FC 030010

In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01
Statement of details of parent law and other information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law

✗ **What this form is NO**
You cannot use this fo
an alteration of mann
with accounting requi

MONDAY

A2GZYMYG
A13 16/09/2013 #176
COMPANIES HOUSE

Part 1 Corporate company name

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

Corporate name of overseas company ❶	ARGON MEDICAL DEVICES NETHERLANDS B V
UK establishment number	B R 0 1 5 0 0 4

❶ This is the name of the company in its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited

Legislation ❷ NETHERLANDS

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box

☐ **No** Go to **Section A3**

☑ **Yes** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**

Name of organisation or body ❸ IFRS adopted by the EU

❸ Please insert the name of the appropriate accounting organisation or body

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ **No** Go to **Section A5**

☑ **Yes** Go to **Section A4**

OS AA01

Statement of details of parent law and other information for an overseas company

A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box ☐ **No** Go to **Part 3 'Signature'** ☑ **Yes** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**	❶ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ❶	IFRS as adopted by the European Union	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box ☐ **No** ☑ **Yes**

Part 3 Signature

I am signing this form on behalf of the overseas company

Signature	Signature X X

This form may be signed by
~~Director~~, Secretary, ~~Permanent representative~~ INTERTRUST (UK) LTD

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form The contact information you give will be visible to searchers of the public record

Contact name

Company name INTERTRUST (UK) LIMITED

Address 11 OLD JEWRY

7th FLOOR

Post town LONDON

County/Region

Postcode E C 2 R 8 D U

Country ENGLAND

DX

Telephone 0207 776 9700

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form

Important information

Please note that all this information will appear on the public record

Where to send

You may return this form to any Companies House address

England and Wales
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland:
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

100032/20

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Argon Medical Devices Netherlands B V
Attn Ms S McNally
272 E Deerpath Road
Suite 350
Lake Forest, IL 60045
USA

MONDAY

A2GZYMY8
A13 16/09/2013 #175
COMPANIES HOUSE

4 July 2013

AvdL/e0297429/DS/AdB

Subject: Financial Statements and auditor's report 2012.

Dear Ms McNally,

We are pleased to send you a stamped version of the financial statements 2012, and our signed auditor's report dated 3 July 2013 Furthermore, we enclose 5 copies of the aforementioned auditor's report

We provided one version of the auditor's report with an original signature This auditor's report needs to be included in the section "Other Information" of the financial statements which are signed by the directors, this is for your own records A copy of the auditor's report includes the name of the external auditor, but without a personal signature We confirm that we give you our consent to include a copy in the section "Other information" of a copy of the financial statements 2012, which corresponds with the attached stamped version of the financial statements

Signing and adopting the financial statements

The original financial statements must be signed by the members of the directors before they are offered to the General Meeting of Shareholders of Argon Medical Devices Netherlands B V These financial statements must be adopted by the General Meeting of Shareholders of Argon Medical Devices Netherlands B V This adoption must be recorded in the minutes of the meeting If the financial statements are not adopted within one month from date of issuance of our auditor's report, our consent to include the report in the financial statements will be revoked If that is the case, please contact us to discuss the situation

Please send us a signed copy of the financial statements for our file

Subsequent events

Please note that, if prior to the adoption of the financial statements there are circumstances or events with significant financial implication for the company (subsequent events), the financial statements need to be adjusted Naturally, in such a situation, our consent is revoked

PricewaterhouseCoopers Accountants N V, Newtonlaan 205, 3584 BH Utrecht, P O Box 85096, 3508 AB Utrecht, The Netherlands
T +31 (0) 88 792 00 30, F +31 (0) 88 792 95 08, www pwc nl

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Consent to use and make public our auditor's report and related conditions

We confirm that we give you our consent to publish the copy of our auditor's report together with the corresponding complete set of the financial statements (including the directors' report and the 'Other Information'), provided that the financial statements will be adopted without any changes by the General Meeting of Shareholders of Argon Medical Devices Netherlands B V

If you publish the financial statements and a copy of the auditor's report on the Internet, you must safeguard that the financial statements are adequately segregated from any other information on the website This could be done by publishing the financial statements as a separate, non-editable file, or by including a warning as soon as the reader leaves the financial statements (such as "You are now leaving the protected audited financial statements")

Filing requirements

Within 8 days after adoption of the financial statements, filing with the Chamber of Commerce must be fulfilled

The financial statements must be adopted within 7 months after year-end or, in case the General Meeting of Shareholders of Argon Medical Devices Netherlands B V have formally extended the period for preparing, the financial statements must be adopted and filed within 13 months after year-end at the latest

It should be borne in mind that filing the financial statements is required by law and that any failure to file them constitutes an offence In certain cases, failure to file may lead to you, as director, being held liable

There is no requirement for the directors to sign the accounts which are to be filed at the Chamber of Commerce In order to avoid the risk of identity theft we recommend that you do not file financial statements and auditor's reports which include a signature In an accompanying letter to the Chamber of Commerce, you should mention that the original financial statements have been signed by the directors and adopted by the General Meeting of Shareholders of Argon Medical Devices Netherlands B V , and the date on which this took place

Information systems

In accordance with article 393 section 4 Book 2, Title 9 of the Dutch Civil Code, independent auditors must report their findings resulting from the audit of the annual accounts with respect to the reliability and continuity of electronic data processing As a result of our audit procedures we have no matters to report.

The responsibility for sufficient reliability and continuity of the electronic data processing lies primarily with management of the company Our audit of the statutory financial statements is focused on issuing an opinion on the fairness of presentation of the annual accounts and not the reliability and continuity of automated data processing as a whole or parts thereof

It has been agreed that no separate examination of the reliability and continuity of automated data processing as a whole or parts thereof are carried out If we had carried out specific procedures on the above aspects, additional findings might have been identified and reported to you

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Fraud

The primary responsibility for preventing and detecting fraud and mistakes rests with the management The directors of the company see to it that management develops adequate procedures and takes appropriate measures if necessary The auditor is responsible for evaluating the risk that the financial statements could be materially misstated due to fraud, mistakes or misappropriation of assets

If during the course of our audit, we become aware that an act of fraud has or may have been committed, we will report these matters to you If in the event of a material fraud in respect of financial reporting, no appropriate action is taken by you, we will be required to report this to the relevant authorities.

