and the risk adjustment factor applied to the operating cash flows, holding other assumptions constant, would have affected the headroom from TUSD 1'689 for a WACC of 10.5% and a risk adjustment factor of 20%, with a value in use being therefore TUSD 2'101, to TUSD 397 for a WACC of 12.5% and a risk adjustment factor of 60%, with a value in use being therefore TUSD 808, which reasonably leads management to consider the carrying value of the intangible asset to be still supported by the new distribution strategy for Alz1 on the US market.

10 Financial instruments

	2019	2018
Financial assets at amortized cost:		
Trade and other receivables	-	503.3
Cash and cash equivalents	446.4	2,151.9
Total financial assets	**446.4**	**2,655.2**
Liabilities at amortized costs:		
Financial debts	45.2	-
Trade and other payables	253.6	613.6
Accruals	147.0	153.0
Lease liabilities	27.2	-
Total financial liabilities	**473.0**	**766.6**

No fair value disclosure is presented for the financial instruments as their fair values approximate their carrying amounts. The Group's exposure to risks associated with the financial instruments is disclosed under note 26.

11 Inventories

	2019	2018
Finished goods - at cost	45.1	9.2
Write-downs	(31.5)	-
	13.6	**9.2**

The write-downs of inventories were recognized as an expense in 2019 an included in 'Cost of revenues' in the statement of profit or loss.

12 Trade and other receivables

	2019	2018
Trade receivables	-	3.9
less provision for doubtful accounts	-	(3.9)
Trade receivables - net	-	-
Called-up equity commitments from investors in settlement	-	469.0
Other receivables	-	34.3
Receivables towards tax authorities (for items not related to income tax)	89.8	46.5
Advance payments	-	57.2
Caution and other deposits	20.9	172.4
Trade and other receivables	**110.7**	**779.4**

Trede receivables for TUSD 3.9 and the corresponding provision for doubful accounts were definitively written off during 2019.

13 Cash and cash equivalents

Cash and cash equivalents refer to cash at banks exclusively and amount to TUSD 446.4 and TUSD 2'152 as at 31 December 2019 and 2018 respectively.

14 Share capital

	Number of shares	Amount
Balance at 1 January 2018	**20,000,100**	**235.3**
Issuance of shares	5,048,669	61.2
Year ended 31 December 2018	**25,048,769**	**296.5**
Year ended 31 December 2019	**25,048,769**	**296.5**

As at 31 December 2019, the Company has an issued share capital of USD 296'542, consisting of 25'048'769 fully paid-up shares with a par value of EUR 0.01 each and 12'524'384 unissued authorized shares (same as previous year) the so empowered Company body is authorized to issue within 14 December 2023.

15 Reserves

	Share premium	Other reserves	Translation reserve	Total
Balance at 1 January 2018	**14.0**	**(57.6)**	**(0.1)**	**(43.7)**
Currency translation differences	-	-	(16.1)	(16.1)
Issuance of shares	4,991.0	-	-	4,991.0
less transaction costs arising on share issues for listing	(500.1)	-	-	(500.1)
Unconditional debt waiver in a subsidiary jointly with the issuance of new shares in the parent	-	569.6	-	569.6
Purchase (net of sales) of treasury shares	(46.4)	-	-	(46.4)
Purchase of minorities	-	(15.7)	-	(15.7)
Year ended 31 December 2018	**4,458.5**	**496.3**	**(16.2)**	**4,938.6**
Currency translation differences	-	-	(60.9)	(60.9)
Purchase (net of sale) of treasury shares	(39.4)	-	-	(39.4)
Discontinued subsidiary	-	-	0.6	0.6
Year ended 31 December 2019	**4,419.1**	**496.3**	**(76.5)**	**4,838.9**

As of 31 December 2019. the Company held 35'405 treasury shares (previous year: 15'774). Treasury shares were commercialized starting December 2018 by an independent third party that traded in the Company's shares in the meaning of a stock price stabilization services agreement. The agreement terminated in December 2019 and since then the Company does no further actively trade in own shares.

