2015 2016 2017 2018

2015
ANNUAL REPORT

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Forward-looking statement (disclaimer)

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INTRODUCTION

Curetis N.V. is a commercial-stage molecular diagnostics company with its statutory seat in Amsterdam, the Netherlands, and its principal place of business in Holzgerlingen, Germany. On November 11, 2015, Curetis N.V. has been successfully listed on Euronext Amsterdam and Euronext Brussels under the ticker symbol “CURE”, raising EUR 44.3 Mio through its IPO.

Founded in 2007, Curetis focuses on simple-to-use, accurate and rapid solutions for diagnosing infectious diseases in critically ill, hospitalized patients. To this end, Curetis has developed the highly-automated sample-to-answer molecular diagnostics platform Unyvero, which makes diagnostic test results available within a few hours compared to time frames ranging between 24 hours and several weeks by conventional diagnostic approaches. The broad syndromic test panels of the Unyvero Application Cartridges enable a timely detection of a wide variety of relevant pathogens and antibiotic resistance mechanisms. Current applications target severe cases of pneumonia and implant and tissue infections. Curetis plans to expand its product pipeline by launching several novel Application Cartridges over the course of 2016 and 2017.

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CURETIS AT A GLANCE

- **Launched Products:** Unyvero Platform and two syndromic Application Cartridges for pneumonia and implant and tissue infections (CE-IVD in EU)
- **Strong R&D Pipeline:** Numerous syndromic Application Cartridges for sepsis and intra-abdominal infections in development
- **Growing Installed Base:** 103 Unyvero Analyzers by the end of 2015
- **Expanding Commercial Network:** Direct sales in Western Europe, growing network of distribution partners in Europe, Middle East, and Asia
- **Strong Partnerships:** Heraeus Medical (co-marketing in orthopaedics) and pharmaceutical companies (diagnostics for drug trials, e.g. Cempra Pharmaceuticals)
- **Lean Organization:** 57 employees as of December 31, 2015
- **Successful IPO:** Dual listing on Euronext Amsterdam and Euronext Brussels in November 2015 (ticker symbol “CURE”)
- **Strong Cash Position:** EUR 46.1 Mio in cash and cash equivalents and current financial assets (December 31, 2015)

2015 IN BRIEF

ACHIEVEMENTS Q4-2015

- Grew installed base of Unyvero Analyzers to 103 by year-end 2015, a 78% increase from the 58 at the end of 2014.
- Grew revenues by a factor of more than 7 from EUR 275 thousand to EUR 2.1 million year-on-year.
- Successfully enrolled over 900 patient samples in the US FDA trial by year-end.
- Took company public as a Dutch N.V. on Euronext in Amsterdam and Brussels.
- Restructured Supervisory Board to reflect needs of a public company and elected William E. Rhodes, III (Chairman) and Mario Crovetto (Chair of Audit Committee).
- Obtained key patent in China and Singapore, covering the combined amplification and detection inside the Unyvero Application Cartridges.
- Entered into strategic licensing and distribution agreements with Singapore-based Acumen for ASEAN markets. Acquired rights to proprietary Sepsis Host Response biomarker panel from Acumen for development on Unyvero Platform.

ACHIEVEMENTS Q3-2015

- Signed major strategic partnership deal with Beijing Clear Biotech for all required CFDA trials and future commercialization of Unyvero products in greater China (incl. Mainland China, Hong Kong and Taiwan). Multi-year contractual minimum commitments from Beijing Clear Biotech to purchase in excess of EUR 60 million worth of Unyvero Systems and Application Cartridges post CFDA approvals.
- Partnered with major pharmaceutical industry partner for phase III Amikacin drug trial. Unyvero to be used for pathogen identification and patient inclusion at several clinical sites across Europe.

ACHIEVEMENTS Q2-2015

- Expanded commercial operations with the appointment of Dr. Achim Plum as Chief Commercial Officer, targeting additional markets via direct sales and signing up additional distribution partners for Italy and Qatar / UAE.
- Initiated next phase of US FDA trial for Unyvero LRT55 in lower respiratory tract infections. First patient samples were enrolled into prospective arm of the study in mid-2015.
- Launched Unyvero P55 as second generation Application Cartridge for pneumonia during ECCMID 2015 in Copenhagen.

ACHIEVEMENTS Q1-2015

- Developed and validated Unyvero P55 as second generation Application Cartridge for pneumonia.

MESSAGE FROM THE CEO

Dear Shareholders,

2015 has been a truly transformational year for Curetis. Not only did we successfully complete our IPO on Euronext in Amsterdam and Brussels, raising the growth equity capital needed for further commercial expansion, but we also achieved many important milestones in product and commercial development.

In early 2015, we took the strategic decision to expand our own direct sales channels beyond the DACH region (Germany, Austria, Switzerland) to also cover the UK, France and Benelux directly. To effectively manage our rapidly growing commercial team, we created the Chief Commercial Officer's position and hired Dr. Achim Plum to take over the commercial responsibility in the executive team. Achim has more than 15 years of experience in commercial roles in the molecular diagnostics industry. Prior to Curetis, he focused on the assessment and development of novel approaches to the in vitro diagnostics market at Siemens AG. He had also built and managed the commercial operations of Epigenomics, a cancer molecular diagnostics company. With an ever growing base of international distribution partners now also covering China and ASEAN markets, we have further strengthened our commercial team in marketing, sales and business development with the addition of experienced distribution management and clinical application specialists.

Commercially, we have grown our top-line revenue from its base of EUR 275k in 2014 to about EUR 2.1 million – a more than 7-fold increase within a year – and have broadened our worldwide installed base of Unyvero Analyzers to 103. This puts us in a strong position to further drive our commercial growth in Europe, the Middle East, Asia and, once FDA cleared, also in the US. To this end, we have progressed our US FDA trial to more than 900 patient samples enrolled already by year-end 2015, with a path towards completing enrolment in the first half of 2016.

Our product pipeline has evolved steadily with the launch of our second-generation P55 Pneumonia Cartridge in spring, the solid development progress on our Blood Culture Ap-

plication Cartridge which is scheduled to be launched in spring of 2016, the addition of a development project for our Intra-Abdominal Application and the Sepsis Host Response Application, the latter in collaboration with Acumen in Singapore. These product opportunities are expected to provide for additional revenue growth and global commercial expansion opportunities in 2016 and beyond.

We thank you all for your support in 2015 and look forward to providing you with regular updates on our corporate and commercial developments in 2016 and beyond.

Yours sincerely,
Oliver Schacht, PhD
CEO Curetis N.V.

OPERATIONAL REVIEW 2015

In general our **operational and financial objectives** are to establish the Unyvero platform broadly in hospitals in Europe and other markets accepting the CE IVD marking. By growing the installed base we aim to drive top line revenue growth by placing and / or selling Unyvero systems and selling Unyvero Application Cartridges. A key aspect of the operations is the development and manufacturing as well as commercialization and distribution of Unyvero products.

To that end we follow a **dual strategy** of in-house Application Cartridge development coupled with direct commercialization in some key markets and distribution partnership in others. Some of the **parameters we apply** to measure against this strategy are revenue growth, increasing the installed base of Unyvero Systems globally, number of countries and accounts covered either directly or via partners. Additional parameters include the number of Application Cartridges available commercially and the number of countries they are available in.

RE-DOMICILIATION AND IPO OF CURETIS

In November 2015, Curetis went public on Euronext in Amsterdam and Brussels raising EUR 44.3 million in growth equity.

Prior to the IPO, the Curetis AG has been transferred into a company with private limited liability (besloten vennootschap met beperkte aansprakelijkheid), incorporated under the laws of the Netherlands. The Company is domiciled in Holzgerlingen, Germany. With the IPO, the Company has been converted into a public company with limited liability (naamloze vennootschap). The Company has its statutory seat in Amsterdam, the Netherlands, and its principal place of business at Holzgerlingen, Germany. William E (Bill) Rhodes, III has been elected Chairman of the Supervisory Board of Curetis N.V., while Mario Crovetto has been elected Chair of the Audit Committee in the new Curetis Supervisory Board.

COMMERCIAL PRODUCTS

In April 2015, the P55 Application Cartridge was launched as a CE-IVD product replacing the P50 Pneumonia Application Cartridge launched in 2012. Compared to the previous generation, the panel has been expanded to currently 20 pathogens including new relevant targets. In addition, critical antibiotic resistance markers including genes coding for carbapenem and oxacillin resistance have been added, so that there is a total of 19 resistance markers. Furthermore, sensitivity has significantly been improved. Clinical sensitivity across the panel is 94% at 99.4% specificity. Further, Curetis commercializes the i60 ITI Application Cartridge for implant and tissue infections that was launched in 2014. Additional Application Cartridges are in development and are expected to be launched in the course of 2016 and 2017.

Unyvero P55 Pneumonia Application Cartridge

Unyvero ITI Implant & Tissue Infection Application Cartridge

DRIVING COMMERCIAL GROWTH

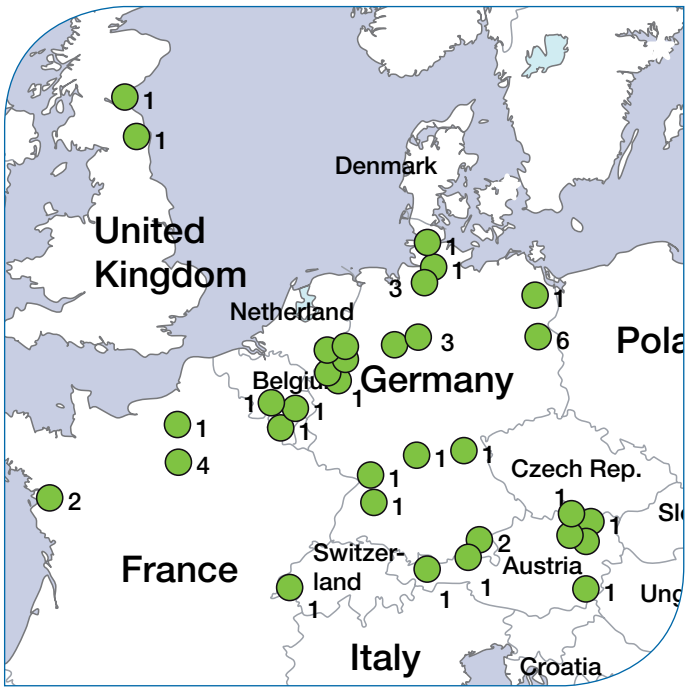
Dr. Achim Plum, a former Siemens Healthcare manager with broad expertise in molecular diagnostics, marketing, sales and business development, has been appointed Chief Commercial Officer in May 2015. His focus is on the continuous expansion of commercial operations with the goal to achieving the revenue growth targets in Europe, Asia and the rest of the world. His responsibilities also include building a US-based commercial team to bring Unyvero to the US market once FDA clearance has been granted.

In order to obtain US Food and Drug Administration ("FDA") clearance for the Unyvero System and the LRT55 Application Cartridge (LRT = Lower Respiratory Tract = technically equivalent to the P55 Pneumonia Application Cartridge), at least 1,500 prospective patient samples and about 1,000 retrospective samples are to be enrolled at 9 trial sites across the US. The first patient had been enrolled in mid-2015. Following FDA clearance, Curetis intends to commercialize the Unyvero System and the LRT55 Application Cartridge in the US through a direct sales effort beginning in 2017.

To distribute the Unyvero System and the Unyvero Application Cartridges, Curetis has adopted a dual approach combining direct sales in Germany, Austria and Switzerland (the "DACH region") and other key markets such as UK, France and Benelux with indirect sales through specialized distributors in other European countries such as Spain, Portugal, Italy, Russia, Bulgaria, Romania; and the Middle East, including Qatar, Kuwait and the United Arab Emirates and Asian countries such as Indonesia, Malaysia, Singapore, Thailand, China, Taiwan and Hong Kong and other markets outside the US (together the "RoW"). While it is currently beyond the means of Curetis to adopt a global direct sales model, the company considers it of utmost importance to directly market and sell the Unyvero Platform in many relevant key markets right from the start to obtain direct customer feedback and further develop its product portfolio to reflect market needs. Curetis plans to further evolve its commercial organization in line with the market adoption of the Unyvero System and its growing product portfolio. Therefore, the Company expects additional hires for the European Markets direct sales teams as well as for corresponding application specialist support.

Curetis decided in early 2015 to directly commercialize the Unyvero product line in several additional Western European markets and in early 2015 started to address key accounts in these markets through dedicated international key account sales. Going forward, Curetis plans to expand its direct sales efforts in Western Europe and to establish regional sales teams in key markets such as France, Benelux, UK, and possibly also Scandinavia.

As of December 31, 2015, Curetis' installed base via direct sales efforts comprised 66 Unyvero Analyzers (including 24 Analyzers installed in the US for the FDA trial), while distributors accounted for 37 Analyzers sold. In 2015, the dual sales model has grown the installed base by 78% for a total base of 103 installed Analyzers at year-end 2015.



COLLABORATIONS

Important collaborations with Acumen Research Laboratories (Acumen) and Beijing Clear Biotech (BCB) have been established in the second half of 2015. These agreements aim at facilitating new product development and commercial expansion into Asia. Curetis and Acumen have entered into a non-exclusive patent license and research collaboration agreement under which Curetis is granted the non-exclusive worldwide rights to develop and market an Application Cartridge for sepsis host response on the Unyvero System that is based on a proprietary biomarker panel developed by Acumen. Both parties will collaborate in the performance evaluation studies for Asia and Europe required for the commercialization of this product. Furthermore, Acumen and Curetis have entered into a distribution agreement under which Acumen will distribute the Unyvero System, the P55 and i60 ITI Application Cartridges, and potentially further future applications, in the ASEAN markets starting with Singapore, Malaysia, Indonesia, and Thailand.

Curetis and Beijing Clear Biotech ("**BCB**") have entered into an exclusive international distribution agreement under which Curetis has appointed BCB as the exclusive distributor of the Unyvero Systems and Application Cartridges in China, Taiwan, and Hong Kong (collectively "**Greater China**"). The partner is responsible for conducting and fully funding prospective clinical trials for approval of Unyvero System and the Application Cartridges in accordance with CFDA guidelines. Moreover, BCB is responsible for the CFDA registration and the approval process as Curetis' Chinese representative. For the commercialization of the Unyvero i60 ITI Application Cartridge, BCB is expected to partner with LandMover Medical Technologies Co. Ltd. (Beijing, China), the exclusive Chinese distributor of Heraeus Medical, Curetis' partner in orthopaedics.

In 2015, Curetis' Unyvero System has been chosen by an undisclosed major pharmaceutical company as a diagnostics solution for a Phase III trial of a novel drug-device combination and formulation of the antibiotic Amikacin. The aminoglycoside antibiotic Amikacin is marketed for the treatment of patients with severe hospital-acquired infections and multidrug-resistant Gram-negative bacteria. The Unyvero System is used for pathogen and antibiotic resistance marker detection as well as patient inclusion. The collaboration includes the purchase of Unyvero Systems and set up at several trial sites across Europe.

Unyvero System placed / to be placed via Existing Distributors

- Bulgaria
- Italy
- Middle East; Kuwait / Qatar / UAE
- Romania
- Russia / Ukraine / Belarus
- Kazakhstan
- Spain/Portugal
- Greater China (China, Hong Kong and Taiwan)
- ASEAN (Singapore, Malaysia, Indonesia, Thailand)

FINANCIAL REVIEW 2015

- Successful Initial Public Offering ("IPO") on Euronext Amsterdam and Euronext Brussels raising total gross proceeds of EUR 44.3 million including greenshoe. Deal was up-sized from original base-deal size of EUR 29.3 million to EUR 44.3 million and priced at EUR 10.00 per share within the original book building range.
- Revenue growth from less than EUR 0.3 million in 2014 to EUR 2.1 million, i.e. a more than 7-fold increase in 2015.
- Gross profit improved from kEUR -368 in 2014 to kEUR – 74 in 2015 but is still slightly negative.
- Distribution costs increased from EUR 1.9 million in 2014 to EUR 2.8 million in 2015 while R&D expenses only slightly increased from EUR 6.3 million in 2014 to EUR 6.7 million in 2015.
- Operating loss totaled EUR 12.1 million in 2015 compared with EUR 10.1 million in 2014 due to the commercial expansion and R&D pipeline efforts.
- Net profit for 2015 is EUR 13.8 million compared with net loss of EUR 12.4 million in 2014 due to the finance income of EUR 27.8 million net, resulting mainly from the fair value measurement of the preferred and common shares of Curetis AG, triggered by the corporate reorganization of the Company.
- On December 31, 2015, Curetis Group's cash, cash equivalents and financial assets amounted to EUR 46.1 million compared with EUR 3.0 million on December 31, 2014.
- Total assets in 2015 were EUR 57.4 million compared to EUR 13.8 million in 2014.
- Equity in 2015 is greatly improved post IPO at EUR 54.8 million compared to the EUR – 118.5 million in 2014.
- Net cash flow from operating activities was at EUR – 8.5 million in 2015 compared to EUR -7.4 million in 2014, while net cash flow used in investing activities was EUR -1.1 million in 2015 compared to EUR -1.6 million in 2014.
- In 2015 the net increase in cash and cash equivalents or EUR 43.1 million compared very favorably to the decrease of EUR -2.4 million in 2014.

OUTLOOK 2016

Curetis intends to further expand its commercial activities and footprint in Europe by hiring additional experienced sales, marketing and business development staff to cover all key direct sales markets. Also, Curetis expects to add competencies and capabilities to support its partners in China and the ASEAN markets by recruiting native speaking talent to the team. Furthermore, with the proceeds from the IPO now available to fund further growth, the Company also intends to build its own direct US marketing and sales organization, beginning with the recruitment of a handful of core team members in the second half of 2016. Together with its distribution partners and in its own sales territories, Curetis is planning to significantly grow the installed base of Unyvero Analyzers in 2016 and beyond. To that end, Curetis will continue to explore opportunities for signing up additional distributors in new territories in the years ahead.

By adding additional Application Cartridges to the portfolio of the Unyvero Solution and accelerating the development pipeline in 2016 and 2017, Curetis aims to drive customer utilization on the respective installed base of Unyvero Systems. In spring of 2016, the Company expects to launch its Unyvero BCU (Blood Culture) Cartridge as a CE-IVD marked product in Europe. Towards the end of 2016, the completion of product development for a European IAI panel (intra-abdominal infections) is anticipated.

During 2016, Curetis expects the clinical trials in the US and China for the respective FDA clearances to progress towards completion. Thereby, the Company can probably submit to the US FDA in the second half of 2016. The Company believes that a US FDA clearance of its Unyvero LRT55 product in the first half of 2017 is a realistic goal, subject to the successful completion of the FDA trial in 2016. The Company's Chinese partners also strive to obtain CFDA clearance in 2017 and to begin commercialization in China thereafter.

Curetis also aims – over time – to evolve its shareholder base from its historic venture capital investors to a more diversified blue-chip, long-term institutional investor base and to improve liquidity and free float for its stock. In sync with this process, Curetis also strives to gradually change the composition of its Supervisory Board to include additional independent members with significant industry experience. The close collaboration with its Supervisory Board is a key element of Curetis' strategy to become an important player in the fast growing molecular diagnostics market and to generate significant value for its current and future shareholders in the coming years.


ATOMICO RESEARCH
ENTERNEXT

INTRODUCTION TO THE MOLECULAR DIAGNOSTICS INDUSTRY

The discovery of deoxyribonucleic acid ("DNA") over 60 years ago, followed by the development of the sequencing and polymerase chain reaction ("PCR") technology, is encompassing insights and a better understanding of molecular mechanisms underlying normal human physiology and disease which has given way to many advances in medicine. This includes the continuous discovery of structural variations and dysregulation of genes which can be used as biomarkers. Such biomarkers permit to determine disease predisposition, to detect disease at its earliest stages as well as to diagnose and to classify diseases in tremendous detail. Furthermore, they can predict an individual patient's likely response to a therapeutic intervention and can be utilized to monitor disease recurrence post intervention.

Molecular diagnostics ("MDx") refers to diagnostic methods, technologies and products for detecting nucleic acid-based biomarkers. Molecular diagnostics can also be used to identify microorganisms causing an infection by detecting their DNA or RNA in a patient sample. With the availability of methods allowing rapid and reliable detection of microorganisms from nucleic acids contained in patient samples, MDx has become a driver of innovation in medicine facilitating an increasingly personalized and effective healthcare.

MDx testing of DNA derived from pathogens causing infections are by far the largest segment of the MDx market and infectious diseases are still one of the leading causes of death worldwide.[1] The fast and precise detection of pathogens as well as biomarkers relating to their resistance to anti-infective agents has become paramount in effectively managing infections in individual patients, controlling outbreaks and pandemics, and a more informed use of scarce antibiotics resources thereby may slow down the spread of antibiotic resistant pathogens – one of the key medical challenges in the 21st century.[2]

Conventional molecular diagnostics methods required highly skilled and trained laboratory technicians to perform manual, labor- and cost-intensive handling steps in laboratory settings. Therefore, smaller and mid-sized hospitals outsourced molecular testing to independent laboratories leading to increased time-to-result – considering logistics and multiple hospitals ordering tests etc. – and furthermore delaying access to relevant treatment information for the physician which typically caused a potential delay in the initiation of adequate therapy.

Recently, automated sample-to-answer platforms increasingly allow moderately trained staff to perform more tests in shorter time while hands-on time has been reduced to just minutes. Highly integrated and fully contained tests have given rise to decentralization of molecular testing, so that tests can also be performed at or near the point of need, e.g. directly in an ICU or ward. Initially, MDx tests for identifying single viruses or bacteria were prevailing and used to screen larger populations. With the shift to personalized healthcare, syndromic-based multiplexed MDx tests are becoming increasingly important.[3] These multiplexed tests are designed for identifying large numbers of biomarkers in parallel and can provide a detailed picture of those microorganisms underlying an individual patient's infection including their antibiotic resistance pattern. Thereby, they facilitate a personalized approach to treatment with anti-infectious agents at the earliest stage of care.

[1] *WHO (2015),The top 10 causes of death – the 10 leading causes of death by country income group', available at: http://www.who.int/mediacentre/factsheets/fs310/en/index1.html [Accessed: 28 August 2015].*

[2] *Arias et al. (2009) 'Antibiotic-resistant bugs in the 21st Century – a clinical super-challenge', New England Journal of Medicine 360(5): pp.439-443.*

[3] *Laroy (2015) ,Next in line: Personalized Healthcare', available at: http://phar-in.eu/wpcontent/uploads/2015/07/EIPG25_complete.pdf [Accessed: 12 September 2015].*

PRODUCT OVERVIEW

The Unyvero Solution addresses the unmet need for more rapid, easy and comprehensive diagnostics as well as the need for solutions counteracting the global rise of antibiotic resistances. Having timely access to comprehensive results may facilitate informed treatment decisions by adjusting the antibiotics regimen at an earlier stage in the cycle of care.

