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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

TUESDAY

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

X **What this form is NOT**
You cannot use this form an alteration of manner with accounting requirer

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

All fields are mandatory unless specified or indicated by *

Part 1 Corporate company name

Corporate name of overseas company ❶	Argon Medical Devices Netherlands B.V.
UK establishment number	B R 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 The 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 adopted by the EU	

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 Sharon McNally X SHARON MCNALLY
	This form may be signed by: Director, Secretary, Permanent representative.

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 35 Great St Helen's

Post town London

County/Region

Postcode E C 3 A 6 A P

Country

DX

Telephone

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.

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You may return this form to any Companies House address:

England and Wales:
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Further information

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

Argon Medical Devices Netherlands B.V. and Subsidiaries

Annual Report
December 31, 2016 and 2015

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Independent auditor's report

To: the general meeting of Argon Medical Devices Netherlands B.V.

Report on the financial statements 2016

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Argon Medical Devices Netherlands B.V. as at 31 December 2016 and of its result and cash flows for the year then ended 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;
- the accompanying company financial statements give a true and fair view of the financial position of Argon Medical Devices Netherlands B.V. as at 31 December 2016 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2016 of Argon Medical Devices Netherlands B.V., Amsterdam ('the company'). The financial statements include the consolidated financial statements of Argon Medical Devices Netherlands B.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the following statements for 2016: the consolidated income statement and the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2016;
- the company profit and loss account for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

Ref.: e0404537

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands
T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

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The basis for our opinion

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 section 'Our responsibilities for the audit of the financial statements' of our report.

Independence

We are independent of Argon Medical Devices Netherlands B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

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 directors' report;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is 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 in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our 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 such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The directors are responsible for the preparation of the other information, including the directors' report and the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the directors

The directors are responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the directors determine 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, the directors are responsible for assessing the company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the directors should prepare the financial statements using the going-concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The directors 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.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 21 June 2017
PricewaterhouseCoopers Accountants N.V.

P.W.J. Middelhoven RA

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Appendix to our auditor's report on the financial statements 2016 of Argon Medical Devices Netherlands B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- 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 intentional 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 the directors.
- Concluding on the appropriateness of the directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the 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.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

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

Argon Medical Devices Netherlands B.V. and Subsidiaries
Index
December 31, 2016 and 2015

Directors' Report

Principal Activities

Argon Medical Devices Netherlands B.V. and Subsidiaries (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

Total comprehensive income (loss) for the years ended December 31, 2016 and 2015 was €(15,196,758) and €7,952,969, respectively.

As of December 31, 2016 and 2015, the Company had total equity of €4,274,232 and €19,470,990, 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").

In April 2013, the Company further expanded its product line when the Company ultimate holding company - Argon Medical Devices Holding, Inc., acquired the Interventional Products Business of Angiotech Pharmaceuticals, Inc. ("Angiotech"). The Company participated in this acquisition by acquiring the outstanding equity interests of Angiotech S.L., Angiotech GmbH, Angiotech Switzerland SA, and Angiotech SARL, which had distributed the acquired business' products across Europe, the Middle East, and Africa.

In February 2014, as part of a corporate reorganization, the Company purchased Argon Medical Devices Danmark ApS ("ADAS") (which included branches in Sweden, Norway, and Finland) from PBN Medicals Denmark A/S ("PBN"). PBN and ADAS were acquired from Angiotech in April 2013.

The Company has a number of product lines that require a sales and marketing strategy tailored to our customers in order to deliver high-quality and cost-effective products. To help broaden awareness, the Company's sales team participates in several educational symposia and provides training to customers. A majority of the sales and marketing approach in the region is direct sales, although it varies depending on each country's size and state of development.

As of December 31, 2016, Argon Medical Devices Netherlands B.V. Subsidiary, Argon Medical Devices Switzerland SA, is held for sale. See section "Events after the Balance Sheet Date" for further information.

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.

Workforce and Corporate Governance Development Activities

Workforce: The Company's workforce consists primarily of employees engaged in selling and distribution functions which are consistent with the Company's principal activity of distributing specialty medical products throughout Europe, the Middle East, and Africa. The Company also has a limited number of employees in the supply chain and finance functions that provide support to the commercial market-facing activities conducted by the Company. The total size and size of the Company's workforce by country is contingent upon many factors, including but not limited to changes in the Company's revenues and/or profitability in total and by country, and changes in either factor may necessitate changes in the composition of the Company's workforce in the upcoming fiscal year. Management believes that the Company's existing number of employees is sufficient in the current fiscal year. There is no significant employee turnover during the year.

Corporate Governance: During 2016, the board consists totally of two women. The Company has no intention in the short term period to change this structure. However, when an opportunity is present and makes practical business sense, the Company will consider the men to women ratio of the board, but nomination will be regardless of gender or culture.

Financing Activities

There were no additional financing activities within 2016.

Risks and Uncertainties

In compliance with the Dutch Accounting Standard 400, the Company addresses risks and uncertainties within the following sections.

Methodology:
The risk management policies and procedures are key to ensuring proper management of the Company. All layers of the organization understand that risk management is an important process. Risk management is mainly carried out by the organization's executives. Risk management is a fixed item on the agenda of senior management meetings held on a regular basis. All employees contribute to identifying risks and the associated control measures. Contributions to improving risk management are rewarded in the people performance process. Risks are analyzed on an annual basis and any new risks are assessed and incorporated during the yearly planning discussion. The Vice President on Sales who

also acts as the General Manager is responsible for risk management and with the help of the finance team, conducts biennial meetings for the Company's management board and key employees.

The most significant risks and the risk reduction measures taken:
The Company's activities expose it to a variety of operational and financial risks: foreign currency exchange risk, credit risk, liquidity risk, cash flow interest rate risk and concentration 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 as well as its group's overall performance.

Appetite for significant risks:
The current risk profile is determined on the basis of this risk analysis and the control measures. The current risk profile is assessed and compared with the desired risk profile. Action plans are drawn up for each risk if the current profile is graded at a higher level than the desired risk profile to further control/reduce the existing exposure.

Risks	Controls	Current Risk Profile	Desired Risk Profile
Foreign currency exchange risk	Partly self-hedge in the current and prior years Plan to enter in a forward currency contract in subsequent year	Medium	Low
Credit risk	Regular financial review of credit reserves Constant and effective communication with customers through the sales workforce	Low	Low
Liquidity risk	Regular cash flow review	Low	Low
Cash flow interest rate risk	Constant communication with affiliated companies holding the Company's promissory notes	Low	Low
Concentration risk	Regular concentration risk review	High	Medium

The Company, its registered branches, and its wholly owned subsidiaries 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's principal currency exposures relate to the Euro and the United States dollar associated with long-term loan with affiliated entities. Our objective is to minimize the volatility of our exposure to these risks through normal operating activities which is partly self-hedge. The Company does not hedge these foreign currency exposures and recognized foreign currency transaction gains and losses in its consolidated statements of comprehensive income. Moreover, the Company's current policy is to not hedge substantially all of its' US dollar-denominated debt and cost of sales against changes in foreign exchange rates considering the long-term nature of the US dollar-denominated debt and high turnover of inventory which are mostly purchased directly from affiliated companies. Management continues to evaluate the impact of the devaluation of Euro against United States dollar and its impact at the group level.

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.

Cash flow forecasting is performed at the local level as well as 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 except for its promissory note with Argon Medical Devices, Inc. and PBN Medical Devices Denmark A/S which mature on April 12, 2018 and December 31, 2018, respectively, and bear interest at a coupon rate of 1.00% and a 6.5% yield and can be repaid at any time without penalty or premium.

In the normal course of business, the Company provides credit to customers in the health care industry, perform credit evaluations of these customers, and maintain allowances for potential credit losses, which have historically been adequate compared to actual losses. In the past years, the Company has one Middle East customer that represents 10% or more of our total net sales or accounts receivable, net. The Company continues to do business with customers in certain Middle East countries that have experienced deteriorations in credit and economic conditions. These conditions have resulted in, and may continue to result in, a reduction in value and an increase in the average length of time that it takes to collect accounts receivable outstanding in these countries. In addition, the Company may also be impacted by declines in sovereign credit ratings or sovereign defaults in these countries. Extreme competition in certain markets could cause the Company significant effort to increase marketing and other expenditures and prevent the Company from increasing prices to recover higher costs and address inflation thereby reducing product margins or lose market share. Any of the foregoing could have a significant adverse effect on the Company's business, financial condition and results of operations. It is the policy of the Company to observe the highest standards of ethics, honesty and integrity. All employees are required to uphold these standards and must not have any personal interest that conflicts in any way with the interest of the Company and its shareholders. The Company has robust ethical guidelines which are illustrated in the Company's Human Resource Handbook outlining specific examples of anti-bribery and foreign corrupt practices act. This handbook is disseminated to new employees upon hiring. Strict adherence to these policies is constantly communicated through various means such as electronic correspondence, board postings and formal meetings to serve as effective reminder to all employees who are located in various parts of the globe. Moreover, the Company has an active whistleblower program which protects and encourages employees to report any serious violation in the Company's policies or external laws and regulations whether in person or anonymously.

Quantification of the impact on the result and financial position if the risks materialize:

Foreign currency exchange risk:
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 (Note 4) to the Company's consolidated financial statements.

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

Liquidity risk:
Excluding related party balances, the Company has a ratio of liquid assets to current liabilities of 1.7 and 3.6 as at December 31, 2016 and 2015, respectively. As of December 31, 2016 the continuing business has a ratio of liquid assets to current liabilities of 2.3. These liquidity asset ratios are considerably high compared with similar companies in the healthcare industry. Management also believes that it has sufficient access to its ultimate holding company's funds for emergency purposes. As such, no sensitivity analysis is performed.

Cash flow interest rate risk:
The Company's income and operating cash flows are substantially independent of changes in market interest rates. As such, no sensitivity analysis is performed.

Concentration risk:
The Company sells more than 10% of its products in the Middle East market. Should this market collapse, revenue would fall considerably. Moreover, a sharp fall in prices or sales in this region will negatively affect the results of the Company. Should the market contract by 50%, this would bring about a €3 million decrease in revenue with EBITDA declining by €1.3 million.

Risks and uncertainties having a major impact in the past financial year and the consequences:
The Company's risks and uncertainties have had no major impact in the past financial year.

Current or planned improvements in the risk management system:
The risk management methodology meets the wishes and requirements of the management of the Company. The Company has implemented a robust anti-fraud policy to detect and prevent fraud and violations of applicable laws, which includes a strict requirement prohibiting our employees and agents from violating these laws. With these policies, there remains some degree of risk that improper conduct could occur, thereby exposing us to potential liability and the costs associated with investigating potential misconduct.

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 by 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 and/or cash flow interest rate 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. In addition, since the interest-bearing liabilities of the Company carry a fixed annual coupon interest rate of 1.00% and a yield of 6.5% have been issued to related parties, the Company considers the financing risk posed by these financial instruments to be low.

Events After the Balance Sheet Date

The Company has evaluated the impact of subsequent events through the date the consolidated financial statements were made available to be issued. Events after the balance sheet date are disclosed in Note 29.

Outlook

Argon Medical Devices Netherlands B.V. will continue operating into future periods as a distributorship. The Company will no longer have subsidiaries or distribute products out of the Argon Medical Devices Switzerland SA location. For the continuing business, no significant investments in opening additional offices or hiring additional sales, marketing, and supply chain employees are anticipated in the upcoming year ending December 31, 2017 as the Company believes that its established infrastructure will permit the Company to achieve its profitability targets.