During the audit of the financial statements 2012, no indications of fraud came to our attention

Please do not hesitate to contact us, if you have any queries

Yours faithfully,
PricewaterhouseCoopers Accountants N V

drs A C M van der Linden RA
partner

Attachments

pwc

Independent auditor's report

To the General Meeting of Shareholders of Argon Medical Devices Netherlands B V

Report on the financial statements

We have audited the accompanying financial statements 2012 of Argon Medical Devices Netherlands B V , Amsterdam, which comprise the statement of financial position as at 31 December 2012, the statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information

Directors' responsibility

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements

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

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Argon Medical Devices Netherlands B V as at 31 December 2012, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2 392 sub 1 at b-h has been annexed Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2 391 sub 4 of the Dutch Civil Code

Utrecht, 3 July 2013
PricewaterhouseCoopers Accountants N V

drs A C M van der Linden RA

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Argon Medical Devices Netherlands B V as at 31 December 2012, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2 392 sub 1 at b-h has been annexed Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2 391 sub 4 of the Dutch Civil Code

Utrecht, 3 July 2013
PricewaterhouseCoopers Accountants N V

Original has signed by drs A C M van der Linden RA

Argon Medical Devices Netherlands B.V.

Financial Statements
December 31, 2012 and 2011

Argon Medical Devices Netherlands B.V.
Index

Directors' Report

Principal Activities

Argon Medical Devices Netherlands B V (the "Company") is a distributor of specialty medical products mainly manufactured by other affiliated businesses in the United States and Singapore The Company offers a broad line of medical devices for Interventional Radiology, Vascular Surgery, Interventional Cardiology and Critical Care procedures The Company's products are sold throughout Europe, the Middle East and Africa through a combination of direct sales representatives and premier distributors

Results and Appropriations

Net income and total comprehensive income for the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were €745,546 and €201,969, respectively

As of December 31, 2012 and 2011, the Company had total equity of €965,515 and €219,969, respectively, and the Company's management board does not recommend the payment of a dividend to the Company's shareholder at this time

Business Developments

The Company was incorporated in December 2010 to conduct the activities referred to in the preceding paragraph in Europe, the Middle East, and Africa which had been previously conducted by other affiliates of the Company's ultimate holding company - Argon Medical Devices Holding, Inc - following its acquisition of the critical care systems business of Becton, Dickinson, and Company ("BD")

The Company's current focus is on increasing sales through increasing volume and price levels as well as expense containment and reduction These areas of focus are designed to meet the Company's future profitability targets

Research and Development Activities

The Company does not engage in any substantial research and development activities Research and development activities are conducted by affiliates of the Company's ultimate holding company, Argon Medical Devices Holding, Inc , and the Company may benefit from those activities in future periods

Risks and Uncertainties

The Company's activities expose it to a variety of financial risks foreign exchange risk, credit risk, liquidity risk, and cash flow interest rate risk The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance

The Company and its registered branches operate internationally and conduct transactions in multiple foreign currencies which create various foreign currency exposures primarily with respect to the United States dollar, Singapore dollar, British pound sterling, Swedish krona, and Danish krone, Polish zloty, Swiss franc, and Norwegian krone The Company does not hedge these foreign currency exposures and recognizes foreign currency transaction gains and losses in its statement of comprehensive income A sensitivity analysis surrounding the impact to the Company's profitability as a result of favorable and unfavorable fluctuations in foreign currency exchange rates is disclosed in the footnotes to the Company's financial statements

Credit risk arises from cash and cash equivalent on deposit with banks as well as credit exposures to customers such as in the case of outstanding receivables and committed transactions Credit risk on outstanding receivables is managed on a consolidated basis by the Company's ultimate holding company and its affiliates in order to mitigate the risk of counterparty default and concentration The ultimate holding company and its affiliates manages and analyses the credit risk for each of the Company's customers before standard payment and delivery terms and conditions are offered The credit risk on liquid funds is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Company's balance sheet

Cash flow forecasting is performed on a consolidated basis by the Company's ultimate holding company and its affiliates which includes monitoring rolling forecasts of liquidity needs to ensure the Company has sufficient cash to meet its operational needs The Company believes that its liquidity risks are low given its ultimate holding company's intention to support the Company's liquidity needs in order for the Company to meet its operational needs

The Company has no significant interest-bearing assets or liabilities Therefore its income and operating cash flows are substantially independent of changes in market interest rates and no sensitivity analysis is performed

Use of Financial Instruments

The Company's use of financial instruments is limited to the extension of credit to its customers in the ordinary course of business, cash on deposit at banks, and to the financing activities undertaken with affiliates of the Company's ultimate holding company, Argon Medical Devices Holding, Inc

The risk posed by the extension of credit to its customers in the ordinary course of business is mitigated by the Company's adherence to strict credit policies as overseen by affiliates of the Company's ultimate holding company and the risk posed having cash on deposit at banks is mitigated by the high credit ratings assigned by to these counterparties by international credit rating agencies

Undertaking financing activities with affiliates of the Company's ultimate holding company may expose the Company to collection risk The Company believes that the collection risk associated with amounts due from affiliates of the Company's ultimate holding company is low given that the counterparties are sufficiently capitalized and due to the financial support which all affiliates may receive from the ultimate parent company

Outlook

In the upcoming year, the Company forecasts sales growth driven by volume and price increases as well as strict expense management in order to facilitate the achievement of profitability targets

No significant investments in opening additional offices or hiring additional sales, marketing, and supply chain employees are anticipated in 2013 as the Company believes that its established infrastructure will permit the Company to achieve its profitability targets

Events After the Balance Sheet Date

On April 12, 2013, the Company's ultimate holding company - Argon Medical Devices Holding, Inc - completed the acquisition of the Interventional Products Business of Angiotech Pharmaceuticals, Inc The estimated purchase price paid by the Company's ultimate holding company, subject to customary post-closing adjustments, plus transaction-related costs totaled approximately €274 million The purchase plus the current debt refinancing was funded through equity proceeds from existing shareholders of the Company's ultimate holding company of approximately €82 million, the issuance of €182 million of new senior debt and €27 8 million in new subordinated notes by the Company's ultimate holding company and other sources The Company's ultimate holding company has not completed the purchase price allocation as of the date of the issuance of this report

In connection with the acquisition completed by the Company's ultimate holding company referred to immediately above, Argon Medical Devices Netherlands B V acquired the one-hundred percent (100%) of the outstanding shares of Angiotech Switzerland S A , Angiotech S.A.R L, Angiotech S L, and Angiotech GmbH from Angiotech International AG in exchange for €12 0 million In order to fund the acquisition, the Company's existing receivables and payables with affiliates were restructured and the Company received additional debt financing from Argon Medical Devices, Inc , an affiliate of the Company's ultimate holding company The Company has not completed the purchase price allocation as of the date of the issuance of this report

Sharon McNally
Director
July 2, 2013

Alke Alida van Solkema-Boer
Director
July 2, 2013

Argon Medical Devices Netherlands B.V.
Statements of Comprehensive Income
Year Ended December 31, 2012 and Period From December 20, 2010 (Date of Inception) to December 31, 2011

(amounts presented in Euro (€) unless otherwise stated)