More effective treatment may enhance better patient outcomes, shorter hospital stays and reduced hospital costs. Moreover, more effective treatment may also contribute to preventing the development antibiotic resistances and preserving the effectiveness of scarce antibiotics.

Comprehensive & actionable: *result on pathogens & antibiotic resistance markers*

Truly Syndromic:

Broad pathogen and resistance marker panels

Proven technology *intelligently integrated & designed for the purpose to address unmet medical needs*

Potential to achieve
+ Better medical outcomes
+ Shorter hospital stays
+ Reduced hospital costs
+ Health economic benefits
+ Preserving antibiotics as effective weapon

Aim to improve the treatment of hospitalised critically ill patients with suspected microbial infections

Versatile: *processes large variety of native patient samples*

Clinical workflow fit: *~ 4 to 5 min hands-on-time & fast sample-to-answer*

Innovative Unyvero molecular diagnostic solution for comprehensive infectious disease testing

TRADITIONAL MICROBIOLOGY CULTURE: 24-72+ HOURS

UNYVERO – A FASTER PATH TO ADEQUATE ANTIBIOTIC THERAPY: ~4-5 HOURS

The Unyvero Platform comprises the Unyvero System, proprietary software and single-use application-specific cartridges (Application Cartridges).

The Unyvero System is based on multiplexed end-point polymerase chain reaction with an array-based detection process. The smart integration of established molecular diagnostic technologies in the Unyvero Solution enables very high multiplexing capabilities. Furthermore, Unyvero can test a broader range of native patient sample materials compared to competing platforms.

Sample lysis, preparation, polymerase chain reaction and result read-out are operated fully automatically. The walk away solution requires only 4 to 5 minutes hands-on-time by non-specialized laboratory or clinical personnel. It can be placed both in the intensive care unit and in the microbiology laboratory

UNYVERO SYSTEM

The Unyvero System consists of three devices: L4 Lysator, C8 Cockpit and A50 Analyzer.

THE UNYVERO L4 LYSATOR

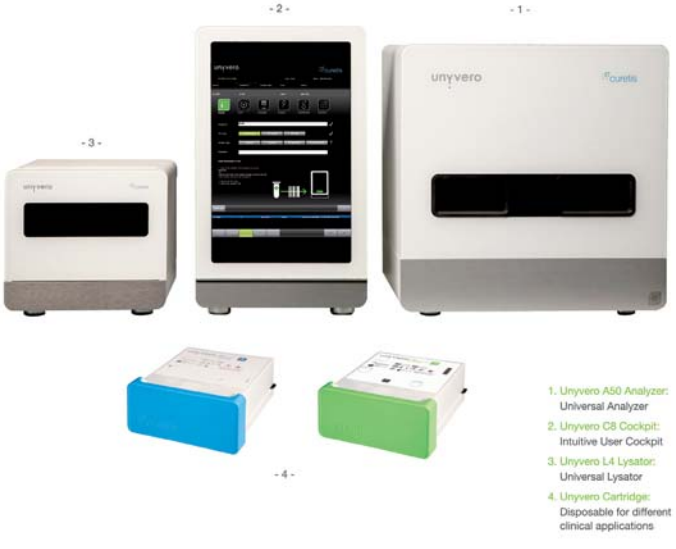
This instrument is used for sample pre-processing and pathogen lysis. Up to two L4 Lysators can be attached to a single C8 Cockpit allowing to process up to eight samples simultaneously within 30 minutes, combining mechanical, thermal, enzymatic and chemical lysis steps. The L4 Lysator allows the use of a very wide range of native sample types due to a proprietary sample processing method (several patents pending).

THE UNYVERO C8 COCKPIT

This device is the control panel for the L4 Lysator and A50 Analyzer. Step-by-step instructions guide the user from preparing a test to executing the fully automated process in the Analyzer in just a few minutes. The results display, storage of results and data storage, as well as information about the performed tests including the cartridges' shelf-life and lot numbers, are generated automatically and can be exported in various standard formats.

THE UNYVERO A50 ANALYZER

This instrument consists of mechanical, electronic, pneumatic and optical elements and enables a fully-automatic random-access processing of the Unyvero Application Cartridges. Once a run is started, the Analyzer automatically executes and controls all sample processing and analysis steps inside the sealed cartridge. For safety and robustness and to avoid issues of calibration or waste-removal, the Analyzer contains neither reagents nor waste. Up to eight A50 Analyzers can be attached to a single C8 Cockpit allowing to process up to 16 samples simultaneously within four to five hours.



UNYVERO APPLICATION CARTRIDGES

With eight parallel and fully independent multiplex endpoint PCR chambers, the single-use, disposable and sealed Application Cartridges facilitate the identification of a broad range of disease relevant microorganisms and antibiotic resistance markers within a closed system, thereby enabling truly syndromic infectious disease testing.

As of Q1-2016, the P55 Application Cartridge comprises 20 microorganisms and 19 antibiotic resistance markers, while the i60 ITI Application Cartridge encompasses 61 microorganisms and 19 antibiotic resistance markers. All cartridges have the same physical design and format and contain a DNA extraction and purification column with silica membrane, all required reagents and buffers, a mixing vessel for PCR set-up, a waste chamber and eight fully independent PCR chambers with integrated multiplex end-point PCR amplification and array-based detection. Unyvero Application Cartridges differ only in the primer composition in the eight PCR chambers, in the detection probes on the specific detection arrays in each PCR chamber and in the indication and sample selection protocols (software), Application Cartridge execution protocols and labelling. Each cartridge has two specific loading slots: one for the sealed Unyvero Sample Tube, containing the lysed patient sample, and the other for the sealed Unyvero Mastermix Tube. All cartridges are prefilled with all required reagents except for the PCR mastermix and have a self-contained fluidic system. Curetis believes that this closed fluidic system significantly reduces the contamination risk. After being used, the single-use cartridge can be handled as standard waste in hospitals.

Inside the Unyvero Cartridge

APPLICATION CARTRIDGE PIPELINE

Curetis focuses on the development, manufacturing and commercialization of Application Cartridges for severe infectious diseases in hospitalized patients with a high unmet need and significant prevalence in developed countries that require multi-analyte combinations of pathogens (bacteria, fungi and in the future potentially also viruses and parasites) and antibiotic resistance markers. These hospitalized patients are mostly in intensive care units and have a high mortality rate due to a high unmet medical need and constitute a significant economic burden. With many years of experience at major medical device and MDx companies such as HP, Agilent and Philips, Curetis' Application Cartridge development team is able to develop Unyvero Application Cartridges entirely in-house for manufacturing at Curetis' own dedicated cartridge manufacturing site in Germany.

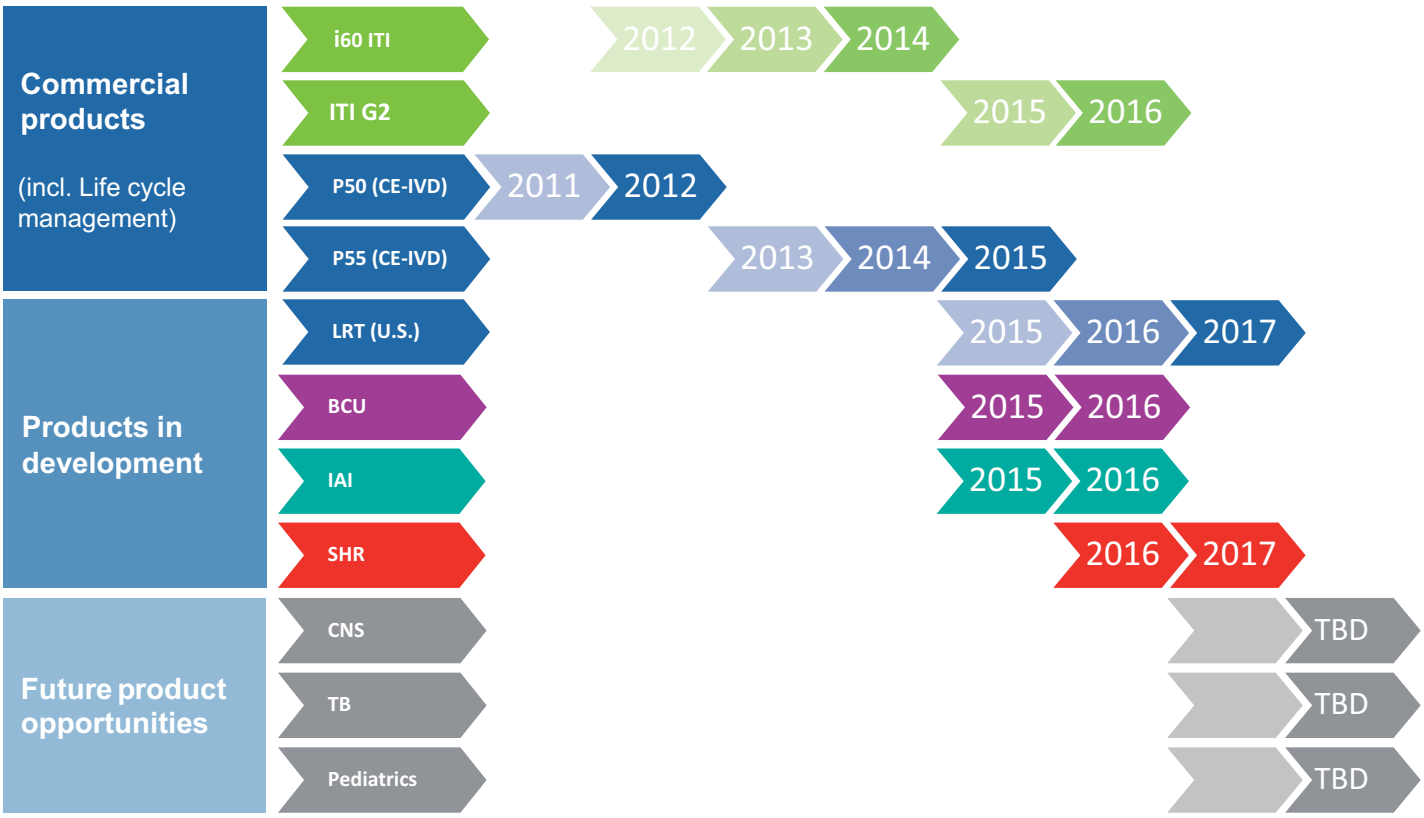
Curetis plans to extend its product range by at least one additional Application Cartridge per year and to continuously update and evolve its existing Application Cartridges' content and performance in order to meet future market needs and the changing pathogen and antibiotic resistance landscape.

Curetis intends to design Application Cartridges for specific indications covering all relevant pathogens and antibiotic resistance markers, therefore enabling a comprehensive diagnosis the majority of relevant cases of a specific disease. Currently, Curetis is commercializing the P55 and the i60 ITI Application Cartridges in Europe and other markets that accept CE-IVD-marking. A Blood Culture Application Cartridge has been completed its development in March 2016. The pipeline further includes an Intra-Abdominal Infection Application Cartridge and a Sepsis Host Response Application Cartridge. Potential additional development areas on the Application Cartridges are tuberculosis (TB, including MDR (multi-drug-resistant) and XDR (extensively drug resistant) markers), pediatrics and CNS infections.

All Application Cartridges have the following benefits:

- Fast: 4 to 5 hours sample-to-answer
- Identification of microorganisms overlooked in culture
- Including rare, but critical pathogens
- Use any native clinical sample
- Clinically validated

The following figure shows Curetis' current and potential future Application Cartridge pipeline:



THE P55 PNEUMONIA APPLICATION CARTRIDGE

Addresses the most severe cases of pneumonia

- Healthcare-associated pneumonia (HCAP)
- Atypical pneumonia (AP)
- Hospital-acquired pneumonia (HAP)
- Ventilator-associated pneumonia (VAP)
- Severe community-acquired pneumonia (sCAP)

High clinical sensitivity (94%) and clinical specificity (99.4%)[4]

Includes broad range of critical pathogens: 20 microorganisms and 19 antibiotic resistance markers

Highlights

- Including rare, but critical pathogens
- Clinically validated in thousands of patient samples

THE I60 ITI IMPLANT AND TISSUE INFECTIONS APPLICATION CARTRIDGE

Versatile product targeting the following most common implant and tissue infections

- Prosthetic joint infections ("PJI")
- Surgical site infections ("SSI")
- Diabetic foot ulcers
- Catheter-associated infections
- Deep skin and tissue infections
- Cardiology-related infections
- Other implant infections
- Burn-wound infections

Includes broad range of critical pathogens: 61 microorganisms and 19 antibiotic resistance markers

Highlights:

- Detection of pathogens that do not grow in culture (e. g. from biofilms)
- Assists in planning surgeries and antibiotics therapy

BCU BLOOD CULTURE AND SEPSIS HOST RESPONSE APPLICATION CARTRIDGES

Versatile products that, if combined, allow the differentiation between

- SIRS without infection and
- SIRS with infection (sepsis)

If the cause of SIRS is infection, pathogen identification becomes relevant to guide the appropriate choice of antibiotic regimen

Highlights:

- Early triaging sepsis vs SIRS
- Assists in therapy selection and optimization
- Can test all relevant sample types from blood to blood culture
- Addressing high unmet medical needs
- Complementary products with distinct markets

BCU BLOOD CULTURE APPLICATION CARTRIDGE

Detection of pathogens in the blood stream from blood culture samples

SEPSIS HOST RESPONSE APPLICATION CARTRIDGE

Analysis of host response from whole blood

THE IAI INTRA-ABDOMINAL INFECTION APPLICATION CARTRIDGE

Comprehensive cartridge capturing up to 4 indications, including:

Severe forms of intra-abdominal infections (e.g. acute abdomen, peritonitis, acute pancreatitis, megacolon)

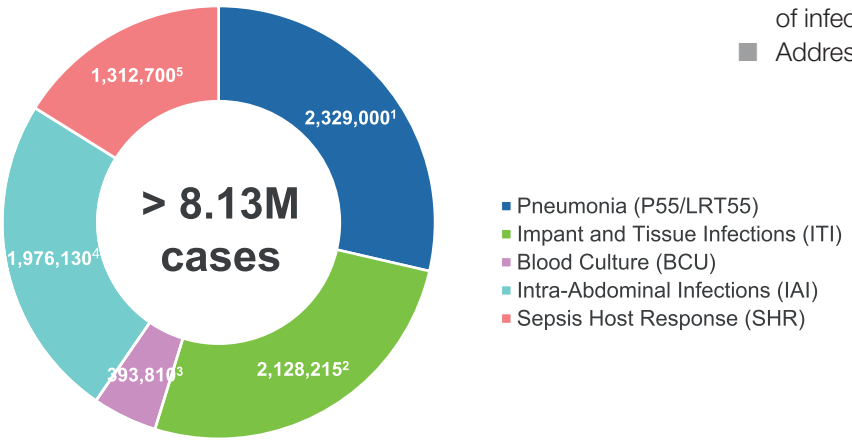
Highly multiplexed:

- Covering all relevant analytes for the respective indication areas
- Detection of pathogen (bacteria, fungi) ID and toxin and antibiotic resistance markers

Variety of sample types

Highlights:

- Allows for more efficient and timely rule-in and rule-out of infection to guide antibiotic therapy
- Addressing high unmet medical need



[1] CDC (2010); ECDC (2008); Chalmers et al. (2014)

[2] Margolis et al. (2011); American Diabetes Association (2014); Diabetes Deutschland (2012); Richard et al. (2011); Livesly and Chow (2002); Dorner et al. (2009); Deutsche Gesellschaft für Verbrennungsmedizin (2014); Mayhall (2003); Klevens et al. (2007) in Jhung (2009); Geffers (2001); Brun-Buisson (2011); Michelotti et al. (2012); Sunderlin (2006)

[3] Martin (2012); Statista (2015); Dellinger et al. (2013)

[4] HCUP (2013a); CDC (2010)

[5] Martin (2012); Statista (2015)

[4] *Curetis (2015a) Unyvero P55 Pneumonia application guide, p.62*

COMPETITION

CURETIS' COMPETITIVE POSITION

Management believes that Curetis' Unyvero Platform has certain key characteristics that clearly differentiate it from other sample-to-answer systems that are developed and commercialized by companies like Cepheid, bioMérieux, Biocartis, T2 Biosystems, Nanosphere, and GenMark.

Based on its corporate market analysis, Curetis is convinced that due to the proprietary lysis technology, its Unyvero Platform is able to process a broader variety of sample types than competing platforms. No labor intensive manual sample preparation is necessary and even difficult and blood-contaminated native samples can be processed. Biofilm-building pathogens can be identified by the Unyvero Platform.

What also sets apart Curetis' Unyvero Platform is its high multiplexing capacity based on end-point PCR, which allows for the execution of eight independent multiplex PCR reactions and eight array-hybridization detections, simultaneously. Therefore, Curetis can identify an unprecedentedly broad range of microorganisms and antibiotic resistance markers in a single run.

Considering its panel design, Curetis believes that no directly comparable assays have been identified to date that would offer disease-directed coverage of such a broad range of bacterial markers combined with antibiotic resistance markers.

For Curetis' P55 Application Cartridge, Curetis believes that it currently has no direct competitor as there is presently no other company offering an Application Cartridge covering such a broad range of bacteria and other atypical pathogens (excluding viral targets), fungi and antibiotic resistance markers. Other companies, such as BioFire, Nanosphere, GenMark, Luminex, Seegene, Genomica, Miacom, PathoFinder, Fast-track, Randox, ArcDia and Icubate are primarily targeting the upper respiratory tract with their panels. Their panels mainly cover viruses and a few bacteria and at times a limited number of antibiotic resistance markers only.

For Curetis' i60 ITI Application Cartridge, Mobidiag is currently the only company with a commercially available product similar to Unyvero i60 ITI. However, it is so far a manual test only. In terms of pathogen panel composition, assays of competitors are very different and Curetis' i60 ITI Application Cartridge covers the broadest range of antibiotic resistance markers. However, Diaxonhit and bioMérieux are currently developing tests for which the panel composition is not yet publicly known.

COMPETITIVE STRENGHTS

Curetis believes that the following strengths will enable it to execute its strategy and to develop the Unyvero Platform into a premium solution for diagnosing infectious diseases and detecting antibiotic resistance markers in hospitalized patients:

- Commercial stage: already selling molecular diagnostics in Europe, Russia and the Middle East
- Clear focus on severe infections in hospitalized patients
- Flexible Unyvero Platform dealing with any sample type and covering more microorganisms and resistance markers than competing platforms
- Strong pipeline of high-value products addressing significant unmet medical need
- Unyvero Platform validated by extensive clinical studies and endorsed by key opinion leaders and a top-tier investor base
- Ongoing US clinical trials to support US FDA clearance in 2017 and subsequent US commercialization
- Unyvero Platform supports the reduction of hospital costs by allowing effective treatment to be administered more quickly
- Management Team combining decades of operational and commercial experience
- Controlling all key aspects of its value chain

COLLABORATIONS AND PARTNERSHIPS

Curetis has entered into a number of strategic and commercial partnering agreements.

DISTRIBUTION

While Curetis addresses key markets in Western Europe through its own sales force directly, it relies on distribution partners to expand its commercial reach into other geographies.

Currently, Curetis has signed on distribution partners for Spain, Portugal, Italy, Romania, Bulgaria, Russia, Belarus, Kuwait, Qatar, UAE. Recently, the company entered into additional distribution agreements with Acumen Research Laboratories for the ASEAN region and Beijing Clear Biotech for Greater China.

Acumen. In October 2015, Curetis and Acumen entered into a distribution agreement under which Acumen will become the exclusive distributor of Unyvero Systems and P55 and i60 ITI Application Cartridges in Singapore, Malaysia, Thailand and Indonesia.

Beijing Clear Biotech (BCB). In 2015, Curetis and Beijing Clear Biotech entered into an exclusive international distribution agreement for seven years, under which BCB acts as the exclusive distributor of Unyvero Systems and the P55 and i60 ITI Application Cartridges in Greater China, consisting of China, Hong Kong and Taiwan. In order to obtain CFDA registration, Beijing Clear Biotech will also be responsible for conducting, implementing and fully funding comprehensive CFDA clinical trials of the Unyvero System and the P55 and i60 ITI Application Cartridges according to CFDA guidelines.

CO-MARKETING

Heraeus Medical. In 2012, Curetis and Heraeus Medical GmbH entered into an R&D collaboration and commercial agreement on the development and commercialization of the i60 ITI Application Cartridge for use on the Unyvero System. Heraeus Medical co-funded the development work of the i60 ITI Application Cartridge and, since the launch of this application, collaborates on the commercialization of the prosthetic joint infection application of this cartridge. This allows Curetis to leverage on Heraeus Medical's sales organization across the EU markets. In return, Heraeus Medical is eligible to certain sales commissions when successfully referring customers to Curetis.

LICENSING

Acumen (Sepsis Host Response Panel). In addition to the distribution agreement described above, Curetis and Acumen entered into a non-exclusive patent license and research collaboration agreement, under which Curetis has obtained a limited, royalty- bearing, non-exclusive, non-transferrable, non-sublicensable license to Acumen's proprietary sepsis biomarker panel for detection of sepsis host response in blood samples. Under this agreement the parties further agree to a research and development collaboration, in which Acumen is expected to further develop its technology underlying the license and Curetis is expected to develop products based on such technology and develop a novel sepsis host response Application Cartridge which the parties will jointly validate in a series of clinical studies.

PARTNERSHIPS WITH PHARMACEUTICAL COMPANIES

Cempra Pharmaceuticals ("Cempra"). In July 2012, Curetis and Cempra Pharmaceuticals, Inc. entered into a collaboration agreement for the use of Unyvero pneumonia Application Cartridges and reference lab testing services by Curetis for Cempra's global phase III trial for solithromycin capsules for the treatment of community-acquired bacterial pneumonia (CABP). The agreement, inter alia, specifies the transfer of the resulting microbiology information and clinical data, pursuant to which Curetis shall generate the Application Cartridge data, which it may publish after consultation with Cempra. Both Cempra and Curetis may use the material and data to support its clinical trials and regulatory submissions (including, but not limited to FDA submissions) for their respective products. In total, data has been generated from measuring more than 800 clinical sputum samples from over 100 trial sites globally. Upon successful completion of the phase III trial and some top line data having been presented by Cempra at ECCMID 2015 in Copenhagen, Curetis is closely collaborating with Cempra on final data analysis for the Cempra filing with the FDA for clearance of their drug and joint as well as individual publications.

Undisclosed Pharmaceutical Company. On 28 May 2015, Curetis and an undisclosed pharmaceutical partner entered into an agreement on the purchase and use of Unyvero Systems and P55 Application Cartridges as well as certain services and support activities to be delivered by Curetis as part of the ongoing global phase III clinical trial for the drug Amikacin. Under this agreement, Curetis will deliver, install and service a number of Unyvero Systems across multiple Western European countries and sites of the pharmaceutical company. The project is expected to last for up to two years until its completion. The duration of the phase III trial is expected to be 19 months. At the end of the trial, the pharmaceutical company has the option (but not the obligation) to sell some or all of the Unyvero Systems back to Curetis at a pre-determined residual value.