Sharon McNally
Director
[Through March 20, 2017]

June 21, 2017

Gregory Di Stefano
Director
[Inception March 21, 2017]

June 21, 2017

Robert Jenkins
Director
[Inception March 21, 2017]

June 21, 2017

Argon Medical Devices Netherlands B.V. and Subsidiaries
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
December 31, 2016 and 2015

(amounts presented in Euro (€) unless otherwise stated)	2016	2015
Net sales (Note 6)	€ 18,636,368	€ 19,534,568
Cost of sales (Note 7)	12,437,660	12,910,153
Gross profit	6,198,708	6,624,415
Selling, general and administrative expenses (Note 8,9,10,11)	6,199,714	6,198,384
Operating profit	(1,006)	426,031
Interest expense, net (Note 12)	876,324	516,599
Foreign currency losses	567,975	1,462,434
Loss before taxation	(1,445,305)	(1,553,002)
Income taxes (Note 14)	17,738	184,884
Total net loss for the year from continuing operations	€ (1,463,043)	€ (1,737,886)
Discontinued operations (Note 2)		
Income (loss) after taxation from discontinued operations	(13,918,823)	7,692,073
Total income (loss) after taxation for the year	€ (15,381,866)	€ 5,954,187
Other comprehensive income (loss) from discontinued operations		
Foreign currency translation adjustments from discontinued operations	185,108	1,998,782
Total comprehensive income (loss) for the year from discontinued operations	€ (13,733,715)	€ 9,690,855
Total comprehensive income (loss) for the year	€ (15,196,758)	€ 7,952,969

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

Argon Medical Devices Netherlands B.V. and Subsidiaries
Consolidated Statements of Financial Position
Years Ended December 31, 2016 and 2015

(amounts presented in Euro (€) unless otherwise stated)		2016		2015
Assets				
Noncurrent assets				
Property and equipment, net (Note 15)	€	8,486	€	46,614
Intangible assets, net (Note 16)		-		8,645,729
Goodwill (Note 16)		-		12,639,986
		8,486		21,332,329
Current assets				
Inventories (Note 17)		4,065,714		7,004,335
Trade receivables (Note 18)		2,898,136		7,024,675
Receivables due from related parties (Note 26)		208,566		46,000
Prepaid expenses and other current assets (Note 19)		323,465		159,347
Indirect taxes receivable (Note 20)		253,625		90,818
Income taxes receivable (Note 14)		408,935		199,193
Cash at banks (Note 21)		1,398,739		4,743,693
		9,557,180		19,268,061
Assets held for sale (Note 2)		15,850,352		-
Total current assets		25,407,532		19,268,061
Total assets	€	25,416,018	€	40,600,390
Equity and Liabilities				
Equity attributable to owner of the company				
Share capital (Note 22)	€	18,000	€	18,000
Share premium (Note 22)		10,567,008		10,567,008
Accumulated other comprehensive income - foreign currency translation adjustment		2,183,890		1,998,782
Accumulated earnings (loss)		(8,494,666)	€	6,887,200
Total equity		4,274,232		19,470,990
Noncurrent liabilities				
Related party promissory note (Note 26)		12,256,245		10,592,186
Deferred income tax liabilities (Note 14)		-		2,083,681
		12,256,245		12,675,867
Current liabilities				
Payables due to related parties (Note 26)		2,036,928		5,121,055
Accounts payable and accrued expenses (Note 25)		1,450,208		2,222,566
Indirect taxes payable (Note 20)		335,421		604,107
Income tax payable (Note 14)		248,556		505,805
		4,071,113		8,453,533
Liabilities held for sale (Note 2)		4,814,429		-
Total current liabilities		8,885,542		8,453,533
Total liabilities	€	21,141,787	€	21,129,400
Total equity and liabilities	€	25,416,019	€	40,600,390

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

Argon Medical Devices Netherlands B.V. and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2016 and 2015

(amounts presented in Euro (€) unless otherwise stated)	Attributable to Owner of the Company				
	Share Capital	Share Premium	Accumulated Other Comprehensive Income (Loss) Foreign Currency Translation Adjustment	Accumulated Earnings	Total Equity
Balances at January 1, 2015	€ 18,000	€ 10,147,358	€ -	€ 933,013	€ 11,098,371
Related party promissory note discount	-	419,650	-	-	419,650
Comprehensive income	-	-	-	5,954,187	5,954,187
Foreign currency translation adjustment gain	-	-	1,998,782	-	1,998,782
Balances at December 31, 2015	€ 18,000	€ 10,567,008	€ 1,998,782	€ 6,887,200	€ 19,470,990
Balances at January 1, 2016	€ 18,000	€ 10,567,008	€ 1,998,782	€ 6,887,200	€ 19,470,990
Comprehensive loss	-	-	-	(15,381,866)	(15,381,866)
Foreign currency translation adjustment gain	-	-	185,108	-	185,108
Balances at December 31, 2016	€ 18,000	€ 10,567,008	€ 2,183,890	€ (8,494,666)	€ 4,274,232

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

Argon Medical Devices Netherlands B.V. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

(amounts presented in Euro (€) unless otherwise stated)	2016	2015
Cash flows from operating activities		
Income (loss) before taxation	€ (1,445,304)	€ (1,553,002)
Adjustments for		
Depreciation (Note 15)	6,077	5,518
Amortization of intangible assets (Note 11, 16)	-	-
Amortization of promissory note debt discount	284,883	516,599
Gain on write off of payable to an affiliated company (Note 13)	-	-
Provision for impairment of trade receivables (Note 18)	(22,819)	61,010
Provision for excess and obsolete inventories (Note 17)	(33,203)	158,965
Loss on discontinued operations	-	-
Changes in working capital components, net of acquisitions		
Trade receivables (Note 18)	736,418	(790,262)
Due to/from related parties, net (Note 26)	173,219	4,539,655
Inventories (Note 17)	(7,922)	(1,468,618)
Indirect taxes, net (Note 20)	(172,430)	(8,592)
Prepaid expenses (Note 19)	(194,990)	17,782
Accounts payable and accrued expenses (Note 25)	255,216	25,737
Cash used in operations	(420,855)	1,504,792
Income taxes paid (Note 14)	(510,469)	(7,622)
Cash paid for interest	-	(89,060)
Net cash used in operating activities	(931,324)	1,408,110
Cash flows from investing activities		
Purchases of property and equipment (Note 15)	(1,259)	(16,213)
Net cash used in investing activities	(1,259)	(16,213)
Net decrease in cash	(932,583)	1,391,897
Cash		
Beginning of year	2,331,325	939,428
End of year	€ 1,398,742	€ 2,331,325
Supplemental disclosures of noncash investing and financing activities		
Conversion of short-term payable to long term note payable due to an affiliated company (Note 22)	€ -	€ 2,461,250

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

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

1. General Information

Argon Medical Devices Netherlands B.V. and Subsidiaries (collectively 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. After the acquisition of Interventional Products Business in 2014, the Company's group operating structure also includes Argon Medical Devices S.L. (f/k/a Angiotech S.L.), a Spanish legal entity, Argon Medical Devices GmbH (f/k/a Angiotech GmbH), a German legal entity, Argon Medical Devices SARL (f/k/a Angiotech SARL), a French legal entity, and Argon Medical Devices Switzerland SA (f/k/a Angiotech Switzerland SA), a Swiss legal entity.

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 Partners III, LP, RoundTable Healthcare Investors, LP, and RoundTable Healthcare Investors II, LP, and RoundTable Healthcare Investors III, LP (collectively referred to as "RoundTable").

The Company distributes single-use vascular-access medical devices, biopsy devices, blood pressure monitoring devices, central venous, pulmonary artery and extended dwell catheters to hospital cardiac catheterization laboratories, interventional radiology laboratories and critical care units. The Company's products are sold throughout Europe, the Middle East and Africa through a combination of direct sales representatives and premier distributors.

2. Discontinued Operation

Description
On December 31, 2016 the Argon Medical Devices Holding, Inc. agreed upon the divestiture to Argon Medical Devices, Inc., an affiliated entity under common control of the Company's ultimate parent company, one-hundred percent (100%) of the issued share capital of Argon Medical Devices Switzerland SA, including its subsidiaries Argon GmbH, Argon France, Argon SARL and Argon Medical Devices Danmark ApS and its branches of Finland Branch, Norway Branch, and Sweden. The associated assets and liabilities were consequently presented as held for sale in the 2016 financial statements.

Argon Switzerland was sold on January 30, 2017 and is reported in the current period as discontinued operation. Financial information relating to the discontinued operations for the year ended December 31, 2016 and December 31, 2015 are set out below.

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

Financial performance and cash flow information

The financial performance and cash flow information presented is for the year ended December 31, 2016 and 2015.

	2016	2015
Net sales	€ 22,784,170	€ 22,505,328
Cost of sales	15,965,120	16,613,931
Gross profit from discontinued operations	6,819,050	5,891,397
Selling, general and administrative expenses	6,232,885	6,142,963
Operating profit (loss) from discontinued operations	586,165	(251,566)
Interest expense (income), net	(141,007)	212,379
Foreign currency losses (gains)	244,716	(307,797)
Total finance losses (gains) from discontinued operations	103,709	(95,418)
Gain on write off of payable to an affiliated company	-	7,859,426
Income before taxation from discontinued operations	482,456	7,703,278
Income tax expense (benefit)	(29,951)	11,206
Income after taxation from discontinued operations	512,407	7,692,072
Loss on the sale of the subsidiary after income tax	(14,431,230)	-
Total income (loss) for the year from discontinued operations	(13,918,823)	7,692,072
Other comprehensive income (loss) from discontinued operations		
Foreign currency translation adjustments	185,108	1,998,782
Total comprehensive income (loss) for the year from discontinued operations	(13,733,715)	9,690,854

	2016	2015
Net cash inflow outflow from operating activities	€ (157,248)	€ (1,960,467)
Net cash outflow from investing activities	(30,221)	(19,062)
Net cash outflow from financing activities	-	-
Net decrease in cash generated by the subsidiary	€ (187,469)	€ (1,979,529)

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

Details of the sale of the subsidiary

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at December 31, 2016:

Assets	**2016**
Noncurrent assets	
Property and equipment, net	€ 41,576
Intangible assets, net	7,727,965
Goodwill	12,749,618
Impairment of long loved assets due to disposal	(14,431,230)
Total non-current assets held for sale	6,087,929
Current assets	
Inventories	2,304,708
Trade receivables	4,636,996
Receivables due from related parties	325,480
Deferred income tax asset	-
Prepaid expenses and other current assets	178,066
Indirect taxes receivable	7,977
Income taxes receivable	75,137
Cash at banks	2,234,059
Total current assets held for sale	9,762,423
Total assets held for sale	€ 15,850,352
Noncurrent liabilities	
Related party promissory note	(669,439)
Deferred income tax liabilities	1,523,158
Total non-current liabilities held for sale	853,719
Liabilities	
Current liabilities	
Payables due to related parties	-
Accounts payable and accrued expenses	1,248,178
Indirect taxes payable	387,336
Income tax payable	2,325,196
Total current liabilities held for sale	3,960,710
Total liabilities held for sale	€ 4,814,429

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

At year end, the fair value was determined to be €8,852,033. This amount is equal to the consideration transferred as part of the sale. The consideration was transferred through Argon Switzerland's assumption of a portion of the Company's existing debt to PBN Medical Danmark A/S. The carrying amount of assets sold consisted of operating assets of €4,635,100, goodwill of €12,749,618, intangible assets of €7,727,965, and cumulative translation losses of €2,183,890. In total the net assets of the disposal group exceeded the fair value by €14,431,230 resulting in a net loss on the sale which is presented in discontinued operations, see analysis above.

Fair value of net assets sold	€ 8,852,033
Carrying amount of net assets sold	23,283,263
Loss on held for sale assets and liabilities	€ (14,431,230)

3. **Summary of Significant Accounting Policies**

Basis of Preparation
The consolidated 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 the consolidated 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 consolidated financial statements are disclosed in Note 5.

Operating Structure
The Company's operating structure includes Argon Medical Devices Netherlands B.V., a Dutch entity, branch offices of Argon Medical Devices Netherlands B.V. in Belgium, Denmark, Finland, Germany, and Sweden, and representatives of Argon Medical Devices Netherlands B.V. operating in France, Greece, and the United Kingdom which were formed and existed prior to December 31, 2011. After the acquisition of Interventional Products Business, the Company's group operating structure also includes Argon Medical Devices S.L. (f/k/a Angiotech S.L.), a Spanish legal entity, Argon Medical Devices GmbH (f/k/a Angiotech GmbH), a German legal entity, Argon Medical Devices SARL (f/k/a Angiotech SARL), a French legal entity, and Argon Medical Devices Switzerland SA (f/k/a Angiotech Switzerland SA), a Swiss legal entity.

Consolidation
Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company 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 Company. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets

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

transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. Inter-company transactions, balances and unrealized gains and losses on transactions between the Company and its subsidiaries are eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Company's accounting policies.

The consolidated financial statements include the accounts of the Argon Medical Devices Netherlands B.V. and its wholly owned subsidiaries: Argon Medical Devices S.L. (f/k/a Angiotech S.L.), a Spanish legal entity, Argon Medical Devices GmbH (f/k/a Angiotech GmbH), a German legal entity, Argon Medical Devices SARL (f/k/a Angiotech SARL), a French legal entity, and Argon Medical Devices Switzerland SA (f/k/a Angiotech Switzerland SA), a Swiss legal entity.

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

New Standards and Interpretations not yet Adopted
The Company has applied in the preparation of these consolidated financial statements all the standards and interpretations of the IFRS, as adopted by the EU, that are effective at the date of these consolidated financial statements. A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after December 31, 2016, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the Company's consolidated financial statements.

- 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 Company does not anticipate any impact to the financial statements as a result of this accounting standard. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for

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

annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Company is assessing the impact of IFRS 15, if any.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Company is assessing the impact of IFRS 15, if any.

- IFRS 16, IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The Company is assessing the impact of IFRS 16, if any.

- IAS 27, The IASB has made amendments to IAS 27 Separate Financial Statements which will allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or as a financial asset in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The Company is assessing the impact of IAS 27, if any.

- IAS 7, Going forward, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (eg drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. The Company is assessing the impact of IAS 7, if any.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company upon adoption.