	Notes	2012	2011
Revenue	5	€ 20,475,033	€ 20,777,242
Cost of sales	6	13,621,111	14,727,335
Gross profit		6,853,922	6,049,907
Selling, general and administrative expenses	7, 8	5,840,009	5,569,456
Operating profit		1,013,913	480,451
Finance costs	9	33,928	243,519
Profit before income tax		979,985	236,932
Income tax expense	10	234,439	34,963
Profit for the year/period		745,546	201,969
Other comprehensive income		-	-
Total comprehensive income for the year		€ 745,546	€ 201,969

The accompanying notes are an integral part of these financial statements

Argon Medical Devices Netherlands B.V.
Statements of Financial Position
December 31, 2012 and 2011

(amounts presented in Euro (€) unless otherwise stated)

	Notes	2012	2011
Assets			
Noncurrent assets			
Property and equipment, net	11	€ 15,378	22,447
Current assets			
Inventories	12	4,726,447	5,050,608
Trade receivables	13	3,202,233	3,637,074
Receivables due from related parties	18	4,724,492	6,599,754
Prepaid expenses		129,974	104,246
Indirect taxes receivable	14	129,383	118,579
Income taxes receivable	10	333,557	164,057
Cash at bank		763,860	1,327,750
		14,009,946	17,002,068
Total assets		€ 14,025,324	€ 17,024,515
Equity and Liabilities			
Equity attributable to owner of the company			
Share capital	16	€ 18,000	€ 18,000
Accumulated earnings		947,515	201,969
Total equity		965,515	219,969
Current liabilities			
Payables due to related parties	18	11,350,278	15,183,077
Accrued expenses	15	1,087,587	1,232,156
Indirect taxes payable	14	349,323	359,660
Income taxes payable	10	272,621	29,653
Total liabilities		13,059,809	16,804,546
Total equity and liabilities		€ 14,025,324	€ 17,024,515

The accompanying notes are an integral part of these financial statements

PricewaterhouseCoopers Accountants N V
For identification purposes only

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Argon Medical Devices Netherlands B.V.
Statements of Changes in Equity
Year Ended December 31, 2012 and Period From December 20, 2010 (Date of Inception) to December 31, 2011

(amounts presented in Euro (€) unless otherwise stated)

	Attributable to Owner of the Company		
	Share Capital	**Accumulated Earnings**	**Total Equity**
Capital contribution	€ 18,000	€ -	€ 18,000
Comprehensive income	-	201,969	201,969
Balances at December 31, 2011	18,000	201,969	219,969
Comprehensive income	-	745,546	745,546
Balances at December 31, 2012	€ 18,000	€ 947,515	€ 965,515

The accompanying notes are an integral part of these financial statements

PricewaterhouseCoopers Accountants N V
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Argon Medical Devices Netherlands B.V.
Statements of Cash Flows
Year Ended December 31, 2012 and Period From December 20, 2010 (Date of Inception) to December 31, 2011

(amounts presented in Euro (€) unless otherwise stated)

	2012	2011
Cash flows from operating activities		
Profit before income tax	€ 979,985	€ 236,932
Adjustments for		
Depreciation	10,353	5,940
Provision for (recovery of) for impairment of trade receivables	(38,307)	227,405
Provision for excess and obsolete inventories	24,717	70,218
Changes in working capital components		
Trade receivables	473,148	(3,864,479)
Due to related parties, net	(1,957,537)	8,583,323
Inventories	299,444	(5,120,826)
Indirect taxes, net	219,940	241,081
Prepaid expenses	(266,809)	(104,246)
Accrued expenses	(144,569)	1,232,156
Cash generated from (used in) operations	(399,635)	1,507,504
Income taxes paid	(160,971)	(169,367)
Net cash generated from (used in) operating activities	(560,606)	1,338,137
Cash flows from investing activities		
Purchases of property and equipment	(3,284)	(28,387)
Net cash used in investing activities	(3,284)	(28,387)
Cash flows from financing activities		
Issuance of ordinary shares	-	18,000
Net cash generated from financing activities	-	18,000
Net increase (decrease) in cash	(563,890)	1,327,750
Cash		
Beginning of year/period	1,327,750	-
End of year	€ 763,860	€ 1,327,750

The accompanying notes are an integral part of these financial statements

(amounts presented in Euro (€) unless otherwise stated)

1. General Information

Argon Medical Devices Netherlands B V (the "Company") was incorporated on December 20, 2010 and maintains a registered office in Amsterdam, the Netherlands The registered office is located at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands

In addition to its registered office in Amsterdam, the Netherlands, the Company has established branch offices in Belgium, Denmark, Finland, Germany, and Sweden, and has representatives in France, Greece, and the United Kingdom The Company is wholly-owned by Argon Medical Devices Singapore Pte Ltd , a Singapore Corporation, which the Company regards as its intermediate holding company The Company's ultimate holding company is Argon Medical Devices Holding, Inc , a United States Corporation The Company's ultimate holding company is majority-owned by RoundTable Healthcare Partners, LP, RoundTable Healthcare Partners II, LP, RoundTable Healthcare Investors, LP, and RoundTable Healthcare Investors II, LP (collectively referred to as "RoundTable")

The Company offers a broad line of medical devices for Interventional Radiology, Vascular Surgery, Interventional Cardiology and Critical Care procedures The Company's products are sold throughout Europe, the Middle East and Africa through a combination of direct sales representatives and premier distributors

Transition Services Arrangement
On September 30, 2010, Argon Medical Devices Holding, Inc , the Company's ultimate holding company, and its affiliates acquired the critical care systems business of Becton, Dickinson, and Company ("BD") Argon Medical Devices Netherlands B V was subsequently formed to house the activities of the acquired business in Europe, the Middle East, and Africa which had been conducted by other affiliates of the Company's ultimate holding company immediately following the acquisition

Following the acquisition of the critical care systems business from BD, Argon Medical Devices Holding, Inc , and its affiliates had a transition services agreement with BD which required BD to have continuing involvement in the sales, order fulfillment and cash receipts processes of the acquired business and to provide financial accounting, IT, human resources and product quality documentation support in exchange for a monthly service fee Under the terms of the transition services agreement, BD was required on a monthly basis to remit the net cash payments for net profits of the critical care systems business net of a service fee for operations made by BD on behalf to Argon Medical Devices Holding, Inc or its affiliates After its formation and through May 31, 2011, the Company participated in the transition services agreement with BD and total service fees incurred by the Company under this arrangement were €653,148 during that period

(amounts presented in Euro (€) unless otherwise stated)

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and under the historical cost convention The principal accounting policies, which have been consistently applied, are set out below

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the European Union requires the use of certain critical accounting estimates It also requires management to exercise its judgment in the process of applying the Company's accounting policies The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4

2.2 Changes in Accounting Policy and Disclosures

New and Amended Standards Adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the year beginning on or after January 1, 2012 that would be expected to have a material impact on the Company's financial statements

New Standards, Amendments and Interpretations Issued but not Effective and not Early Adopted