SUPPLIER & CONTRACT MANUFACTURERS

Zollner Elektronik AG ("Zollner"). In 2009, Curetis and Zollner entered into a framework agreement, pursuant to which Zollner shall perform certain development and manufacturing services for the Unyvero System. Over the course of the collaboration, the framework agreement has been expanded by a development agreement in 2010 and related project agreements for various development projects as well as by a strategic supply agreement signed in June 2013, under which Zollner became the OEM contract manufacturer for all Unyvero instrument systems for Curetis.

Horst Scholz GmbH & Co. KG | High Tech in Kunststoff ("Scholz HTIK"). In 2013, Curetis and Scholz HTIK entered into a framework agreement, pursuant to which Scholz HTIK shall perform certain services in the area of tool development and tool making (injection molding tools to make plastics parts) and manufacturing product components (i.e. all plastics parts for the Unyvero Application Cartridges) for Curetis.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II

CORPORATE GOVERNANCE

RISK MANAGEMENT

Before deciding whether to invest, prospective investors should carefully consider risks and uncertainties which present contingencies that may or may not occur.

Curetis may face a number of these risks described below simultaneously and one or more risks described below may be interdependent. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to Curetis' business, results of operations, financial position and prospects.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the Company believes that the risks and uncertainties described below are the material risks and uncertainties relating to Curetis, other risks, facts or circumstances not presently known to Curetis, or hat it currently deems to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on Curetis' business, results of operations, financial position and prospects. The value of the Shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and prospective investors could lose part or all of their investment.

The risk factors below present an overview of key risk factors that are believed to be of importance and should therefore be brought to attention of prospective investors. Nevertheless, prospective investors should read and carefully review in addition to the annual report 2015, the entire IPO Prospectus and should reach their own views before making an investment decision with respect to any shares. Furthermore, before making an investment decision with respect to any shares, prospective investors should consult their own stockbrokers, bank managers, lawyers, auditors or other financial, legal and tax advisers and carefully review the risks associated with an investment in the shares and consider such an investment decision in light of their personal circumstances.

Within the scope of its business activities Curetis is exposed to a number of risks. Curetis considers a risk to be an event which can result from a amanagement decision (strategic), an action (operative) or an external circumstance and, in case it occurs, causes negative deviations from the planned result (e.g. EBIT or cash flow). In order to realize opportunities, risks must be consciously taken into account to an adequate extent. Possible security measures include loss prevention or minimization measures, the creation of adequate safety reserves or the transfer of individual risks to third parties (e.g. insurance companies).

Short-term deviations from the economic targets are identified at an early stage using a detailed uniform and timely reporting in the accounting system, which includes all relevant information with regard to the assessment of the Company´s position.

Using existing opportunities is the primary task of each company. The early and regular identification and assessment of opportunities is the task of all employees but, in particular, the duty of the management. The planning and forecast process, regularly held supervisory board meetinigs, and the regular communication with the persons responsible for the cost centers are essential cornerstones in this respect. Systematic knowledge management, and the promotion of creative employees form the basis for the identification of opportunity potential.

Since Curetis N.V. has become a public company only as of November 11, 2015, the Management Board is still in the process of defining, implementing and documenting its corporate risk management procedures. It is therefore natural that a comprehensive and complete system and procedures for risk management of the risks analyzed in the section "risk management" of this annual report and the corresponding section of Curetis' IPO Prospectus is not yet in place. However, this is an ongoing endeavor at Curetis and has a high priority for the Management and Supervisory Boards, respectively. Based on this, the principal risk factors will be determined, as well as the risk response for those principal risk factors.

Below, the risk factors and risk management approach as well as the analysis of sensitivity of Curetis' financial and operational results to various extraneous factors and variables are described in more detail. Curetis' internal control system, identified risks and their management have been discussed with the Board's Audit Committee, the Supervisory Board and the external auditors. Most of the risk factors have the potential either individually or in any combination to impact on timelines, costs, and the ability to reach objectives in the following areas: operational, financial, strategic, compliance and reliability of financial reporting. If one or more of these major risk factors were to occur it is likely that there will be a material adverse resul on Curetis' revenue generationg potential, cost structure, ability to achieve profitability and remain profitable. A detailed sensitivity analysis across all risk factors and all scenarios is beyond the scope of a small company that has just listed and has therefore not been completed. However, going forward into 2016 the Management Board has established a systematic "cockpit" that allows the analysis of risk factors and sensitivities of their impact. For a summary of financial risk (such as market risk, foreign exchange risk, other market risk, credit risk and liquidity risk) refer to section Financial Risk Management within the consolidated financial statements.

RISKS RELATED TO BUSINESS AND STRATEGY

Curetis is a company with only a limited amount of products and has incurred significant losses since inception and expects to incur losses in the foreseeable future. It is not certain that Curetis will achieve or sustain profitability.
Curetis has incurred significant losses in each period since its inception in 2007 and expects to incur losses in the foreseeable future. Currently, Curetis' annual cash burn rate from operations and investments for 2015 was EUR 9.6 million. Curetis expects that its cash burn rate will, at a minimum, remain at its current level for the next several years – and is likely to increase somewhat - as Curetis plans to invest significant additional funds towards building up its commercial organization in the United States of America ("US") and the development and commercialization of its technology, which also includes obtaining certification or regulatory clearance of its products for markets where this is required. Curetis also expects that its distribution costs and administrative expenses will continue to increase due to the establishment of, or further investments in, a dedicated sales force, a distribution network and other marketing efforts for its products. Costs associated with being a public company will also be incurred. Curetis' ability to achieve profitability depends on numerous factors, many of which are beyond the control of Curetis. Curetis may not be able to generate sufficient revenues to achieve or sustain profitability.

Curetis is currently in the process of obtaining FDA clearance for its Unyvero System and the LRT55 Application Cartridge. It is uncertain whether and when such regulatory clearance will be obtained.
Curetis intends to use a substantial part of its cash position to build its commercial organization in the US and launch its products in the US. Curetis' success in the US will in part depend on its ability to obtain regulatory clearance from the FDA for its Unyvero automated sample-to-answer molecular diagnostics ("**MDx**") system and its LRT55 Application Cartridge addressing pneumonia (labelled P55 in the EU). In addition, Curetis' ability to obtain regulatory clearance for other Application Cartridges (as defined below) in Curetis' pipeline, in the future will also be decisive. The process of obtaining regulatory clearance is expensive and time-consuming and can vary substantially based upon, among other things, the type, complexity and novelty of Curetis' products as well as upon access to a sufficient number of relevant clinical samples. The FDA has substantial discretion in the review and clearance processes and may refuse to accept any application or may decide that Curetis' trial design is nevertheless insufficient for clearance and require additional pre-clinical, clinical or other studies. In addition, varying interpretations of the data obtained from pre-clinical and clinical testing could delay, limit or prevent regulatory clearance from the FDA. In addition, if during the clinical trials only an insufficient number of pathogens, clinical cases and samples can be found for the pathogens and resistance markers on the LRT55 Application Cartridge, the FDA might not clear all 40 analytes that it currently requires in a first pass and as a result costly and time-consuming additional filings would be required. Clinical studies could also show that Curetis' Unyvero System or Application Cartridges may not be sufficiently sensitive or specific to obtain, or may prove to have other characteristics that preclude Curetis from obtaining, clearance from the FDA. If the attempts to obtain regulatory clearance from the FDA for the Unyvero System and the LRT55 Application Cartridges are unsuccessful, Curetis may be unable to build its commercial organization in the US and generate sufficient revenues to sustain and grow its business. Even if regulatory clearance is obtained, it may only have a restrictive scope or contain limitations, which make it commercially unattractive to Curetis.

Curetis may be unable to successfully commercialize its products and may fail to achieve and sustain sufficient market acceptance.
Curetis began to commercialize the P55 pneumonia ("**P55**") and i60 implant and tissue infection ("**ITI**") Application Cartridges for its Unyvero System in the EU in 2012 and 2014, respectively. Thus, it has only limited experience in marketing and selling its products. Curetis intends to continue to expand its commercial presence and increase its market share in the European Union (the "**EU**") and enter into the US and other markets. In line with its strategic objectives, the Group recently signed distribution agreements for certain ASEAN markets (Indonesia, Malaysia, Singapore and Thailand) and for China, Taiwan and Hong Kong (together "Greater China"). Curetis therefore has only limited experience in marketing and selling its products in other jurisdictions. Curetis' future sales of diagnostic products will depend in large part on Curetis' ability to successfully commercialize its products and sustain sufficient market acceptance. In particular, its future sales will depend on Curetis' ability to establish a product sales force in the US. However, it cannot start marketing until it receives FDA regulatory clearance. Curetis' ability to forecast demand in the US and to build the infrastructure required to support such demand and the sales cycle of Curetis' potential customers is largely unproven. If Curetis does not build an efficient and effective sales force and distribution network in the US or cannot successfully expand its distribution network in Europe or elsewhere, Curetis' business and results of operations may be adversely affected. Curetis may not be able to sufficiently demonstrate to physicians, hospitals and other healthcare providers that its P55/LRT55 and i60 ITI Application Cartridges are appropriate and preferable options for aiding in the diagnosis of pneumonia and implant and tissue infections. In particular, the price of Curetis' Application Cartridges is much higher than, and will be incurred in addition to, the costs for conventional microbiology culture tests. There can be no assurance that hospitals will be willing to incur the direct costs to purchase Curetis' products or that the government or commercial payers will be willing or able to reimburse hospitals for them. If tightened

budgets prevent hospitals from being able to pay for Curetis' products or if government or commercial payers refuse to reimburse such hospitals for these payments, this could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations. Furthermore, Curetis may encounter significant difficulty in gaining inclusion in pneumonia and implant and tissue infection treatment guidelines of hospitals, which is a prerequisite for hospitals purchasing Curetis' products in any significant quantity, or in gaining broad market acceptance by healthcare providers, third-party payers and patients using the Unyvero System and Application Cartridges. If Curetis fails to successfully commercialize its products, it may not be able to receive a return on the significant investments it has made and will continue to make in product development, sales and marketing, regulatory, manufacturing and quality assurance, and it may fail to generate sufficient revenues and gain economies of scale from such investments.

Curetis is particularly dependent on the success of, and the ability to market, its lead products, the P55 and the i60 ITI Application Cartridges in the EU and the LRT55 Application Cartridge in the US, on which it has focused almost all of its business and financial resources in the past.
Curetis is currently not a broadly diversified company. Therefore, Curetis' ability to generate revenues depends particularly on the success of its two lead products, the P55 and i60 ITI Application Cartridges in the EU and the LRT55 Application Cartridge in the US which is technically identical to the P55 Application Cartridge. Curetis has spent significant time, money and efforts on P55's/LRT55's and i60 ITI's development and commercialization, including costs of clinical studies in the EU and the US. Curetis expects to continue to focus a significant portion of its personnel and financial resources on the commercialization of the LRT55 Application Cartridge and its roll-out in the US provided it obtains FDA clearance.

Curetis may be unable to successfully manage its growth.
During the past few years, Curetis has significantly expanded its operations with regard to sales and the manufacturing of a greater variety of product offerings, especially in the DACH region (Germany, Austria and Switzerland) as well as in Eastern and Western Europe and the Middle East. It also recently expanded into the Asian market by entering into distribution agreements for certain ASEAN markets and Greater China. Curetis expects this expansion to continue to an even greater degree as it seeks regulatory clearance from the FDA. Curetis' growth has placed and will continue to place a significant strain on Curetis' management, operating and financial systems and Curetis' sales, marketing and administrative resources. As a result of Curetis' growth, operating costs may escalate even faster than planned, and some of Curetis' internal systems and processes, including those related to manufacturing Curetis' products, may need to be enhanced, updated or replaced. If Curetis cannot effectively manage its expanding operations, manufacturing capacity and costs, including scaling to meet increased demand, Curetis may not be able to continue to grow or may grow at a slower pace than expected.

Curetis depends on a few key suppliers for critical product components. In case of a loss of any of these suppliers or an interruption of supply, Curetis may not be able to manufacture or outsource manufacturing of its products in sufficient quantities, in a timely manner or at a cost that is economically attractive.
Curetis currently depends on a number of key suppliers for critical product components, such as Zollner Elektronik AG for the manufacture of its Unyvero Systems, Contexo GmbH for the Application Cartridge manufacturing equipment, Scholz HTIK GmbH for the Application Cartridge and consumables plastic parts as well as certain single source suppliers for specific Unyvero amplification primers, detection probes and the mastermix which is the enzyme required to start any polymerase chain reaction ("PCR") and thus is one of the critical components of any PCR based MDx test. If any one of these suppliers were to terminate the business relationship with Curetis, go out of business, discontinue manufacturing the products Curetis uses or otherwise become unable to meet its supply commitments, the process of securing alternate sources could be lengthy, leading to the delay in Curetis' ability to develop and market its existing or future products and increase its development and marketing costs. There can be no assurance that replacement products/components would become available or would meet Curetis' quality and performance requirements within an acceptable time or at all. While Curetis may technically be able to modify its product candidates to utilize a new source of such critical parts or components, Curetis would need to secure CE-IVD-marking and regulatory clearance from the FDA and any other relevant regulatory body in other markets for the modified product, and it could take considerable time and necessitate significant expenses to perform the requisite tasks prior to and in connection with petition for renewed market clearance.

The market potential and opportunities for Curetis' lead products may be smaller than currently anticipated, lowering potential revenue for Curetis.
Curetis makes projections on the number of people who have severe disease incidences such as pneumonia, implant and tissue infections and other indications that Curetis is targeting. These projections are derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, governmental statistics and market research but are highly contingent on a number of variables that are difficult to predict and may prove to be too high, resulting in a smaller population of patients who could benefit from Curetis lead products, the P55/LRT55 and the i60 ITI Application Cartridges, than Curetis currently anticipates which would result in lower potential revenue for Curetis.
Curetis may expand its limited financial and managerial resources to pursue a particular future product or indication

and fail to capitalize on products or indications that may be more profitable or for which there is a greater likelihood of success.

To grow its business in the future with its limited financial and managerial resources, Curetis will have to carefully choose which products in the future it believes will achieve the most commercial success. Accordingly, it will need to carefully focus its limited financial and managerial resources on the selection of such products. If Curetis uses its limited financial and managerial resources to promote a particular product or indication such as the aforementioned or other future products or indications, which are not ultimately sufficiently commercially successful, it could have a material adverse effect on the business, financial position and results of operations of Curetis.

Curetis relies on certain distribution partners to distribute its products in some of its markets and intends to enter into additional distribution agreements to distribute its products in other markets. If Curetis is unable to find suitable distribution partners, loses these distribution partners or if Curetis' distribution partners fail to sell its products in sufficient quantities, on commercially viable terms or in a timely manner, Curetis' commercialization of P55/LRT55 and i60 ITI Application Cartridges and other future products could be materially delayed or harmed.

Curetis' products are currently being and are planned to be distributed by distribution partners in some of its current and future markets. At the date of this annual report, Curetis has agreements with nine distribution partners to distribute its products in some of its markets. Failure to find suitable additional distribution partners or to conclude or renew distribution agreements with current or future distribution partners at commercially attractive terms could delay or prevent Curetis from selling its products or make it unreasonably expensive to do so. At the same time, certain distribution partners may not distribute Curetis' products because they are less incentivized to distribute Curetis' products than products of other companies or because such distribution agreements would otherwise conflict with their existing or future distribution obligations towards third parties. As a result, such distribution partners may fail to effectively sell Curetis' products, in sufficient quantities, on commercially viable terms or in a timely manner and there is no certainty that Curetis distribution partners will be willing or able to market or distribute the products to the extent Curetis expects. Furthermore, Curetis has only a limited influence over its distribution partners' marketing activities. The development of any of these factors could materially delay or harm the further commercialization of its products, both of which could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Curetis' sales cycles are lengthy and sales may fluctuate, which makes it difficult to forecast revenue and product sales.

Curetis' sales process involves numerous interactions with multiple individuals and different stakeholder groups (such as microbiologists, intensive care unit ("ICU") clinicians and hospital administration) at potential customers sites or organizations testing Curetis' products and will often include in-depth analysis by potential customers of Curetis' products, performance of proof-of-principle studies, preparation of extensive documentation and a lengthy review process. As a result of these factors and the budgetary cycles of Curetis' potential customers, the time from initial contact with a customer to the receipt of a purchase order will vary significantly and could be 12 months or longer. Given the length and uncertainty of the anticipated sales cycle, Curetis will likely experience fluctuations in product sales on a period-to-period basis. For example, sales of Curetis' products often involve purchasing decisions by large public and private institutions and any purchases can require multiple levels of pre-approval. In addition, those large institutions, such as public universities, frequently depend on government grants or public funding themselves, indirectly making Curetis' sales dependent on those funding sources. Furthermore, expected revenue streams are highly dependent on hospitals' adoption and use of Curetis' products, and it cannot be assured that Curetis' hospital clients will use and purchase Application Cartridges regularly.

Curetis may not be able to gain the support of leading hospitals and key opinion leaders ("KOLs") or to achieve favorable publication of the results of Curetis' clinical trials in peer-reviewed journals.

Curetis' strategy includes developing relationships with leading hospitals and KOLs in the industry. Individuals considered as KOLs include, inter alia, reputable clinicians or microbiologists as well as members of clinical societies and editors of scientific journals. If these hospitals and KOLs determine that the Unyvero System and related Application Cartridges are not clinically effective or that alternative technologies are equally or more effective, or if Curetis otherwise encounters difficulty promoting the adoption of the Unyvero Platform, Curetis' revenue growth and ability to achieve profitability could be significantly limited. Curetis believes that publication of scientific and medical results in peer-reviewed journals and presentation of data at leading conferences are critical to the broad adoption of the Unyvero Platform. Publications in leading medical journals are subject to a peer-review process, and reviewers may not consider the results of studies involving the Unyvero Platform sufficiently novel or worthy of publication. In addition, the publication of less favorable results or questions surrounding the effectiveness of the Unyvero System and related Application Cartridges in scientific or medical journals or presentations may make it more difficult for Curetis to gain the support of hospitals and KOLs in the further commercialization of its products.

Curetis may be unable to recruit, train and retain key personnel.

Curetis' future success depends on its ability to recruit, train, retain and motivate key personnel, including Curetis'

research and development, science and engineering, manufacturing and sales and marketing personnel. As competition for qualified sales personnel is intense in Europe as well as in the US, Curetis' growth depends, in particular, on attracting, retaining and motivating highly trained sales personnel with the necessary scientific background and ability to understand Curetis' Unyvero Platform at a technical level. In addition, Curetis may need additional employees at its manufacturing facilities to meet the demand for its products as Curetis scales up its sales and marketing operations. Because of the complex and technical nature of Curetis' products and the dynamic market in which it competes, any failure to attract, train, retain and motivate qualified personnel could materially harm Curetis' growth prospects and could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Curetis' cash position and operating cash flow may be insufficient to cover expected investment expenses, and Curetis may need to raise additional funds in the future. As of 31 December 2015, Curetis had access to EUR 46.1 million in cash. The Company believes that Curetis' existing cash and cash equivalents, including the funds raised in the IPO, will be sufficient to meet Curetis' anticipated cash requirements for at least the next 24 months. The Company may need to raise substantial additional capital in the future to:

- expand Curetis' product offerings;
- expand Curetis' sales and marketing infrastructure;
- increase Curetis' manufacturing capacity;
- continue Curetis' research and development activities; and
- in case the Offering does not take place, fund Curetis' operations.
- Curetis' future funding requirements will depend on many factors, some of which are beyond Curetis' control, including:
- the cost and timing of marketing or regulatory clearances, including the FDA clearance;
- market acceptance of Curetis' products;
- the cost and timing of establishing further sales, marketing and distribution capabilities;
- the cost of Curetis' research and development activities;
- the ability of healthcare providers to obtain coverage and adequate reimbursement by third-party payers for procedures using Curetis' products;
- the cost of goods associated with Curetis' products;
- the effect of competing technological and market developments; and
- the extent to which Curetis is to decide to invest in third-party businesses, products and technologies, including entering into licensing or collaboration arrangements for products.

Curetis may not be able to obtain additional funds on acceptable terms, or at all. If Curetis raises additional funds by issuing equity or equity-linked securities, Curetis' shareholders may experience dilution. Debt financing, if available, may involve covenants restricting Curetis' operations or its ability to incur additional debt. Any debt or additional equity financing Curetis raises may be at terms that are not favorable to Curetis or its shareholders. If Curetis raises additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish some rights to its Unyvero Platform, or grant licenses on terms that are not favorable to it, which could reduce its ability to generate future revenues and achieve profitability. If Curetis does not have, or is not able to obtain, sufficient funds, it may be required to delay development, clearance or commercialization of the Unyvero System or the Application Cartridges. Curetis also may have to reduce marketing or customer support or may even be forced to file for insolvency.

The molecular diagnostics market is highly competitive and Curetis may not be able to compete effectively. Curetis competes with other commercial diagnostics companies and anticipates that it will face strong competition in the future as expected competitors develop new or improved products and as new companies enter the market with new technologies. Curetis believes its principal competition comes and will continue to come from traditional diagnostic companies, including, but not limited to, Abbott, Beckman Coulter, Becton Dickinson & Co., Roche Diagnostics and QIAGEN, as well as companies offering novel molecular and non-molecular methods, including, but not limited to, bioMérieux, Inc., GenMark, Cepheid, Biocartis and T2 Biosystems. Most of Curetis' competitors are either publicly traded or are divisions of publicly traded companies, and have a number of competitive advantages over it, including:

- greater name and brand recognition, financial and human resources;
- established and broader product lines;
- larger sales forces and more established distribution networks;
- substantial intellectual property portfolios;
- larger and more established customer bases and relationships; and
- better established, larger scale and lower-cost manufacturing capabilities.

Curetis may not effectively compete or be successful in the face of increasing competition from new products and technologies introduced by Curetis' existing competitors or new companies entering Curetis' markets. In addition, it is possible that Curetis' future competitors will have or develop products or technologies that enable them to produce competitive products with greater capabilities or at lower costs than Curetis' products. Genmark, for example, is currently developing a direct competitive product (ePlex platform), which similarly to Curetis, targets rapid pathogen identification. In addition, other companies like STAT Diagnostica and Atlas Genetics have announced similar technologies and

respiratory tests. As an example of antibiotic resistance testing one competing product is offered by Geneweave Biosciences, which promises faster phenotypic testing (about four hours) via its Smarticles™ Technology. Competitors may also be able to respond more quickly and effectively than Curetis to new or changing opportunities, technologies, standards or customer requirements.