Foreign Currency Translation
Items included in the Company's consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The consolidated financial statements are presented in Euro (€), the Company's functional and presentation currency. Each of the Company's subsidiaries was also determined to

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

have a functional currency of the Euro (€) since the primary economic environment in which these entities operate uses the Euro (€) as the predominant local currency.

The Company has operations in several countries where their local currencies are different than their functional currency. Adjustments resulting from the process of translating local currency financial statement into the functional currency of the Euro (€) are included in accumulated other comprehensive income (loss) in stockholders' equity. Foreign currency transactions of the Company and its subsidiaries which are denominated in currencies other than the Company's functional currency are translated into the Company's functional and presentation 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.

Comprehensive Income (Loss)
Other than the adjustments to translate local currency financial statement into the function currency of the Euro (€) as part of the Company's cumulative translation adjustment, the Company has no transactions that need to be presented in other comprehensive income (loss) or accumulated other comprehensive income (loss). Accordingly, no transactions are expected to be recycled from accumulated other income (loss) through the Company's consolidated statement of income in the upcoming fiscal year.

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 statements 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 consolidated statements of comprehensive income (loss).

Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

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

For the purpose of goodwill impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount which is the higher of value in use and the fair value less costs of disposal. The value in use is calculated using the discounted cash flow model. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Operating segments are reported in accordance with internally reported information to the chief operating decision-maker. The Executive Board is regarded as the chief operating decision-maker responsible for the allocation of funds to and the assessment of the operating segments.

The company monitors results by product line. All product lines are grouped together on a segment basis which comprise one cash generating unit. Disclosure on the operating segment is in keeping with this grouping, with the cash generating unit benefiting from the business combination that gave rise to the goodwill.

Intangible Assets, Net
Intangible assets consist of fair values assigned to customer relationships, proprietary technology and know-how, patents, and trade-names, arising from the acquisition of Interventional business in 2014 which have been grouped into the principal product lines (Vascular & Biopsy) which were acquired in that acquisition. These intangible assets have definite lives and are carried at cost less accumulated amortization in the Company's consolidated balance sheets. Amortization is calculated using the straight-line method to allocate the cost of these intangible assets over their estimated useful lives of eight (8) to twelve (12) years assuming no residual value.

Impairment of Nonfinancial Assets
Assets that are subject to depreciation or amortization, such as property and equipment and definite-lived intangible assets 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 of the continuing business that have suffered from impairment for the years ended December 31, 2016 and 2015.

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 25.

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

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.

Prepaid Expenses and Other Current Assets
Costs incurred which the Company expects will benefit multiple periods are capitalized as prepaid expenses. These costs are recognized in the statements of comprehensive income (loss) 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.

Other current assets consist mostly of other nontrade receivables which the Company expects to collect within twelve (12) months from the balance sheet date.

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.

Cash at Banks
Amounts presented as cash at bank include only cash at call with banks.

Share Capital and Share Premium
Ordinary shares are classified as equity. Equity contributions made by the Company's shareholder in excess of the par value of the Company's shares are classified as share premium in the Company's consolidated balance sheets.

Related Party Promissory Note
Related party borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs incurred) and the redemption value is recognized in the Company's statements of comprehensive income over the period of the borrowings using the effective interest method.

Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

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

Borrowing Costs
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets, if any, is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Accounts Payable and Accrued Expenses
Accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities. None of the Company's accounts payable or accrued expenses include a provision for interest to be charged on outstanding amounts.

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 26. 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.

Employee Benefits
The Company does not directly sponsor any defined benefit pension plans or other post-retirement benefit plans.

The Company participates in defined contribution benefit plans in multiple countries which are administered by either the government or a third-party administrator depending on the territory. For these defined contribution benefit plans, once the Company has made its contribution, which can be either voluntary, mandatory, or a combination depending on the country, the Company has no further obligation to fund the defined contribution benefit plan. Obligations to contribute to defined contribution benefit plans are recognized as incurred which is generally when an employee renders services that entitle them to the related contribution.

At the discretion of the Company's management, bonuses may be paid to the Company's employees. The Company recognizes a liability and the expense for any bonuses expected to be paid for the current year's performance as incurred which is generally when an employee renders services that entitle them to the related contribution.

Income Taxes
The income tax expense recognized includes current and deferred income taxes for the period. Income taxes are recognized in the statements 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

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

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.

Deferred income tax is recognized on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is 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 substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxing authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Revenue Recognition
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.

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

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.

Cost of Sales
Cost of goods sold represents the associated cost of inventories sold in sales transactions and is recorded at the time sales are recognized. Acquired inventories are initially measured at fair value which can result in an increase or decrease from their historical cost basis which is recognized in cost of goods sold when the inventories were sold (Note 7).

Royalty Expense
Product royalties owed to third parties are recognized as expense goods subject to the royalty arrangements are sold based on the substance of the relevant agreements (Note 10).

Amortization Expense
Amortization expense related to the amortization of definite-lived intangible assets over their estimated useful lives (Note 11).

Interest Expense, Net
Interest charged on borrowings is recognized in accordance with the terms of the underlying financial instruments (Note 12).

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 statements of comprehensive income on a straight-line basis over the period of the lease.

4. Financial Risk Management

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, its registered branches, and wholly owned subsidiaries 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 statements of comprehensive income.

As of December 31, 2016 and 2015, various individual balances included in the Company's balance sheets were denominated in foreign currencies as follows:

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

	Balances at December 31, 2016, Shown in Euro (€), Denominated in Foreign Currencies							
	EUR	USD	SEK	GBP	DKK	PLN	NOK	CHF
Property and equipment, net	€ 894	€ -	€ ()	€ -	€ 7,594	€ -	€ -	€ -
Trade receivables	1,278,234	738,417	221,619	382,480	145,375	92,811	24,025	15,175
Receivables due from related parties	18,000	-	-	-	-	-	-	-
Prepaid expenses	306,883	-	6,009	-	10,574	-	-	-
Income taxes receivable	256,459	-	44,477	-	-	-	-	-
Indirect taxes receivable	253,625	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-	-
Inventories	4,065,715	-	-	-	-	-	-	-
Cash at bank	789,000	64,173	280,869	-	264,696	-	-	-
	6,968,808	802,590	552,973	382,480	428,238	92,811	24,025	15,175
Loan due to a related party	-	12,256,245	-	-	-	-	-	-
Payables due to related parties	1,447,528	298,347	-	-	20,520	-	-	79,969
Accounts payable and accrued expenses	1,348,978	-	52,817	-	48,414	-	-	-
Income taxes payable	55,520	-	-	-	193,036	-	-	-
Indirect taxes payable	143,358	-	112,658	-	79,405	-	-	-
Deferred income taxes	1,729,211	-	-	-	-	-	-	-
	4,724,594	12,554,592	165,475	-	341,374	-	-	79,969
Net foreign currency exposure assets held for use	2,244,214	(11,752,002)	387,498	382,480	86,864	92,811	24,025	(64,794)
Net foreign currency exposure assets held for sale	5,239,099	3,038,377	315,473	5,326	(35,453)	-	346,136	(2,480,255)
Net foreign currency exposure	€ 7,483,313	€ (8,713,625)	€ 702,972	€ 387,806	€ 51,411	€ 92,811	€ 370,161	€ (2,545,048)

	Balances at December 31, 2015, Shown in Euro (€), Denominated in Foreign Currencies							
	EUR	USD	SEK	GBP	DKK	PLN	NOK	CHF
Property and equipment, net	€ 1,946	€ -	€ -	€ -	€ 44,668	€ -	€ -	€ -
Trade receivables	2,587,534	2,869,460	457,934	424,162	304,415	100,572	262,823	17,775
Receivables due from related parties	46,049	-	-	-	-	-	-	-
Prepaid expenses	42,482	-	24,813	-	46,302	-	(16,253)	62,003
Income taxes receivable	27,585	-	141,966	-	29,642	-	-	-
Indirect taxes receivable	67,054	-	-	-	-	-	13,195	5,569
Deferred income taxes	-	-	-	-	-	-	-	-
Inventories	7,004,335	-	-	-	-	-	-	-
Cash at bank	2,096,904	528,747	844,022	-	835,374	-	252,225	182,421
	11,873,890	3,398,207	1,468,735	424,162	1,264,402	100,572	516,990	267,768
Loan due to a related party	-	10,592,186	-	-	-	-	-	-
Payables due to related parties	1,993,701	3,127,403	-	-	-	-	-	-
Accounts payable and accrued expenses	1,382,394	-	223,277	-	218,256	-	64,112	334,528
Income taxes payable	261,490	-	-	-	237,699	-	6,618	-
Indirect taxes payable	311,220	-	223,502	-	69,385	-	-	-
Deferred income taxes	2,083,681	-	-	-	-	-	-	-
	6,032,486	13,719,589	446,778	-	525,340	-	70,730	334,528
Net foreign currency exposure assets held for use	5,841,404	(10,321,382)	1,021,956	424,162	739,062	100,572	446,260	(66,760)
Net foreign currency exposure	€ 5,841,404	€ (10,321,382)	€ 1,021,956	€ 424,162	€ 739,062	€ 100,572	€ 446,260	€ (66,760)

The Company's total comprehensive income for the years ended December 31, 2016 and 2015 would have been impacted as follows if the various foreign currency movements had occurred (assuming all other variables held constant):

2016 Increase (Decrease) in Profits (in Euro (€)) Owing to Foreign Currency Exchange Rate Movements

USD Strengthened by 1%	€	(80,442)	€ -	€	€	€	€	€
USD Weakened by 1%		80,442	-			-		
SEK Strengthened by 1%			7,030					
SEK Weakened by 1%			(7,030)	-				
GBP Strengthened by 1%	-		-	3,878				
GBP Weakened by 1%				(3,878)				
DKK Strengthened by 1%	-			-	514			
DKK Weakened by 1%					(514)	-		
PLN Strengthened by 1%						928		
PLN Weakened by 1%						(928)		
NOK Weakened by 1%	-	-				-	[illegible]	
CHF Strengthened by 1%	-	-						(25,450)
CHF Weakened by 1%	-	-						25,450

2015 Increase (Decrease) in Profits (in Euro (€)) Owing to Foreign Currency Exchange Rate Movements

USD Strengthened by 1%	€ -	€ (215,229)	€ -	€ -	€ -	€ -	€ -	€ -
USD Weakened by 1%	-	215,229	-	-	-	-	-	-
SEK Strengthened by 1%	-	-	7,654	-	-	-	-	-
SEK Weakened by 1%	-	-	(7,654)	-	-	-	-	-
GBP Strengthened by 1%	-	-	-	3,335	-	-	-	-
GBP Weakened by 1%	-	-	-	(3,335)	-	-	-	-
DKK Strengthened by 1%	-	-	-	-	4,176	-	-	-
DKK Weakened by 1%	-	-	-	-	(4,176)	-	-	-
PLN Strengthened by 1%	-	-	-	-	-	1,170	-	-
PLN Weakened by 1%	-	-	-	-	-	(1,170)	-	-
NOK Weakened by 1%	-	-	-	-	-	-	(3,716)	-
CHF Strengthened by 1%	-	-	-	-	-	-	-	(1,071)
CHF Weakened by 1%	-	-	-	-	-	-	-	1,071

(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. As of December 31, 2016, the Company had €3,632,798 in cash at banks in various territories. The Company believes the liquidity risk posed by its cash being held in various territories is minimal as none of these territories possesses onerous restrictions on the Company's ability to freely transfer cash to other territories to meet its liquidity needs. The current liabilities that will be settled within one year are €8,885,541 and €8,453,533 at December 31, 2016 and 2015, respectively. The current liabilities that will be settled within one year for the continuing business are €4,071,112, exclusive of the accrued loss on sale of business.

During the year ended December 31, 2013, the Company entered in a promissory note with a principal balance of $10,002,000 USD (€7,265,463) with Argon Medical Devices, Inc. The promissory note matures April 12, 2018, bears interest at a coupon rate of 1.00% and a 6.5% yield (payable monthly). The promissory note can be repaid at any time without penalty or premium as initiated by Argon Medial Devices Netherlands B.V. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 and 2015 is €8,886,056 and €8,130,936.

On December 31, 2015, the Company entered in $3,142,000 USD (€2,880,900) promissory note with PBN Medical Devices Denmark A/S (PBN), an affiliate of the Company's ultimate holding company, which converted its short-term payable initially recognized in conjunction with the 2014 acquisition of Argon Medical Devices Danmark ApS to long-term as at 2015. The promissory note matures December 31, 2018, bears interest at a coupon rate of 1.00% (payable annually) and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 is €2,700,748. Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

The table below analyses the Company's non-derivative financial liabilities into maturity groupings based on contractual maturity dates.