The Company has applied in the preparation of these FS all the standards and interpretations of the IFRS, as adopted by the EU, that are effective at the date of these Financial Statements A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after December 31, 2012, and have not been applied in preparing these consolidated financial statements

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments) The amendments do not address which items are presented in OCI The impact of this new standard, amendments to existing standard, or interpretation is not expected to have a material impact to the Company's financial statements upon adoption

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP The impact of this new standard, amendments to existing standard, or interpretation is not expected to have a material impact to the Company's financial statements upon adoption

(amounts presented in Euro (€) unless otherwise stated)

IAS 19, 'Employee benefits', was amended in June 2011 The impact on the group will be as follows to immediately recognise all past service costs, and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset) The impact of this new standard, amendments to existing standard, or interpretation is not expected to have a material impact to the Company's financial statements upon adoption

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities IFRS 9 was issued in November 2009 and October 2010 It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments IFRS 9 requires financial assets to be classified into two measurement categories those measured as at fair value and those measured at amortized cost The determination is made at initial recognition The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument For financial liabilities, the standard retains most of the IAS 39 requirements The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch The impact of this new standard, amendments to existing standard, or interpretation is not expected to have a material impact to the Company's financial statements upon adoption and the Company intends to adopt IFRS 9 no later than the accounting period beginning on or after December 31, 2014 The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board

- IFRS 10, Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company The standard provides additional guidance to assist in the determination of control where this is difficult to assess The impact of this new standard, amendments to existing standard, or interpretation is not expected to have a material impact to the Company's financial statements upon adoption

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles The impact of this new standard, amendments to existing standard, or interpretation is not expected to have a material impact to the Company's financial statements upon adoption

There are no other IFRSs or IFRIC interpretations that are not yet effective that are expected to have a material impact to the Company's financial statements upon adoption

2 3 Operating Structure

The Company's operating structure includes Argon Medical Devices Netherlands B V , a Dutch entity formed in the Netherlands on December 20, 2010, and branch offices in Belgium, Denmark, Finland, Germany, Sweden, France, Greece, and the United Kingdom which were subsequently formed on various dates during the period from December 20, 2010 (Date of Inception) to December 31, 2011 There were no additional entities or branches formed by the company during the period ended December 31, 2012 The Company and its respective branches form the legal entity Argon Medical Devices Netherlands B V

(amounts presented in Euro (€) unless otherwise stated)

The Company's financial statements include the results of operations and balance sheets of its branch offices Intra-company transactions, balances, income and expenses on transactions between the Company its branch offices, and income and expenses from intra-company transactions that are recognized in assets, if any, are eliminated

2 4 Foreign Currency Translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency") The financial statements are presented in Euro (€), the Company's functional and presentation currency

Foreign currency transactions denominated in currencies other than the Company's functional currency are translated into the Company's functional currency for financial reporting purposes Foreign exchange gains and losses resulting from the re-measurement of foreign currency transactions denominated in currencies other than the Company's functional currency at the reporting date and the settlement of such transactions are recognized in the statement of comprehensive income

2 5 Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation Historical cost includes expenditures that are directly attributable to the acquisition of the property and equipment Subsequent costs are included in the asset's 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 Company and the cost of the item can be measured reliably All other repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred Depreciation is calculated using the straight-line method, assuming no residual value, over the assets' estimated useful lives, or the life of the underlying lease, whichever is shorter, as follows

	Estimated Useful Lives
Furniture and fixtures	3-5 years
Computer hardware	3 years
Computer software	3-5 years

When assets are retired or sold, the net carrying amount is eliminated with any gain or loss on disposal recognized in the period of disposal and classified within selling, general and administrative expenses in the Company's statement of comprehensive income

(amounts presented in Euro (€) unless otherwise stated)

2 6 Impairment of Nonfinancial Assets

Assets that are subject to depreciation, such as property and equipment 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 For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) There have been no nonfinancial assets that have suffered from impairment for the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011

2 7 Inventories

Inventories are stated at the lower of cost or net realizable value Cost is determined using the first-in, first-out (FIFO) method Net realizable value is the estimated selling price in the ordinary course of business, less disposal costs The Company evaluates inventory levels and expected usage on a periodic basis and records valuation allowances as required Substantially all inventories are purchased from related parties as further discussed in Note 18

2 8 Trade Receivables

Trade receivables represent amounts due from customers for merchandise sold or services performed in the ordinary course of business If collection is expected in one year or less trade receivables are classified as current assets If not, trade receivables are presented as noncurrent assets Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment

The provision for impairment is recorded based upon the Company's estimate of credit losses included in accounts receivable considering historical losses on trade receivables and a specific review all accounts whose aging is nearing or has exceeded credit terms Account balances are charged against the provision for impairment when it is determined they will not be collected The Company records a provision for customer returns and customer discounts at the time of product shipment based upon the Company's historical experience with customer rebates and discounts

2 9 Prepaid Expenses

Costs incurred which the Company expects will benefit multiple periods are capitalized These costs are recognized in the statement of comprehensive income over the period in which the Company benefits from the expenditure using a method that reflects the pattern in which the Company benefits from the expenditure

2.10 Indirect Taxes

Indirect taxes are added to goods or services when they are purchased (indirect tax receivable) and when they are sold (indirect tax payable) The Company recognizes indirect taxes owed to and owed from taxing authorities in each country in which it conducts transactions subject to these taxes and remits payments on a timely basis to the taxing authorities in each country

2 11 Cash at Bank

Amounts presented as cash at bank include only cash at call with banks

(amounts presented in Euro (€) unless otherwise stated)

2 12 Due to/from Related Parties

Amounts due to and due from related parties have arisen as a result of the related party transactions described in Note 18 Amounts due to and due from related parties are classified as current if payment is due within one year or less If not, amounts due to and due from related parties are presented as noncurrent Amounts due to and due from related are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method

2 13 Share Capital

Ordinary shares are classified as equity

2 14 Income Taxes

The income tax expense recognized includes current income taxes for the period Income taxes are recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity In the case of items recognized in other comprehensive income or directly in equity, the associated income taxes are also recognized in other comprehensive income or directly in equity, respectively

The current income tax expense recognized is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and registered branches operate and generate taxable income Management periodically evaluates positions taken in income tax returns with respect to situations in which the applicable income tax regulation is subject to interpretation It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

2 15 Revenue Recognition

Through the duration of the transition services agreement with BD discussed in Note 1, the Company had not yet established direct arrangements with end customers regarding transfers of ownership and pricing, therefore the Company was not recognizing sales at the point of delivery rather the Company was recognizing sales when cash was remitted by BD to the Company The transition services agreement with BD ended in May 2011 The Company subsequently collected cash from BD, and recognized sales related to, all goods delivered during the period in which the transition services agreement was in place Therefore all sales under the transition services agreement were recorded within the period December 20, 2010 through December 31, 2011