16 Trade and other payables

	2019	2018
Trade payables	245.7	607.2
Trade payables towards third parties	7.9	-
Payablew to employees	-	6.3
Other	3.4	7.1
Trade and other payables	**257.0**	**620.6**

17 Financial debts

On December 2018, IGEA and Ambrogest SpA, Milano ('Ambrogest') entered into an agreement ruling the right of the Company to call for unsecured loan instalments on a month-by-month basis up to a maximum of TEUR 500, 4% interest, and to call for conversion, at any time within 31 December 2019, of the so cumulated debt (interest included) into shares of the Company at a strike price being the higher between EUR 3.33 and the average stock market price during the month preceding the conversion request. The loan instalments were subject to an adjustment in the same percentage as the stock market price of the IGEA's shares varied negatively in respect of EUR 3.33. From January 2019 ongoing, IGEA called up monthly for the loan instalments without any response from Ambrogest. IGEA evaluated the ability of Ambrogest to faces its obligations as well as the opportunity to file a lawsuit as inconsistent and consequently no actions were started. In May 2019, Ambrogest unexpectedly wired TEUR 38.4, which is the face value of the loan, and since then, no further loan instalments were given. IGEA renounced to call for conversion due to cost matters. The loan is supposed to expire on 30 June 2020.

18 Accruals

	2019	2018
Corporate services	147.0	297.4
Other	43.7	6.4
Facilities, rent and other occupancy costs	3.0	11.0
Total	**193.7**	**314.8**

19 Breakdown of expenses by nature

	2019	2018
Products and services	(844.7)	(41.4)
Travel expenses	(63.9)	(47.8)
Corpoprate services	(512.5)	(1,035.1)
Facilities, rent and other occupancy expenses	(27.6)	(77.8)
General and administration	(14.1)	(46.2)
Depreciation	(105.9)	(44.1)
Amortisation	(40.3)	(31.9)
Impairment charges on intangible assets	(166.8)	-
Addition to provision for doubtful accounts	-	(3.9)
Employee benefit expenses	(125.6)	(150.0)
Total	**(1,901.4)**	**(1,478.2)**
Reported as:		
Cost of revenues	(439.8)	(197.9)
Research and development	(91.7)	-
Sales and Marketing	(528.8)	-
General and administration	(841.1)	(1,280.3)
Total	**(1,901.4)**	**(1,478.2)**

The Group discloses all costs directly related to the revenue generation – regardless of the actual revenue level - as 'Cost of revenues'. They mainly include the costs for having an authorized laboratory in the US ready to operate, the cost of maintaining freedom to operate from third party rights and the costs of the products and services sold, and are relevant because of their fixed character in respect of the actual reduced revenue level.

20 Employee benefit expenses

	2019	2018
Wages and salaries	(116.6)	(129.6)
Social security charges	(9.0)	(17.2)
Pension contributions	-	(3.2)
Total	**(125.6)**	**(150.0)**

As of 31 December 2019, the Group employed a total of 2 persons (full time equivalent). During 2019, the Group's average number of employees was 2 (previous year: 2.75). All employees work outside of the Netherlands.

21 Other income

	2019	2018
Net loss from derecognition of financial debts	-	(7.3)
Net gain from derecognition of other liabilities	-	12.2
Gain on sales of a subsidiary (note 6)	0.6	-
Total	**0.6**	**4.9**

22 Finance income and costs

	2019	2018
Foreign exchange gains	34.6	61.6
Finance income	**34.6**	**61.6**
Interest on financial debts	(2.2)	(13.7)
Interest on lease	(4.6)	(3.4)
Foreign exchange losses	(5.9)	(5.0)
Finance costs	**(12.7)**	**(22.1)**
Finance result, net	**21.9**	**39.5**

23 Taxes

23.1 Income taxes

The average applicable tax rate of the Group is 25.2% (2018: 26.2%) and was determined using the domestic tax rates applicable to results in the countries concerned including the Netherlands (25%), the US (27%) and Italy (35%). The reconciliation of the Group's income tax is as follow:

	2019	2018
Net loss before income taxes	(1,907.9)	(1,427.9)
Tax income at the domestic rates applicable in the country concerned	(484.1)	(374.1)
Tax losses for which no deferred income tax asset was recognized	484.1	374.1
Total income tax charged to statement of profit or loss	**-**	**-**