The selling price level in the molecular diagnostics market could decrease in the future which would adversely affect Curetis' business, financial position and results of operations.
The MDx market is relatively young and Curetis competes with a larger number of commercial diagnostics companies in this market. Curetis expects that, with the MDx market becoming more mature, the use of scale effects and continuous technological improvements, the prices for MDx products and also for Curetis' products are likely to decline over the course of time. If Curetis is not able to offset a decrease in product prices by a corresponding reduction of their costs of goods sold, this could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Curetis' current and future customers are highly dependent on payments from third-party payers. Inadequate coverage and reimbursement for Curetis' diagnostic tests as well as a faster increase of Curetis' costs of production compared to increases in reimbursement levels could compromise the commercial success of Curetis products.
Successful commercialization of Curetis' diagnostic products depends, in large part, on the extent to which the costs of Curetis' products are reimbursed to its customers, either separately or through bundled payment, by third-party private and governmental payers, private health insurances as well as public health systems. Coverage and reimbursement will also depend on the applicable healthcare policy framework in the relevant jurisdiction. For example, in the EU and the US, there is significant uncertainty surrounding third-party coverage and reimbursement for the use of tests that incorporate new technology, such as the Unyvero Platform, as it is uncertain whether and to which extent third-party payers will reimburse Curetis' customers for the use of the Unyvero Platform under current legal frameworks.
Hospitals, clinical laboratories and other healthcare providers generally bill various third-party payers to cover all or a portion of the costs and fees associated with diagnostic tests, including the cost of the purchase of Curetis' products. Curetis current products are used in a hospital inpatient setting, where in most geographic areas governmental payers, health insurances or funds and other national equivalents in the respective countries, generally reimburse hospitals a single bundled payment per patient case. However, third-party payers may deny coverage if they determine that Curetis' products are not cost-effective compared to the use of alternative testing methods or deem them to be experimental or medically unnecessary. Even if third-party payers make coverage and reimbursement available, such reimbursement may not be adequate, which could have an adverse effect on Curetis' business, financial position, cash flows and results of operations.

The manufacture of many of Curetis' products is a highly precise and complex process, and if Curetis encounters problems with the manufacturing and the quality of its products, its reputation and business could suffer.
The manufacture of many of Curetis products is a highly precise and complex process, due in part to strict regulatory requirements. Problems such as quality issues may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, natural disasters and environmental factors, and if not discovered before the product is released to market such problems could result in recalls and product liability exposure. Product quality has had a material impact on Curetis' results of operations for the periods under review. Curetis' revenues and other operating results will depend, in large part, on its ability to manufacture and deliver its Application Cartridges in sufficient quantities and quality, in a timely manner, and at a cost that is economically attractive. Curetis expects to be required to significantly increase Application Cartridge manufacturing as commercialization progresses. It may not be able to do so for a variety of reasons, such as an inappropriate assessment of the quantities of Application Cartridges needed which would lead to a delayed capacity expansion. Such expansion is also time-consuming and error-prone due to the level of sophistication of the Application Cartridges. In addition, because of the time required to approve and license certain regulated manufacturing facilities, an alternative manufacturer may not be available on a timely basis to replace such production capacity. Any of these manufacturing problems could result in significant costs and liability, as well as negative publicity and damage to Curetis' reputation that could reduce demand for its products. Any failure or delay in delivery or the supply of insufficient quantities or deficient quality of products caused by, among other things, quality issues, manufacturing disruptions, mechanical breakdown, a fire or other incident or a delay in supply of components, could also result, for example, in the complete shut-down of an ongoing clinical trial or in a delivery shortage to customers. This could, in turn, lead to significant adverse consequences for Curetis, such as loss of revenues, or damage to Curetis' reputation.

Curetis' diagnostics results may not perform as expected and deliver incomplete or incorrect results, which could subject Curetis to product liability claims.
Curetis' success will depend on the market's confidence that the Unyvero Platform can provide reliable, high-quality diagnostic results. The Company believes that Curetis' customers are likely to be particularly sensitive to any de-fects, errors or a lack of sensitivity or specificity in Curetis' products. If the Unyvero Platform failed to detect the

presence of critical bacterial pathogens or critical antibiotic resistance markers, patients could continue to suffer from respective infections as a result of such misdiagnosis. In reaction, patients, hospitals, surgeons or other parties could try to hold Curetis responsible for all or part of the medical decisions underlying the treatment and expose Curetis to product liability claims. These developments could occur even if hospitals correctly use Curetis' products and follow the warning instructions provided by Curetis. Product liability claims could also be based on an allegation that one of Curetis' products contains a design or manufacturing defect. For example, patients or volunteers in hospitals or during the course of clinical trials could hold Curetis responsible for side effects from an incorrect treatment therapy arising from defects in Curetis' products. Any product liability claim could result in substantial damages and be costly and time consuming to defend, either of which could materially harm Curetis' business, financial position and results of operations and damage its reputation and the market acceptance of the Unyvero Platform. Moreover, any product liability claim brought against Curetis, with or without merit, could increase product liability insurance rates. As of the date of this annual report 2015, Curetis' upper limit for its insurance policy against third-party claims for product liability or body injuries amounts to EUR 5 million. It is uncertain whether Curetis' existing or future insurance policies are or will be sufficient to cover the risks as set forth above or whether Curetis would even be able to renew its insurance policies to such an extent that it could cover any such eventualities. As a result, the amount of any costs, including fines or damages, that Curetis might occur in such circumstances, could substantially exceed any upper limits of insurance policies Curetis has in place to cover such losses. This means that in case those upper limits are exceeded, Curetis would have to fully compensate the difference between the insurance upper limits and the actual damage which could have a significant adverse effect on Curetis' business, financial position and results of operations. In addition, Curetis' insurance providers could refuse or be unable to make payments although the risk is insured.

Patient injuries resulting from defects in Curetis' products could potentially lead to the products being recalled from the market or significant decline in market demand for the products. Defects, errors or a lack of sensitivity or specificity of the Unyvero Platform could also hinder its commercial roll-out and the conduct of regulatory clearance procedures. A recall of Curetis' products, either voluntarily or at the direction of the relevant regulatory bodies, or the discovery of serious safety issues with Curetis' products that leads to corrective actions, could have a significant adverse impact on Curetis.

The relevant regulatory bodies may require a recall of Curetis' commercialized products in the event of material deficiencies, or defects in design or manufacture, or in the event that a product poses an unacceptable risk to health. A government mandated or voluntary recall could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labelling defects or other deficiencies and issues. Manufacturers, on their own initiative, may recall a product if any material deficiency in a device is found. A government mandated or voluntary recall could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labelling defects or other deficiencies and issues. For example, as a manufacturer of CE-IVD-marked medical devices sold on the European market, Curetis must maintain a vigilance system that enables it to notify relevant regulatory authorities of incidents which may lead to (or may have led to) death or serious health consequences for individuals, or to a recall of the relevant product. This includes obligations to submit reports to the relevant national competent authority for recording and evaluating when incidents (e.g. any malfunction or deterioration in the characteristics or performance of a device) occur, to disseminate information that could be used to prevent a recurrence of the incident or to alleviate the consequences of such incidents, and, where appropriate, to implement a "Field Safety Corrective Action" (such as a product recall) to reduce the risk of death or serious injury associated with the use of the device. Recalls of any of Curetis' products would divert managerial and financial resources and have an adverse effect on Curetis' business, financial position, cash flows and results of operations, and could impair Curetis' ability to produce its products in a cost-effective and timely manner. New approvals or clearances from regulatory bodies may also need to be obtained before the corrected part of the Unyvero Platform can be marketed or distributed again. Seeking such approvals or clearances may delay Curetis' ability to replace the recalled devices in a timely manner. Curetis may further be required to bear other costs or take other actions that may have a negative impact on Curetis' sales as well as face significant adverse publicity or regulatory consequences, which could harm Curetis' business, including Curetis' ability to market Curetis' products in the future.

Curetis' future success is dependent upon Curetis' ability to create, maintain and expand a customer base for its products in large and leading hospitals.

In Europe, Curetis currently markets its products mainly to large and leading hospitals in which patients with severe infections are treated. As of 31 December 2015, Curetis' products were sold to about a dozen large and leading European hospitals. Curetis is currently targeting around 745 large and leading hospitals in its direct sales territories in Europe as well as over 2,000 relevant hospitals via its nine distribution partners covering 19 countries. In the US, Curetis initially intends to focus on the approximately 727 large and/or leading hospitals in which patients who have the highest risk of suffering from pneumonia are concentrated. The adoption of Curetis' products by large and leading hospitals may not be successful for a number of reasons. These include a lack of funding of hospitals, burdensome administration procedures, a lack of clinical or commercial interest in the Unyvero

Platform, a lack of adequate reimbursement of the hospital and the introduction of new competing technologies. Any non-acceptance of Curetis' products would make it difficult for Curetis to expand its market in Europe and to successfully introduce its products in the US and to continue its distribution efforts in the ASEAN markets and China or other markets.

Curetis may not be able to develop new products or enhance the capabilities of its products and systems to keep pace with the rapidly changing technology and customer requirements in Curetis' industry.

Curetis' industry is characterized by rapid technological changes, frequent new product introductions and enhancements and evolving industry standards. Curetis' success depends on its ability to develop new products and applications for its technology in new markets that develop as a result of technological and scientific advances, while improving the performance and cost-effectiveness of Curetis' existing products. New technologies, techniques or products could emerge that might offer better combinations of price and performance than the products and systems that Curetis currently sells or plans to sell in the future. The market in Europe, the US and Asia is characterized by rapid technological change and innovation. It is critical to its success that Curetis anticipates changes in technology and customer requirements and physician, hospital and healthcare provider practices and successfully introduces new, enhanced and competitive technologies to meet Curetis' prospective customers' needs on a timely and cost-effective basis. At the same time, however, Curetis must carefully manage its introduction of new products, including regular product maintenance. If potential customers believe that such products will offer enhanced features or be sold for a more attractive price, they may delay purchases until such products are available. Curetis may also have excess or obsolete inventory of older products as Curetis transitions to new products, and Curetis has limited experience in managing product transitions. If Curetis does not successfully innovate and introduce new technology into its anticipated product lines or manage the transitions of Curetis' technology to new product offerings, Curetis' revenue, results of operations and business will be adversely impacted. Curetis is developing additional Application Cartridges intended to be used with the Unyvero System, including Application Cartridges to detect microorganisms and antibiotic resistance markers from positive blood cultures, a panel in intra-abdominal infections and a sepsis host response panel. Curetis may have problems applying its technologies to other areas and Curetis' new applications may not be as effective in detection as its initial applications. Any failure or delay in creating a customer base or launching new applications may compromise Curetis' ability to achieve its growth objectives.

If the manufacturing, development or testing equipment used by or for Curetis were damaged or destroyed, or if Curetis experiences a significant disruption in its operations or if Curetis experiences any problems with its manufacturing processes for any reason, Curetis' ability to continue to operate its business could be materially harmed.

Curetis currently develops its diagnostic products exclusively in its own facility in Holzgerlingen, Germany, whereas it manufactures and tests some components at facilities in Bodelshausen, Germany (operated by Curetis) and outsources manufacturing and testing of its Unyvero System to facilities in Neukirchen beim Heiligen Blut, Germany, that are operated by Zollner Elektronik AG. If these or any future facilities were to be damaged, destroyed or otherwise unable to operate, whether due to natural disasters, employee malfeasance, terrorist acts, power outages, or otherwise, or if Curetis' business is disrupted for any other reason, Curetis may not be able to manufacture its products and develop and test its products in a timely manner or at all. The manufacture of components of Curetis' products at the facility in Bodelshausen and at the facility at Neukirchen beim Heiligen Blut involves complex processes, sophisticated equipment and strict adherence to specifications and quality systems procedures. Any unforeseen manufacturing problems, such as caused by contamination, equipment malfunction, quality problems or failure to strictly follow procedures or meet specifications, could result in delays or shortfalls in production of Curetis' products or the loss of its critical ISO 13485 certification. Identifying and resolving the cause of any manufacturing issues could require substantial time and resources. If Curetis is unable to keep up with future demand for its products by successfully manufacturing and shipping Curetis' products in a timely manner, Curetis' revenue growth could be impaired and market acceptance of its products could be adversely affected. Currently, Curetis maintains insurance coverage against damage to Curetis' property and equipment and against business interruption in line with what it believes to be standard practice. This coverage is subject to deductibles, certain ceilings and other limitations. If Curetis has underestimated its insurance needs with respect to an interruption, or if an interruption is not subject to coverage under Curetis' insurance policies, Curetis may not be able to cover its losses.

A significant amount of Curetis' inventory consists of equipment held by prospective customers who are evaluating their products and may not be converted to revenue in the timeframe that Curetis anticipates or at all.

As of 31 December 2015, approximately EUR 1.2 million of Curetis' inventory consisted of Unyvero Systems in possession of customers that were evaluating and testing its products. If a material number of prospective customers do not adopt the Unyvero Platform within the time periods that Curetis estimates or at all, then Curetis will not be able to use the inventory held by these customers to generate revenues. If Curetis is unable to sell or otherwise commercially utilize this inventory to or with other customers or distributors or if such inventory becomes obsolete as Curetis develops the next generation of the Unyvero Platform, Curetis may be

required to write off a significant portion of this inventory.

Curetis' intention to enter into agreements with strategic partners in possession of proprietary biomarkers for diagnosis of indications with a view to developing and commercializing new diagnostic products could prove unsuccessful.
Curetis has already entered and intends to enter into agreements with strategic partners for diagnostic products. For example, on 24 September 2015, Curetis entered into an R&D collaboration and licensing agreement with Acumen Research Laboratories Pte Ltd. under which Curetis has obtained a worldwide non-exclusive license to Acumen's proprietary sepsis biomarker panel for host response. However, there is no assurance that this or other similar collaboration arrangements will be successful. Establishing these relationships can be difficult and time-consuming. Discussions may not lead to agreements on favorable terms, if at all. To the extent Curetis agrees to work exclusively with a party in a given area, Curetis' opportunities to collaborate with others or to develop opportunities independently would be limited. Even if new strategic relationships were established, this may not result in the successful development or commercialization of future products.

Curetis' operating results could be materially adversely affected by unanticipated changes in tax laws and regulations, adjustments to its tax provisions or exposure to additional tax liabilities.
The determination of Curetis' provision for income taxes and other tax liabilities requires significant judgment, including the adoption of certain accounting policies and Curetis' determination of whether its deferred tax assets are, and will remain, available. Although management believes its estimates and judgment are reasonable, they remain subject to review by the relevant tax authorities. Curetis cannot guarantee that its interpretation will not be questioned by the relevant tax authorities, or that the relevant tax laws and regulations, or the interpretation thereof by the relevant tax authorities, will not be subject to change. Any adverse outcome of such a review may lead to adjustments in the amounts recorded in Curetis' financial statements, and could have a materially adverse effect on Curetis' operating results and financial position. Curetis effective tax rates could be adversely affected by changes in tax laws, treaties and regulations, both internationally and domestically, including possible changes to the patent income deduction regime and wage withholding tax incentive for qualified research and development personnel in Germany and other tax incentives, or the way they proportionally impact Curetis' effective tax rate. Any increase of the effective tax rates could have an adverse effect on Curetis' business, financial position, results of operations and cash flows.

Curetis currently generates a portion of its revenue internationally and expects to increase this portion in the future. It is therefore subject to various risks relating to its international activities, which could adversely affect Curetis' operating results.
A portion of Curetis' revenue is derived from international sources. Curetis expects this portion to increase in the future as it continues to expand internationally. Engaging in international business involves a number of difficulties and risks, including:

- required compliance with existing and changing foreign healthcare and other regulatory requirements and laws, such as those relating to patient privacy or handling of bio-hazardous waste;
- required compliance with anti-bribery laws, such as the US Foreign Corrupt Practices Act and United Kingdom ("UK") Bribery Act, labor laws and anti-competition regulations;
- required compliance with data protection laws, such as the US Health Insurance Portability and Accountability Act of 1996 or the UK Data Protection Act;
- export or import restrictions;
- various reimbursement and insurance regimes;
- aws and business practices favoring local companies;
- longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- political and economic instability;
- potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements and other trade barriers;
- foreign exchange controls;
- difficulties and costs of staffing and managing foreign operations; and
- difficulties protecting or procuring intellectual property rights.

If Curetis is unable to manage the risks arising out if its international operations effectively, this could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Curetis is exposed to changes in foreign currency exchange rates.
Curetis currently records its transactions, prepares its financial statements and incurs the main portion of its costs in euro. Its results of operations and cash flows will however increasingly become subject to fluctuations due to changes in foreign currency exchange rates, in particular the US dollar but potentially also other currencies such as the Swiss franc and certain Asian currencies such as the Chinese Yuan as Curetis expands its operations in China as a result of the recent signing of a distribution agreement with Beijing Clear Biotech for Greater China. Curetis' expenses are mainly denominated in euro because Curetis' operations are located in Germany and in US dollars (e.g. for the costs incurred in clinical trials in the US). Curetis currently does not apply any currency hedging strategies. If the value of the euro increases relative to foreign currencies in the future, and

Curetis does not otherwise increase the prices of its products in such local markets, Curetis' future revenues could be adversely affected as it converts future revenues from local currencies to EUR.

Curetis' employees, independent contractors, principal investigators, distributors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

Curetis is exposed to the risk of fraud or other misconduct by its employees, independent contractors, principal investigators conducting clinical studies, distributors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional, reckless or negligent failures: to comply with the regulations of the national regulatory bodies in the EU, the US and other countries; to provide true, complete and accurate information; to comply with established manufacturing standards; to comply with healthcare fraud and abuse laws and regulations in the EU, the US and similar foreign national fraudulent misconduct laws; to report financial information or data accurately; or to disclose unauthorized activities to Curetis. These failures may impact, among other things, Curetis' clinical studies and research subjects, as well as Curetis' sales, marketing and education programs. In particular, the promotion, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and cause serious harm to Curetis' reputation. In addition, Curetis only has very limited control over its distribution partners. Any non-compliance by them of their distribution agreements, in particular by granting economic benefits to persons at customers in charge of making purchase decisions, can also trigger sanctions against Curetis. In connection with employee misconduct, Curetis currently has different rules in place that are applicable to all of its employees. However, it is not always possible to identify and deter employee misconduct, and Curetis' internal rules and the other precautions taken to detect and prevent misconduct may not be effective in controlling unknown or unmanaged risks or losses, or in protecting Curetis from governmental investigations or other actions or lawsuits. If any regulatory or other actions are instituted against Curetis, and it is not successful in defending or asserting its rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, individual imprisonment, possible exclusion from participation in government healthcare programs contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Curetis' operations. Any of these actions or investigations could result in substantial costs, including legal fees, and divert the attention of management from operating Curetis' business and can have a significant impact on Curetis' business.

Curetis relies on third parties to conduct clinical and evaluation studies of its products that are required by the FDA or other regulatory authorities, and those third parties may not perform satisfactorily.

Curetis has conducted and is conducting a large number of clinical and evaluation studies. The vast majority of these are conducted by third-party investigators. Curetis therefore relies and expects to rely in the future on third parties, to conduct studies of its existing and future products. Such third parties may not complete activities on schedule or conduct studies in accordance with regulatory requirements or with Curetis' study design. Curetis' reliance on third parties that are not controlled by it, does not relieve Curetis of any applicable requirements to ensure compliance with procedures required under good clinical practices. If these third parties do not successfully carry out their contractual duties or regulatory obligations or fail to meet expected deadlines, if the third parties need to be replaced or if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to Curetis' clinical protocols or regulatory requirements or for other reasons, Curetis' studies may be extended, delayed, suspended or terminated, and Curetis may not be able to obtain regulatory clearance for its products from the FDA or other regulatory authorities.

Curetis' business could be significantly and negatively affected by current or new governmental regulations and clearance, approval and post-approval requirements, particularly in the EU and the US.

Curetis markets and sells its products in a number of EU member countries and certain other countries recognizing CE-IVD-marked devices. It further intends to launch its products in other countries/regions over the next few years, in particular in the US, but also in other jurisdictions such as China. In each country in which Curetis is or may become active, Curetis' products are or may become subject to various and different government regulations and, depending on the jurisdiction may become subject to review by a number of governmental authorities governing clinical studies, vigilance reporting and self-certification or approval/clearance procedures. Such regulations govern activities such as product development, testing, labelling, storage, manufacturing and distribution. These regulatory requirements vary greatly from country to country. Failure to comply with these regulatory requirements, or to obtain required clearances, approvals or certifications, could impair Curetis' ability to commercialize Curetis' diagnostic products. In addition, the level of regulation could even increase in the future and may become more comprehensive. Curetis cannot predict the effect any future legislation or regulation will have on it.

In the EU, market clearance for Curetis' Unyvero Platform is achieved through CE-IVD-marking, which means that Curetis is allowed to self-certify its products after having conducted clinical trials. Market clearance by a notified body is currently not required for most of Curetis' products. The current European Directive 98/79/EC (in vitro diagnostic medical devices) (the "**IVD Directive**") subdivides in vitro diagnostic ("**IVD**") devices into different classes. Whilst high-risk products can only be CE-IVD-marked after certification by a notified body, other products can be CE-IVD-marked following a self-certification process conducted by the manufacturer. Failure to comply with the certification requirements under the IVD Directive, e.g. self-certification of a product instead of certification of a product by a notified body due to a wrong classification of a product risk category, could require Curetis to make changes to the Unyvero System or Application Cartridges, could lead to Curetis no longer being permitted to affix the CE-IVD-marking to its products and could require it to cease marketing and/or recall the relevant products until certification in compliance with the IVD Directive is obtained. Specifically, in October 2015, Curetis was notified by the Regional Administrative Authority in Stuttgart (Regierungspräsidium Stuttgart) that, due to its inclusion of the test for the pathogen for "Chlamydophila pneumoniae" on the panel of its P55 Application Cartridge, its P55 Application Cartridge now falls under the scope of annex II, list b of the IVD Directive, which requires a market clearance by a notified body. To ensure that the P55 Application Cartridge retains their CE-IVD-marking, Curetis developed and released a software update on 22 October 2015 to eliminate the affected test from the panels of the P55 Application Cartridge. Curetis anticipates that it will have implemented the necessary corrective measures in all of its customers` Unyvero Systems currently using the P55 Application Cartridge by the end of October 2015. Curetis is currently working on conformity assessment procedures to ensure that the test for Chlamydophila pneumoniae can be included again into the P55 Application Cartridge and intends, upon review and approval by a competent notified body, to introduce a next generation software that would again allow the display of the results of the test for the full panel of 21 microorganisms and 19 antibiotic resistance markers, including the pathogen A planned European Regulation governing the safety and performance of IVD devices (the "**IVD Regulation**") (currently expected to come into force in 2016 with a transitional period of compliance of between three and five years) is expected to classify certain assays as high-risk, thereby requiring the services of a notified body for the CE-IVD-marking. The regulation has not yet been enacted. It is possible that the involvement of a notified body will thereafter be required to obtain CE-IVD-marking for some of Curetis' products after the IVD Regulation comes into force. Curetis estimates that obtaining CE-IVD-marking clearance from a notified body under this anticipated regulation is likely to increase the time it takes to bring a product to market in the EU by, on average, an additional three to six months.