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

	Interest Expense on Promissory Note	Nominal Value Payment on Promissory Note	Total Payments on Promissory Note
2016	€ 713,956	€ -	€ 713,956
2017	752,240	-	752,240
2018	353,991	12,499,642	12,853,633

Due to the Company's non-derivative financial liabilities having a contractual maturity of April 12, 2018 and the related party nature of these obligations, the Company believes these borrowings do not pose any significant liquidity risk. The effect of a one-percent (1%) increase of decrease in the interest rate on the Company's financial liabilities would be an decrease or increase to the Company's profitability of approximately (€120,000) and €120,000, respectively, in the upcoming fiscal year.

Company's profitability due to increases or decreases in interest expense recognized as a result of changes in foreign currency exchange rates is substantially similar to the effects described in the preceding section regarding foreign exchange risk and movements in the United States dollar foreign exchange rate since the Company's interest-bearing debt is denominated in United States dollar.

Cash Flow Interest Rate Risk

The Company's cash-flow interest rate risk generally arises from its related party promissory note. This financial instrument has a fixed annual coupon interest rate of 1% and a yield of 6.5%. The nature of the related party promissory note minimizes the cash-flow interest rate risk posed by this borrowing.

The Company has no other 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.

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, share premium, and accumulated earnings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce debt. Compared to last year there have been no significant changes in capital risk management policies.

Fair Value Estimation

The Company's financial instruments can be classified by which level in the valuation hierarchy, the inputs which in their measurement correspond. The different levels have been defined as follows:

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

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's related party promissory note (Note 26) was valued using Level 3 inputs and the fair value of this financial liability approximates its carrying value as of December 31, 2016. The fair value of the Company's other financial instruments such as accounts receivable, other current assets, accounts payable, and accrued expenses approximate their carrying value due to their short duration.

The Company's related party promissory note (Note 26) nor it's other related party balances are subject to master netting arrangements between different related party entities and have therefore balances due to and/or due from these different related party entities only been subject to netting on an individual legal entity basis.

5. 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 and the evaluation of the recoverability of deferred income tax assets as described further below.

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.

The impairment of trade receivables would be an estimated €10,000 lower or €10,000 higher were the historical rate used in the analysis to differ by 10% from management's estimates.

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

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

determining the inventory valuation allowances which may have an impact on the accuracy of the provision for impairment recorded at the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. When future taxable profits are judged to not exist, valuation allowances against deferred income taxes are recognized in order to reduce those deferred income assets to their estimated recoverable amount. Within the next financial year, the Company's estimates of future taxable profits may change which could impact the Company's assessment of the recoverability of its deferred income tax assets and result in the release of its valuation allowances recorded against its deferred income tax assets at December 31, 2016.

Were the actual final outcome (on the judgment areas) of expected cash flows to differ by 10% from management's estimates, the group would need to:

- Increase the income tax liability by an estimated €24,000 and the deferred tax liability by an estimated €12,000, if unfavorable; or

- Decrease the income tax liability by estimated €24,000 and the deferred tax liability by an estimated €12,000, if favorable.

In addition to those 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, the estimates and assumptions related to intangible assets and goodwill are important to the Company's consolidated financial statements.

Estimates related to Intangible assets recognized in connection with the Company's acquisition of the Interventional Products Business were initially recorded at fair value.

The Company tests annually whether goodwill has suffered any impairment in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The principal inputs to these value in-use calculations are profitability at the legal entity level (which was determined by the Company to be the CGUs for purposes of conducting these tests), discount rates, and/or market multiples. The accuracy of the principal inputs used by the Company in its value-in-use calculations has a direct impact on its calculation of the recoverable amount of goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates in Note 16. Per the goodwill impairment analysis performed in the above noted Note, there was no impairment in 2016.

The analysis demonstrated that it is reasonable possible that a change in the assumptions within the goodwill impairment analysis would cause the carrying amount to exceed the recoverable amount. However, as disclosed in Footnote 3, the full goodwill balance of Argon Medical Devices Netherland B.V. and Subsidiaries is allocated to the disposal group. The value of goodwill is included in the calculation of the loss on the asset held for sale that is recognized as of December 31, 2016. Therefore, there is no additional impairment of goodwill that could be recognized in future periods.

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

The full balance of goodwill of Argon Medical Devices Netherlands B.V. and Subsidiaries was generated as part of the 2013 acquisition of InterV product lines. The products associated with the acquisition will no longer sold by the company as part of the sale of the Argon Medical Devises Switzerland SA, including its subsidiaries that occurred within 2017. Therefore, the Company determined that all goodwill is allocated to the disposal group as disclosed within Note 2.

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, its branch offices, and its wholly owned subsidiaries 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.

6. Net Sales

Net sales reported for the continuing business for the years ended December 31, 2016 and 2015 were generated by the following registered branch offices and legal entity:

	2016	2015
Branch		
Belgium	€ 1,103,802	€ 1,184,266
Denmark	1,323,784	1,319,274
Finland	1,563,647	1,399,016
Germany	4,599,978	4,512,817
Sweden	2,106,187	2,158,310
	10,697,398	10,573,683
Legal entity		
Netherlands (Argon Medical Devices Netherlands B.V.)	7,938,970	8,960,885
	7,938,970	8,960,885
	€ 18,636,368	€ 19,534,568

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.

7. Cost of Sales

Cost of goods sold for the continuing business for the years ended December 31, 2016 and 2015 for the continuing business were comprised of €12,437,660 and €12,910,153, respectively, of inventories that were sold in sales transactions, including impact related to the fair value of acquired inventories in excess of or less than their historical cost basis.

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

8. Selling, General and Administrative Expenses

Selling, general and administrative expenses reported in 2016 and 2015 for the continuing operations were comprised of the following components:

	2016	2015
Employee costs	€ 2,757,221	€ 2,580,782
Transportation expenses	627,533	632,197
Outsourced logistics and administrative services expenses	1,215,506	1,149,657
Auditing and taxation services (independent auditor's remuneration)	333,448	297,866
Consulting services	120,482	67,426
Operating lease expenses	278,987	286,226
Royalty expense	-	186,032
Travel and entertainment	265,733	215,979
Commission	297,518	303,367
Meetings and seminars	26,411	103,998
Marketing and advertising expenses	71,472	54,185
Communication and information technology	19,515	24,360
Office administration	35,650	58,341
Registration	15,480	33,055
Legal services	2,468	-
Depreciation	6,076	5,517
Provision for (reversal of provision for) impairment of trade receivables	39,238	99,013
Other expenses	86,976	100,383
Total expenditures - continuing operations	€ 6,199,714	€ 6,198,384

	2016	2015
Independent auditor's remuneration		
Audit services		
PwC Netherlands	€ 39,000	€ 36,772
Other PwC Offices	116,159	110,425
Sub-total	155,159	147,197
Taxation services		
PwC Netherlands	70,484	75,430
Other PwC Offices	107,805	75,239
Sub-total	178,289	150,669
Consulting services: Non-Netherlands PwC Offices	120,482	37,501
	€ 453,930	€ 335,367

The audit and tax fees listed above relate to the procedures applied to the Company and its consolidated group entities by the external independent auditor and accounting firm PricewaterhouseCoopers Accountants N.V. as referred to in Section 1, subsection 1 of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta). Audit and tax services were all performed by PricewaterhouseCoopers global network.

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

Consulting services relate to advisory services rendered by the Company's independent auditors to advise the Company on human resources, payroll, employee benefits arrangements and other matters and are also performed by PricewaterhouseCoopers global network.

9. Information Regarding Employees

Employee costs for the continuing business for the years ended December 31, 2016 and 2015 were comprised of the following significant components:

	2016	2015
Salaries	€ 1,710,536	€ 1,481,364
Pension costs - defined contribution plans	217,055	261,541
Social security costs	461,657	432,857
Bonus	201,495	226,399
Compensated absences	65,033	95,346
Other employee costs	101,445	83,275
Total staff costs - continuing operations	€ 2,757,221	€ 2,580,782

The average monthly number of persons (including directors) employed by the Company for the years ended December 31, 2016 and 2015 was:

	2016	2015
Selling and distribution	25	25
Supply chain	2	2
Finance	-	-
Total staff - continuing operations	27	27

As of December 31, 2016 and 2015, the number of persons (including directors) employed by the Company working in the Netherlands were three (3).

Included in pension costs and social security costs above are the Company's expenses for its participation in defined contribution benefit plans as well as the cost associated with the Company's obligation to make contributions to government-sponsored employee retirement programs in certain countries.

10. Royalty Expense

Argon Medical Devices, Inc., an affiliate of the Company's ultimate holding company, has a royalty arrangement with Rex Medical L.P. ("Rex) that requires the Rex be paid a royalty on global sales of licensed products based on the profitability of the associated products. The Company offers these licensed products for sale across Europe, the Middle East, and Africa, and recognizes royalty expense when these products are sold which are paid to affiliates monthly. During the years ended December 31, 2016 and 2015, the Company recognized €0 and €186,032, respectively, in royalty expense associated with the sale of these licensed products for the continuing operations. On December 23, 2015, the Company's ultimate parent company – Argon Medical Devices Holdings, Inc. – acquired from Rex the intellectual property and rights to these licensed products.

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

The Company has a supply arrangement with Argon Medical Devices Biocoatings Corp. (f/k/a Angiotech Biocoatings Corp.), an affiliate of the Company's ultimate holding company, that requires the Company pay a royalty based on the Company's sale of certain products across Europe, the Middle East, and Africa, which utilize intellectual property which is controlled by the affiliate. The Company recognizes royalty expense when the licensed products are sold which is paid to the affiliate monthly. During the years ended December 31, 2016 and 2015, the Company recognized €174,430 and €167,493, respectively, in royalty expense associated with the sale of these licensed products. These costs were incurred by Argon Medical Devices Switzerland SA and were included within the earnings for discontinued operations for the years ended December 31, 2016 and 2015.

11. Amortization Expense

Amortization expense of definite-lived intangible assets for the years ended December 31, 2016 and 2015 was approximately €984,078 and €977,868, respectively. The Company estimates annual amortization expense of definite-lived intangible assets will be approximately €980,000 in 2017, 2018, 2019, 2020 and 2021 related to its definite-lived intangible assets. The Company's intangible assets are held by Argon Medical Devices Switzerland SA and were considered held for sale as of December 31, 2016. As such, the related amortization expense were included within the earnings for discontinued operations for the years ended December 31, 2016 and 2015.

12. Interest Expense, Net

Interest expense, net, for the continuing business for the years ended December 31, 2016 and 2015 was €876,324 and €516,599, respectively, and arose primary as a result of interest incurred on related party borrowings (Note 26).

13. Gain on Write off of Payable to an Affiliated Company

In 2015, one of the Company's wholly owned subsidiaries, Argon Medical Devices Switzerland SA, recognized a gain on write off on its short-term payable to PBN Medicals Danmark A/S, an affiliated company under common control of the Company's ultimate parent company. This short term payable was properly cleared at the consolidated financial statements of the ultimate holding company upon the acquisition of the Interventional Products Business in 2013. Management made a decision to write off the short-term payable to follow the approach of its ultimate holding company. There is not a tax impact of this write off as the transaction was not taxable.

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

14. Income Taxes

The Company has a global transfer pricing arrangement. The Company therefore incurs tax expense (income) with respect to various jurisdictions in which business is conducted. Income tax expense recognized during the years ended December 31, 2016 and 2015 were comprised of the following significant components:

	2016	2015
Current income tax		
Current income tax on profits for the year	€ 547,795	€ 441,090
Total current income tax expense	547,795	441,090
Deferred income tax		
Origination and reversal of temporary differences	(560,009)	(245,000)
Total deferred income tax benefit	(560,009)	(245,000)
Total income tax expense (benefit)	€ (12,214)	€ 196,090
Income tax attributable to:		
Profit from conitnuing operations	17,738	184,884
Profit from disconitnued operations	€ (29,952)	€ 11,206

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:

	2016	2015
Profit on ordinary activities before taxation		
Profit from continuing operations before income tax expense	€ (1,445,305)	€ (1,553,002)
Profit from discontinuing operation before income tax expense	482,456	7,703,279
	€ (962,849)	€ 6,150,277
Profit before tax multiplied by weighted average rate of 1.27% and 3.19% at December 31, 2016 and 2015, respectively	€ (319,249)	€ 66,940
Permanent nondeductible expenses	307,035	129,150
Total current income tax expense	€ (12,214)	€ 196,090

The Company's weighted average tax rate of 1.27% and 3.19% at December 31, 2016 and 2015, 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 years ended December 31, 2016 and 2015.

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

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

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, 2016 and 2015, the Company had income taxes receivables and payables of €408,935 and €199,193 respectively, and €248,556 and €505,805, respectively. The amounts for 2016 were exclusive of assets or liabilities held for sale.

