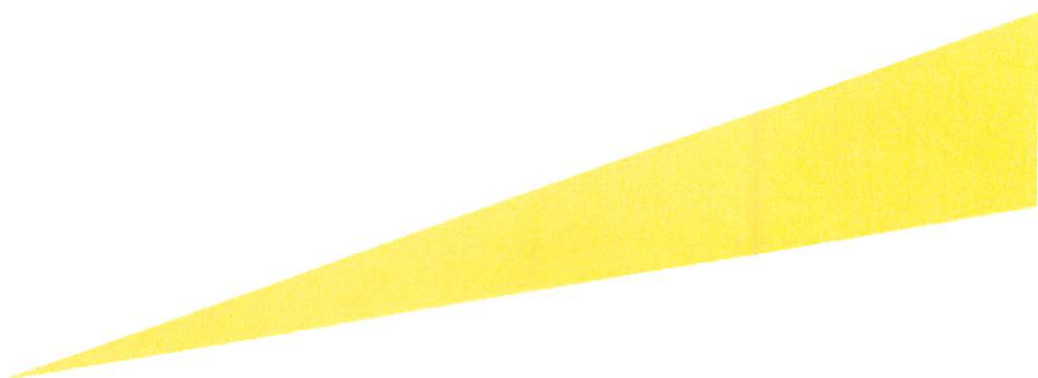
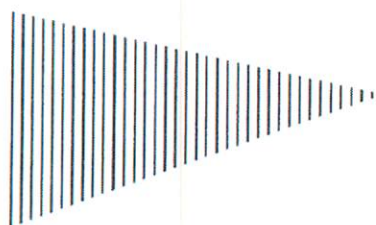


FBC Device ApS

Viengevej 100, 8240 Risskov

CVR no. 29 21 24 81



Annual report

for the year 1 January - 31 December 2015

Approved at the annual general meeting of shareholders on 4 April 2016

Chairman:



Building a better
working world



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of FBC Device ApS for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


We recommend the adoption of the annual report at the annual general meeting.

Risskov, 4 April 2016
Executive Board:



Finn Bjarke Christensen

Board of Directors:



Claus Asbjørn Andersson
Chairman



Finn Bjarke Christensen



Lars Henning Stigel



Michael McCarthy



Jonni Bülow-Nielsen

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Risskov, 4 April 2016
Executive Board:



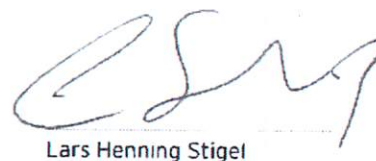
Finn Bjarke Christensen

Board of Directors:

Claus Asbjørn Andersson
Chairman



Finn Bjarke Christensen



Lars Henning Stigel

Michael McCarthy

Tonni Bülow-Nielsen



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Risskov, 4 April 2016
Executive Board:

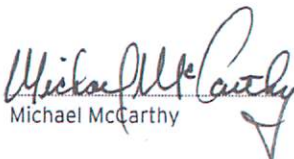
.....
Finn Bjarke Christensen

Board of Directors:

.....
Claus Asbjørn Andersson
Chairman

.....
Finn Bjarke Christensen

.....
Lars Henning Stigel


.....
Michael McCarthy

.....
Tonni Bülow-Nielsen

Independent auditors' report

To the shareholders of FBC Device ApS

Independent auditors' report on the financial statements

We have audited the financial statements of FBC Device ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 4 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28


Henry Vesterholm
State Authorised Public Accountant


Jane Haugaard
State Authorised Public Accountant



Management's review

Company details

Name	FBC Device ApS
Address, Postal code, City	Viengevej 100, 8240 Risskov
CVR No.	29 21 24 81
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Claus Asbjørn Andersson, Chairman Finn Bjarke Christensen Lars Henning Stigel Michael McCarthy Tonni Bülow-Nielsen
Executive Board	Finn Bjarke Christensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark



Management's review

Operating review

The Company's business review

The primary objective of the Company is to develop, utilise and market a new implant technology for diagnostic and therapeutic purposes.

Financial review

The income statement for 2015 shows a loss of DKK 5,698,609 against a loss of DKK 4,517,302 last year, and the balance sheet at 31 December 2015 shows equity of DKK 12,107,156.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The capital increase made in 2015 ensures sufficient liquidity in the Company to carry out the research and development activities planned for 2016.

Through the investment agreement, considerable capital was injected into the Company, and Management is therefore of the opinion that the Company will be able to realise positive results in future.