23.2 Deferred taxes

The Group did not capitalize any deferred tax asset relating to tax loss carry-forwards since the criteria for recognition are unmet. The gross value of unused tax losses which have not been capitalized as deferred tax asset amount to USD 5.3 million (2018: 3.46 million) and will expire between 2 and 5 years for USD 1.86 million (2018: none) and in more than 5 years for USD 3.44 (2018: 3.46 million). The Group did not recognize deferred tax liabilities on temporary differences (2019: USD 1.64 million; 2018: 1.59 million) associated with investments in subsidiaries. Other temporary differences do not have any material impact on these consolidated financial statements (same as previous year).

24 Losses per share

Basic and diluted loss per share is as follow:

	2019	2018
Net loss attributable to owners of IGEA	(1,907.1)	(1,423.9)
Weighted average number of shares outstanding	25,017,123	22,930,571
Basic and diluted loss per share	**(0.076)**	**(0.062)**

25 Cash flow information

25.1 Net cash flow from operations

	2019	2018
Result before income tax, including discontinued operations	(1,907.9)	(1,427.9)
Adjustments for:		
Depreciation and amortization	146.2	75.9
Impairment of intangible assets	166.9	-
Movement in provision for doubtful accounts	-	3.9
Exchange gain on sale of subsidiaries	(0.6)	-
Unrealized foreign currency gains	(27.3)	(61.6)
Other items without cash effect	-	(4.9)
Items with cash effects of financing nature	6.8	30.9
Changes in operating assets and liabilities:		
Inventories	(4.4)	0.9
Trade and other receivables	653.8	(761.9)
Trade and other payables	(353.8)	479.3
Accruals	(116.1)	280.5
Cash flow from operations	**(1,436.4)**	**(1,384.9)**

25.2 Non-cash transactions

Following non cash transactions were not included in the cash-flow statement:

	2019	2018
Financial debts assumed from IGEA Research and converted	-	94.6
Own financial debts converted	-	267.5
Financial debts converted into equity instruments of IGEA	-	362.1
Financial debts exchanged against equity instruments of IGEA	-	914.0
	-	**1,276.1**

26 Financial risk management

The Group is exposed to following financial risks, controlled pursuant to the Group's risk management rules. The Group does not hold derivative financial instruments.

26.1 Liquidity risk

Liquidity risk is the risk that the Group will face difficulties to meet obligations when due. Liquidity risk management implies maintaining enough liquidity in adequate form to meet financial obligations when due. The liquidity sources of the Group are represented by its cash and cash equivalents position of TUSD 446.4 (2018: TUSD 2'152.0) and the additional funds the Group was able to ensure as further described in note 4.1, granting herewith the necessary liquidity reserve until revenues will reach – if ever - such an adequate level to generate cash in the manner necessary to sustain the Group operation. Consequently, the Group is exposed to significant liquidity risk. The management maintain detailed financial forecasts and monitors actual results on a regular basis so that measures can be taken to ensure the Group remains solvent.

The tables below show the contractual maturities of the Group's financial liabilities at reporting date:

	0-6 months	6-12 months	1-2 years	3-5 years	over 5 years
Financial debts	-	45.2			
Trade and other payables	165.1	88.5	-	-	-
Accruals	147.0	-	-	-	-
Lease liabilities	27.2	-			
As at 31 December 2019	**339.3**	**133.7**	**-**	**-**	**-**
Trade and other payables	514.1	99.5	-	-	-
Accruals	153.0	-	-	-	-
As at 31 December 2018	**667.1**	**99.5**	**-**	**-**	**-**

26.2 Credit risk

Credit risk is the risk of financial losses to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Group's bank receivables. The creditworthiness of the bank institution is reviewed periodically. The maximum credit risk exposure of the Group is limited to the carrying amounts of its financial assets, amounting at the reporting date to TUSD 446.4 (previous year: TUSD 2'655.2).