Violations of the applicable regulations of the IVD Directive or national laws implementing the IVD Directive could also result in administrative fines payable by Curetis. In addition, Curetis has to ensure that it is in ongoing compliance with the IVD Directive also after the self-certification process. Any failure or material delay in obtaining such certification for a product could have a material adverse impact on Curetis' business, financial condition and results of operations Before labelling and marketing Curetis' products for use as clinical diagnostics in the US, Curetis is required to obtain: (i) clearance from the FDA under Section 510(k) of the Federal Food, Drug and Cosmetic Act (the "**FDCA**"), (ii) approval of a de novo 510(k) submission for Curetis' products, or (iii) pre-market approval ("**PMA**") from the FDA, unless an exemption from pre-market review applies. In the 510(k) clearance process, the FDA must determine that a proposed device is "substantially equivalent" to a device legally on the market, known as a "predicate" device, with respect to its intended use, technology, safety and effectiveness, in order to clear the proposed device for marketing. Clinical data is sometimes required to support substantial equivalence. The de novo provision section (513(f)(2) is an alternative pathway to classify novel devices of low to moderate risk for which no substantially equivalent device exists. The PMA pathway requires an applicant to demonstrate the safety and effectiveness of the device based, in part, on extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing and labelling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. The PMA pathway is typically much costlier and uncertain than the 510(k) clearance process. The process of obtaining regulatory clearances or approvals, or completing the de novo classification process, to market a medical device can be costly, time consuming, and sometimes unpredictable, and Curetis may not be able to successfully obtain marketing authorizations for its current or future products on a timely basis, if at all. Obtaining FDA clearance generally takes from several months to several years, and generally requires detailed and comprehensive scientific data and/or clinical data. If the FDA requires Curetis to go through a lengthier, more rigorous examination for any of its current or future products than originally expected, Curetis' product introductions or modifications could be delayed or cancelled, which could cause Curetis' sales to decline and could therefore impair Curetis' financial position significantly. In addition, the FDA may determine that Curetis' products require the even more costly, lengthy and uncertain PMA process, which could lead to another significant delay in Curetis' attempt to enter the US market. The FDA can delay, limit or deny clearance or approval of a device for many reasons, including:

- Curetis may not be able to demonstrate to the FDA's satisfaction that its products are substantially equivalent to a legally marketed predicate device or safe and effective, sensitive and specific diagnostic tests, for their intended uses (as may be required);

- the data from Curetis' pre-clinical studies and clinical trials may be insufficient to support clearance or approval, where required; and
- the manufacturing process or facilities Curetis uses may not meet applicable requirements.

Even if granted, a 510(k) clearance, de novo submission, or PMA approval for any future product would likely place substantial restrictions on how Curetis' device is marketed or sold, and the FDA will continue to place considerable restrictions on Curetis' products and operations. Medical devices are subject to the FDA's advertising and promotion regulations under the FDCA, which require Curetis to ensure that its advertising and promotion of its products are in accordance with the FDCA. If the FDA believes that Curetis is not advertising and promoting its products in accordance with the FDCA, the FDA can take stringent enforcement action from issuing warning letters to forcing a recall of the affected products. Such actions by the FDA could serve as a background for enforcement action by the Department of Justice and other enforcement agencies, possibly leading to civil and criminal fines and penalties. Additionally, the manufacture of medical devices must comply with the FDA's Quality System Regulation ("QSR"). In addition, manufacturers must register their manufacturing facilities, list their products and comply with requirements relating to labelling, marketing, complaint handling, adverse event and medical device reporting, reporting of corrections and removals and import and export. The FDA monitors compliance with the QSR and these other requirements through periodic inspections. If Curetis' facilities or those of its manufacturers or suppliers are found to be in violation of applicable laws and regulations, or if Curetis or its manufacturers or suppliers fail to take satisfactory corrective action in response to an adverse inspection, the regulatory authority could take various enforcement actions, including, but not limited to, notices of inspectional observations, warning letters, operating restrictions or total shutdown of production or withdrawing 510(k) regulatory clearances or PMA approvals that have already been granted. Any of these sanctions could impair Curetis' ability to produce its products in a cost-effective and timely manner, and could have a material adverse effect on Curetis' reputation, business, financial position, cash flows and results of operations. In addition, the FDA may change its clearance policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay clearance of Curetis' products or impact Curetis' ability to modify any future cleared products on a timely basis. The regulatory admission and clearance process and supervision in other countries requiring approval procedures prior to commercialization, subjects Curetis to risks comparable to the ones described above for the US. For example, as part of its strategic plan, Curetis aims to conduct clinical trials with the Food and Drug Administration in China ("CFDA") through its Chinese distribution partner Beijing Clear Biotech. Pursuant to the agreement with Beijing Clear Biotech, Beijing Clear Biotech is expected to conduct any prospective clinical trials required for the approval of the Unyvero System and the P55 and i60 ITI Application Cartridges in China and will be responsible for the CFDA registration and the approval process (for further details see "Business – Material Contracts – Beijing Clear Biotech" and "Business – Partnerships and Collaboration Agreements"). If the current regulatory requirements change or become more comprehensive, or additional regulations arise, this may adversely affect Curetis' ability to obtain or maintain approval of its products or to comply with ongoing regulations in the countries in which it operates, which, in turn, may have a material adverse effect on its business, financial position, cash flows and results of operations.

Healthcare policy changes, including legislation to reform the US healthcare system, may have a material adverse effect on Curetis' financial position and results of operations.

From time to time, legislation is enacted that could significantly change the healthcare policy and statutory provisions governing the reimbursement of Curetis' products by third parties, for example from public health administrations or private health insurers. In addition, existing regulations and guidance are often revised or reinterpreted in ways that may significantly affect Curetis' business and results of operations. For example, changes in healthcare policy in the US, could substantially impact the sales of Curetis' tests and increase costs. The Affordable Care Act (the "ACA"), enacted in March 2010, introduced changes that are expected to significantly impact the pharmaceutical and medical device industries and clinical laboratories. Under the ACA, for example, expansion in the pool of covered lives may expand the market for clinical diagnostic testing while at the same time, various policies aimed at reducing costs or bundling care may reduce the rates paid for such services. The net impact of these factors on the market for Curetis' products is not clear. Moreover, since 2013, certain medical device manufacturers have had to pay an excise tax in an amount equal to 2.3% of the price for which such manufacturer sells its medical devices. Curetis expects that this excise tax will also apply to some or all of its diagnostic products. Clinicians may decide not to order or offer clinical diagnostic tests if third-party payments are inadequate, and Curetis cannot predict whether third-party payers will offer adequate reimbursement for procedures utilizing Curetis' products to make them commercially attractive. In addition, the ACA establishes an Independent Payment Advisory Board (the "IPAB") to reduce the per capita rate of growth in spending of the US health insurance program for Americans aged 65 and older ("Medicare") if expenditures exceed certain targets. At this point, the triggers for IPAB proposals have not been met. It is unclear when such triggers may be met in the future and when any IPAB-proposed reductions to payments could take effect. Nevertheless, the IPAB has broad discretion to propose policies to reduce healthcare expenditures, which may have a negative impact on payment rates for services, including Curetis' tests. The full impact on Curetis' business

of the ACA is uncertain. To the extent that the reimbursement amounts for pneumonia and/or implant and tissue infection testing decrease in the US, it could adversely affect the market acceptance and hospital adoption of Curetis' technologies.

Curetis cannot predict what healthcare programs and regulations will be ultimately implemented at the EU or at the US federal or state levels or within the implementing legislation of the individual EU member states, or the effect of any future legislation or regulation. However, these types of provisions, as adopted, could materially change the way healthcare is delivered and financed, and may materially impact numerous aspects of Curetis' business. In particular, any changes that lower reimbursements for tests performed using Curetis' products could materially adversely affect Curetis' business, financial position, cash flows and results of operations. In addition, in the future there may continue to be additional proposals relating to the reform of the healthcare systems in the US, the EU, any individual member state or any other jurisdiction where Curetis may operate in the future. Certain of these proposals could limit the prices Curetis is able to charge for its products, or the amounts of reimbursement available for tests performed using its products, and could limit the acceptance and availability of Curetis' products. The adoption of some or all of these proposals could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Modifications to Curetis' products, if cleared or approved, may require new clearances or pre-market approvals, or may require Curetis to cease marketing or recall the modified products until clearances or approvals are obtained. In the EU, any substantial changes or modifications that are made to the design, function or safety of Curetis' products with the intention of altering the original operation, the original goal or type and which would constitute a major change may be considered a new product for which Curetis has to undertake new CE-IVD conformity assessment. This could lead to additional costs, e.g. for the carrying out of new clinical studies, and a delay in the commercialization of Curetis' products. In the US, any modification to a device authorized for marketing that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, requires, for example, a new 510(k) clearance or, possibly, approval of a new or revised PMA. The FDA requires every manufacturer to make this determination in the first instance, but the FDA may review any manufacturer's decision. The FDA may not agree with Curetis' decisions whether new clearances or approvals are necessary. In such case, Curetis may be required to cease marketing or to recall the modified product until clearance or approval is obtained, and Curetis may be subject to significant regulatory fines or penalties. In addition, if treatment guidelines change or the standard of care evolves, Curetis may need to redesign and seek new regulatory clearance or approval from the FDA for Curetis' products. If treatment guidelines change so that different treatments become desirable for the different species currently subject to the same recommended treatment, the clinical utility of Curetis' Application Cartridges could be diminished and Curetis could be required to seek regulatory clearance from the FDA for a revised test that would distinguish between the different species.

Upon the planned launch of operations in the US, Curetis will be subject to federal and state healthcare fraud and abuse laws and other federal and state laws applicable to Curetis' business activities. If Curetis is unable to comply with such laws, it could face substantial penalties. Upon the planned launch of operations in the US, Curetis' operations will be subject to various federal and state fraud and abuse laws. Such laws include the federal and state anti-kickback statutes, physician payment transparency laws and false claims laws. These laws may impact, among other things, Curetis' proposed sales and marketing and education programs and require it to implement additional internal systems for tracking certain marketing expenditures and to report to governmental authorities. In addition, Curetis may be subject to patient privacy and security regulations by both the federal government and the states in which Curetis' conducts its business. The laws that may affect Curetis' ability to operate include, inter alia:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly or willfully soliciting, receiving, offering or paying any remuneration, overtly or covertly, directly or indirectly, in cash or in kind, in return for or to induce either the referral of an individual for, or the purchase, lease, order, arrange for, or recommendation of, any good, facility, item or services for which payment may be made, in whole or in part, under a federal healthcare program;
- federal false claims laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from or approval by a governmental payer program that are false or fraudulent;
- the federal Health Insurance Portability and Accountability Act of 1996, which established new federal crimes for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, willfully obstructing a criminal investigation of a health care offense, concealing a material fact, or making materially false statements in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal physician sunshine requirements under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, which requires certain manufacturers of drugs, devices, biologicals, and medical supplies to report annually to the Centres for Medicare & Medicaid Services information related to payments and other transfers of value to physi-

cians and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members. If Curetis' operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to it, it may be subject to penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of Curetis' operations, the exclusion from participation in federal and state healthcare programs and individual imprisonment, any of which could have a material adverse effect on Curetis' business, financial condition, cash flows and results of operations.

Curetis faces risks related to handling hazardous materials and other regulations governing environmental safety.
Curetis' operations are subject to complex and stringent environmental, health, safety and other governmental laws and regulations that both public officials and private individuals may seek to enforce. Curetis' activities that are subject to these regulations include, among other things, Curetis' use of hazardous materials, such as patient samples containing pathogens or clinical isolates of pathogens. Curetis may not be in material compliance with these regulations and costs to achieve compliance may be significant. Existing laws and regulations may also be revised or reinterpreted, or new laws and regulations may become applicable to Curetis, whether retroactively or prospectively, that may have a negative effect on Curetis' business and results of operations. It is also impossible to eliminate completely the risk of accidental environmental contamination or damage to the health of individuals. In such an event, Curetis could be liable for any damages, which could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Curetis depends on its information technology systems, and any failure of these systems could harm Curetis' business.
Curetis depends on information technology systems for critical parts of its operations, including the storage of data and retrieval of critical business information. Curetis has installed, and expects to expand, a number of enterprise software systems that affect a broad range of business processes and functional areas. These information technology systems may support a variety of functions, including laboratory operations, test validation, quality control and research and development activities. Curetis' clinical trial data for the LRT55 Application Cartridge trials is currently stored on a third-party server. Curetis had also done this for the EU trial for the P50 Application Cartridge in the past and expects to do this also for future FDA trials as well as other larger multi-center trials for future Application Cartridges.

Information technology systems are vulnerable to damage from a variety of sources, including network failures, malicious human acts and natural disasters. Moreover, despite network security and back-up measures, some of Curetis' servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Failures or significant downtime of Curetis' information technology systems or those used by Curetis' third-party service providers could prevent Curetis from conducting its general business operations. Any disruption or loss of information technology systems on which critical aspects of Curetis' operations depend could have an adverse effect on Curetis' business. Further, Curetis stores highly confidential information on its information technology systems, including information related to clinical data, product designs, trade secret information, software codes, engineering drawings and plans to create new products. If Curetis' servers or the servers of the third-party on which Curetis' clinical data is stored are attacked by a physical or electronic breaking, computer virus or other malicious human action, Curetis' confidential information could be stolen, altered or destroyed, which, in turn, could result in damage to Curetis' reputation, to customers stop buying Curetis' products, lawsuits and potential liability, and could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Curetis has entered into a lease agreement for a manufacturing plant in which its laboratory facilities are located. The unexpected termination or non-renewal of this lease agreement could have a significant adverse effect on Curetis' business, financial position and results of operations.
Curetis has entered into a lease agreement with Joma-Polytec GmbH for 1,600 sqm of manufacturing and logistics space for its manufacturing plant in which its Bodelshausen laboratory facilities are located. The lease term has been extended until 30 June 2020 and, under the current lease agreement, Curetis has an option to further extend the lease by an additional five-year term. Curetis has invested significantly in the installation of tailored clean rooms, automated Application Cartridge manufacturing equipment and laboratory facilities in the buildings located at this plant. As a consequence, untimely termination or failure to renew its lease agreement with Joma-Polytec GmbH would force Curetis to invest significant monetary and managerial resources to move to an alternative manufacturing facility and Curetis may have difficulty in meeting deadlines for customer orders due to the significant production downtime such relocation would cause. As a result, the unexpected termination or nonrenewal of this lease agreement could have a significant adverse effect on Curetis' business, financial position and results of operations.

RISKS RELATED TO INTELLECTUAL PROPERTY

If Curetis is unable to protect its intellectual property effectively, its business would be harmed.
Curetis relies on patent protection as well as trademark, copyright, trade secret protection and confidentiality agreements to protect the intellectual property rights related to its proprietary technologies. The strength of patents in Curetis'

field involves complex legal and scientific questions. Uncertainty created by these questions means that Curetis' patents may provide only limited protection and may not adequately protect Curetis' rights or may reduce Curetis ability to gain or keep any competitive advantage. Curetis owns three issued patents (two in Australia, one in Singapore), one accepted patent in Australia and 22 pending (EU, US and under the Patent Cooperation Treaty ("PCT") patent applications, including provisional and non-provisional filings, as well as twelve filed and published applications for registered designs (seven in the EU; two in the US, two in Switzerland and one in Japan) (see "Business – Intellectual Property"). If Curetis fails to protect its intellectual property, third parties may be able to compete more effectively against Curetis and Curetis may incur substantial litigation costs in its attempts to recover or restrict use of its intellectual property. In addition, some of Curetis' patents and patent applications were not filed by it, but were either acquired by it or are licensed from third parties. Thus, these patents and patent applications were not drafted by Curetis or its attorneys, and Curetis did not control or have any input into the prosecution of these patents and patent applications either prior to Curetis' acquisition of, or entry into a license with respect to, such patents and patent applications.

There can be no assurance whether any of Curetis' currently pending or future patent applications will result in issued patents with claims that cover Curetis' products and technologies in the EU, the US or other jurisdictions, and Curetis cannot predict how long it will take for such patents to be issued. Typically, patents in this field are granted in a time frame of two to seven years after filing and patents can be only enforced from the moment they are granted. Currently, Curetis does not own granted patents that can be enforced in the regions in which it is currently commercially active. Further, the issuance of a patent is not conclusive as to its inventorship or scope, and there is no guarantee that Curetis' issued patents will include claims that are sufficiently broad to cover Curetis' technologies or to provide meaningful protection from Curetis' competitors. Further, it is possible that not all relevant prior art relating to Curetis' patents and patent applications has been found, which could invalidate Curetis' issued patents or prevent a patent from being issued.

Even if patents are issued and even if such patents cover Curetis' products and technologies, other parties may challenge the validity, enforceability or scope of such issued patents in the US in the EU or in other jurisdictions. Moreover, there is no guarantee that if such patents were challenged that the patent claims will be held valid, enforceable, will be sufficiently broad to cover Curetis' technologies or provide meaningful protection from its competitors. Nor can it be guaranteed that a court or competent authority will uphold Curetis' ownership rights in such patents, which could adversely affect Curetis' business, financial position, cash flows and results of operations.

In particular, recent changes to the US patent laws may impact Curetis' ability to obtain and enforce its patent rights in the US. For example, recent decisions by US federal courts, including the US Supreme Court, have limited the protection available for clinical diagnostic innovations that rely on naturally occurring genetic sequences and metabolic phenomena. In addition, the Leahy-Smith America Invents Act (the "AIA") included a number of significant changes to US patent law. The US Patent and Trademark Office ("PTO") has implemented and is periodically revising regulations and procedures to govern administration of the AIA, and many of the substantive changes to patent law associated with the AIA were enacted 16 March 2013. However, it is not clear what, if any, impact the AIA will have on the operation of Curetis' business. The AIA and its implementation, including any future revisions to current PTO regulations, could increase the uncertainties and costs surrounding the prosecution of Curetis' patent applications, all of which could have a material adverse effect on Curetis' business, financial position, cash flows and results of operations.

Furthermore, even if they are unchallenged, Curetis' patents and patent applications may not adequately protect its intellectual property, provide exclusivity for Curetis' products and technologies or prevent others from designing around Curetis' claims. Others may independently develop similar or alternative products and technologies or duplicate any of Curetis' products and technologies. These products and technologies may not be covered by claims of issued patents owned by Curetis. Any of these outcomes could impair Curetis' ability to prevent competition from third parties. In addition, competitors could purchase Curetis' products and attempt to replicate some or all of the competitive advantages Curetis derives from its development efforts. If Curetis' intellectual property, including licensed intellectual property, does not adequately protect its market position against competitors' products and methods, Curetis' competitive position could be adversely affected, as could Curetis' business.

Further, if Curetis encounters delays in regulatory approvals, the period of time during which Curetis could market a product under patent protection could be reduced. Various extensions may be available; however, the life of a patent, and the protection it affords is limited and usually a patent expires 20 years after the respective filing. The laws of countries outside the EU or the US do not always protect intellectual property rights to the same extent and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not support or provide legal measures for the enforcement of patents and other intellectual property protection, particularly those relating to technologies relating to biotechnology, which could make it difficult for Curetis to stop an infringement of its patents. Proceedings to enforce Curetis' patent rights in foreign jurisdictions could result in

substantial cost. Also, because Curetis has not pursued patents in all countries, there exist jurisdictions where Curetis is not protected against third parties using its proprietary technologies.

Curetis depends on certain technologies that are licensed to it. Curetis does not control the intellectual property rights covering these technologies and any loss of its rights to these technologies or the rights licensed to it could prevent Curetis from selling its products.
Curetis is party to a number of strategic supply agreements, including with Acumen as licensor for the sepsis host response Application Cartridges, under which Curetis is, inter alia, granted rights to intellectual property that is important to Curetis' business. Curetis expects that it may need to enter into additional license agreements in the future. Curetis relies on these licenses to be able to use various proprietary technologies that are material to its business. Curetis also relies on non-exclusive licenses from other third parties related to materials used in Curetis' research and development activities. Curetis' rights to use these technologies and employ the inventions claimed in the licensed patents are subject to the continuation of and Curetis' compliance with the terms of those licenses.

As Curetis has done previously, it may need to obtain licenses from third parties to advance its research or allow commercialization of its products and technologies. Curetis cannot provide any assurances that third party patents do not exist which might be enforced against Curetis' current or future products and technologies in the absence of such a license. Curetis may fail to obtain any of these licenses on commercially reasonable terms, if at all. In that event, Curetis may be required to expend significant time and resources to develop or license replacement technology. If Curetis is unable to do so, it may be unable to develop or commercialize the affected products and technologies, which could materially harm Curetis' business and the third parties owning such intellectual property rights could seek either an injunction prohibiting Curetis' sales or an obligation on Curetis' part to pay royalties or other forms of compensation. Even if Curetis is able to obtain a license, it may be nonexclusive, thereby giving Curetis' competitors access to the same technologies licensed to it. In addition, in some cases, Curetis does not control the prosecution, maintenance, or filing of the patents that are licensed to it, or the enforcement of these patents against infringement by third parties. Licensing of intellectual property is of critical importance to Curetis' business and involves complex legal, business and scientific issues. Disputes may arise between Curetis and its licensors regarding intellectual property subject to a license agreement. If disputes over intellectual property that Curetis has licensed prevent or impair its ability to maintain Curetis' current licensing arrangements on acceptable terms, Curetis may be unable to successfully develop and commercialize the affected products and technologies.

Curetis may be involved in lawsuits to protect or enforce its patents and proprietary rights, to determine the scope, enforceability and validity of others' proprietary rights, or to defend against third-party claims of intellectual property infringement, any of which could be time-intensive and costly and may adversely impact Curetis' business or price of Shares.
Curetis' commercial success depends on its ability to develop, manufacture and commercialize its Unyvero Platform without infringing the patents and other intellectual property rights of third parties. While Curetis has not received notices of claims of infringement or misappropriation or misuse of other parties' proprietary rights in the past, it may receive such notices in the future. Some of these claims may lead to litigation. Third parties may assert that Curetis is employing their proprietary technology without authorization. For instance, Curetis may be subject to claims that former employees, collaborators or other third parties have an ownership interest in Curetis' patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. Because patent applications can take many years to issue, third parties may have currently pending patent applications which may later result in issued patents that Curetis' products may infringe, or which such third parties claim are infringed by the use of Curetis' technologies. It is not sure if Curetis will prevail in such actions, or that other actions alleging misappropriation or misuse by Curetis of third party trade secrets or infringement by Curetis of third-party patents, trademarks or other rights, or challenging the validity of Curetis' patents, trademarks or other rights, will not be asserted against Curetis. Litigation may be necessary for Curetis to enforce its patent and proprietary rights or to determine the scope, enforceability or validity of the proprietary rights of others. In the event that third parties accuse Curetis of infringing their patents, Curetis could incur substantial costs and consume substantial resources in defending against these claims. If such claims prove to be valid, this could lead to significant damages, royalty payments or an injunction preventing the sale of certain of Curetis' products, which could have a materially adverse effect on Curetis' business, financial position and results of operations. In addition, Curetis may lose valuable intellectual property rights.