Financial statements for the period 1 January - 31 December

Income statement

Notes	DKK	2015	2014
	Gross profit/loss	-5,687,428	-3,918,346
2	Staff costs	-1,640,566	-1,784,476
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-10,759	-16,946
	Operating profit/loss	-7,338,753	-5,719,768
	Financial income	11,650	20,873
	Financial expenses	-117	-11,390
	Profit/loss before tax	-7,327,220	-5,710,285
3	Tax for the year	1,628,611	1,192,983
	Profit/loss for the year	-5,698,609	-4,517,302
	Proposed profit appropriation/distribution of loss		
	Retained earnings/accumulated loss	-5,698,609	-4,517,302
		-5,698,609	-4,517,302

Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK	2015	2014
	ASSETS		
	Non-current assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	6,454	17,213
		<u>6,454</u>	<u>17,213</u>
	Investments		
	Other receivables	36,350	36,350
		<u>36,350</u>	<u>36,350</u>
	Total non-current assets	<u>42,804</u>	<u>53,563</u>
	Current assets		
	Receivables		
	Income taxes receivable	1,628,611	1,182,328
	Other receivables	372,225	493,594
		<u>2,000,836</u>	<u>1,675,922</u>
	Cash	10,851,214	8,697,489
	Total current assets	<u>12,852,050</u>	<u>10,373,411</u>
	TOTAL ASSETS	<u>12,894,854</u>	<u>10,426,974</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	388,983	344,649
	Retained earnings	11,718,173	9,061,153
	Total equity	<u>12,107,156</u>	<u>9,405,802</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	542,659	759,305
	Other payables	245,039	261,867
		<u>787,698</u>	<u>1,021,172</u>
	Total liabilities other than provisions	<u>787,698</u>	<u>1,021,172</u>
	TOTAL EQUITY AND LIABILITIES	<u>12,894,854</u>	<u>10,426,974</u>

1 Accounting policies

6 Collateral

7 Contractual obligations and contingencies, etc.



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	344,649	9,061,153	9,405,802
Capital increase	44,334	8,355,629	8,399,963
Profit/loss for the year	0	-5,698,609	-5,698,609
Equity at 31 December 2015	<u>388,983</u>	<u>11,718,173</u>	<u>12,107,156</u>

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies

The annual report of FBC Device ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Income statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

Other external expenses

Other external expenses comprise costs of premises, sale and distribution as well as office expenses, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Other fixtures and fittings, tools and equipment	4 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

Receivables

Receivables are measured at amortised cost or at a lower net realisable value, corresponding to nominal amount less write-down for bad debt losses. Write-downs for bad debts are computed based on an individual assessment of each receivable.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are measured at amortised cost, which essentially corresponds to the nominal value.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes

	2015	2014
2 Staff costs		
DKK		
Wages/salaries	1,577,075	1,742,231
Pensions	40,851	7,020
Other social security costs	14,679	19,321
Other staff costs	7,961	15,904
	<u>1,640,566</u>	<u>1,784,476</u>
3 Tax for the year		
Estimated tax charge for the year	-1,628,611	-1,257,144
Tax adjustments, prior years	0	64,161
	<u>-1,628,611</u>	<u>-1,192,983</u>
4 Property, plant and equipment		
DKK		Other fixtures and fittings, tools and equipment
Cost at 1 January 2015		<u>67,785</u>
Cost at 31 December 2015		<u>67,785</u>
Impairment losses and depreciation at 1 January 2015		50,572
Amortisation/depreciation in the year		10,759
Impairment losses and depreciation at 31 December 2015		<u>61,331</u>
Carrying amount at 31 December 2015		<u>6,454</u>
Amortised over		<u>4 years</u>

Financial statements for the period 1 January - 31 December

Notes

5 Share capital

The share capital comprises 388,983 shares of a nominal amount of DKK 1 each, of which 125,000 shares are Y-shares, 165,288 are A-shares and 98,695 are B-shares. The A-shares carry preferential dividend rights.

Analysis of changes in the share capital over the past 5 years:

DKK	2015	2014	2013	2012	2011
Opening balance	344,649	290,288	290,288	224,173	191,115
Capital increase	44,334	54,361	0	66,115	33,058
	<u>388,983</u>	<u>344,649</u>	<u>290,288</u>	<u>290,288</u>	<u>224,173</u>

6 Collateral

No mortgages or assets have been provided as security.

7 Contractual obligations and contingencies, etc.

Other financial obligations

The Company has entered into leases regarding premises with a notice of termination of six months. The lease liability amounts to DKK 60 thousand during the period of non-terminability.