26.3 Capital risk

The Group's objectives in managing capital are to grant the Group's ability to continue as a going concern in order to get return for shareholders and to maintain a capital structure that optimize cost of capital. The instruments for achieving an optimal capital structure depends for the time being on external factors not entirely under the Group's control. The Group explore constantly the market conditions for opportunities to raise funds and optimally structure its capital. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26.4 Market risk

Foreign exchange

Foreign exchange risk arises from future transactions and recognized financial assets and liabilities not denominated in the Group's functional currency. The actual level of the Group activities does not require an active management of the foreign exchange risks different from maintaining currency correlation between financial asset and liabilities and the Group does not considers shifts in the exchange rates of all involved currencies as a realistic scenario.

The Group net exposure to foreign currency risk at the end of the reporting period was as follow:

	2019				2018		
	USD	EUR	GBP	CHF	USD	EUR	CHF
Total financial assets	14.8	415.3	-	-	17.3	1,896.0	-
Total financial liabilities	73.4	316.3	20.8	15.8	39.1	581.4	45.3
Net	**(58.6)**	**99.0**	**(20.8)**	**(15.8)**	**(21.8)**	**1,314.6**	**(45.3)**

Variations in all Group currencies in respect of the USD would have an immaterial impact compared to the year-end 2019 status (2018: a EUR/USD variation of 5% impacted positively/negatively for TUSD 75.2).

27 Commitments

27.1 Capital commitments

The Group does not have capital expenditures contracted for at the end of the reporting period but not recognized as liabilities (previous year: TUSD 503.3 for intangible assets).

27.2 Non-cancellable operating leases

The Group leases laboratories and offices facilities under non-cancellable operating leases. From 1 January 2019, the Group has recognized right-of-use assets for those leases except for short-term and low-value leases - see note 8 for further information. The expenses for those leases in 2018 amounted to TUSD 57.3

28 Related party transactions

Related parties include members of the Supervisory Board, of the Management Board and as well as key management of the Group. The following transactions were carried out with related parties:

28.1 Supervisory board, management board and key management compensation

	2019	**2018**
Compensation of supervisory and management board members	(209.7)	(3.0)
Compensation of key management	(39.1)	-
Total	**(248.8)**	**(3.0)**

The detailed compensation disclosures are provided in the remuneration report on pages 16 to 17 of this Annual Report. None of the Supervisory Board and Management Board members as well as the key management is an employee of the Group and services are delivered under consulting contracts. Vincenzo Moccia as well as Patrick Pozzorini deliver their consulting services through MVY Ltd and nbp AG respectively. Diego Mortillaro (who left the Group on 1 October 2019) delivered his consulting services through dmh S.r.l. The Group has a net liability towards the management of TUSD 7.9 at 31 December 2019 (2018: none), as disclosed hereunder (section 28.3).

28.2 Transactions with other related parties

The following transactions occurred with related parties:

	2019	**2018**
Purchase of intellectual property rights in IGEA Pharma N.V.	(175.2)	-
Research and development services in IGEA Pharma N.V.	(39.2)	-
Losses from derecognition of financial debts in IGEA Research Corporation	-	(12.9)
Interest expense in IGEA Pharma N.V. and IGEA Research Corporation	-	(2.8)
Total	**(214.4)**	**(15.7)**

The intellectual property rights were purchased from Solosale. Please refer to note 9 for details on this transaction.

28.3 Year-end balances arising from purchase of products and services

	2019	**2018**
Trade and other receivables in IGEA Healthcare Europe Srl	-	34.3
Total assets	**-**	**34.3**
Trade and other payables in IGEA Pharma N.V.	7.9	-
Total liabilities	**7.9**	**-**

29 Group companies

IGEA Pharma N.V. as a holding company for the Group owns the following companies. The Group disposed IGEA Healthcare Europe Srl on 28 May 2019, which is the date of loss of control:

Legal entity	Business	Capital	Interest in capital and votes, in % 2019	2018
IGEA Research Corporation, Miami, United States	Commercial	USD 0	98.67%	98.67%
IGEA Healthcare Europe, Thiene (VI), Italy	Holding of rights	EUR 10'000	-	100.00%

30 Auditor's fees

	2019	2018
Mazars Accountans N.V.		
Audit of the financial statements	67.9	82.0
Tax advisory services	20.4	-
Other Mazars members firms and affiliates		
Audit of the financial statements	25.0	25.0
Tax advisory services	5.0	7.5
	118.3	**114.5**
Audit of the financial statements	92.9	107.0
Tax advisory services	25.4	7.5
	118.3	**114.5**

The total of the auditing fees for the year 2019 amounts to TUSD 92.9, of which Mazars, including network firms, in their capacity as Group auditors, receive the full amount. Additional fee for TUSD 25.4 were charged by Mazars for tax matters related services.