The outcome of any litigation or other proceeding is inherently uncertain and might not be favorable to Curetis. In the event of a successful claim of infringement against Curetis, it could be required to redesign its infringing products or obtain a license from such third-party to continue developing and commercializing Curetis' products and technology. Further, if the scope of protection provided by Curetis' patents or patent applications is threatened or reduced as a result of litigation, it could discourage third parties from entering into collaborations with Curetis that are important to the commercialization of its products.

Curetis relies on trade secret protection, confidentiality agreements and invention and patent assignment agreements.

Curetis relies on trade secret protection and confidentiality agreements with Curetis' employees, consultants, corporate partners, advisors and other third parties to protect proprietary know-how, information or technology that is not patentable or that it elects not to patent, in order to maintain its competitive position. Curetis also enters into confidentiality and invention or patent assignment agreements with its employees and consultants that obligate them to assign to Curetis any inventions developed in the course of their work. Curetis' agreements may not be enforceable or may not provide meaningful protection for Curetis' trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, and Curetis may not be able to prevent such unauthorized disclosure. Monitoring unauthorized disclosure is difficult, and Curetis may not have taken sufficient and adequate measures to prevent such disclosure. In addition, Curetis' trade secrets may otherwise become known or be independently discovered by competitors, or competitors could patent proprietary know-how for which Curetis only relies on trade secret protection. If Curetis was to enforce a claim that a third party had illegally obtained and was using its trade secrets, it would be expensive and time consuming, and the outcome would be unpredictable. If any of the technology or information that Curetis protects as trade secrets were to be lawfully obtained or independently developed by a competitor, Curetis would have no right to prevent them from using that technology or information to compete with it. Misappropriation or unauthorized disclosure of Curetis' trade secrets could impair Curetis' competitive position and may have a material adverse effect on its business, financial position, cash flows and results of operations. In addition, Curetis may not have entered into, and may not in the future enter into, invention or patent assignment agreements with all relevant employees, consultants or other third parties, and any such agreements which are entered into may not be enforceable. Curetis may be subject to claims that former employees, consultants or other third parties have an ownership interest in Curetis' patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership, and Curetis could incur substantial costs and consume substantial resources in defending these claims. If Curetis fails in defending any such claims, it may, in addition to paying monetary damages, lose valuable intellectual property rights, or the exclusive ownership of, or right to use, such intellectual property. This could impair Curetis' competitive position and may have a material adverse effect on its business, financial position, cash flows and results of operations.

Curetis may be subject to damages resulting from claims that Curetis or its employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that Curetis' employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of Curetis' employees were previously employed at universities or other medical device companies, including Curetis' competitors or potential competitors. The agreements Curetis enters into with its employees, collaborators and other third parties to protect its ownership of intellectual property rights may not be sufficient. In addition, Curetis may be subject to claims that these employees or Curetis has inadvertently or otherwise used or disclosed trade secrets or other proprietary information of its employees' former employers, or may be subject to ownership disputes in the future arising, which could impair Curetis' competitive position and may have a material adverse effect on its business, financial position, cash flows and results of operations.

If Curetis' trademarks and trade names are not adequately protected, Curetis may not be able to build name recognition in its markets of interest, and Curetis' business may be adversely affected.

Curetis has not yet registered certain of its trademarks, including Curetis and Unyvero, in all of its current markets. If Curetis applies to register these trademarks, Curetis' applications may not be allowed for registration, and Curetis' registered trademarks may not be maintained or enforced. In addition, opposition or cancellation proceedings may be filed against Curetis' trademark applications and registrations, and Curetis' trademarks may not survive such proceedings. If Curetis does not secure registrations for its trademarks, Curetis may encounter more difficulty in enforcing them against third parties than it otherwise would. The failure to protect its trademarks could also impair Curetis' competitive position and may have a material adverse effect on its business, financial position, cash flows and results of operations. Furthermore, Curetis' registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. Curetis may not be able to protect its rights to the trademarks and/or trade names it needs to build name recognition by potential partners or customers in its future markets, such as the US and China. Over the long term, if Curetis is unable to establish name recognition based on its trademarks and trade names, Curetis may not be able to compete effectively in the MDx market and its business, financial position, cash flows and results of operations may be adversely affected.

RISKS RELATED TO INVESTMENT INTO SHARES

The market price of the Shares may fluctuate significantly and investors could lose all or part of their investment.

The stock markets in general, and the markets for pharmaceutical and biotechnology shares in particular, have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any one of the following factors, among others, may cause a substantial decline in the markets in which Curetis operates:

general economic conditions; geopolitical conditions, including war, acts of terrorism and other man-made or natural disasters; regulatory developments in the EU, the US and other jurisdictions; changes in the structure of healthcare payment systems; publication of significant new scientific research; announcements of technological innovations or new products by Curetis or its competitors; developments in regulatory clearance processes of Curetis or its competitors; publication of research reports about the pharmaceutical or biotechnology industries by securities or industry analysts; changes in estimates by stock market analysts and other events and factors beyond Curetis' control. These factors, and the factors described elsewhere in this section, could significantly reduce the trading price of the Shares.

The Company will incur increased costs as a result of being a public company.
As a public company, the Company will incur a higher level of legal, accounting, financial compliance, reporting and other expenses than it did as a privately owned company as compliance with rules and regulations applicable to listed companies will require additional resources and make some activities more time-consuming than they have been in the past. In addition, these rules and regulations could make it more difficult for the Company to attract and retain qualified persons to serve on the Management Board and Supervisory Board and may divert its management's attention.

Future issuances or sales of substantial numbers of Shares or securities convertible into Shares, as part of a stock option program used as a success based management and senior employee remuneration component or otherwise, or the perception that these issuances or sales may occur, may adversely affect the market price of the Shares and any future issuance of Shares may dilute investors' shareholdings. Although the Company, all existing Shareholders, all former and current employees of Curetis holding Shares and the Managing Directors have entered into separate lock-up agreements, respectively, to certain restrictions on issuing, selling or transferring Shares for a period of 365 days after the Settlement Date, the Joint Bookrunners may, in their sole discretion and at any time, waive such restrictions.
The General Meeting has designated the Management Board, for a period that ends 18 months following the IPO, as the corporate body designated to, subject to approval of the Supervisory Board, issue Shares or grant rights to subscribe for Shares and to restrict or exclude statutory pre-emptive rights in relation to the issue of Shares or the granting of rights to subscribe for Shares. Pursuant to this designation, the Management Board may, subject to approval of the Supervisory Board, resolve to issue Shares or grant rights to subscribe for Shares (i) up to a maximum of 10% of the total number of Shares issued and outstanding on the Settlement Date (as defined below) plus (ii) an additional 10% of the total number of Shares issued and outstanding on the Settlement Date in connection with or on the occasion of mergers and acquisitions and strategic alliances. Such authorization may from time to time be extended by a resolution of the General Meeting, subject to the limitations set out above.

Shares, debt or equity securities convertible into Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Shares. For further details please see Note 4.20 of the Notes to the consolidated financial statement 2015. In addition, Curetis may in the future seek to issue additional Shares as consideration for or otherwise in connection with the acquisition of new businesses.

Furthermore, Curetis may issue new Shares in the context of any new employment arrangement for involving employees in the capital of the Company. The issuance of any additional Shares may dilute an investor's shareholding interest in the Company. Furthermore, any additional debt or equity financing Curetis may need may not be available on terms favorable to Curetis or at all, which could adversely affect Curetis' future plans and the market price of the Shares. Any additional offering or issuance of Shares by the Company or the perception that an offering or issuance may occur could also have a negative impact on the market price of the Shares and could increase the volatility in the trading price of the Shares.

The market price of the Shares could decline if a substantial number of Shares is issued by the Company or sold by existing Shareholders in the public market or if there is a perception that such issues or sales could occur.

Furthermore, a sale of Shares by any or all of the Managing Directors could be considered as a lack of confidence in the performance and prospects of Curetis and could cause the market price of the Shares to decline.

The Company has agreed with the IPO Underwriters, pursuant to an underwriting agreement dated 10 November 2015 among the Company and the Underwriters, to restrictions on, inter alia, its ability to issue, sell or transfer Shares for a period of 365 days after the Settlement Date. All existing Shareholders, all former and current employees of Curetis holding Shares and the Managing Directors have agreed with the Sole Global Coordinator (on behalf of the Underwriters), pursuant to several lock-up agreements dated 26 October 2015, to restrictions on their ability to, inter alia, sell and transfer Shares for a period of 365 days after the Settlement Date. The Joint Bookrunners may in their sole discretion and at any time, waive certain of such restrictions on issuances, sales or transfers.

Holders of Shares who are resident or located in certain jurisdictions outside the Netherlands, including the US, may be unable to exercise pre-emptive rights in future offerings and, as a result, may experience dilution.

In the event of an increase in the Company's share capital, Shareholders are generally entitled to pre-emptive rights, unless these rights are restricted or excluded either by a resolution of the General Meeting or of the Management Board, with the approval of the Supervisory Board (if the Management Board has been designated by the General Meeting). However, the securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in offerings of the Company's securities and to exercise pre-emptive rights. Accordingly, subject to certain exceptions, Shareholders with registered addresses, or who are resident or located in certain jurisdictions outside the Netherlands, including the US, will not be eligible to exercise pre-emptive rights. As a result, such Shareholders may experience dilution of their ownership and voting interests in the Company's share capital.

The Company does not intend to pay dividends for the foreseeable future.
The Company does not intend to pay any dividends for the foreseeable future. Payment of future dividends to Shareholders will effectively be at the discretion of the Management Board, subject to the approval of the Supervisory Board after taking into account various factors including Curetis' business prospects, cash requirements, financial performance and new product development. In addition, the Company is a holding company with no material, direct business operations. Its principal asset is its direct ownership of Curetis AG. As a result, the Company is dependent on loans, dividends and other payments from Curetis AG to generate the funds necessary to meet its financial obligations, including the payment of dividends. Accordingly, investors cannot rely on dividend income from the Shares and any returns on an investment in the Shares will likely depend entirely upon any future appreciation in the price of the Shares. The Company can provide no assurance that the price of the Shares will appreciate after the Offering or that the market price for the Shares will not fall below the Offer Price.

Investors with a reference currency other than euro will become subject to foreign exchange rate risk when investing in the Shares.
The Shares are, and any dividends to be announced in respect of the Shares, will be, denominated in euro. An investment in the Shares by an investor whose principal currency is not the euro exposes the investor to currency exchange rate risk that may impact the value of the investment in the Shares or any dividends.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about Curetis' business, or publish projections that exceed Curetis' actual results, the price of Shares and trading volume could decline.
The trading market for the Shares may be affected by the research and reports that securities or industry analysts publish about the Company or Curetis' business. If no or few securities or industry analysts commence and maintain adequate research coverage of Curetis, or if one or more of the analysts who covers the Company downgrades the Shares or publishes inaccurate or unfavorable research about Curetis' business, the trading price for the Shares could be negatively impacted. In addition, the analysts' projections may have little or no relationship to the results Curetis actually achieves and could cause the price of the Shares to decline if Curetis fails to meet the analysts' projections. If one or more analysts ceases coverage of Curetis or fails to publish reports on Curetis regularly, the Company could lose visibility in the financial markets, which in turn could cause the Company's market price or trading volume of the Shares to decline.

The ability of Shareholders to bring action or enforce judgments against the Company, Managing Directors and Supervisory Directors may be limited.
The ability of Shareholders to bring an action against the Company may be limited under law. Following the Conversion, the Company will be a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands. The rights of Shareholders are governed by Dutch law and the Articles of Association. These rights differ from the rights of Shareholders in typical US corporations and other non-Dutch corporations. It may be difficult for a Shareholder to prevail in a claim against the Company or to enforce liabilities predicated upon non-Dutch laws. A Shareholder may not be able to enforce a judgment against the Managing Directors or Supervisory Directors. The Managing Directors and some of the Supervisory Directors are residents of Germany. Consequently, it may not be possible for a Shareholder to effect service of process upon the Managing Directors or the Supervisory Directors within such Shareholder's country of residence, or to enforce against the Managing Directors or the Supervisory Directors judgments of courts of such Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a Shareholder will be able to enforce any judgment in civil and commercial matters or any judgments against the Managing Directors or the Supervisory Directors who are residents of countries other than those in which the judgment is made.

Any sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax.
On 14 February 2013, the European Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax (the "**Financial Transaction Tax**"). The intention is for the Financial Transaction Tax to

be implemented via an enhanced cooperation procedure in eleven member states of the EU (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, together, the "**Participating Member States**"). Pursuant to the Draft Directive, the Financial Transaction Tax will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The Financial Transaction Tax shall, however, not apply to (inter alia) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. The rates of the Financial Transaction Tax shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The Financial Transaction Tax shall be payable by each financial institution established or deemed established in a Participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the Financial Transaction Tax due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the Financial Transaction Tax due. Investors should therefore note, in particular, that any sale, purchase or exchange of Shares will be subject to the Financial Transaction Tax at a minimum rate of 0.1% provided the above-mentioned prerequisites are met. The investor may be liable to pay this charge or reimburse a financial institution for the charge, or the charge may affect the value of the Shares. The issuance of new Shares should not be subject to the Financial Transaction Tax.

The Draft Directive is still subject to negotiation among the Participating Member States and therefore may be changed at any time. A committee of the EU Parliament published a draft report on 19 March 2013, suggesting amendments to the Draft Directive. If the amendments were included in the eventual Directive, the Financial Transaction Tax would have an even broader reach. Moreover, once the Draft Directive has been adopted (the Directive), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Investors should consult their own tax advisors in relation to the consequences of the Financial Transaction Tax associated with subscribing for, purchasing, holding and disposal of the Shares.

The Company may be classified as a passive foreign investment company for US federal income tax purposes, which could subject US investors in the Shares to significant adverse tax consequences.

Curetis may be classified as passive foreign investment company ("**PFIC**") for US federal income tax purposes for the current or any future taxable year. PFIC status is a factual determination made for each taxable year on the basis of the composition of Curetis' income and its assets for such year. Based on certain estimates of Curetis' gross income and gross assets, as well as the nature of its business, Curetis does not believe that it was a PFIC for US federal income tax purposes for its most recent taxable year and does not expect that it will be a PFIC for its current taxable year or in the foreseeable future. However, there can be no assurance that Curetis will not be considered a PFIC for any future taxable year. If Curetis were to become classified as a PFIC for any taxable year during which a US investor held the Shares, certain adverse US federal tax consequences could apply to such US investor. Prospective US investors are urged to review the discussion below under the section "Taxation – US Federal Income Tax Considerations"

STATEMENT OF THE BOARD

In accordance with Article 5:25c paragraph 2 sub c of the Financial Supervision Act the Board of the Company confirms that, to the best of their knowledge, (i) the financial statements in this Annual Report 2015 give a true and fair view of our assets and liabilities, the Group's financial position as at December 31, 2015, and the results of its consolidated operations for the financial year 2015; and (ii) the Report of the Board includes a fair review of the position as at December 31, 2015, and the development and performance during the financial year 2015 of Curetis N.V. and the undertakings included in the consolidation taken as a whole, and describes the principal risks that Curetis N.V. faces. The names and positions of the members of the Board can be found below (current composition of the Board).

MANAGEMENT STRUCTURE

The Company (i.e. Curetis N.V.) has a two-tier board structure consisting of the Management Board (bestuur) and the Supervisory Board (raad van commissarissen). The Management Board is, among other things, responsible for the day-to-day management, formulating strategies and policies, and setting and achieving the Company's objectives. The Supervisory Board supervises and advises the Management Board.

Set out below is a summary of certain information concerning the Management Board, the Supervisory Board and corporate governance. It presents a summary of certain provisions of Dutch corporate law as in effect on the date of this Annual Report as well as relevant information of the Articles of Association, the Management Board Rules, the Supervisory Board Rules and the Committee Rules.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to the relevant provisions of Dutch law as in force on the date of this Annual Report and the Articles of Association, the Management Board Rules and the Supervisory Board Rules as in effect upon conversion. Complete versions the Articles of Association in the governing Dutch language and in an unofficial English translation thereof, Management Board Rules, the Supervisory Board Rules, Committee Rules and further details on corporate governance are publicly available at the corporate investor website (http://www.curetis.com/en/investors.html).

MANAGEMENT BOARD

RESPONSIBILITY, POWERS AND FUNCTIONING

The Management Board is responsible for the management of Curetis' operations, subject to the supervision of the Supervisory Board. The Management Board's responsibilities include, among other things, defining and attaining the Company's objectives, determining the Company's strategy and risk management policy, and day-to-day management of the Company's operations. The Management Board may perform all acts necessary or useful for achieving the Company's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association. Pursuant to the Management Board Rules, the Managing Directors will divide their tasks among themselves in mutual consultation, subject to the approval of the Supervisory Board. In performing their duties, the Managing Directors must carefully consider and act in accordance with the interests of the Company and the business connected with it, taking into consideration the interests of all the stakeholders of Curetis (which includes, but is not limited to its customers, its employees and the Shareholders).

The Management Board shall timely provide the Supervisory Board with all information necessary for the exercise of the duties of the Supervisory Board. The Management Board is required to notify the Supervisory Board in writing of the main features of the Company's strategic policy, general and financial risks and management and control systems, at least once per year. The Management Board must submit certain important decisions to the Supervisory Board and/or the General Meeting for approval, as more fully described below. Subject to certain statutory exceptions, the Management Board as a whole is authorized to represent the Company. Each Managing Director, acting jointly with another Managing Director, has the authority to represent the Company. In addition, pursuant to the Articles of Association, the Management Board is authorized to appoint proxy holders (procuratiehouders) who are authorized to represent the Company within the limits of the specific delegated powers provided to them in the proxy.

MANAGEMENT BOARD RULES

Pursuant to the Articles of Association, the Management Board may adopt rules of procedure that regulate internal matters concerning its functioning and internal organization (the "Management Board Rules"). The Management Board Rules have come into effect upon the IPO.

COMPOSITION, APPOINTMENT AND REMOVAL

The Articles of Association provide that the Management Board shall consist of two or more members and that the Supervisory Board determines the exact number of Managing Directors after consultation with the Management Board. Currently, the Management Board consists of four Managing Directors.

The General Meeting appoints the Managing Directors. The Supervisory Board shall make a non-binding nomination in case a Managing Director is to be appointed. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made, which is also considered to be the case if the Supervisory Board's vote on the nomination ties, this must be stated in the notice. However, the General Meeting is not bound by a nomination and may appoint a Managing Director at its discretion, provided a proposal to appoint another person has been put on the agenda of the relevant General Meeting or, failing that, the entire issued capital is represented at the General Meeting and the resolution to appoint the alternative Managing Director has been adopted unanimously. The Supervisory Board may appoint one of the Managing Directors as Chief Executive Officer, or grant any other title to a Managing Director.

A resolution of the General Meeting to appoint a Managing Director in accordance with the nomination of the Supervisory Board shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Managing Director other than in accordance with a nomination of the Supervisory Board, but in accordance with the agenda for such General Meeting shall require an absolute majority of the votes cast representing at least a third of the Company's issued share capital.

The General Meeting may at any time and at the proposal of the Supervisory Board suspend or dismiss a Managing Director. Should the General Meeting wish to suspend or dismiss a Managing Director other than in accordance with a proposal of the Supervisory Board, such suspension or dismissal needs to be adopted by an absolute majority of the votes cast, representing at least a third of the Company's issued capital. The Supervisory Board may at all times suspend but not dismiss a Managing Director. A General Meeting must be held within three months after a suspension of a Managing Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension, for a maximum period of another three months. The suspended Managing Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Managing Director, the suspension will cease after the period of suspension has expired.

TERM OF APPOINTMENT

The Managing Directors will be appointed for a term of not more than four years. A Managing Director may be reappointed for a term of not more than four years at a time. The Supervisory Board has prepared a resignation schedule for the Managing Directors which is reflected in the right hand column labelled 'Term' of the table under the heading " – *Managing Directors*" below.

MEETINGS AND DECISION-MAKING

Pursuant to the Management Board Rules, the Managing Directors shall endeavor to achieve that resolutions are as much as possible adopted unanimously. Where unanimity cannot be reached and the law and the Articles of Association or the Management Board Rules do not prescribe a larger majority, resolutions of the Management Board are adopted by a majority vote. In the event of a tied vote, the resolution will be decided on by the Supervisory Board.

Pursuant to the Articles of Association, the Management Board shall furthermore require the approval of the Supervisory Board for a number of resolutions which include:

- the issue and acquisition of any of the Company's shares or debt instruments, or of debt instruments issued by a limited partnership or general partnership of which the Company is a fully liable partner;
- the application or the withdrawal for quotation in the listing on any stock exchange of the Company's shares or debt instruments, or of debt instruments issued by a limited partnership or general partnership of which the Company is a fully liable partner;
- the entry into or termination of a long-term cooperation of the Company or a dependent company with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of major significance to the Company;
- the participation for a value of at least one-fourth of the amount of the issued capital with the reserves according to the most recent adopted balance sheet (whether consolidated or not) with explanatory notes of the Company or by a dependent company in the capital of another company, as well as a significant increase or reduction of such a participation;
- investments involving an amount equal to at least the sum of one-fourth of the Company's issued capital plus the reserves as shown in its most recent adopted balance sheet (whether consolidated or not);

- a proposal to amend the Articles of Association;
- a proposal to dissolve (ontbinden) the Company;
- a proposal to conclude a legal merger (juridische fusie) or a demerger (splitsing);
- application for bankruptcy (faillissement) or for suspension of payments (surséance van betaling);
- the termination of the employment of a considerable number of employees of the Company or of a dependent company at the same time or within a short period of time;
- far-reaching changes in the employment conditions of a significant number of employees of the Company or of a dependent company; or
- a proposal to reduce the issued share capital.

Dutch law and the Articles of Association provide that decisions of the Management Board involving a significant change in the Company's identity or character are subject to the approval of the General Meeting.

Such changes include in any event:

- the transfer of all or substantially all of the Company's business to a third party;
- the entry into or termination of a long-term cooperation with other legal entities or companies, or as a fully liable partner in a limited partnership or a general partnership, if such cooperation or termination thereof is of material significance to the Company; or
- the acquisition or disposal by the Company or Curetis AG of a participation in the capital of a company with a value of at least one-third of the sum of the assets of the Company according to the Company's consolidated balance sheet including the explanatory notes in its last adopted annual accounts.

In addition, pursuant to the Articles of Association, the Supervisory Board may determine that other resolutions of the Management Board are subject to its approval, such resolutions must be clearly defined in a resolution adopted by the Supervisory Board and should be notified to the Management Board.

Pursuant to the Articles of Association and the Management Board Rules, resolutions can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all Managing Directors entitled to vote have consented to adopting the resolutions outside a meeting.

In each of the abovementioned situations, the lack of approval (whether of the General Meeting or of the Supervisory Board) does not affect the authority of the Management Board or the Managing Directors to represent the Company.