Following the termination of the transition services agreement with BD, revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, when the goods have been delivered, and when specific criteria have been met for each of the Company's activities The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

The Company's invoices include amounts for shipping and handling costs including postage The Company recognizes these billings as sales and includes the associated costs in selling, general, and administrative expenses

(amounts presented in Euro (€) unless otherwise stated)

2.16 Cost of Goods Sold

Cost of goods sold represents the associated cost of inventories sold in sales transactions and is recorded at the time sales are recognized

2.17 Finance Costs

Finance costs consist primarily of foreign currency exchange gains and losses

2 18 Leases

The Company leases certain property and equipment under operating leases Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease

3 Financial Risk Management

3 1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks foreign exchange risk, credit risk, liquidity risk, and cash flow interest rate risk The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance

Foreign Exchange Risk

The Company and its registered branches operate internationally and conduct transactions in multiple foreign currencies which create various foreign currency exposures primarily with respect to the United States dollar, Singapore dollar, British pound sterling, Swedish krona, and Danish krone, Polish zloty, Swiss franc, and Norwegian krone The Company does not hedge these foreign currency exposures and recognizes foreign currency transaction gains and losses in its statement of comprehensive income

Argon Medical Devices Netherlands B.V.
Notes to Financial Statements
December 31, 2012 and 2011

(amounts presented in Euro (€) unless otherwise stated)

As of December 31, 2012 and 2011, various individual balances included in the Company's balance sheets were denominated in foreign currencies as follows

(shown in Euro (€) denominated in foreign currencies)	EUR	SGD	USD	SEK	GBP	DKK	PLN	NOK	CHF	JPY
	Balances at December 31 2012									
Property and equipment, net	15 378									
Trade receivables	1 370 064		843 898	307 648	337 706	178 951	138 730	6 577	18 853	
Receivables due from related parties	18 000		4 708 402							
Prepaid expenses	105 168			47		4 781				
Income taxes receivable				333 557						
Indirect taxes receivable	129 383									
Inventories	4 728 447									
Cash at bank	464 283		156 911	94 501		45 953				
	6 878 721		5 709 211	735 753	337 706	229 685	138 730	6 577	18 853	
Payables due to related parties		11 350 278								
Accrued expenses	808 577			63 355		57 855				
Income taxes payable	283 397					8 224				
Indirect taxes payable	124 061			157 880		67 382				
	1 354 035	11 350 278		221 235		134 261				
Net foreign currency exposure	5 474 686	(11 350 278)	5 709 211	514 518	337 706	115 404	138 730	6 577	18 853	

(shown in Euro (€) denominated in foreign currencies)	EUR	SGD	USD	SEK	GBP	DKK	PLN	NOK	CHF	JPY
	Balances at December 31 2011									
Property and equipment, net	22 447									
Trade receivables	1 477 434		1 034 016	310 052	348 748	268 338	183 728	22 563	17 192	
Receivables due from related parties	18 000		6 581 754							
Prepaid expenses	68 568			8 123		27 557				
Income taxes receivable				164 057						
Indirect taxes receivable	118 579									
Inventories	5 050 608									
Cash at bank	1 001 294		114 492	186 100		25 867				
	7 751 876		7 730 262	668 332	348 748	321 762	183 728	22 563	17 192	
Payables due to related parties		15 178 832								6 245
Accrued expenses	1 203 278			16 379		13 499				
Income taxes payable	27 453					2 400				
Indirect taxes payable	151 679			131 459		75 522				
	1 382 210	15 178 832		147 838		91 421				6 245
Net foreign currency exposure	6 369 718	(15 178 832)	7 730 262	520 494	348 748	230 341	183 728	22 563	17 192	(6 245)

The Company's total comprehensive income for the years ended December 31, 2012 and 2011 would have been impacted as follows if the various foreign currency movements had occurred (assuming all other variables held constant)

2012 Increase (Decrease) in Profits (in Euro (€)) Owing to Foreign Currency Exchange Rate Movements									
SGD Strengthened by 1%	(114 640)								
SGD Weakened by 1%	112 379								
USD Strengthened by 1%		58 528							
USD Weakened by 1%		(57 570)							
SEK Strengthened by 1%			5 197						
SEK Weakened by 1%			(5 094)						
GBP Strengthened by 1%				3 411					
GBP Weakened by 1%				(3 344)					
DKK Strengthened by 1%					1 166				
DKK Weakened by 1%					(1 143)				
PLN Strengthened by 1%						1 401			
PLN Weakened by 1%						(1 374)			
NOK Strengthened by 1%							66		
NOK Weakened by 1%							(65)		-
CHF Strengthened by 1%								190	
CHF Weakened by 1%								(187)	
JPY Strengthened by 1%									
JPY Weakened by 1%									

2011 Increase (Decrease) in Profits (in Euro (€)) Owing to Foreign Currency Exchange Rate Movements									
SGD Strengthened by 1%	(153 301)								
SGD Weakened by 1%	150 268								
USD Strengthened by 1%		78 087							
USD Weakened by 1%		(76 383)							
SEK Strengthened by 1%			5 256						
SEK Weakened by 1%			(5 153)						
GBP Strengthened by 1%				3 523					
GBP Weakened by 1%				(3 453)					
DKK Strengthened by 1%					2 327				
DKK Weakened by 1%					(2 281)				
PLN Strengthened by 1%						1 654			
PLN Weakened by 1%						(1 621)			
NOK Strengthened by 1%							228		
NOK Weakened by 1%							(223)		
CHF Strengthened by 1%								174	
CHF Weakened by 1%								(170)	
JPY Strengthened by 1%									(63)
JPY Weakened by 1%									62

(amounts presented in Euro (€) unless otherwise stated)

Credit Risk

Credit risk arises from cash and cash equivalent on deposit with banks as well as credit exposures to customers such as in the case of outstanding receivables and committed transactions Credit risk on outstanding receivables is managed on a consolidated basis by the Company's ultimate holding company and its affiliates in order to mitigate the risk of counterparty default and concentration The ultimate holding company and its affiliates manages and analyses the credit risk for each of the Company's customers before standard payment and delivery terms and conditions are offered

The credit risk on liquid funds is limited because the counterparty is a bank with high credit ratings assigned by International credit rating agencies

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Company's balance sheet

Liquidity Risk

Cash flow forecasting is performed on a consolidated basis by the Company's ultimate holding company and its affiliates which includes monitoring rolling forecasts of liquidity needs to ensure the Company has sufficient cash to meet its operational needs

Cash Flow Interest Rate Risk

The Company has no significant interest-bearing assets or liabilities Therefore its income and operating cash flows are substantially independent of changes in market interest rates and no sensitivity analysis is performed

3 2 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

The Company's capital structure represents equity attributable to the owner of the Company and includes issued share capital and accumulated earnings