31 Events after the balance sheet date

- See note 4.1 'Uncertainty and ability to continue operations';

- See note 6 – 'Meditalia transaction';

- On February 2020, the Group announced its intention to acquire a majority stake in privately held Medical Jet Srl (Medical Jet), a company specialized in pathogens' decontamination of air and inanimate environmental surfaces and in air sterilization and purification. Medical Jet commercializes proprietary dry aerosol generators for a non-wet dispersion of pathogens decontaminants and proprietary air sterilization and purification devices using multiple filtering processes combined with germicidal UV-C ray technology. A memorandum of understanding was signed and subject to the satisfaction of certain customary conditions for a transaction of this type, IGEA expected to close the acquisition by June 2020. The sudden shutdown in the capital markets, the general downturn in market sentiment and the various government-ordered lockdown following the global spread of COVID-19 required a suspension of this acquisition. The parties are currently discussing a possible transaction agreement to rule this acquisition that the Group expect not to be performed before end of 2020;

- Given the gradual easing of the COVID-19 lockdown restrictions as well as the programs of several governments to return economic activities to normal levels, at the date of the approval of these financial statements, the Group is not aware of any particular potentially adverse effect COVID-19 could have on the Group's activities during 2020. The Group concluded that there is no material uncertainty that may cast a significant doubt upon the Group's ability to continue as a going concern;

- As a result of the discussions entered in with certain major shareholders about alternative financing measures, as mentioned in note 4.1 'Uncertainty and ability to continue operations', two convertible loan agreements were signed between and of April and beginning of May 2020, granting herewith the funds management requires essential to operate the business as planned. The loans are unsecured, non-interest-bearing and not redeemable and grant the loan holder, at any time starting from 1 October 2020, the option to convert the loan, in full only, into shares in the capital of IGEA at the strike price of EUR 0.70 per share. Furthermore, one of the agreements contains a 20 days' right of first refusal on the further issue of convertible loans or convertible bonds by the Company that - if exercised - will grant the loan holder the right to subscribe for those newly issued instruments at the same above mentioned conditions.

Section IV – Company-only financial statements

Balance sheet (*)

(in thousand USD, unless otherwise stated)

	Notes	2019	2018
ASSETS			
Intangible assets	3	-	-
Financial assets	4	397.7	482.8
Non current assets		**397.7**	**482.8**
Other receivables	5	94.4	728.3
Cash and cash equivalents	6	431.5	2,133.0
Current assets		**525.9**	**2,861.3**
Total assets		**923.6**	**3,344.1**
EQUITY AND LIABILITIES			
Share capital		296.5	296.5
Reserves		4,979.3	5,051.0
Accumulated loss		(4,708.6)	(2,773.5)
Total shareholders' equity	7	**567.2**	**2,574.0**
Trade and other payables	8	151.0	505.6
Financial debts	9	45.2	-
Accruals	10	160.2	264.5
Current liabilities		**356.4**	**770.1**
Total equity and liabilities		**923.6**	**3,344.1**

(*) After appropriation of result

Income statement

(in thousand USD, unless otherwise stated)

	Notes	2019	1.12.17 31.12.18
Revenues		2.4	2.4
Cost of revenues	11	(178.1)	(14.4)
Gross profit		**(175.7)**	**(12.0)**
Research and development	11	(80.2)	-
Sales and marketing	11	(447.1)	-
General and administration	11	(718.4)	(1,110.6)
Other rincome		-	1.0
Operating result		**(1,421.4)**	**(1,121.6)**
Finance result, net	12	140.3	(5.4)
Result before income tax		**(1,281.1)**	**(1,127.0)**
Income tax		-	-
Share in result of investments	4	(654.0)	(1,646.5)
Result of the period		**(1,935.1)**	**(2,773.5)**

Notes to the Company Financial Statements

1 General Information

Please refer to note 1 and 29 of the consolidated financial statements.