MANAGING DIRECTORS

At the date of this Annual Report, the Management Board is composed of the following four members:

Name	Nationality	Age	Position	Date of initial Appointment	Term
Mr. Oliver Schacht, PHD	German	45	Chief Executive Officer	8 October 2015	until 31 December 2018
Mr. Johannes Bacher	German	47	Chief Operating Officer	8 October 2015	until 30 June 2019
Mr. Anderas Boos	German	55	Chief Technology Officer	8 October 2015	until 30 June 2019
Mr. Dr. Achim Plum	German	47	Chief Commercial Officer	8 October 2015	until 31 December 2018

The Company's registered address, Max-Eyth-Straße 42, 71088 Holzgerlingen, Germany, serves as the business address for the Managing Directors.

MR. OLIVER SCHACHT, PHD

Mr. Oliver Schacht, an expert in the diagnostics industry, has been CEO of Curetis AG since April 2011 and prior to that was a Supervisory Board member of Curetis AG from mid-2010 to end of the first quarter of 2011. He was a co-founder and the CFO of Epigenomics AG in Berlin and the CEO of the US subsidiary Epigenomics Inc. (Seattle, USA). Mr. Schacht has extensive experience in developing and implementing commercial strategies and financing measures (including an IPO), as well as in finance, M&A transactions and alliance negotiations. During his time at Epigenomics AG (1999-2011), he headed all central business functions, including corporate finance, investor relations, PR, marketing and business development at the Berlin headquarters. Mr. Schacht obtained his Diploma in European Business Administration at the European School of Business in Reutlingen and London in 1994 as well as a Master's degree and a PhD at the University of Cambridge (UK). During his time at Mercer Management Consulting (1995-1999), he worked on projects in the fields of M&A, growth strategies and re-organization in the pharmaceutical, biotechnology and other industries.

MR. ANDREAS BOOS

With over 25 years of professional experience at Hewlett Packard, Agilent and Philips, Curetis cofounder Mr. Andreas Boos brings a wealth of international experience in developing and implementing solutions for patient monitoring and on-site molecular diagnostics. As a graduate Electrical Engineer (Dipl. Ing.), Mr. Boos has successfully applied his project management skills to lead the development of several innovative and commercially successful medical devices for the global markets. In addition to his extensive knowledge of customer requirements, Mr. Boos brings to Curetis a comprehensive understanding of quality systems, standards and global regulatory approval procedures. At Curetis, he holds overall responsibility for manufacturing as well as continuous product improvements.

MR. JOHANNES BACHER

Mr. Johannes Bacher combines 20 years of R&D and managerial experience with extensive expertise in the fields of international project management, finance, human resources, legal affairs and the design of organizational structures. Hence, the Curetis co-founder is ideally suited to managing all R&D operations and clinical trials of Curetis. Mr. Bacher has a degree in Electrical Engineering (Dipl. Ing.) and has already worked for several international medical technology companies, including Hewlett Packard, Agilent and Philips Medical Systems.

MR. DR. ACHIM PLUM

Dr. Achim Plum joined Curetis in 2015 as Chief Commercial Officer overseeing all commercial activities including global marketing and sales, business development and medical affairs. He joined from a senior management position with Siemens where he was responsible for the assessment and development of novel approaches to the in vitro diagnostics market. Prior to Siemens, Dr. Plum worked for eight years with the publicly traded German-American molecular diagnostics company Epigenomics AG, most recently as Senior Vice President Business and Strategy. At Epigenomics, he built sales and marketing teams and distribution networks in Europe and the US, negotiated strategic commercial agreements with leading diagnostics industry players and led Epigenomics' corporate communications and compliance functions. Following undergraduate studies at the University of Bonn (Germany) and the University of East Anglia in Norwich (UK), Dr. Plum obtained his PhD in Molecular Genetics from the University of Bonn in 1999 for developing and studying novel genetic models of human diseases.

SUPERVISORY BOARD

RESPONSIBILITY, POWERS AND FUNCTIONING

The Supervisory Board is responsible for supervising the conduct and policies of the Management Board and of the general course of affairs of the Company and its business enterprise. The Supervisory Board also provides advice to the Management Board.

In performing their duties, the Supervisory Directors are required to be guided by the interests of the Company and its business enterprise, taking into account the interests of Curetis' stakeholders (which include but are not limited to Curetis' employees and the Shareholders). The Supervisory Board will also observe the corporate social responsibility issues that are relevant to Curetis' business. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board may, at the Company's expense, seek the advice which it deems desirable for the correct performance of its duties.

The Supervisory Board has drawn up a profile (profielschets) for its size and composition taking into account the nature of Curetis' business, the Supervisory Board's activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board must discuss the profile at the occasion of its adoption and review it annually and each amendment of the profile must be discussed in the General Meeting.

SUPERVISORY BOARD RULES

Pursuant to the Articles of Association, the Supervisory Board may adopt rules of procedure concerning the division of its duties and its working methods ("**Supervisory Board Rules**") and that of its committees as described below. The Supervisory Board Rules have been in effect since the IPO.

COMPOSITION, APPOINTMENT AND REMOVAL

The Articles of Association provide that the Supervisory Board must consist of a minimum of three members, with the exact number of Supervisory Directors to be determined by the Supervisory Board. As of the date of this Annual Report, the Supervisory Board consists of six members. Only natural persons may be appointed as Supervisory Director. Whilst the current composition of the Supervisory Board is in line with the characteristics outlined in the "Supervisory Board Profile", there is a continued strive to increase the number of independent Supervisory Board Directors, e.g. by some of the investor representatives stepping down over the course of the coming annual general shareholder meetings and new, independent Supervisory Board memebrs being identified and proposed for election at an upcoming general shareholder meeting. Special attention in such non executive board member searches will be given to enhancing the diversity in terms of gender, professional experience and expertise as well as geographic coverage. A dedicated search process with an outside search firm to identify additional non executive Supervisory Board members is ongoing at this point. For an explanation of any deviation from the Dutch Corporate Governance Code with regards to Supervisory Board members, please also see the relevant section below.

The General Meeting appoints the Supervisory Directors upon a non-binding nomination of the Supervisory Board. Any nomination by the Supervisory Board must be drawn up with due observance of the profile (profielschets) for the size and the composition of the Supervisory Board. The nomination must specify the reasons for the nomination. If no nomination has been made, which is also considered the case if the Supervisory Board's vote on the nomination ties; this must be stated in the notice. However, the General Meeting is not bound by a nomination and may appoint a Supervisory Director at its discretion, provided a proposal to appoint another person has been put on the agenda of the relevant General Meeting or, failing that, the entire issued capital is represented at the General Meeting and the resolution to appoint the alternative Supervisory Director has been adopted unanimously.

A resolution of the General Meeting to appoint a Supervisory Director in accordance with the nomination of the Supervisory Board shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Supervisory Director other than in accordance with a nomination of the Supervisory Board, but in accordance with the agenda for such General Meeting shall require an absolute majority of the votes cast representing at least a third of the Company's issued share capital. The Supervisory Board shall appoint one of its Supervisory Directors as Chairman and shall appoint one of its Supervisory Directors as Vice-Chairman.

The General Meeting may at any time, at the proposal of the Supervisory Board, suspend or dismiss a Supervisory Director. Should the General Meeting wish to suspend or dismiss a Supervisory Director other than in accordance with a proposal of the Supervisory Board, such suspension or dismissal needs to be adopted by an absolute majority of the votes cast representing at least a third of the Company's issued share capital. A General Meeting must be held within three months after a suspension of a Supervisory Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months. The suspended Supervisory

Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Supervisory Director, the suspension will cease after the period of suspension has expired.

TERMS OF APPOINTMENT

Supervisory Directors are appointed for a maximum period of four years, provided that, unless a member of the Supervisory Board resigns at an earlier date, his or her term of office lapses on the day of the first annual General Meeting to be held in the fourth year after the year of his or her appointment. A Supervisory Director may be reappointed for a term of not more than four years at a time, with due observance of the provision in the previous sentence. A Supervisory Director may be reappointed for a total of three consecutive four-year terms, which period may or may not be interrupted, unless the General Meeting resolves otherwise. The Supervisory Directors must retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board.

MEETINGS AND DECISION-MAKING

According to the Supervisory Board Rules, resolutions of the Supervisory Board can only be adopted in a meeting at which at least the majority of the Supervisory Directors is present or represented, provided that any member of the Supervisory Board with a direct or indirect personal conflict of interest (as specified in the Supervisory Board Rules) with the Company, is not taken into account when establishing this quorum.

The Supervisory Board holds at least four meetings per year, or more often as deemed necessary or desirable by one or more Supervisory Directors or Managing Directors. Meetings of the Supervisory Board are attended by the Managing Directors, unless the Supervisory Board decides otherwise and save for certain meetings as described in the Supervisory Board Rules.

Given that the Curetis N.V. Supervisory Board only came into existence upon the IPO on 11 November 2015 for fiscal 2015 there have only been two meetings. On 11th November in Amsterdam the Supervisory Board and Management Board held a meeting to discuss the post IPO operations of the Supervisory and Management Board interactions. During that meeting the three committees that have been established were also introduced and a joint kick off meeting held. In its meeting on 2 December 2015 the Supervisory Board met at Frankfurt airport for its first full Supervisory Board meeting. Key discussion items included the strategy and operational plans and budgets for 2016. In the course of this discussion the critical risk factors that had been systematically identified as part of the IPO process and risk management systems and internal controls of the company were discussed. It was agreed to establish a more formalized corporate risk management system as part of the corporate governance process post IPO in 2016.

None of the Supervisory Board members have been absent frequently from the board meetings held.

In addition to the two board meetings held by Curetis N.V., the supervisory board of Curetis AG as the operating company had met several times in 2015 (26 February, 17 April, 24 June, 24 September) at company headquarters in Holzgerlingen. Most prominent strategic discussion items focused around the preparation of the company for its IPO, the conversion to IFRS accounting, the corporate re-organization, selection of banking syndicate and advisors, choice of listing venue and exchanges, structuring and pricing of the IPO and establishing the required post IPO governance systems for the then to be publicly listed company. Another key area in 2015 has been the selection and recruiting of two additional non executive Supervisory Directos (Bill Rhodes and Mario Crovetto) for Curetis N.V.. As part of the IPO prospectus drafting and due diligence a systematic risk management assessment has been conducted and all material company risks have been assessed and described.

Pursuant to the Articles of Association, resolutions of the Supervisory Board will be adopted both at and outside a meeting by an absolute majority of the votes cast. In case of a tied vote, the proposal shall have been rejected. The Articles of Association specify that the Supervisory Board Rules may provide that resolutions can only be adopted if one or more Supervisory Directors with a specific function vote in favor of a specific proposal. The Supervisory Board Rules contain such a provision (see next paragraph).

Pursuant to the Supervisory Board Rules, the Supervisory Directors shall endeavor to achieve that resolutions are as much as possible adopted unanimously. Where unanimity cannot be reached and if no larger majority is required by law, the Articles of Association or the Supervisory Board Rules, the Supervisory Board may adopt resolutions by an absolute majority of the votes cast at the meeting. In the event of a tie in voting, the proposal shall have been rejected.

SUPERVISORY DIRECTORS

At the date of this Annual Report, Curetis' Supervisory Board is composed of the following six Supervisory Directors:

Name	Nationality	Age	Position	Date of initial Appointment	Term
Mr. William E. Rhodes, III	US American	61	Chairman of the Directors' Board	10 November 2015	End of annual General Meeting held in 2019
Mr. Mario Crovetto	Italian	62	Chairman of the Audit Committee	10 November 2015	End of annual General Meeting held in 2019
Mr. Dr. Werner Schäfer	German	67	Vice-Chairman	10 November 2015	End of annual General Meeting held in 2018
Mr. Dr. Frank Mühlenbeck	German	44	Member of the Board	10 November 2015	End of annual General Meeting held in 2016
Mr. Dr. Rudy Dekeyser	Belgian	53	Member of the Board	10 November 2015	End of annual General Meeting held in 2016
Mr. Dr. Holger Reithinger	German	49	Member of the Board	10 November 2015	End of annual General Meeting held in 2016

The Company's registered address, Max-Eyth-Straße 42, 71088 Holzgerlingen, Germany, serves as the business address for all Supervisory Directors.

MR. WILLIAM E. RHODES, III

Mr. William E. Rhodes, III, upon the IPO has been appointed as the Chairman of the Supervisory Board. Mr. Rhodes is a healthcare executive with more than 30 years of experience in the healthcare industry. He has been serving as Operating Partner with Linden Capital Partner's investment team since January 2013. During his 14-year career at Becton, Dickinson and Company (BD, 1998-2012), Mr. Rhodes held several senior leadership positions, including roles as Worldwide President of BD Biosciences (2009-2011). He was responsible for BD's corporate M&A activities as well as leading and growing operating companies. Furthermore, he founded BD Ventures, the venture capital arm of Becton, Dickinson and Co. Prior to Becton Dickinson, he served in senior business development positions at Johnson & Johnson and Pfizer Inc. Mr. Rhodes also served as President at The William-James Co. and has a track record of 20 successful acquisitions and divestitures.

He was director of Andor Technologies plc (2013-2014), and has served on the boards of Novocell Inc., Conticare Medical, Vitagen Inc., the California Healthcare Institute, BIO, San Jose State University Research Foundation and Silicon Valley Leadership Group. He currently serves as Director of Third Day Advisors LLC (since 2013), as Director of Omega Group plc (since 2013), Paramit Corporation LLC (since 2014) and Cellector Corporation (since 2015), and as a member of the Advisory Board of Cayuga Venture Fund (since 2013), as Advisory Council member of McGovern Family Center for Life Sciences, Cornell University (since 2013) and Entrepreneurship at Cornell, Cornell University (since 2015). Moreover, he is on the Editorial Board of the journal Clinical and Translational Medicine. Mr. Rhodes holds a Master's degree in International Business from Seton Hall University and a BSc degree from Cornell University. He originated eleven US patents for novel topical drugs and has been a lecturer on entrepreneurship in life sciences, innovation technology and M&A at Cornell University, Seton Hall University and San Jose State University.

MR. MARIO CROVETTO

Mr. Mario Crovetto has been appointed as the Chairman of the Audit Committee upon the IPO. Mr. Crovetto has been working as an independent advisor on M&A and corporate projects, notably integrations, divestments and financing since 2011. From 1999 to 2011, he was the CFO of Eurand NV (Specialty Pharmaceuticals), which he took public on NASDAQ in 2007. From 1990 to 1999, he held various senior business positions at Recordati (Pharmaceuticals), including VP of Corporate Development, Division Manager of Diagnostics and CFO. Prior to that, he held various positions at Montedison (Speciality Chemicals), Digital Equipment Corporation, Mobil and SIAR (Management Consulting). Mr. Crovetto holds a BSc degree in Economics from the Università Cattolica del Sacro Cuore, Milan and a Master's degree in Business Economics from Harvard University, Cambridge, MA.

MR. DR. WERNER SCHÄFER

Mr. Dr. Werner Schäfer has been elected Vice Chairman upon IPO. He is a specialist in the in-vitro diagnostics industry and he has nearly 30 years of management experience in in-vitro diagnostics, holding various international leadership positions throughout his career – including general management, marketing and R&D at major companies such as Behringwerke/ Hoechst, Abbott, Boehringer Mannheim and Roche Diagnostics. At Boehringer and Roche, he led the laboratory systems business unit and he served also as a member of the executive board of Roche Diagnostics GmbH until 2001. Since then, he has worked as a consultant and serves on various executive boards and supervisory boards in highly specialized diagnostics and medical technology companies. He was a member of the supervisory board of BRAHMS AG (2002 to 2009, sold to Thermo Fisher) mtm laboratories AG (2003 to 2011, sold to Roche), Vivacta Limited (2006 to 2012, sold to Novartis), Signature AG (2012-2013), Genomatix Software GmbH (2011 to 2013) and Cognoptix Inc. (2009 to 2014). He currently serves as a member of the advisory board of Human GmbH (since 2005), as the Chairman of the board of directors of ProteoMediX AG (since 2012) and as Vice-Chairman of Curetis AG (since 2014). Dr. Schäfer has a PhD in Chemistry from Philipps University Marburg.

MR. DR. FRANK MÜHLENBECK

Mr. Dr. Frank Mühlenbeck has been a Partner at EMBL Ventures, a Heidelberg-based VC fund, since October 2015. Previously, Dr. Mühlenbeck managed the healthcare business of aeris CAPITAL (2006-2015), a private investment office advising high-net-worth individuals. Prior to that, he worked at firstVenture Equity GmbH, a venture capital company in Heidelberg, and Steinbeis, a technology transfer institution in Germany. At Steinbeis, he founded the Steinbeis Transfer Center Biotech-Consult in 2001, a profit center within a franchise network. Investments where Frank Mühlenbeck served or serves on the board include US-based IonTorrent (investment in 2009, sold to Life Technologies in 2010), ConformMIS Inc. (investment 2004, board position since 2009, IPO on NASDAQ in 2015) and Sonetik AG (Switzerland – board position (Verwaltungsrat) since 2014). Previous board positions included Heidelberg-based Affimed (investment in 2001, IPO on NASDAQ in 2014, on the board until 2015), privately held companies Solstice LLC (drug development company in California), Loeser Medizintechnik GmbH (medtech company in Leipzig), Tuebingen Scientific GmbH (medtech company in Tuebingen) and Amphivena Therapeutics Inc. (drug development company in California). From 2009 to 2015, Dr. Mühlenbeck served as Chairman of the supervisory board at Curetis AG. Frank Mühlenbeck holds a lectureship at Karlsruhe University for commercial aspects of biotechnology. He studied Technical Biology at Stuttgart University and holds a Doctorate in Cell Biology.

MR. DR. RUDY DEKEYSER

Dr. Rudy Dekeyser is a non-executive director of the issuer. Dr. Dekeyser joined LSP in 2012 to become managing partner of LSP's Health Economics Fund. His prime focus and responsibility within LSP is the investment in unlisted securities. Prior to joining LSP, Dr. Dekeyser was Managing Director of VIB (1995 to 2012), the Flanders Institute for Biotechnology, which he helped establish in 1995. Under his leadership, the institute has grown to become one of Europe's most successful incubators in the area of life sciences. Over the years, Dr. Dekeyser has been appointed as Director of many companies and has been a Senior Advisor to a number of investment firms. Dr. Dekeyser served on the supervisory board of Ablynx. NV (2001 to 2007), CropDesign (1998 to 2006), Pronota NV (2004 to 2012), ActoGeniX NV (2006 to 2012) and Multiplicom NV (2010 to 2012). He currently serves as a member of the supervisory board of Sequana Medical AG (since 2014), Celyad SA (since 2005), reMYND NV (since 2009) and EMBLEM GmbH (since 2001). Since November 2014, he has been a member of the supervisory board at Curetis AG. Dr. Dekeyser is a Co-Founding Board Member of the European Association of Science and Technology Transfer Professionals (ASTP). Dr. Dekeyser has a Master's degree in Zoology and a Ph.D. in Molecular Biology from Ghent University.

MR. DR. HOLGER REITHINGER

Dr. Holger Reithinger has been a General Partner and Head of the Munich office of Forbion Capital Partners since April 2010. Previously, he was Principal and subsequently Partner at Global Life Science Ventures, a well-established life sciences-focused partnership with offices in Switzerland and Germany. He started his career in venture capital in 1997 as an Investment Manager at Technologieholding VC GmbH, which at that time was one of the leading German venture capital firms. Technologieholding was acquired by 3i Group in early 2000, when Dr. Reithinger became a Director at its Germany's healthcare practice. Prior to this, Dr. Reithinger gained operational experience as a Product Development Manager at Biometra/Whatman Plc (now part of GE Healthcare). Dr. Reithinger has served on the boards of numerous life sciences companies including Epigenomics (IPO 2004), MBT (assets sold to Medigene AG), 4SC (IPO 2005), Fibrex Medical (assets licensed to Ikaria Inc.), Agendia BV, Santaris A/S (sold to Roche 2014) and Cellnovo Limited (2014-2015). Dr. Reithinger currently holds board seats at Curetis AG (since 2011), Cellnovo Group S.A. (since 2015, IPO 2015), Allecra Therapeutics GmbH (since 2013) and Rigontec GmbH (since 2015). Dr. Reithinger studied Molecular Biology/Microbial Biology and Biochemistry at the Universities of Heidelberg and Munich. He holds a PhD in Biochemistry, which he obtained under the supervision of Prof. Dr. Arne Skerra (founder of Forbion's portfolio company Pieris AG) in the department of Prof. Dr. Hartmut Michel (Nobel Laureate 1988) at the Max-Planck-Institute of Biophysics.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board is supported by the Remuneration Committee, the Audit Committee and the Nomination and Appointment Committee. Each of the committees has a preparatory and/or advisory role to the Supervisory Board. In accordance with the Supervisory Board Rules, the Supervisory Board has drawn up respective rules on each Supervisory Board committee's role, responsibilities and functioning, which have been published online on the corporate investor website and is available at http://www.curetis.com/en/investors.html. As of the date of this Annual Report, the committees consist of three Supervisory Directors each. They report their findings to the Supervisory Board, which is ultimately responsible for all decision-making.

REMUNERATION COMMITTEE

The Remuneration Committee is a standing committee within the Supervisory Board and advises the Supervisory Board on the exercise of its duties regarding the remuneration policy of the Managing Directors within Curetis', including analyzing developments of the Code, and preparing proposals for the Supervisory Board on these subjects.

The members of the Remuneration Committee are:

- Dr. Frank Mühlenbeck,
- Dr. Rudy Dekeyser
- Mr. William E. Rhodes (Chairman)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The following presents a summary of the remuneration committee's terms of reference. The complete version is available at the companies' website.

Working within the Supervisory Board, the Remuneration Committee has the following duties:

- preparation of proposals of the Supervisory Board on the remuneration policy for the Managing Directors to be adopted by the General Meeting;
- drafting of proposals on the remuneration of the individual Managing Directors to be determined by the Supervisory Board (including the remuneration structure; and the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation awarded, as well as the performance criteria and their application);
- monitoring and analysis of developments of the Dutch Corporate Governance Code;
- applicable laws and regulations in relation to remuneration policies;
- preparation of the Remuneration Report;
- proposals to the Supervisory Board for the remuneration of the individual Supervisory Board Directors to be adopted by the General Meeting;
- review of the Management Board's proposals on the annual remuneration and bonuses of all employees.
- The Remuneration Committee meets at least three times very year. Meetings of the Remuneration Committee are in principle called by the Company Secretary on behalf of the Chairman of the Remuneration Committee, in consultation with the Chairman of the Remuneration Committee. The Remuneration Committee was established only upon IPO on 11 November 2015 and thus only held one inaugural meeting in Amsterdam on 11 November 2015 to discuss key aspects of its agenda. In a conference call on 23 December 2015 the Remuneration Committee resolved upon the definition of goals for the company as well its individual Management Board members for 2016 for the determination of any performance based bonus payments. Furthermore the Remuneration Committee discussed and resolved upon the bonus payment for Chief Commercial Officer Achim Plum for 2015. In the telco on 23 Defcember the Remuneration Committee also set its agenda for 2016, beginning with a review of potential structures and alternatives for a long-term equity linked incentive plan.