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce debt

4 *Critical Accounting Estimates and Judgments*

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Company makes estimates and assumptions concerning the future The resulting accounting estimates will, by definition, seldom equal the related actual results The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the provision for impairment of trade receivables and inventory reserves

(amounts presented in Euro (€) unless otherwise stated)

The calculation of the provision for impairment of trade receivables relies on historical losses on trade receivables and a specific review all accounts whose aging is nearing or which have exceeded credit terms as of the reporting date in order to estimate the necessary provision Future losses on trade receivables may be more or less than historical losses and the specific review of accounts whose aging is nearing or which have exceeded credit terms may not accurately capture all uncollectible account balances which may have an impact on the accuracy of the provision for impairment recorded at the balance sheet date

Inventory valuation allowances are recognized based on the estimated net realizable value of inventories as of the reporting date and net realizable value is comprised of the estimated selling price of the inventories in the ordinary course of business less disposal costs The future selling prices of inventories and disposal costs may be more or less than the estimated amounts used in determining the inventory valuation allowances which may have an impact on the accuracy of the provision for impairment recorded at the balance sheet date

The Company conducts its business activities in multiple countries across Europe, the Middle East, and Africa and those business activities and the Company's multi-jurisdictional structure requires that the Company and its branch offices comply with income tax laws and regulations in several countries and there may be transactions and balances for which the ultimate income tax determination is uncertain Local tax authorities may challenge the Company's income tax positions and final determinations by those authorities which differ from income tax positions taken by the Company may result impact the accuracy of the income tax figures reported by the Company

5 Net Sales by Branch Office and Legal Entity

Net sales reported for the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were generated by the following registered branch offices and legal entity

	2012	2011
Branch		
Belgium	€ 1,094,886	€ 712,344
Denmark	1,092,926	640,108
Finland	1,235,978	718,439
Germany	4,033,714	2,274,414
Sweden	2,357,868	1,346,133
Branch sub-total	9,815,372	5,691,438
Legal entity		
Netherlands	10,659,661	15,085,804
Total net sales by branch office and legal entity	€ 20,475,033	€ 20,777,242

Net sales to distributors generated by the Company's representatives in France, Greece, and the United Kingdom are recognized by the Company's Netherlands legal entity

(amounts presented in Euro (€) unless otherwise stated)

6 Cost of Goods Sold

Cost of goods sold for the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were comprised of €13,621,111 and €14,727,335, respectively, of inventories that were sold in sales transactions

7. Selling, General and Administrative Expenses

Selling, general and administrative expenses reported in 2012 and from December 20, 2010 to December 31, 2011 were comprised of the following components

		2012		2011
Employee costs	€	2,411,716	€	1,658,966
Transition service fee and other costs paid to BD		-		653,148
Transportation expenses		695,744		618,087
Outsourced logistics and administrative services expenses		1,249,214		808,494
Commission		319,449		374,669
Professional services		440,837		233,290
Doubtful account expense (recovery)		(38,307)		227,405
Operating lease expenses		210,111		221,752
Registration		44,951		178,867
Office administration		85,553		122,160
Depreciation		10,353		5,940
Other expenses		410,388		466,678
	€	5,840,009	€	5,569,456
Auditor's remuneration				
Audit services	€	119,549	€	77,007
Taxation services		204,553		109,452
Consulting services		101,631		-

Additional auditors' remuneration for tax services of €0 and €111,584 for December 31, 2012 and the period December 20, 2010 (Date of Inception) to December 31, 2011, respectively, related to activities of the Company was bore by affiliates of the Company's ultimate holding company, Argon Medical Devices Holding, Inc The Company is not directly charged for these services by Argon Medical Devices Holding, Inc or its affiliates, instead, the cost of these services is one factor, among many, used to determine the price paid to purchase inventories from affiliates under the Company's global transfer pricing arrangement in place for all affiliates of Argon Medical Devices Holding, Inc

Consulting services relate advisory services rendered by the Company's auditor's to advise the Company on human resources, payroll, employee benefits arrangements, and other matters

(amounts presented in Euro (€) unless otherwise stated)

8. Information Regarding Employees

Employee costs for the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were comprised of the following significant components

	2012	2011
Salaries	€ 1,527,177	€ 1,065,065
Pension costs – defined contribution plans	208,681	102,900
Social security costs	302,209	156,783
Bonus	199,103	185,179
Compensated absences	99,630	112,220
Other employee costs	74,916	36,819
	€ 2,411,716	€ 1,658,966

The average monthly number of persons (including directors) employed by the Company for the year ended December 31, 2012 and the period from December 20, 2010 (Date of Inception) to December 31, 2011 was

	2012	2011
Selling and distribution	18	19
Supply chain	2	1
	20	20

As of December 31, 2012 and 2011, the number of persons (including directors) employed by the Company working in the Netherlands were three (3)

9 Finance Costs

Finance costs for the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were comprised of €33,928 and €243,519, respectively, of foreign currency transaction gains, net

10 *Income Tax Expense*

Income tax expense recognized during the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were comprised of the following significant components

	2012	2011
Current income tax		
Current income tax on profits for the year	€ 234,439	€ 34,963

(amounts presented in Euro (€) unless otherwise stated)

The income tax expense recognized on the Company's profit before income taxes differs from the theoretical amount that would arise using the weighted average income tax rate applicable to profits before income taxes as follows

		2012		2011
Profit on ordinary activities before taxation				
Profit before tax multiplied by weighted average rate of 23 98% and 20 78% at December 31, 2012 and 2011, respectively	€	234,996	€	49,232
Relief from double taxation for taxable income generated in registered branch countries		(4,857)		(18,621)
Permanent nondeductible expenses		4,300		4,352
Total current income tax expense	€	234,439	€	34,963

The Company's weighted average tax rate of 23 98% and 20 78% at December 31, 2012 and 2011, respectively, differs from the tax rate of 25 00% applicable on taxable profits in excess of €200,000 since the Company's taxable profits up to €200,000 were subject to tax at a lower rate of 20 00% applicable for entities incorporated in the Netherlands

There were no income taxes recognized in other comprehensive income or directly in equity during the year ended December 31, 2012 or for the period from December 20, 2010 (Date of Inception) to December 31, 2011

The Company periodically remits payments to the tax authorities for its estimated income taxes in those jurisdictions where the Company has income tax obligations Payments made in excess of the Company's income tax obligation for the period are recognized as income taxes receivable and income tax obligations for the period in excess of payments made are recognized as income taxes payable As of December 31, 2012 and 2011, the Company had income taxes receivables and payables of €333,557 and €164,057, respectively, and €272,621 and €29,653, respectively

(amounts presented in Euro (€) unless otherwise stated)

11. Property and Equipment

Property and equipment as of December 31, 2012 and 2011, which consists primarily of computer and software, consists of