2 Basis of preparation

The company's financial statements of IGEA have been prepared in accordance with Part 9, Book 2 of the DCC with the application of sub 8 of article 362 allowing the use of the same accounting principles as applied for the consolidated financial statements. These accounting principles are described in the notes to the consolidated financial statements.
These financial statements have been prepared on a going concern and on a historical cost basis. The presentation currency is USD. All figures included in these financial statements and notes are rounded (to the first decimal) to the nearest thousand USD unit except when otherwise indicated.

In these company-only financial statements, consolidated subsidiaries are valued using the equity method. However, goodwill on subsidiaries is presented separately under intangible assets. The carrying values of investments with a negative equity are deducted from any long-term loan towards the related subsidiary. Provisions are formed for subsidiaries with negative net asset value in the amount the negative net asset value exceed the value of the financial assets.

In case no other policies are mentioned, please refer to the accounting policies as described in the summary of significant accounting policies in the consolidated financial statements of IGEA presented elsewhere in this Annual Report. For an appropriate interpretation, the Company financial statements should be read in conjunction with these consolidated financial statements.

3 Intangible assets

	Patent and similar rights
Year ended 31 December 2019:	
Additions	175.2
Amortization charges	(8.4)
Impairment charges	(166.9)
Currency translation effects	0.1
Closing net book amount	**-**
Cost value	173.4
Accumulated amortisation and impairment	(173.4)
Net book amount	**-**

Amortization expenses of TUSD 8.4 (2018: none) as well as impairment charges of TUSD 166.9 (2018: none) is included in 'Cost of revenues'. The impairment charge relates to certain rights for which the Group started negotiating acquisition in January 2017. In June 2018, the previous agreed terms were reviewed, and the existing agreement mutually terminated. The 2018 terms foresaw the option of the Group to definitively acquire the rights, for which a subsidiary was expressly formed, against full settlement of the agreed price at listing of the IGEA's shares, but not later than 30 November 2018. Then, between end of 2018 and beginning of 2019, a further new agreement was negotiated, substituting the previous one, mutually withdrawn. The rights were definitively acquired by IGEA Pharma N.V. beginning of 2019 and the previously formed subsidiary discontinued. By end of 2019, the Group anticipated its intention to discontinue the contract, which will imply the return of the intangible asset. Consequently, the carrying value of the rights acquired were fully impaired.

4 Financial assets

	2019	2018
IGEA Research Corporation, Miami, Florida, US	2,035.4	1,465.8
IGEA Healthcare Europe Srl, Thiene (VI), Italy	-	40.0
Movements in net asset value	(1,637.7)	(1,023.0)
	397.7	**482.8**

Movement in financial assets is as follows:

	2019	1.12.17 31.12.18
At beginning of period	**482.8**	**-**
Purchase of equity in subsidiaries	-	70.7
Formation/sale of subsidiaries	-	12.3
Purchase of borrowings in subsidiaries against own equity instruments	-	1,149.3
Unconditional bebt waiver in subsidiary jointly with the issuance of shares in the parent	-	569.6
Borrowings to subsidiaries, net	437.0	334.0
Interests on borrowings capitalized	141.1	-
Share in result of investments	(654.0)	(1,646.5)
Exchange differences	(9.2)	(6.6)
Balance as at 31 December 2018	**397.7**	**482.8**

5 Trade and other receivables

	2019	2018
Trade receivables	-	2.8
less provision for doubtful trade receivables	-	(2.8)
Trade receivables - net	-	-
Called up equity commitments from investors in settlement	-	469.0
Receivables towards tax authorities (for items not related to income tax)	89.8	45.9
Advance payments	-	57.2
Caution and other deposits	4.6	156.2
	94.4	**728.3**

6 Cash and cash equivalents

Cash and cash equivalents refer to cash at banks exclusively, amounting to TUSD 431.5 (2018: TUSD 2’133.0).