Components of deferred income tax assets and deferred income tax liabilities at December 31, 2016 and 2015 are as follows (all deferred income tax assets and deferred income tax liabilities are associated with Argon Medical Devices Switzerland SA and therefore classified as held for sale as of December 31, 2016):

	2016	2015
Deferred income tax assets		
Net operating losses	€ 519,903	€ 1,138,033
Total deferred income tax assets	519,903	1,138,033
Deferred income tax liabilities		
Intangible assets	(1,727,357)	(2,083,681)
Total deferred income tax liabilities	(1,727,357)	(2,083,681)
Valuation allowance	(315,704)	(1,138,033)
Net deferred income tax asset (liability)	€ (1,523,158)	€ (2,083,681)

The net movement on the deferred income tax account is as follows:

	2016	2015
Net deferred income tax asset (liability) at January 1	€ (2,083,681)	€ (2,250,001)
Reversal (origination) of temporary differences	356,324	166,320
Net deferred income tax asset (liability) at December 31	€ (1,727,357)	€ (2,083,681)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred Income Tax Assets

	2016	2015
Deferred income tax assets at January 1	€ 1,138,033	€ 3,929,874
Reversal of temporary differences	(618,130)	(2,791,841)
Realize valuation allowance against net operating losses	(315,704)	-
Deferred income tax assets at December 31	€ 204,199	€ 1,138,033

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

Deferred Income Tax Liabilities

	2016	2015
Deferred income tax liabilities at January 1	€ (2,083,681)	€ (2,250,001)
Release of Valuation Allowance	204,199	-
Reversal of temporary differences	356,324	166,320
Deferred income tax liabilities at December 31	€ (1,523,158)	€ (2,083,681)

In connection with the Interventional Products Business acquisition, the Company assumed the income tax positions of the acquired entities, including but not limited to Argon Medical Devices Switzerland SA (f/k/a Angiotech Switzerland SA) which had significant historical net operating losses. These net operating losses were initially measured at fair value which was determined to be zero since the likelihood of their reliability in future periods was remote due to the entity's history of losses and the existence of a local tax holiday that precluded the entity from benefiting from these net operating losses while the local tax holiday was in place. Subsequent to the Interventional Products Business acquisition, the entity applied for a repeal of the local tax holiday and the its profitability forecasts were enhanced due to its participation in the ultimate parent company's global transfer pricing program which targets that the entity earn profits ranging from three percent (3%) to five percent (5%) of sales. As of December 31, 2016, the available evidence did not indicate that it was more likely than not that these net operating losses would be realized in future periods and therefore the valuation allowance against these deferred income tax assets was kept in place, however, it is possible that the weight of available positive evidence shifts in the next financial year which would result in a release of the valuation allowance.

15. Property and Equipment

Property and equipment as of December 31, 2016 and 2015, which consists primarily of computer and software, consists of:

	2016	2015
Beginning net book value	€ 46,614	€ 39,215
Cost		
Additions	31,480	35,275
Disposal	-	-
At December 31	78,094	74,490
Depreciation		
Charge for the year	28,032	27,876
Disposal	-	-
At December 31	28,032	27,876
	50,062	46,614
Less: Property, plant and equipment held for sale	(41,576)	-
Property, plant and equipment, net	€ 8,486	€ 46,614

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

16. Goodwill and Intangible Assets, Net

Cost basis, accumulated amortization, and net book values of goodwill and intangible assets at December 31, 2016 and 2015 consist of (note all of the Company's goodwill and intangible assets were associated with Argon Medical Devices Switzerland SA and were therefore considered held for sale as of December 31, 2016):

Cost Basis

	Goodwill	Vascular Product Lines	Biopsy Product Lines	Total Intangible Assets
Balances at December 31, 2014	€ 11,455,754	€ 722,484	€ 9,640,549	€ 10,363,033
Foreign exchange changes	1,184,232	59,627	880,012	939,639
Balances at December 31, 2015	12,639,986	782,111	10,520,561	11,302,672
Foreign exchange changes	109,632	5,907	83,346	89,253
Balances at December 31, 2016	€ 12,749,618	€ 788,018	€ 10,603,907	€ 11,391,925

Accumulated Amortization

	Goodwill	Vascular Product Lines	Biopsy Product Lines	Total Intangible Assets
Balances at December 31, 2014	€ -	€ (156,366)	€ (1,397,620)	€ (1,553,986)
Amortization expense (Note 11)	-	(100,761)	(877,107)	(977,868)
Foreign exchange changes	-	2,994	(128,083)	(125,089)
Balances at December 31, 2015	-	(254,133)	(2,402,810)	(2,656,943)
Amortization expense (Note 11)	-	(101,509)	(882,569)	(984,078)
Foreign exchange changes	-	(1,797)	(21,142)	(22,939)
Balances at December 31, 2016	€ -	€ (357,439)	€ (3,306,521)	€ (3,663,960)

Net Book Value

	Goodwill	Vascular Product Lines	Biopsy Product Lines	Total Intangible Assets
Balances at December 31, 2014	€ 11,455,754	€ 566,118	€ 8,242,929	€ 8,809,047
Cost	12,639,986	782,111	10,520,561	11,302,672
Accumulated Amortization	-	(254,133)	(2,402,810)	(2,656,943)
Balances at December 31, 2015	12,639,986	527,978	8,117,751	8,645,729
Cost	12,749,618	788,018	10,603,907	11,391,925
Accumulated Amortization	-	(357,439)	(3,306,521)	(3,663,960)
Balances at December 31, 2016	€ 12,749,618	€ 430,579	€ 7,297,386	€ 7,727,965

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

The Company's goodwill arises from the acquisition of Intervention Business Products from Angiotech Pharmaceuticals, Inc. in 2013. The business which was acquired conducted its operations principally through legal entities in France, Germany, Spain, Switzerland and Denmark, and the goodwill recognized upon acquisition was allocated to these territories as noted below. These balances are presented in 2013 as a result of the acquisition and the common control transaction being recorded using the predecessor method. There were no additions of goodwill in 2016. Note, each of these territories are associated with Argon Medical Devices Switzerland SA and were therefore considered held for sale as of December 31, 2016.

	Opening	Acquisitions	Foreign Exchange	Ending
Goodwill Allocation - 2014				
France	€ -	€ 444,504	€ -	€ 444,504
Germany	-	223,227	-	223,227
Spain	-	91,771	-	91,771
Switzerland	-	10,583,798	105,868	10,689,666
Denmark	-	1,296,686	3,764	1,300,450
Balances at December 31, 2014	€ -	€ 12,639,986	€ 109,632	€ 12,749,618

The recoverable amount of goodwill has been estimated based on value in-use calculations whose principal inputs are a combination of projections of profitability at the legal entity level (which was determined by the Company to be the cash-generating units ("CGUs") for purposes of conducting these tests), discount rates, and/or market multiples. As the Company is a distributor, the sum of the entities creates a single CGU in which goodwill impairment is assessed at.

However, each of the legal entities where goodwill has been allocated – France, Germany, Spain, Switzerland and Denmark – participate in the Company's ultimate holding company's global transfer pricing program which generally targets that entities of the size and complexity of similar to that of these legal entities earn profits ranging from three percent (3%) to five percent (5%) which supersedes all other inputs in terms of significance. The Company's ultimate holding company has the discretion to increase these profitability targets in future periods in order to permit the recoverability of the Company's goodwill or decrease them under certain conditions although no significant changes are likely to occur with the next twelve months.

Consistent with prior periods, the Executive Board analyzes the results of the Company by product line. The monthly information reported to the Executive Board, as chief operating decision maker, is in line with this. Group results for the product lines are consolidated and analyzed as a single segment. The Executive Board bases its decisions on this information.

The value in use of the cash-generating unit resulted in no impairment compared to the carrying amount as at December 31, 2016 or 2015.

Management has projected cash flow forecasts over a period of five years. The annual budget is used as a basis for the projection in the first year whereas key assumptions were applied for the extrapolation of the results to the period after the second year.

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

Management determined compound annual growth rate of 3.4 to 4.9% for the cash-generating unit covering over the five-year forecast period to be a key assumption. The volume of sales in each period is the main driver for revenue and costs. The compound annual growth rate is based on past performance and management's expectations of market development. EBITDA is assumed to consistently approximate 3.6% of revenue for each projected period in 2016 or 2015. This is consistent with prior periods and the profitability targets by management as discussed above. The Company has insignificant plant property and equipment; therefore, depreciation related costs are insignificant to the projections. The weighted average cost of capital is a key assumption within the analysis and is determined to be 8% by management across the different countries in 2016 and 9% in 2015. This is consistent with valuations completed by the Company in previous periods. The Company considered the weighted average cost of capital in different countries to address potential different risk profiles. The Company considered the country specific risk, however determined that this does not lead to any material other outcome of the impairment model in 2016 or 2015.

17. Inventories

Inventories as of December 31, 2016 and 2015 consist of:

	2016	2015
Finished goods	€ 6,907,246	€ 7,501,039
Less: Excess and obsolescence provision	(536,824)	(496,704)
	6,370,422	7,004,335
Less: Inventory held for sale	(2,304,708)	-
Inventories, net	€ 4,065,714	€ 7,004,335

Movements in the Company's excess and obsolescence provision of inventories during the years ended December 31, 2016 and 2015 were as follows:

At December 31, 2014	€ 143,747
Provision for (recovery of provision for) excess and obsolete inventories	614,118
Disposal of previously reserved inventory	(261,161)
At December 31, 2015	496,704
Provision for (recovery of provision for) excess and obsolete inventories	222,057
Disposal of previously reserved inventory	(181,937)
Less inventory held for sale	(345,172)
At December 31, 2016	€ 191,652

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

18. Trade Receivables

Receivables as of December 31, 2016 and 2015, which are due within one year, consist of:

	2016	2015
Trade receivables	€ 7,682,056	€ 7,119,655
Less: Provision for impairment	(146,924)	(94,980)
	7,535,132	7,024,675
Less: Trade receivables held for sale	(4,636,996)	-
Trade receivables, net of provisions	€ 2,898,136	€ 7,024,675

The estimated fair value of the Company's trade receivables were €2,898,136 and €7,024,675 at December 31, 2016 and 2015, 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, 2016 and 2015 were as follows:

	2016	2015
Performing trade receivables	€ 6,204,974	€ 5,388,739
Past due trade receivables	-	-
Less than 3 months	1,148,252	1,034,104
3-6 months	225,024	187,900
6-9 months	40,825	22,387
9-12 months	-	-
More than 12 months	62,981	486,525
Impaired trade receivables	(146,924)	(94,980)
Trade receivables held for sale	(4,636,996)	-
	€ 2,898,136	€ 7,024,675

As of December 31, 2016 and 2015, trade receivables of €146,924 and €94,980, respectively, were impaired. Receivables considered impaired had aging three months or less. Throughout the years ended December 31, 2016 and 2015, the Company's estimate of the recoverability of its accounts receivable declined based on prevailing factors which led to an increase in the provision for impairment of trade receivables recorded at December 31, 2016. Actual recoveries of trade receivables which were previously considered impaired were not significant during the years ended December 31, 2016 and 2015.

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

At December 31, 2016 and 2015, the carrying amount of the Company's trade receivables excluding provision for impairment was denominated in the following currencies:

	2016	
	Local Currency	Euro (€)
Euro	3,345,357	€ 3,345,358
Swiss franc	16,269	15,175
British pound sterling	330,568	387,806
Norwegian krone	2,022,851	222,114
Polish zloty	409,654	92,811
United states dollar	2,973,754	2,826,788
Danish krone	2,450,026	329,326
Swedish krona	4,448,421	462,680
Trade receivables held for sale	(9,678,699)	(4,704,055)
		€ 2,978,003

	2015	
	Local Currency	Euro (€)
Euro	2,682,514	€ 2,682,514
Swiss franc	19,246	17,775
British pound sterling	312,536	424,162
Norwegian krone	2,526,982	262,823
Polish zloty	429,403	100,572
United states dollar	3,129,970	2,869,460
Danish krone	2,272,673	304,415
Swedish krona	4,208,212	457,934
		€ 7,119,655

Movements in the Company's provision for impairment of trade receivables during the years ended December 31, 2016 and 2015 were as follows:

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

At December 31, 2014	€	33,700
Accounts receivable write off		(39,789)
Reversal of provision for impairment of trade receivables		101,069
At December 31, 2015		94,980
Accounts receivable write off		(31,085)
Provision for (recovery of provision for) impairment of trade receivables		83,029
Less provision associated with trade receivables held for sale		(67,058)
At December 31, 2016	€	79,866

19. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets at December 31, 2016 and 2015 consist of:

		2016		2015
Escrow receivables (payables)	€	-	€	(99,912)
Security deposits		119,033		110,145
Other current assets		382,498		149,114
		501,531		159,347
Less: Prepaid expenses and other current assets held for sale		(178,066)		-
Prepaid expenses and other current assets, net	€	323,465	€	159,347

Escrow receivables are related to reimbursements due from Angiotech Pharmaceuticals, Inc. and affiliates under the terms of the indemnification arrangements related to the acquisition of the Interventional Products Business.