		2012		2011
Beginning net book value	€	22,447	€	-
Cost				
Additions		3,284		28,387
Disposal		-		-
At December 31		25,731		28,387
Depreciation				
Charge for the year		10,353		5,940
Disposal		-		-
At December 31		10,353		5,940
Net book value				
At December 31	€	15,378	€	22,447

12 Inventories

Inventories as of December 31, 2012 and 2011 consist of

		2012		2011
Finished goods	€	4,955,423	€	5,254,867
Less Provision for excess and obsolete inventories		(228,976)		(204,259)
	€	4,726,447	€	5,050,608

Movements in the Company's excess and obsolescence provision of inventories during the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were as follows

At December 20, 2010	€	-
Excess and obsolescence provision		204,259
At December 31, 2011		204,259
Increase in excess and obsolescence provision		24,717
At December 31, 2012	€	228,976

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(amounts presented in Euro (€) unless otherwise stated)

13. Trade Receivables

Receivables as of December 31, 2012 and 2011, which are due within one year, consist of

	2012	2011
Trade receivables	€ 3,391,331	€ 3,864,479
Less Provision for impairment	(189,098)	(227,405)
Trade receivables, net of provisions	€ 3,202,233	€ 3,637,074

The estimated fair value of the Company's trade receivables were €3,202,233 and €3,637,074 at December 31, 2012 and 2011, respectively

These past due but not impaired trade receivables relate to a number of independent customers with no history of default whose aging as of December 31, 2012 and 2011 were as follows

	2012	2011
Performing trade receivables	€ 2,523,399	€ 2,645,078
Past due trade receivables		
Less than 3 months	867,932	1,219,401
3-6 months	-	-
6-9 months	-	-
9-12 months	-	-
More than 12 months	-	-
Impaired trade receivables	(189,098)	(227,405)
Trade receivables, net of provisions	€ 3,202,233	€ 3,637,074

As of December 31, 2012 and 2011, trade receivables of €189,098 and €227,405, respectively, were impaired Receivables considered impaired had aging three months or less During the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011, the amount of the provision (recovery) for impairment recognized by the Company were €(38,307) and €227,405, respectively

(amounts presented in Euro (€) unless otherwise stated)

At December 31, 2012 and 2011, the carrying amount of the Company's trade receivables excluding provision for impairment was denominated in the following currencies

	2012		
	Local Currency		Euro (€)
Euro	1,559,162	€	1,559,162
Swiss franc	22,762		18,853
British pound sterling	276,106		337,706
Norwegian krone	48,538		6,577
Polish zloty	564,205		138,738
United States dollar	1,110,847		843,696
Danish krone	1,334,462		178,951
Swedish krona	2,643,024		307,648
		€	3,391,331

	2011		
	Local Currency		Euro (€)
Euro	1,689,840	€	1,699,839
Swiss franc	21,147		17,192
British pound sterling	294,469		348,748
Norwegian krone	224,081		22,563
Polish zloty	726,826		163,728
United States dollar	1,327,253		1,034,019
Danish krone	1,793,381		268,338
Swedish krona	2,647,444		310,052
		€	3,864,479

Movements in the Company's provision for impairment of trade receivables during the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011 were as follows

At December 20, 2010	€	-
Provision for receivables impairment charged as expense		227,405
At December 31, 2011		227,405
Net reversal for receivables impairment charged as income		(38,307)
At December 31, 2012	€	189,098

Argon Medical Devices Netherlands B.V.
Notes to Financial Statements
December 31, 2012 and 2011

(amounts presented in Euro (€) unless otherwise stated)

14 Indirect Taxes

Indirect taxes receivable and indirect taxes payable at December 31, 2012 and 2011 consist of

	2012						
	Indirect Taxes Receivable	Indirect Taxes Payable					
	Netherlands	Belgium	Denmark	Finland	Germany	Sweden	Total
Indirect taxes receivable	€ 470 211	€ 15 592	€ 34 171	€ 23 861	€ 95 193	€ 39 262	€ 208 079
Indirect taxes payable	(340 828)	(70 369)	(101 553)	(48 988)	(139 350)	(197,142)	(557 402)
Indirect taxes receivable/(payable) net	€ 129 383	€ (54 777)	€ (67 382)	€ (25 127)	€ (44 157)	€ (157 880)	€ (349 323)

	2011						
	Indirect Taxes Receivable	Indirect Taxes Payable					
	Netherlands	Belgium	Denmark	Finland	Germany	Sweden	Total
Indirect taxes receivable	€ 293 831	€ 90 841	€ 83,216	€ 123 691	€ 374 720	€ 210 072	€ 882 540
Indirect taxes payable	(175 252)	(149 585)	(158 739)	(164,385)	(426 959)	(342,532)	(1 242 200)
Indirect taxes receivable/(payable) net	€ 118 579	€ (58 744)	€ (75 523)	€ (40 694)	€ (52 239)	€ (132 460)	€ (359 660)

15. Accrued Expenses

Accrued expenses at December 31, 2012 and 2011 consist of

	2012	2011
Accrued outsource services	€ 246,502	€ 272,492
Accrued transportation expenses	107,400	169,243
Accrued professional fees	234,813	174,971
Accrued bonuses	201,339	208,646
Accrued compensated absences	191,473	104,743
Accrued commission	26,687	65,658
Accrued salaries, social securities and other employee costs	-	52,858
Others	79,373	183,545
	€ 1,087,587	€ 1,232,156

16 Share Capital

Share capital as of December 31, 2012 and 2011 consists of

	2012	2011
Authorized		
90,000 ordinary shares of €1 each	€ 90,000	€ 90,000
Issued and fully paid		
18,000 ordinary shares of €1 each	€ 18,000	€ 18,000

As of the Company's date of incorporation, all issued share capital (18,000 ordinary shares) was fully paid

(amounts presented in Euro (€) unless otherwise stated)

17. Stock Option Plan

During the year ended December 31, 2012, the directors of the Company's ultimate parent company - Argon Medical Devices Holding, Inc - amended the terms of the Argon Medical Devices Holding, Inc 2010 Stock Option Plan (the "Plan") to allow participation by non-U S based persons During the year ended December 31, 2012, 60,360 options to purchase shares in Argon Medical Devices Holding, Inc , with an estimated fair value of €77,470, were granted to nonemployees of the Company who provide services to the Company The Company is not directly charged for the estimated fair value, or cost, of these stock options by Argon Medical Devices Holding, Inc , instead, the estimated fair value, or cost, of these stock options is one factor, among many, used to determine the price paid to purchase inventories from affiliates under the Company's global transfer pricing arrangement in place for all affiliates of Argon Medical Devices Holding, Inc

18. Related Party Transactions

The following transactions and balances were carried out with affiliates of the Company's ultimate holding company, Argon Medical Devices Holding, Inc , during the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011