7 Shareholder's equity

	Share capital	Reserves	Accum. loss	Total
Result of the period	-	-	(2,773.5)	(2,773.5)
Currency translation differences	-	22.7	-	22.7
Issuance of shares December 2017, net of costs	235.3	14.0	-	249.3
Issuance of shares April 2018, net of costs	49.3	1,037.4	-	1,086.7
Issuance of shares November/December 2018,	11.9	3,953.6	-	3,965.5
less transaction costs arising on share issues	-	(500.0)	-	(500.0)
Unconditional bebt waiver in subsidiary				
jointly with the issuance of shares in the parent	-	569.7	-	569.7
Repurchase of treasury shares	-	(46.4)	-	(46.4)
Balance at 31 December 2018	**296.5**	**5,051.0**	**(2,773.5)**	**2,574.0**
Result of the period	-	-	(1,935.1)	(1,935.1)
Currency translation differences	-	(32.2)	-	(32.2)
Repurchase of treasury shares	-	(39.5)	-	(39.5)
Balance at 31 December 2019	**296.5**	**4,979.3**	**(4,708.6)**	**567.2**

Please refer to note 14 and 15 of the consolidated financial statements of the Company. Certain equity components in the consolidated financial statements are not recognized in equity at company-only level, reason why the results of the period differ slightly.

8 Trade and other payables

	2019	2018
Trade payables	143.1	494.9
Trade payables towards related parties	7.9	-
Social security and other employment related payables	-	2.5
Tax authorities (for items not related to income tax)	-	1.9
Payables to employees	-	6.3
Total	**151.0**	**505.6**

9 Financial debts

Please refer to note 17 of the consolidated financial statements of the Company.

10 Accruals

	2019	2018
Corporate services	120.8	258.1
Other services	39.4	6.4
Total	**160.2**	**264.5**

11 Breakdown of expenses by nature

	2019	1.12.17 31.12.18
Products and services	(653.3)	(11.5)
Travel expenses	(61.9)	(44.4)
Corporate services	(507.0)	(1,002.7)
Facilities, rent and other occupancy expenses	(26.1)	(16.1)
General & administraiton	(0.3)	(3.1)
Amortisation	(8.4)	-
Impairment charges on intangible assets	(166.8)	-
Addition to provision for doubtful accounts	-	(2.9)
Employee benefit expenses	-	(44.3)
Total	**(1,423.8)**	**(1,125.0)**
Reported as:		
Cost of revenues	(178.1)	(14.4)
Research and development	(80.2)	-
Sales and marketing	(447.1)	-
General and administration	(718.4)	(1,110.6)
Total	**(1,423.8)**	**(1,125.0)**

12 Financial result, net

	2019	1.12.17 31.12.18
Interest income	141.2	-
Foreign exchange gains	4.9	0.5
Finance income	**146.1**	**0.5**
Interest expense	(2.2)	(1.0)
Foreign exchange losses	(3.6)	(4.9)
Finance cost	**(5.8)**	**(5.9)**
Finance result, net	**140.3**	**(5.4)**

13 Auditor’s fee

Please refer to note 30 of the consolidated financial statements of the Company.

14 Related party transactions

Related parties include members of the Supervisory Board, of the Management Board as well as key management of the Company. The following transactions were carried out with related parties:

14.1 Compensation of Management Board and Supervisory Board members

	2019	1.12.17 31.12.18
Compensation of supervisory board members	(7.6)	-
Compensation of management board members	(197.1)	-
Total	**(204.7)**	**-**

Please refer to note 28.1 of the Company's consolidated financial statements and to the detailed compensation disclosures provided in the remuneration report on pages 16 to 17 of this Annual Report for additional details.

14.2 Compensation of the key management

	2019	1.12.17 31.12.18
Compensation of key management	(39.1)	-
Total	**(39.1)**	**-**

Please refer to note 28.1 of the company's consolidated financial statements and to the detailed compensation disclosures provided in the remuneration report on pages 16 to 17 of this Annual Report for additional details.

14.3 Transactions with other related parties

The following transactions occurred with related parties:

	2019	1.12.17 2018
Purchase of intellectual property rights	(175.2)	-
Research and development services	(39.2)	-
Total	**(214.4)**	**-**

14.4 Year-end balances arising from purchase of products and services

	2019	2018
Total assets	**-**	**-**
Trade and other payables	7.9	-
Total liabilities	**7.9**	**-**

15 Events after the balance sheet date

Please refer to note 30 of the Company's consolidated financial statements.