20. Indirect Taxes

Indirect taxes receivable and indirect taxes payable at December 31, 2016 and 2015 consist of:

2016	Netherlands	Belgium	Denmark	Finland	Germany	Sweden	Norway	France	Spain	Switzerland	Total
Indirect taxes receivable	€ 253,625	€ 4,758	€ 8,912	€ 2,318	€ 100,120	€ 48,654	€ 89,951	€ 2,863	€ 3,378	€ 8,262	€ 520,868
Indirect taxes payable		(20,000)	(188,078)	(109,388)	(211,879)	(261,610)	(88,256)	(20,482)	(82,271)	-	(982,023)
Less: Indirect taxes held for sale	-	-	99,762	40,841	49,925	100,298	(1,695)	17,618	78,893	(8,262)	379,359
Indirect taxes receivable (payable), net	253,625	(15,242)	(79,405)	(68,231)	(61,825)	(112,658)	-	-	-	-	(81,796)
Indirect taxes receivable	253,625		-		-	-	-		-	-	253,625
Indirect taxes payable	€ -	€ 15,242	€ 79,405	€ 68,231	€ 61,825	€ 112,658	€ -	€	€ -	€ -	€ 335,421

2015	Netherlands	Belgium	Denmark	Finland	Germany	Sweden	Norway	France	Spain	Switzerland	Total
Indirect taxes receivable	€ 62,656	€ 24,304	€ 103,987	€ 2,547	€ 81,115	€ 51,026	€ 110,277	€ 3,685	€ 3,228	€ 5,569	€ 448,393
Indirect taxes payable		(19,906)	(173,372)	(103,238)	(198,272)	(274,528)	(92,082)	(25,042)	(75,243)	-	(961,681)
Indirect taxes receivable (payable), net	62,656	4,398	(69,385)	(100,691)	(117,157)	(223,502)	18,195	(21,357)	(72,015)	5,569	(513,288)
Indirect taxes receivable	62,656	4,398	-	-	-	-	18,195			5,569	90,818
Indirect taxes payable	€ -	€ -	€ 69,385	€ 100,691	€ 117,157	€ 223,502	€	€ 21,357	€ 72,015	€ -	€ 604,107

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

21. Cash at Banks

Cash at banks at December 31, 2016 and 2015 was located in the following territories:

	2016	2015
Netherlands	€ 523,436	€ 411,691
Belgium	84,054	122,685
Germany	194,204	542,228
Sweden	446,148	844,022
Denmark	418,869	839,374
Finland	293,871	348,006
France	176,024	138,118
Norway	222,179	252,225
Spain	138,435	211,155
Switzerland	1,135,578	1,034,189
	€ 3,632,798	€ 4,743,693
Less: Cash held for sale	2,234,059	-
Cash at banks	€ 1,398,739	€ 4,743,693

22. Share Capital and Share Premium

Share Capital
Share capital as of December 31, 2016 and 2015 consists of:

	2016	2015
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.

Share Premium
Share premium as of December 31, 2016 and 2015 consists of:

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

	2016	2015
Authorized	€ 8,487,104	€ 8,487,104
Related Party Promissory Note Discount	2,079,904	2,079,904
Issued and fully paid	€ 10,567,008	€ 10,567,008

During the year ended December 31, 2013, Argon Medical Devices Singapore Pte. Ltd., a Singapore Corporation, which the Company regards as its intermediate holding company, capitalized the Company with an additional €6,535,224 through a noncash conversion of payables due to related parties into share premium. This noncash conversion was recognized at the book value of the payables due to related parties which were effectively settled and cancelled in connection with the transaction.

Movements in the Company's share capital during the year ended December 31, 2016 were:

	Share Capital	Share Premium
At December 31, 2015	€ 18,000	€ 10,567,008
At December 31, 2016	€ 18,000	€ 10,567,008

23. 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 years ended December 31, 2016 and 2015, zero options to purchase shares in Argon Medical Devices Holding, Inc., were granted to an employee of the Company. The respective issuances of units vest over a five year period. The fair value of the stock option plan is accounted for in line with IFRS 2. The expense related to vested options are €7,500 and €15,300 for the years ended December 31, 2016 and 2015. The Company is not directly charged for the immaterial stock compensation expense of these stock options by Argon Medical Devices Holding, Inc within the respective periods. This cost is considered in the transfer pricing and management expense rate charged to Argon Medical Devices B.V. and Subsidiaries from Argon Medical Devices Holding, Inc.

24. Borrowings

Borrowings as of December 31, 2016 and 2015 consists of:

	2016	2015
Loan to Argon Medical Devices, Inc.	€ 8,886,058	€ 8,130,936
Loan to PBN Medical Denmark A/S	2,700,748	2,461,250
	11,586,806	10,592,186
Plus: Loan receivable held for sale	669,439	-
Total borrowings	€ 12,256,245	€ 10,592,186

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

On April 12, 2013, the Company entered in $10,002,000 USD (€7,265,463) promissory note with Argon Medical Devices, Inc., an affiliate of the Company's ultimate holding company. The promissory note matures April 12, 2018, bears interest at a coupon rate of 1.00% and a 6.5% yield (payable monthly), and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 and 2015 is €8,886,058 and €8,130,936, respectively. Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

On December 31, 2015, the Company entered in $3,142,000 USD (€2,880,900) promissory note with PBN Medical Devices Denmark A/S (PBN), an affiliate of the Company's ultimate holding company, which converted its short-term payable initially recognized in conjunction with the 2014 acquisition of Argon Medical Devices Danmark ApS to long-term as at 2015. The promissory note matures December 31, 2018, bears interest at a coupon rate of 1.00% (payable annually) and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 is €2,700,748. Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

25. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2016 and 2015 consist of:

	2016	2015
Accrued outsource services	€ 354,810	€ 232,972
Accounts payable	474,105	310,237
Accrued transportation expenses	193,708	138,630
Accrued professional fees	649,645	640,342
Accrued bonuses	273,807	247,764
Accrued compensated absences	368,454	424,743
Accrued commission	33,518	32,156
Others	350,339	195,722
	2,698,386	2,222,566
Less: Accounts payable and accrued expenses held for sale	(1,248,178)	-
Acrrued expenses, net	€ 1,450,208	€ 2,222,566

26. 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 years ended December 31, 2016 and 2015 for the continuing operations:

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

	2016	2015
Purchases of goods		
Argon Medical Devices, Inc.	€ 373,856	€ 594,555
Argon Critical Care Systems Singapore, Pte. Ltd.	11,942,121	13,580,404
Others	67,051	-
Royalty expense		
Argon Medical Devices, Inc.	-	186,032

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 manufacturer earn profits ranging from cost plus five percent (cost + 5%) to cost plus seventy-five percent (cost +75%) while allowing the Company to earn profits ranging from three percent (3%) to five percent (5%) of sales.

Argon Medical Devices, Inc., an affiliate of the Company's ultimate holding company, has a royalty arrangement with a third party that requires the third party be paid a royalty on global sales of licensed products based on the profitability of the associated products. The Company offers these licensed products for sale across Europe, the Middle East, and Africa, and recognizes royalty expense when these products are sold which are paid to affiliates monthly. During the years ended December 31, 2016 and 2015, the Company recognized €0 and €186,032, respectively, in royalty expense associated with the sale of these licensed products for its continuing business.

The Company has a supply arrangement with Argon Medical Devices Biocoatings Corp. (f/k/a Angiotech Biocoatings Corp.), an affiliate of the Company's ultimate holding company, that requires the Company pay a royalty based on the Company's sale of certain products across Europe, the Middle East, and Africa, which utilize intellectual property which is controlled by the affiliate. The Company recognizes royalty expense when the licensed products are sold which is paid to affiliates monthly. During the years ended December 31, 2016 and 2015, the Company recognized €174,430 and €167,493, respectively, in royalty expense associated with the sale of these licensed products. These costs were incurred by Argon Medical Devices Switzerland SA and were included within the earnings for discontinued operations for the years ended December 31, 2016 and 2015.

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.

As of December 31, 2016 and 2015, the following related party receivables and payables were outstanding:

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

		2016		2015
Receivables from related parties				
Argon Critical Care Systems Singapore Pte. Ltd.	€	-	€	-
PBN Medicals Denmark A/S		-		28,000
Argon Medical Devices, Inc.		516,046		-
Argon Medical Devices Singapore Pte. Ltd.		18,000		18,000
		534,046		46,000
Less: Receivables from related parties held for sale		(325,480)		-
Total receivables due from related parties	€	208,566	€	46,000
Payables to related parties				
Argon Medical Devices, Inc.	€	298,347	€	3,070,637
Argon Critical Care Systems Singapore Pte. Ltd.		1,425,386		1,993,701
PBN Medicals Denmark A/S		267,379		-
Argon Medical Devices Danmark A/S		(112)		-
Argon Medical Devices SARL		(63)		
Argon Medical Devices GmbH		8		
Argon Medical Devices S.L.		167		
Argon Medical Devices Biocoatings Corp.		30,615		56,717
Others		15,201		-
Total payables due to related parties	€	2,036,928	€	5,121,055
Loan to related parties				
Argon Medical Devices, Inc.	€	8,886,058	€	8,130,936
PBN Medicals Denmark A/S		2,700,748		2,461,250
		11,586,806		10,592,186
Plus: Loan receivable held for sale		669,439		-
Total related party promissory note	€	12,256,245	€	10,592,186

Receivables from Argon Medical Devices, Inc. arose mainly as a result of cash collections from sales transactions in periods prior to January 1, 2012 which was remitted to Argon Medical Devices, Inc. in lieu of the Company. These receivables were repaid in full during the year ended December 31, 2016. Proceeds from the repayment of these receivables were used to fund the Interventional business acquisition and therefore been presented as a financing activity within the consolidated statements of cash flows.

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 Medical Devices, Inc. arise mainly from the purchase of goods, the obligation to reimburse Argon Medical Devices, Inc. for payments made by Argon Medical Devices, Inc. directly to the Company's vendors, and as a result of the royalty arrangement described above. These payables are generally due two (2) to six (6) months after the date of purchase, and do not bear interest.

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

Payables due to Argon Medical Devices Singapore Pte. Ltd 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.

Payables due to Medical Device Technologies, Inc., PBN Medicals Denmark A/S and Argon Medical Devices Danmark A/S arise mainly from the purchase of goods. A substantial portion of these outstanding balances were assumed upon the acquisition of the Interventional Products Business and is significantly aged. Although these obligations are long past their initial due dates, the Company intends to settle these obligations in the ordinary course of business using funds generated from its operations.

Payables due to Argon Medical Devices Biocoatings Corp. arise primarily as a result of the royalty arrangement described above, are due monthly, and do not bear interest.

During the year ended December 31, 2013, the Company entered in a promissory note with a principal balance of $10,002,000 USD (€7,265,453) with Argon Medical Devices, Inc. The promissory note matures April 12, 2018, bears interest at a coupon rate of 1.00% and a 6.5% yield (payable monthly), and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 and 2015 is €8,886,058 and €8,130,936, respectively.

On December 31, 2015, the Company entered in $3,142,000 USD (€2,880,900) promissory note with PBN Medical Devices Denmark A/S (PBN), an affiliate of the Company's ultimate holding company, which converted its short-term payable initially recognized in conjunction with the 2014 acquisition of Argon Medical Devices Danmark ApS to long-term as at 2015. The promissory note matures December 31, 2018, bears interest at a coupon rate of 1.00% (payable annually) and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 is €2,700,748. Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

27. 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 years ended December 31, 2016 and 2015, 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 €129,000 and €114,000 in total remuneration during years ended December 31, 2016 and 2015, respectively. The majority of the remuneration noted above was salary and bonus.

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 was bore by that affiliate and none charged to the Company during the years ended December 31, 2016 and 2015.

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

28. Commitments

Operating Lease Commitments

The Company leases office space in various countries throughout Europe and certain equipment under non-cancelable 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 years ended December 31, 2016 and 2015, total rent expense under non-cancelable operating leases was approximately, €278,987 and €286,226, respectively.

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	2016	2015
Within a year	€ 855,020	€ 481,474
Between two and five years	885,934	1,197,504
More than five years	125,919	251,141
	€ 1,866,873	€ 1,930,119
Less: Leases held for sale	1,067,728	-
	€ 799,145	€ 1,930,119

29. Subsequent Events

The Company has evaluated the impact of subsequent events through June 21, 2017 the date the consolidated financial statements were made available to be issued.

The Company restructured its legal entities during the year ending 2016. Prior to this restructuring the Company's subsidiaries were Argon Medical Devices Switzerland SA ("Argon Switzerland"), Argon Medical Devices Danmark APS (based in Denmark), Argon Medical Devices SARL (based in France), Argon Medical Devices S.L. (based in Spain) and Argon Medical Devices GmbH (based in Germany). The restructuring transferred to Argon Medical Devices Switzerland SA ("Argon Switzerland"), one-hundred percent (100%) of the issued share capital of Argon Medical Devices Danmark APS (based in Denmark), Argon Medical Devices SARL (based in France), and Argon Medical Devices GmbH (based in Germany) in exchange for Argon Switzerland's assumption of a portion of the Company's existing debt to PBN Medical Danmark A/S. On January 25, 2017, one-hundred percent (100%) of the issued share capital of Argon Medical Devices S.L. (based in Spain) was transferred to Argon Switzerland.