	2012	2011
Purchases of goods		
Argon Medical Devices, Inc	€ 137,912	€ 170,635
Argon Critical Care Systems Singapore, Pte Ltd	14,538,579	19,971,670
Others	19,537	6,245
Purchase of services		
Affiliated company (payroll administrative services)	242,968	342,387

Goods bought from affiliates of the Company's ultimate holding company, Argon Medical Devices Holding, Inc , are bought under a global transfer pricing arrangement which generally targets that the Company earn profits of cost plus five percent (cost + 5%) During the period from December 20, 2010 (Date of Inception) to December 31, 2011, the Company incurred expenses due to its formation which depressed its profitability below the targeted amount

Services received from affiliates of the Company's ultimate holding company, Argon Medical Devices Holding, Inc , include an arrangement with an affiliate of a shareholder in the Company's ultimate parent company, Argon Medical Devices Holding, Inc , who performs payroll administrative services on behalf of the Company This arrangement requires the Company to reimburse that affiliate for the costs of its employees who perform services entirely on behalf of Argon Medical Devices Netherlands, B V and the reimbursed expenses were recognized in selling, general, and administrative expenses in the Company's statement of comprehensive income

Additionally, certain employees of the Company's ultimate holding company, Argon Medical Devices Holding, Inc and its affiliates devote a portion of their time to performing human resources, IT, payroll, accounts payable, and other functions on behalf of the Company in the normal course of business The Company is not directly charged for these services by Argon Medical Devices Holding, Inc or its affiliates, instead, the cost of these services is one factor, among many, used to determine the price paid to purchase inventories from affiliates under the Company's global transfer pricing arrangement in place for all affiliates of Argon Medical Devices Holding, Inc

(amounts presented in Euro (€) unless otherwise stated)

As of December 31, 2012 and 2011, the following related party receivables and payables were outstanding

	2012	2011
Receivables from affiliated companies		
Argon Medical Devices, Inc	€ 4,706,492	€ 6,581,754
Argon Medical Devices Singapore Pte Ltd	18,000	18,000
Total receivables due from related parties	€ 4,724,492	€ 6,599,754
Payables to affiliated companies		
Argon Critical Care Systems Singapore Pte Ltd	€ 11,350,278	€ 15,176,832
Argon Medical Devices Japan, K K	-	6,245
Total payables due to related parties	€ 11,350,278	€ 15,183,077

Receivables from Argon Medical Devices, Inc arose mainly as a result of cash collections from sales transactions during the transition service period with BD discussed in Note 1 which were remitted to Argon Medical Devices, Inc in lieu of the Company These amounts are unsecured in nature and do not bear interest Also from time to time, Argon Medical Devices, Inc pays the Company's vendors directly and those payments are either offset against the outstanding receivable or reimbursed by the Company to Argon Medical Devices, Inc on a periodic basis Receivables due from Argon Medical Devices Singapore Pte Ltd are for expenditures made by the Company on its behalf which are reimbursable

Payables due to Argon Critical Care Systems Singapore Pte Ltd and Argon Medical Devices Japan, K K , arise mainly from the purchase of goods, are generally due two (2) to six (6) months after the date of purchase, and do not bear interest

19 Management Board

The Company regards its Management Board, as defined by the Company's Articles of Association, as key management of the Company During the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011, two (2) persons, were represented on the Management Board The Dutch citizen on the Company's Management Board, who is an employee and Director of the Company, received approximately €120,000 and €127,000 in total remuneration during year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011, respectively

The second member of the Company's Management Board, who is also a director of the Company, is an employee of an affiliate of the Company's ultimate holding company, Argon Medical Devices, Inc All remuneration paid to this person were bore by that affiliate and none charged to the Company during the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011

(amounts presented in Euro (€) unless otherwise stated)

20. Commitments

Operating Lease Commitments

The Company leases office space in various countries throughout Europe and certain equipment under noncancelable operating leases which expire at various dates through 2020 Under these leases, the Company may be liable for certain other costs, including but not limited to, common area maintenance charges or real estate taxes

During the year ended December 31, 2012 and for the period from December 20, 2010 (Date of Inception) to December 31, 2011, total rent expense under noncancelable operating leases was approximately, €210,111 and €221,752, respectively

The future aggregate minimum lease payments under noncancelable operating leases are as follows

	2012	2011
Within a year	€ 216,527	€ 200,200
Between two and five years	388,125	438,583
More than five years	39,329	89,992
	€ 643,981	€ 728,775

21 Approval of Financial Statements

The financial statements have been authorized for issuance by the Company's Board of Directors on July 2, 2013

22 Subsequent Events

On April 12, 2013, the Company's ultimate holding company - Argon Medical Devices Holding, Inc - completed the acquisition of the Interventional Products Business of Angiotech Pharmaceuticals, Inc The estimated purchase price paid by the Company's ultimate holding company, subject to customary post-closing adjustments, plus transaction-related costs totaled approximately €274 million The purchase plus the current debt refinancing was funded through equity proceeds from existing shareholders of the Company's ultimate holding company of approximately €82 million, the issuance of €182 million of new senior debt and €27 8 million in new subordinated notes by the Company's ultimate holding company and other sources The Company's ultimate holding company has not completed the purchase price allocation as of the date of the issuance of this report

In connection with the acquisition completed by the Company's ultimate holding company referred to immediately above, Argon Medical Devices Netherlands B V acquired the one-hundred percent (100%) of the outstanding shares of Angiotech Switzerland S A , Angiotech S A R L, Angiotech S L, and Angiotech GmbH from Angiotech International AG in exchange for €12 0 million In order to fund the acquisition, the Company's existing receivables and payables with affiliates were restructured and the Company received additional debt financing from Argon Medical Devices, Inc , an affiliate of the Company's ultimate holding company The Company has not completed the purchase price allocation as of the date of the issuance of this report

(amounts presented in Euro (€) unless otherwise stated)

The Company has evaluated the impact of subsequent events through July 2, 2013 the date the financial statements were made available to be issued

Sharon McNally	Aike Alida van Solkema-Boer
Director	Director
July 2, 2013	July 2, 2013

Other information

Provisions in the Articles of Association relating to profit appropriation

Article 11 1 of the Articles of Association states that the Company may make distributions to its shareholders and other persons entitled to the Company's distributable profits to the extent that the Company's total equity balance exceeds the sum of the Company's fully issued and fully paid capital and reserves, if any, the Company is required to maintain by law Distributable profits represent the balance in the Company's profit and loss account adopted by the Company's shareholders at its annual general meeting

Proposed profit appropriation

The Company's management board proposes to appropriate the profit of € 745,546 for the period ended December 31, 2012 as an addition of € 745,546 to retained earnings The Company's management board does not recommend the payment of a dividend to the Company's shareholders at this time

Events after balance sheet date

The events after balance sheet date are disclosed in footnote 22 in the Company's financial statements

Independent auditor's report