16 Proposed appropriation of result for the year

The Board of Directors proposes to carry forward the loss of the year.

17 Signing of the financial statements

These financial statements have been signed by the members of the Board of Directors on 22 May 2020.

Francesco Mario Patrocollo
Chairman of the Board, non-executive director

Givanni Ferraio
Non-executive director

Mark de Simone
Non-executive director

Barth A. Green
Non-executive director

Rosanna Squitti
Executive director

Camillo Ricordi
Non-executive director

Vincenzo Moccia
CEO, executive director

Marco Seniga
Executive director

Section V – Other information

1 Other disclosures in accordance with Dutch law requirements

1.1 Profit appropriation according to the Articles

The Board of Directors proposes to carry forward the loss of the year.

Distribution of dividends pursuant to article 10.1 will take place after the adoption of the Annual Accounts which shows that the distribution is allowed.

The company may make distribution on Shares only to the extent that its shareholder's equity exceeds the sum of the paid-up and called-up part of the capital and the reserves which must be maintained by law or the Articles.

The Board may resolve to reserve the profits or part of the profits.

The profit remaining after application of article 10.1.3 will be at the disposal of the General Meeting.

1.2 Branch establishments

The Company has a branch establishment registered under Italian law with trade name 'IGEA Pharma BV'.

2 Independent auditor's report

INDEPENDENT AUDITOR'S REPORT

To the shareholders and supervisory board of
IGEA Pharma N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2019 INCLUDED IN THE ANNUAL REPORT

OUR QUALIFIED OPINION

We have audited the financial statements 2019 of IGEA Pharma N.V., based in Hoofddorp. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the accompanying consolidated financial statements give a true and fair view of the financial position of IGEA Pharma N.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the accompanying company financial statements give a true and fair view of the financial position of IGEA Pharma N.V. as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2019;
2. the following statements for 2019: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2019;
2. the company profit and loss account for 2019; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR QUALIFIED OPINION

The intangible assets representing patents and similar rights are included in the balance sheet of 2019 for USD 410,800. During 2019 there was a trigger for impairment of intangible assets in use. We have not been able to obtain sufficient and appropriate audit evidence regarding the valuation of the intangible assets because of the lack of reliable market data input for the impairment analysis. As a result, we were unable to determine whether any corrections were necessary with regard to the aforementioned amounts.

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Tel: +31 (0)88 27 71 392 – onno.opzitter@mazars.nl

Mazars Accountants N.V.
With its registered office in Rotterdam (KvK Rotterdam nr. 24402415).

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of IGEA Pharma N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the going concern paragraph in the notes on page 34 of the financial statements which indicates that the company's ability to continue as going concern depends on cash to be received from new financing agreements and generating revenues before the end 2020 from selling Alz1 products. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MATERIALITY

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 16,000. The materiality is based on 1.5% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of USD 480, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

IGEA Pharma N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of IGEA Pharma N.V.

Our group audit mainly focused on significant group entities. We have:

- performed audit procedures ourselves at group entity IGEA Pharma N.V.;
- used the work of Mazars USA when auditing entity IGEA Research Corporation;
- performed analytical review procedures at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

MAZARS

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF INTANGIBLE ASSETS

The intangible assets consist of patents, which has been valued at cost and amortized over the lifetime period. The book value of the intangible assets amounts to USD 410,800. The valuation of the intangible assets is important since the Group acquired these patents from a related party and the patents will be used to set-up the business activities of the Group in the next coming years. The revenues and profitability of the future business activities are still uncertain.

As described in the ‘basis for our qualified opinion’ section we have not been able to obtain sufficient and appropriate audit evidence regarding the valuation of the intangible assets because of the lack of reliable market data input for the impairment analysis.

We refer to note 9 in the consolidated financial statements for further disclosure.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor’s report thereon, the annual report contains other information that consists of:

- the management review report;
- the corporate governance report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code;

Except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, we conclude, based on the following procedures performed, that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;

- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 31 May 2020

MAZARS ACCOUNTANTS N.V.

Original has been signed by: O. Opzitter RA