On January 30, 2017, Argon Medical Devices Netherlands B.V. sold to Argon Medical Devices, Inc. an affiliated entity under common control of the Company's ultimate parent company, one-hundred percent (100%) of the issued share capital of Argon Medical Devices Switzerland SA, including its subsidiaries, for a purchase price of $9,276,596 (€8,733,089). As result of this transaction, Argon Medical Devices Netherlands B.V. determined that its subsidiaries were held for sale as of December 31, 2016. An accrual for the loss of the sale of the business has been calculated and recorded as of December 31, 2016 and the financial statements are presented for discontinued operations.

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

On January 31, 2017, Argon Medical Devices Netherlands B.V.'s ultimate parent company, Argon Medical Devices Holding, Inc., sold all its interest in the CCS businesses to Merit Medical Systems Inc., a third party business. The CCS business is comprised of Argon Medical Devices Singapore Pte. Ltd, Argon Medical Devices Netherlands B.V.'s holding company, and Argon Medical Devices Japan KK together.

Sharon McNally was a director of Argon Medical Devices Netherlands B.V. and Subsidiaries through the balance sheet date of this report of December 31, 2016. As a result of the January 31, 2017 transaction Sharon was no longer a director of the legal entity. On March 21, 2017 Gregory Di Stefano and Robert Jenkins became registered directors of Argon Medical Devices Netherlands B.V. and Subsidiaries.

The past and present directors, Sharon McNally, Gregory Di Stefano, and Robert Jenkins authorized the financial statements to be issued on the below noted date.

Sharon McNally	Gregory Di Stefano	Robert Jenkins
Director	Director	Director
[Through March 20, 2017]	[Inception March 21, 2017]	[Inception March 21, 2017]
June 21, 2017	June 21, 2017	June 21, 2017

Argon Medical Devices Netherlands B.V.

Company Financial Statements
December 31, 2016 and 2015

Argon Medical Devices Netherlands B.V.
Company Statements of Income
December 31, 2016 and 2015

(amounts presented in Euro (€) unless otherwise stated)	2016	2015
Net sales (Note 2)	€ 18,636,368	€ 19,534,568
Cost of sales (Note 3)	12,437,659	12,910,152
Gross profit	6,198,709	6,624,416
Selling, general and administrative expenses (Note 4, 5, 6)	6,199,715	6,198,384
Operating profit	(1,006)	426,032
Interest expense, net (Note 7)	876,324	516,599
Foreign currency losses	567,975	1,462,434
Total finance losses	1,444,299	1,979,033
Share of results of subsidiaries (Note 10)	(13,918,823)	7,692,072
Income (Loss) before taxation	(15,364,128)	6,139,071
Income taxes (Note 8)	17,738	184,884
Total income (loss) after taxation for the year	€ (15,381,866)	€ 5,954,187

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

Argon Medical Devices Netherlands B.V.
Company Statements of Financial Position
Years Ended December 31, 2016 and 2015

(amounts presented in Euro (€) unless otherwise stated)	2016	2015
Assets		
Noncurrent assets		
Property and equipment, net (Note 9)	€ 8,488	€ 13,305
Investment in subsidiaries (Note 10)	9,004,487	25,114,128
	9,012,975	25,127,433
Current assets		
Inventories (Note 11)	4,065,714	4,024,589
Trade receivables (Note 12)	2,898,135	3,611,734
Receivables due from related parties (Note 20)	18,000	18,000
Prepaid expenses and other current assets (Note 14)	323,465	128,475
Indirect taxes receivable (Note 13)	253,626	67,054
Income taxes receivable (Note 8)	408,935	-
Cash at bank (Note 15)	1,398,739	2,331,325
	9,366,614	10,181,177
Total assets	€ 18,379,589	€ 35,308,610
Equity and Liabilities		
Equity attributable to owner of the company		
Share capital (Note 16)	€ 18,000	€ 18,000
Share premium (Note 16)	10,719,462	10,719,462
Accumulated earnings	(8,494,667)	6,887,200
Total equity	2,242,795	17,624,662
Noncurrent liabilities		
Loan due to related parties (Note 18, 20)	12,256,245	10,592,186
Current liabilities		
Payables due to related parties (Note 20)	1,846,364	5,243,139
Accounts payable and accrued expenses (Note 19)	1,450,209	1,194,993
Indirect taxes payable (Note 13)	335,420	321,278
Income tax payable (Note 8)	248,556	332,352
Total current liabilities	3,880,549	7,091,762
Total liabilities	16,136,794	17,683,948
Total equity and liabilities	€ 18,379,589	€ 35,308,610

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

Argon Medical Devices Netherlands B.V.
Company Statements of Changes in Equity
Years Ended December 31, 2016 and 2015

	Attributable to Owner of the Company			
(amounts presented in Euro (€) unless otherwise stated)	Share Capital	Share Premium	Accumulated Earnings	Total Equity
Balances at January 1, 2015	€ 18,000	€ 10,147,358	€ 933,013	€ 11,098,371
Related party promissory note discount	-	572,104	-	572,104
Comprehensive loss	-	-	5,954,187	5,954,187
Balances at December 31, 2015	€ 18,000	€ 10,719,462	€ 6,887,200	€ 17,624,662
Balances at January 1, 2016	€ 18,000	€ 10,719,462	€ 6,887,200	€ 17,624,662
Comprehensive income	-	-	(15,381,866)	(15,381,866)
Balances at December 31, 2016	€ 18,000	€ 10,719,462	€ (8,494,667)	€ 2,242,795

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

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

1. General Information

The financial statements of Argon Medical Devices Netherlands B.V. are prepared in accordance with the legal requirement of Part 9, Book 2 of the Dutch Civil Code. The Company has made use of the possibility based on Article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to prepare company financial statements based on the accounting policies used for the consolidated financial statements.

Subsidiaries of Argon Medical Devices Netherlands B.V. are presented using the equity method. The equity value of subsidiaries comprises the cost of Argon's share in the net assets of the subsidiary, plus Argon's share in income or losses since acquisition, less dividends received. Goodwill paid upon acquisition of an investment in a subsidiary, joint venture or associate is included in the net equity value of the investment and is not shown separately on the face of the balance sheet.

2. Net Sales

Net sales reported for the years ended December 31, 2016 and 2015 were generated by the following registered branch offices and legal entity:

	2016	2015
Branch		
Belgium	€ 1,103,801	€ 1,184,265
Denmark	1,323,784	1,319,274
Finland	1,563,647	1,399,016
Germany	4,599,978	4,512,817
Sweden	2,106,187	2,158,310
	10,697,397	10,573,682
Legal entity		
Netherlands (Argon Medical Devices Netherlands B.V.)	7,938,971	8,960,886
	€ 18,636,368	€ 19,534,568

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.

3. Cost of Sales

Cost of goods sold for the years ended December 31, 2016 and 2015 were comprised of €12,437,659 and €12,910,152, respectively, of inventories that were sold in sales transactions.

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

4. Selling, General and Administrative Expenses

Selling, general and administrative expenses reported in 2016 and 2015 were comprised of the following components:

		2016		2015
Employee costs	€	2,757,221	€	2,580,782
Transportation expenses		627,533		632,197
Outsourced logistics and administrative services expenses		1,215,506		1,149,657
Auditing and taxation services (independent auditor's remuneration)		333,448		297,866
Consulting services		120,482		67,426
Operating lease expenses		278,987		286,226
Royalty expense		-		186,032
Travel and entertainment		265,733		215,979
Commission		297,518		303,367
Meetings and seminars		26,411		103,998
Marketing and advertising expenses		71,472		54,185
Communication and information technology		19,515		24,360
Office administration		35,650		58,341
Registration		15,482		33,055
Legal services		2,468		-
Depreciation		6,076		5,517
Provision for impairment of trade receivables		39,238		99,013
Other expenses		86,975		100,383
	€	6,199,715	€	6,198,384

		2016		2015
Independent auditor's remuneration				
Audit services				
PwC Netherlands	€	39,000	€	36,772
Other PwC Offices		116,159		110,425
Sub-total		155,159		147,197
Taxation services				
PwC Netherlands		70,484		75,430
Other PwC Offices		107,805		75,239
Sub-total		178,289		150,669
Consulting services: Non-Netherlands PwC Offices		120,482		37,501
	€	453,930	€	335,367

The audit and tax fees listed above relate to the procedures applied to the Company and its consolidated group entities by the external independent auditor and accounting firm PricewaterhouseCoopers as referred to in Section 1, subsection 1 of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta). Audit and tax services were all performed by PricewaterhouseCoopers global network.

Consulting services relate to advisory services rendered by the Company's independent auditors to advise the Company on human resources, payroll, employee benefits arrangements and other matters and are also performed by PricewaterhouseCoopers global network.

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

5. Information Regarding Employees

Employee costs for the years ended December 31, 2016 and 2015 were comprised of the following significant components:

	2016	2015
Salaries	€ 1,710,536	€ 1,481,364
Pension costs - defined contribution plans	217,056	261,541
Social security costs	461,657	432,857
Bonus	201,495	226,399
Compensated absences	65,033	95,346
Other employee costs	101,444	83,275
	€ 2,757,221	€ 2,580,782

The average monthly number of persons (including directors) employed by the Company for the years ended December 31, 2016 and 2015 was:

	2016	2015
Selling and distribution	25	25
Supply chain	2	2
	27	27

As of December 31, 2016 and 2015, the number of persons (including the director) employed by the Company working in the Netherlands were three (3).

Included in pension costs and social security costs above are the Company's expenses for its participation in defined contribution benefit plans as well as the cost associated with the Company's obligation to make contributions to government-sponsored employee retirement programs in certain countries.

6. Royalty Expense

Argon Medical Devices, Inc., an affiliate of the Company's ultimate holding company, has a royalty arrangement with a third party that requires the third party be paid a royalty on global sales of licensed products based on the profitability of the associated products. The Company offers these licensed products for sale across Europe, the Middle East, and Africa, and recognizes royalty expense when these products are sold which are paid to affiliates monthly. During the years ended December 31, 2016 and 2015, the Company recognized €0 and €186,032, respectively, in royalty expense associated with the sale of these licensed products. On December 23, 2015, the Company's ultimate parent company Argon Medical Devices Holdings, Inc. acquired from Rex the intellectual property and rights to these licensed products.

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

7. Interest Expense, Net

Interest expense, net, for the years ended December 31, 2016 and 2015, was €876,324 and €516,599, respectively, and arose primary as a result of interest incurred on related party borrowings (Note 20).

8. Income Taxes

Income tax expense recognized during the years ended December 31, 2016 and 2015 were comprised of the following significant components:

	2016	2015
Current income tax		
Current income tax on profits for the year	€ 17,738	€ 184,884
Total current income tax	17,738	184,884
Total income tax expense	€ 17,738	€ 184,884

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:

	2016	2015
Profit on ordinary activities before taxation		
Profit before tax multiplied by weighted average rate of -1.23% and 3.16% at December 31, 2016 and 2015, respectively	€ (303,559)	€ 55,734
Permanent nondeductible expenses	321,297	129,150
Total current income tax expense	€ 17,738	€ 184,884

The Company's weighted average tax rate of -1.23% and 3.16% at December 31, 2016 and 2015, 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 years ended December 31, 2016 and 2015.

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, 2016 and 2015, the Company had income taxes receivables of €408,935 and €0 and income taxes payables of €248,556 and €332,352, respectively.

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

9. Property and Equipment

Property and equipment as of December 31, 2016 and 2015, which consists primarily of computer and software, consists of:

	2016	2015
Beginning net book value	€ 13,305	€ 2,609
Cost		
Additions	1,259	16,213
Disposal	-	-
At December 31	14,564	18,822
Depreciation		
Charge for the year	6,076	5,517
Disposal	-	-
At December 31	6,076	5,517
Net book value	€ 8,488	€ 13,305

10. Investment in Subsidiaries

Movements in the Company's investment in subsidiaries during the year ended December 31, 2016 were:

At December 31, 2014	€ 17,422,056
Share of results of subsidiaries	7,692,072
At December 31, 2015	25,114,128
Dividends received	(2,190,818)
Share of results of subsidiaries	(13,918,823)
At December 31, 2016	€ 9,004,487

11. Inventories

Inventories as of December 31, 2016 and 2015 consist of:

	2016	2015
Finished goods	€ 4,257,709	€ 4,249,787
Less: Excess and obsolescence provision	(191,995)	(225,198)
	€ 4,065,714	€ 4,024,589

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

Movements in the Company's excess and obsolescence provision of inventories during the years ended December 31, 2016 and 2015 were as follows:

At December 31, 2014	€	66,233
Provision for (recovery of provision for) excess and obsolete inventories		228,956
Inventory scrap		(69,991)
At December 31, 2015		225,198
Provision for (recovery of provision for) excess and obsolete inventories		(33,203)
Inventory scrap		-
At December 31, 2016	€	191,995

12. Trade Receivables

Receivables as of December 31, 2016 and 2015, which are due within one year, consist of:

	2016	2015
Trade receivables	€ 2,978,001	€ 3,714,419
Less: Provision for impairment	(79,866)	(102,685)
Trade receivables, net of provisions	€ 2,898,135	€ 3,611,734

The estimated fair value of the Company's trade receivables were €2,898,135 and €3,611,734 at December 31, 2016 and 2015, 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, 2016 and 2015 were as follows:

	2016	2015
Performing trade receivables	€ 2,360,294	€ 2,970,960
Past due trade receivables	-	-
Less than 3 months	426,414	533,172
3-6 months	150,468	187,900
6-9 months	40,825	22,387
9-12 months	-	-
More than 12 months	-	-
Impaired trade receivables	(79,866)	(102,685)
	€ 2,898,135	€ 3,611,734

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

As of December 31, 2016 and 2015, trade receivables of €79,866 and €102,685, respectively, were impaired. Receivables considered impaired had aging three months or less. Throughout the years ended December 31, 2016 and 2015, the Company's estimate of the recoverability of its accounts receivable improved based on prevailing factors which led to a decrease in the provision for impairment of trade receivables recorded at December 31, 2016 as described below. Actual recoveries of trade receivables which were previously considered impaired were not significant during the years ended December 31, 2016 and 2015.

At December 31, 2016 and 2015, the carrying amount of the Company's trade receivables excluding provision for impairment was denominated in the following currencies:

	2016	
	Local Currency	Euro (€)
Euro	1,358,100	€ 1,358,100
Swiss franc	16,269	15,175
British pound sterling	326,028	382,480
Norwegian krone	218,765	24,025
Polish zloty	409,654	92,811
United states dollar	777,520	738,417
Danish krone	1,081,342	145,375
Swedish krona	2,130,523	221,619
		€ 2,978,002

	2015	
	Local Currency	Euro (€)
Euro	1,440,069	€ 1,440,069
Swiss franc	19,246	17,775
British pound sterling	307,996	418,001
Norwegian krone	191,765	19,945
Polish zloty	429,403	100,572
United states dollar	1,437,018	1,317,192
Danish krone	968,812	129,768
Swedish krona	2,491,252	271,097
		€ 3,714,419

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

Movements in the Company's provision for impairment of trade receivables during the years ended December 31, 2016 and 2015 were as follows:

At December 31, 2014	€	41,675
Provision for (recovery of provision for) impairment of trade receivables		99,013
Accounts receivable write off		(38,003)
At December 31, 2015		102,685
Provision for (recovery of provision for) impairment of trade receivables		39,238
Accounts receivable write off		(62,057)
At December 31, 2016	€	79,866

13. Indirect Taxes

Indirect taxes receivable and indirect taxes payable at December 31, 2016 and 2015 consist of:

2016	Netherlands	Belgium	Denmark	Finland	Germany	Sweden	Total
Indirect taxes receivable	€ 253,626	€ 4,758	€ 4,010	€ 1,783	€ 89,147	€ 8,090	€ 361,414
Indirect taxes payable		(20,060)	(83,414)	(68,014)	(150,972)	(120.748)	(443,209)
Indirect taxes receivable (payable), net	253,626	(15,302)	(79,405)	(66,231)	(61,825)	(112,658)	(81,795)
Indirect taxes receivable	253,626		-	-	-	-	253,626
Indirect taxes payable	€ -	€ 15,302	€ 79,405	€ 66,231	€ 61,825	€ 112,658	€ 335,420

2015	Netherlands	Belgium	Denmark	Finland	Germany	Sweden	Total
Indirect taxes receivable	€ 62,656	€ 24,304	€ 4,353	€ 1,432	€ 80,389	€ 7,632	€ 180,766
Indirect taxes payable		(19,905)	(77,129)	(61,956)	(142,087)	(133,912)	(434,989)
Indirect taxes receivable (payable), net	62,656	4,399	(72,776)	(60,524)	(61,698)	(126,280)	(254,223)
Indirect taxes receivable	62,656	4,399	-	-	-	-	67,055
Indirect taxes payable	€	€ -	€ 72,776	€ 60,524	€ 61,698	€ 126,280	€ 321,278

14. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets at December 31, 2016 and 2015 consist of:

	2016	2015
Security deposits	€ 51,778	€ 79,811
Other current assets	271,687	48,664
Prepaid expenses and other current assets	€ 323,465	€ 128,475

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

15. Cash at Banks

Cash at banks at December 31, 2016 and 2015 was located in the following territories:

	2016	2015
Netherlands	€ 523,435	€ 411,691
Belgium	84,054	122,685
Germany	121,500	352,330
Sweden	280,869	594,831
Denmark	264,696	699,742
Finland	124,185	150,046
Cash at banks	€ 1,398,739	€ 2,331,325

16. Share Capital and Share Premium

Details of the Company's share capital and share premium are disclosed in the accompanying consolidated financial statements.

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 years ended December 31, 2016 and 2015, zero options to purchase shares in Argon Medical Devices Holding, Inc., with an estimated fair value of €7,500 and €15,300, respectively, were granted to an employee 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. Borrowings

Borrowings as of December 31, 2016 and 2015 consists of:

	2016	2015
Loan to Argon Medical Devices, Inc.	€ 8,886,058	€ 8,130,936
Loan to PBN Medical Denmark A/S	2,700,748	2,461,250
Argon Medical Devices Danmark A/S	134,439	-
Argon Medical Devices SARL	210,000	-
Argon Medical Devices GmbH	200,000	-
Argon Medical Devices SL	125,000	-
Total borrowings	€ 12,256,245	€ 10,592,186

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

On April 12, 2013, the Company entered in $10,002,000 USD (€7,265,463) promissory note with Argon Medical Devices, Inc., an affiliate of the Company's ultimate holding company. The promissory note matures April 12, 2018, bears interest at a coupon rate of 1.00% and a 6.5% yield (payable monthly), and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 and 2015 is €8,86,058 and €8,130,936, respectively. Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

19. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2016 and 2015 consist of:

	2016	2015
Accrued outsource services	€ 310,086	€ 187,162
Accounts payable	94,757	65,121
Accrued transportation expenses	139,195	80,812
Accrued professional fees	283,580	254,487
Accrued bonuses	196,326	216,537
Accrued compensated absences	210,286	224,988
Accrued commission	33,518	32,156
Others	182,461	133,730
	€ 1,450,209	€ 1,194,993

20. 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 years ended December 31, 2016 and 2015:

	2016	2015
Purchases of goods		
Argon Medical Devices, Inc.	€ 373,856	€ 594,555
Argon Critical Care Systems Singapore, Pte. Ltd.	11,942,121	13,580,404
Argon Medical Devices Japan KK	67,051	-
Royalty expense		
Argon Medical Devices, Inc.	-	186,032

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 manufacturer earn profits ranging from cost plus five percent (cost + 5%) to cost plus seventy-five percent (cost +75%) while allowing the Company to earn profits ranging from three percent (3%) to five percent (5%) of sales.

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

Argon Medical Devices, Inc., an affiliate of the Company's ultimate holding company, has a royalty arrangement with a third party that requires the third party be paid a royalty on global sales of licensed products based on the profitability of the associated products. The Company offers these licensed products for sale across Europe, the Middle East, and Africa, and recognizes royalty expense when these products are sold which are paid to affiliates monthly. During the years ended December 31, 2016 and 2015, the Company recognized €0 and €186,032, respectively, in royalty expense associated with the sale of these licensed products.

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.

As of December 31, 2016 and 2015, the following related party receivables and payables were outstanding:

	2016	2015
Receivables from related parties		
Argon Critical Care Systems Singapore Pte. Ltd.	€ -	€ -
Argon Medical Devices Singapore Pte. Ltd.	18,000	18,000
Total receivables due from related parties	€ 18,000	€ 18,000
Payables to related parties		
Argon Medical Devices, Inc.	€ 298,347	€ 399,799
Argon Critical Care Systems Singapore Pte. Ltd.	1,425,386	1,993,701
PBN Medicals Denmark A/S	(12,770)	-
Argon Medical Devices Danmark A/S	33,290	2,180,690
Argon Medical Devices SARL	2,711	331,925
Argon Medical Devices GmbH	1,833	189,671
Argon Medical Devices S.L.	1,250	118,544
Others	96,317	28,809
Total payables due to related parties	€ 1,846,364	€ 5,243,139
Loan due to related parties		
Argon Medical Devices, Inc.	€ 8,886,058	€ 8,130,936
PBN Medicals Denmark A/S	2,700,748	2,461,250
Argon Medical Devices Danmark A/S	134,439	-
Argon Medical Devices SARL	210,000	-
Argon Medical Devices GmbH	200,000	-
Argon Medical Devices SL	125,000	-
Total related party promissory note	€ 12,256,245	€ 10,592,186

Receivables due from Argon Critical Care Systems Singapore Pte. Ltd. arises from advanced payment of purchase of goods.

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

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 Medical Devices, Inc. arise mainly from the purchase of goods, the obligation to reimburse Argon Medical Devices, Inc. for payments made by Argon Medical Devices, Inc. directly to the Company's vendors, and as a result of the royalty arrangement described above. These payables are generally due two (2) to six (6) months after the date of purchase, and do not bear interest.

Payables due to Argon Critical Care Systems Singapore Pte. Ltd. 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.

On December 31, 2015, the Company entered in short term promissory notes with its subsidiaries Argon Medical Devices Danmark A/S, Argon Medical Devices SARL, Argon Medical Devices GmbH and Argon Medical Devices S.L. with principal balances of DKK17,000,000 (€2,277,861), €350,000, €200,000 and €125,000, respectively, to pay part of its outstanding trade payables to Argon Medical Devices, Inc. The promissory notes mature December 31, 2016, bear interest at a coupon rate of 1.00% and a 6.5% yield payable upon maturity. These related party borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. As of December 31, 2016, the fair values of the promissory notes are €134,439, €210,000, €200,000 and €125,000, respectively.

During the year ended December 31, 2013, the Company entered in a promissory note with a principal balance of $10,002,000 USD (€7,265,453) with Argon Medical Devices, Inc. The promissory note matures April 12, 2018, bears interest at a coupon rate of 1.00% and a 6.5% yield (payable monthly), and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 and 2015 is €8,886,058 and €8,130,936, respectively.

On December 31, 2015, the Company entered in $3,142,000 USD (€2,880,900) promissory note with PBN Medical Devices Denmark A/S (PBN), an affiliate of the Company's ultimate holding company, which converted its short-term payable initially recognized in conjunction with the 2014 acquisition of Argon Medical Devices Danmark ApS to long-term as at 2015. The promissory note matures December 31, 2018, bears interest at a coupon rate of 1.00% (payable annually) and can be repaid at any time without penalty or premium. This related party borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. The fair value of the promissory note as of December 31, 2016 is €2,700,748. Due to the related party nature of the Company's outstanding borrowings, no transaction costs or other direct fees were incurred regarding the establishment of the promissory note.

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

21. 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 years ended December 31, 2016 and 2015, 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 €129,000 and €114,000 in total remuneration during years ended December 31, 2016 and 2015, 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 was bore by that affiliate and none charged to the Company during the years ended December 31, 2016 and 2015.

22. Commitments

Operating Lease Commitments
The Company leases office space in various countries throughout Europe and certain equipment under non-cancelable 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 years ended December 31, 2016 and 2015, total rent expense under non-cancelable operating leases was approximately, €278,987 and €286,226, respectively.

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	2016	2015
Within a year	€ 279,789	€ 287,784
Between two and five years	418,637	852,456
More than five years	100,719	251,141
	€ 799,145	€ 1,391,382

23. Appropriation of result

The net loss of €15,381,866 will be recorded within the Accumulated Earnings. There is sufficient cash flow from historical Accumulated Earnings to support future growth and operations of Argon Medical Devices Netherlands B.V. and Subsidiaries. The Company's management board does not recommend the payment of a dividend to the Company shareholders at this time.

24. Events occurring after the balance sheet date

The Company has evaluated the impact of subsequent events through June 21, 2017 the date the consolidated financial statements were made available to be issued. The past and present directors, Sharon McNally, Gregory Di Stefano, and Robert Jenkins authorized the financial statements to be issued on the below noted date.

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

Sharon McNally	Gregory Di Stefano	Robert Jenkins
Director	Director	Director
[Through March 20, 2017]	[Inception March 21, 2017]	[Inception March 21, 2017]
June 21, 2017	June 21, 2017	June 21, 2017

Other information

Argon Medical Devices Netherlands B.V. and Subsidiaries
December 31, 2016

Provision in the articles of association governing the appropriation of profits

According to Article 11 of the articles of association the net profit for the year is at the free disposal of the annual general meeting.