AUDIT COMMITTEE

The duties of the Audit Committee include the supervision and monitoring as well as advising the Management Board and each Managing Director regarding the operation of the Company's internal risk management and control systems.

The members of the Audit Committee are:

- Dr. Holger Reithinger,
- Dr. Rudy Dekeyser
- Mr. Mario Crovetto (Chairman)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Set out below is a summary of the terms of reference of the Audit Committee which can be obtained in a full version from the corporate investor website.

Working within the Supervisory Board, the Audit Committee is charged in particular with the supervision of the Management Board concerning

- the operation of the internal risk management and control systems;
- the provision of financial information by the Company (including the choice of accounting policies, application and assessment of the effects of new rules, information about the treatment of estimated items in the Annual Accounts, forecasts, work of internal and external auditors, etc.);
- compliance with recommendations and observations of internal and external auditors;
- the role and functioning of the internal audit function;
- the policy of the Company on tax planning;
- relations with the External Auditor, including, in particular, his independence, remuneration and any non-audit services for the Company;
- the financing of the Company; and
- application of information and communication technology.

The Audit Committee also provides advice to the Supervisory Board on the nomination by the Supervisory Board to the General Meeting for the appointment of the External Auditor. Furthermore, the Audit Committee makes proposals to the Supervisory Board on the policy applied of the External Auditor's independence. The preparation of board meetings for discussion of the annual report, the Annual Accounts and half-yearly and quarterly financial figures, the annual budget and major capital expenditures are further duties of the Audit Committee.

Furthermore, the Audit committee has duties towards

The External auditor, i.e.

a. In acting as the principal contact of the External Auditor if irregularities in the financial reports' content is discovered
b. In providing advice to the Supervisory Board on the External Auditor's remuneration
c. Determining the External Auditor's involvement in content and publication of financial reports except the Annual Accounts
d. Requesting the External Auditor to include all matters that he wishes to bring to the Supervisory Board's attention in his reports
e. Assessment and approval of the External Auditor's functioning and fulfillment of his role at least every four years

The Audit Committee was established only upon IPO on 11 November 2015 and thus only held one inaugural meeting in Amsterdam on 11 November 2015 to discuss key aspects of its agenda. In a face to face meeting on 1 December 2015 at Frankfurt airport the Audit Committee chairman met with PwC as the company's auditors to discuss the schedule, scope and focus of the upcoming 2015 full year financials audit. Given the importance of the IPO in 2015 this was agreed as one major area of audit focus as well as revenue recognition. Also, in the meeting on 2 December 2015 of the Supervisory Board the Audit Committee presented the agreed upon schedule for the audit as well as financial calendar dates for 2016.

NOMINATION AND APPOINTMENT COMMITTEE

The Nomination and Appointment Committee advises the Supervisory Board on its duties regarding the selection and appointment of Managing Directors and Supervisory Directors. The rules for the Nomination and Appointment Committee are publicly available on the Company's website under www.curetis.com.

Members of the Nomination and Appointment Committee are:

- Dr. Frank Mühlenbeck,
- Dr. Holger Reithinger,
- Dr. Werner Schäfer (Chairman)

TERMS OF REFERENCE OF THE NOMINATION AND APPOINTMENT COMMITTEE

Working within the Supervisory Board, the Nomination and Appointment Committee has the following duties:

- Drafting of selection criteria and appointment procedures for Supervisory Directors and Managing Directors;
- Assessment of the size and composition of the Supervisory Board and the Management Board at least once a year
- Assessment of the functioning of individual Supervisory Directors and Managing Directors at least once a year
- Proposals for (re)appointments;
- Supervision of the Management Board's policy on the selection criteria and appointment procedures for the Company's key employees;
- Preparation of the decision-making process of a Managing Director's membership of the supervisory board of a listed company;
- Preparation of the decision-making process concerning any conflicts of interest that may arise in the acceptance by Supervisory Directors of additional positions.

The Nomination and Appointment Committee meets at least once every year.

The Nomination and Appointment Committee was established only upon IPO on 11 November 2015 and thus only held one inaugural meeting in Amsterdam on 11 November 2015 to discuss key aspects of its agenda. In the Supervisory Board meeting on 2 December the Nomination and Appointment Committee also agreed on the search process, search firm and criteria for additional non-executive Supervisory Directors. Subsequently the chairman of the Nomination and Appointment Committee has initiated the search project together with Curetis N.V.'s CEO and the search firm that has been appointed.

REMUNERATION AND EQUITY HOLDINGS

The Supervisory Board establishes the remuneration of the individual members of the Management Board in accordance with the principles laid down in the Management Board remuneration policy as approved in the General Meeting of Shareholders on 10 November 2015. Details are also published on the company's investor and corporate governance website.

The Supervisory Board presents the Management Board remuneration in the form of shares or options to the General Meeting of Shareholders, for approval. This proposal includes the number of shares and/or options that may be granted to the Management Board and the criteria which applies to a grant or modification. Given that the old PSOP has been retired as part of the IPO (see also note 4.24 and note 25 for details of the PSOP Roll-Over Agreements) and no new equity based incentive plan has been established yet, this matter shall be discussed and proposed to the upcoming General Meeting of Shareholders in 2016 as appropriate (see also key tasks for Remuneration Committee above).

The Company's current remuneration policy provides for compe-titive compensation to enable the Company to recruit and maintain competent management. The Remuneration Policy is designed based on the following remuneration principles:

- annual fixed salary is determined based on industry standards (peers include inter alia publicly listed European molecular diagnostic companies, such as Epigenomics, MDx Health, Biocartis, as well as others and US peers such as Genmark and T2Bio etc..); and
- variable salary is linked to milestones/performance objectives including clinical, commercial, operational and financial goals and is set annually by the Supervisory Board.

The variable salary may be comprised of two components: (a) an annual cash bonus payment in accordance with industry standards; and/or (b) granting of share options and/or performance share awards in accordance with an employee incentive plan that may be adopted by the Company.

ADJUSTMENTS TO VARIABLE REMUNERATION

Pursuant to Dutch law and the Dutch Corporate Governance Code, the remuneration of Managing Directors may be reduced or Managing Directors may be obliged to repay (part of) their variable remuneration to the company if certain circumstances apply. The Supervisory Board has the power to adjust the value of variable remuneration components downwards or upwards if in their opinion current remuneration results to be unfair due to extraordinary circumstances.

REMUNERATION OF THE MANAGEMENT BOARD

An overview of the cash remuneration received by the Board of Management for the year ended December 31, 2015, is shown in the table below. These values are pro rata temporis for the Management Board services rendered for Curetis AG (until November 10, 2015) and then for Curetis N.V. (from November 11, 2015 onwards):

Name	Base salary/ consultancy fee	Employer's pension contributions	Annual Bonus	Other benefits [2] (car lease, travel expenses)	Share besed payments and other incentives	Total remuneration
Mr. Johannes Bacher	kEUR 157	kEUR 0	kEUR 0	kEUR 0	kEUR 220 [4] kEUR 2 [5]	kEUR 379
Mr. Andreas Boos	kEUR 157	kEUR 0	kEUR 0	kEUR 0	kEUR 220 [4] kEUR 2	kEUR 379
Mr. Dr. Achim Plum [1]	kEUR 98	kEUR 0	kEUR 30	kEUR 2 [3]	kEUR 651 [4]	kEUR 781
Mr. Oliver Schacht, PhD	kEUR 199	kEUR 0	kEUR 0	kEUR 0	kEUR 709 [4]	kEUR 908

[1] Appointed by Curetis AG on 1 June 2015
[2] Cost reimbursement only, no additional flat catering expenses
[3] Company car reimbursement
[4] Increase in valuation of PSOP-provision
[5] Increase in valuation of profit sharing provision

Andreas Boos, Johannes Bacher and Oliver Schacht had waived their annual bonuses for 2014 and 2015. Therefore, no individual goals had been set for 2015 by the Supervisory Board.

Dr. Achim Plum´s bonus is based on the achievement of defined company goals in the areas of revenue generation, operational progress, FDA trial progress and financials. Dr. Achim Plum achieved 85% of his maximum possible bonus (pro rata temporis) in 2015.

The fair value of the phantom stock options (PSOs) resulting in earnings shown in the column "share based payments and other incentives" per 31.12.2014 had been valued using an option pricing model after assessing the fair value by means of a discounted cash flow model. Per 31.12.2015 this assessment was replaced by the payment claim agreed between the beneficiaries and the company within the roll over agreement in connection with the IPO.
The following table shows the change in value for each management board member:

in thousand EUR	Fair value of PSOs per 31.12.2014	Fair value of PSOs per 31.12.2015	Share based payments in 2015
Mr. Johannes Bacher	431	651	220
Mr. Andreas Boos	431	651	220
Mr. Dr. Achim Plum	0	651	651
Mr. Oliver Schacht, PhD	1,015	1,724	709

MANAGEMENT AGREEMENTS

The table below shows an overview of the main elements of the current contracts of the Management Board of Curetis N.V. for the purposes of Clause II.2.14 of the Dutch Corporate Governance Code.

Position	Mr. Johannes Bacher COO	Mr. Andreas Boos CTO	Mr. Dr. Achim Plum CCO	Mr. Oliver Schacht, PhD CEO
Fixed remuneration (gross per year)	EUR 200,000	EUR 200,000	EUR 200,000	EUR 240,000
Bonus (gross per year)	Up to EUR 80,000 – to be determined on the basis of the achievement of KPI's related to finance, operations and individual performance, set in advance by the Supervisory Board.	Up to EUR 80,000 – to be determined on the basis of the achievement of KPI's related to finance, operations and individual performance, set in advance by the Supervisory Board.	Up to EUR 100,000 – to be determined on the basis of the achievement of KPI's related to finance, operations and individual performance, set in advance by the Supervisory Board.	Up to EUR 120,000 – to be determined on the basis of the achievement of KPI's related to finance, operations and individual performance, set in advanc by the Supervisory Board.
Stock options	–	–	–	–
Severance	N/A	N/A	N/A	N/A
End date	30 June 2019	30 June 2019	31 December 2018	31 December 2018
Notice period	12 months	12 months	12 months	12 months
Insurance	D&O / Accident & injury / Pension (only as part of injury & disability insurance in case of > 50% disability)	D&O / Accident & injury / Pension (only as part of injury & disability insurance in case of > 50% disability)	D&O / Accident & injury / Pension (only as part of injury & disability insurance in case of > 50% disability)	D&O / Accident & injury / Pension (only as part of injury & disability insurance in case of > 50% disability)
Change of control (i.e. shareholder or shareholders acting in concert acquiring 51% or more of the shares in Curetis N. V.)	Within a period of three months after the change of control, the Manager has the one-time right to terminate the agreement with a notice period of three months, being entitled to the management fee for a period of six months after the moment of termination (or maximally the remaining duration of the agreement if shorter than six months).	Within a period of three months after the change of control, the Manager has the one-time right to terminate the agreement with a notice period of three months, being entitled to the management fee for a period of six months after the moment of termination (or maximally the remaining duration of the agreement if shorter than six months).	Within a period of three months after the change of control, the Manager has the one-time right to terminate the agreement with a notice period of three months, being entitled to the management fee for a period of six months after the moment of termination (or maximally the remaining duration of the agreement if shorter than six months).	Within a period of three months after the change of control, the Manager has the one-time right to terminate the agreement with a notice period of three months, being entitled to the management fee for a period of six months after the moment of termination (or maximally the remaining duration of the agreement if shorter than six months).

EQUITY HOLDINGS

The number of shares in Curetis AG held at the date of this Annual Report and the number of shares held immediately following the IPO of the Company by the Managing and Supervisory Directors are as follows:

Name	Shares in Curetis AG held as of October 27, 2015	Shares in Curetis N.V. held as of December 31, 2015 and as of date of this Annual Report
Mr. Johannes Bacher	118,754	107,865
Mr. Andreas Boos	44,846	40,930
Mr. Oliver Schacht, PhD	18,450	23,541

Under the PSOP, the corporate share-based compensation plan in form of a phantom stock option program, Oliver Schacht is entitled to receive 172,389 new shares in the Company and Johannes Bacher, Andreas Boos and Dr. Achim Plum are each entitled to receive 65,075 new shares in the Company. The Vice Chairman of the Supervisory Board is entitled to receive a certain amount of cash from certain of the existing Shareholders or, at the option of such existing shareholders, a corresponding number of Shares following 365 days after the Settlement Date.

Curetis does not grant any loans, advanced payments and guarantees to members of the Management and Supervisory Board.

REMUNERATION OF THE SUPERVISORY BOARD

The table below shows the fixed annual remuneration of the Supervisory Board as of December 31, 2015. This includes remuneration for the Supervisory Board services for Curetis AG (1 January 2015 until 10 November 2015) as well as Curetis N.V. (from 11 November 2015 until 31 December 2015):

Name	Fixed remuneration	Consulting Fee	Total
Dr. Werner Schäfer	EUR 25,709	—	EUR 25,709
Wiliam E. Rhodes, III (chairman)	EUR 10,742	EUR 2,423	EUR 13,165
Mario Crovetto	EUR 7,175	—	EUR 7,175
Dr. Frank Mühlenbeck (chairman of Curetis AG)	Waived	—	Waived
Dr. Rudy Dekeyser	Waived	—	Waived
Dr. Holger Reithinger	Waived	—	Waived
Dr. Alexander Asam	Waived	—	Waived
Dr. Jörg Neermann	Waived	—	Waived
TOTAL	EUR 43,625	EUR 2,423	EUR 46,048

Members of the Supervisory Board do not receive any compensation related to performance and/or equity.

Based on industry standards, benchmarking of similar European publicly listed IVD / MDx companies and advice from an external advisor, the following remuneration structure for Supervisory Board members was approved by the General Meeting of Shareholders on 10 November 2015.

Name	Fixed remuneration	Total
Wiliam E. Rhodes, III (chairman)	EUR 60,000	EUR 60,000
Dr. Werner Schäfer	EUR 40,000	EUR 40,000
Mario Crovetto	EUR 20,000	EUR 20,000
Dr. Frank Mühlenbeck	Waived	Waived
Dr. Rudy Dekeyser	Waived	Waived
Dr. Holger Reithinger	Waived	Waived
TOTAL	EUR 120,000	EUR 120,000

Each committee chairperson will receive additional remuneration of EUR 10,000 per year. Additionally, each Supervisory Board member is entitled to a meeting fee of EUR 2,000 and a teleconference fee of EUR 1,000 plus customary reimbursement of travel cost and expenses.

SHARE-BASED COMPENSATION PLAN

For detailed information regarding the share-based payment arrangements, refer to Note 4.24 and Note 25 of of the consolidated financial statements.

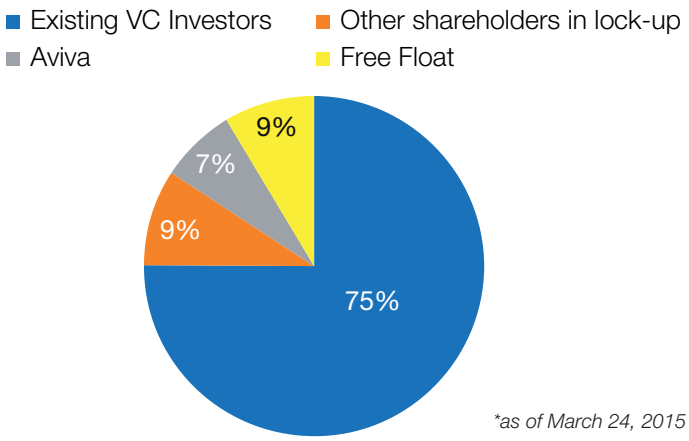
SHAREHOLDERS

CAPITAL STRUCTURE

Curetis N.V.'s issued share capital amounts to EUR 155,384.11 and consists of 15,538,411 ordinary shares at a nominal value of EUR 0.01 each. The total authorized capital is EUR 550,000.00 at EUR 0.01 per share i.e. 55,000,000 shares. The only class of shares is 'ordinary shares' without any special rights attached to them. Furthermore, there are no special shareholder rights for any of the shareholders of the Company.

The following major shareholdings fall under the mandatory notice provisions of articles 5:34, 5:35 and/or 5:43 of the Financial Supervision Act and have been filed with the Dutch AFM in November and December 2015: aeris Capital Equity Investments (18.74%), LSP Curetis Pooling B.V. (18.17%), Federal Republic of Germany (5.96%), BioMed Invest II LP (5.67%), CD Venture GmbH (2.97%), Forbion Capital Fund II Coöperatief U.A. (8.93%), Roche Finanz AG (6.22%), HBM BioCapital II Invest S.a.r.l. (8.43%), Aviva Investors Global Services Ltd (7.24%).

Curetis N.V. Shareholders



as of March 24, 2015

LOCK-UP ARRANGEMENTS

As part of the Curetis IPO, the company as well as its shareholders, management and employees have entered into a series of lock-up agreements. The restrictions of the lock-up arrangements described below, including those on sales, issues or transfers of shares, may be waived by the Joint Bookrunners (i.e. RBC and Degroof Petercam acting on behalf of the Underwriters), in their sole discretion and at any time, provided that during the first 180 days the lock-up of the existing Shareholders may not be waived and that the lock-up for management and employees may not be waived at all. If the consent of the Joint Bookrunners (acting on behalf of the Underwriters) in respect of a waiver of the lock-up arrangements is requested as described below, the Joint Bookrunners (acting on behalf of the Underwriters) shall not unreasonably withhold their consent and may give their consent conditionally.

COMPANY LOCK-UP

Pursuant to the Underwriting Agreement for the IPO, the Company has agreed with the Underwriters that for a period from the date of the Underwriting Agreement until 365 days from the Settlement Date (the company lockup period), it will not, except as set forth below, without the prior consent of the Joint Bookrunners (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing;
(ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any transaction referred to in (i) or (ii) above; or (iv) submit to its Shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing shall not apply to the granting of awards in options or Shares by the Company or the issuance of Shares upon exercise of options granted by the Company pursuant to employee incentive schemes.

EXISTING SHAREHOLDERS LOCK-UP

On October 26, 2015, all then existing Shareholders (except for the Managing Directors and all former and current employees of Curetis holding Shares who have entered into a separate lock-up agreement) have entered into a lock-up agreement with the Sole Global Coordinator (i.e. RBC, acting on behalf of the Underwriters). Pursuant to such lock-up agreement and except as set forth below, all such existing Shareholders have agreed that for a period from the date of the lock-up agreement until 180 days from the Settlement Date, they will not and will not thereafter for an additional period of 185 days without the prior consent of the Joint Bookrunners (acting on behalf of the Underwriters),
(i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Shares or other shares of the Company;
(ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Shares or other shares in the capital of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;
(iii) make any request or demand that the Company files

any registration statement under the US Securities Act, as amended, or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or
(iv) any announcement or other publication of the intention to do any of the foregoing.

The foregoing restrictions shall not apply to (a) any Offer Shares subscribed for in the Offering or any Shares acquired on Euronext in Amsterdam, Euronext in Brussels or any other stock exchange after the First Trading Date, (b) the lending of Shares to the Sole Global Coordinator (acting on behalf of the Underwriters) pursuant to the stock lending agreement, it being understood that the Shares that are delivered to the lenders pursuant to the stock lending agreement shall be subject to the lock-up undertakings set out in this lock-up agreement, (c) an acceptance of a general offer for the Shares in the capital of the Company made in accordance with the Dutch Financial Supervision Act or the provision of an irrevocable undertaking to accept such an offer, (d) any disposal as a result of a legal merger or demerger of the Company, or (e) any disposal to personal representatives of an individual who dies during the lock-up period, provided that such personal representative shall have entered into a lock-up agreement similar to this lock-up agreement or adheres to the provisions of this lock-up agreement and assumes all rights and obligations.

MANAGEMENT AND EMPLOYEES LOCK-UP

On October 26, 2015, the Managing Directors and all former and current employees of Curetis holding Shares have entered into a lock-up agreement with the Sole Global Coordinator (i.e. RBC, acting on behalf of the Underwriters). Pursuant to such lock-up agreement, each of the Managing Directors and all former and current employees of Curetis holding Shares for a period from the date of the lock-up agreement until 365 days from the Settlement Date will not, except as set forth below directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Shares or other shares of the Company;
enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; vote in favor of or any submission to the General Meeting or any other body of the Company of a proposal to effect any of the foregoing or to (directly or indirectly) effect an increase in the Company's share capital or any request or demand that the Company files any registration statement under the US Securities Act, as amended, or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or any announcement or other publication of the intention to do any of the foregoing.

The foregoing restrictions shall not apply to (a) an acceptance of a general offer for the Shares made in accordance with the Dutch Financial Supervision Act or the provision of an irrevocable undertaking to accept such an offer, (b) any disposal as a result of a legal merger or demerger of the Company and (c) any disposal to personal representatives of an individual who dies during the lock-up period, provided that such personal representative shall have entered into a lock-up agreement similar to this lock-up agreement or adheres to the provisions of this lock-up agreement and assumes all rights and obligations.

SHAREHOLDERS' REGISTER

The Shares are in registered form (op naam). No share certificates (aandeelbewijzen) are or may be issued. If requested, the Management Board will provide a Shareholder, usufructuary or pledgee of such Shares with an extract from the register relating to his or her title to a Share free of charge. If the Shares are encumbered with a right of usufruct or a right of pledge, the extract will state to whom such rights will fall to. The shareholders' register is kept by the Management Board.

The Company's shareholders register records the names and addresses of the Shareholders, the number of Shares held, the amount paid on each Share and the date of registration in the shareholders' register. In addition, each transfer or passing of ownership is registered in the shareholders' register. The shareholders register also includes the names and addresses of persons and legal entities with a right of pledge (pandrecht) or a right of usufruct (vruchtgebruik) on those Shares. For shares as referred to in the Dutch Securities Giro Transfers Act (Wet giraal effectenverkeer), including the Offer Shares, which belong to (i) a collective depot as referred to in that Dutch Securities Giro Transfers Act, of which shares form part as being kept by an intermediary, as referred to in the Dutch Securities Giro Transfers Act or (ii) a giro depot as referred to in that Dutch Securities Giro Transfers Act of which shares form part, as being kept by a central institute as referred to in the Dutch Securities Giro Transfers Act, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share.

ISSUANCE OF SHARES

The General Meeting may, on a proposal of the Management Board, which is approved by the Supervisory Board, resolve to issue Shares or grant rights to subscribe for Shares and to restrict and/or exclude statutory preemptive rights in

relation to the issuance of Shares or the granting of rights to subscribe for Shares. The Articles of Association provide that the General Meeting may, upon a proposal of the Management Board which is approved by the Supervisory Board, designate the Management Board as the body authorised, subject to approval of the Supervisory Board, to resolve to issue Shares and to grant rights to subscribe for Shares and to restrict or exclude statutory pre-emptive rights in relation to the issue of Shares or the granting of rights to subscribe for Shares. Pursuant to the Articles of Association and Dutch law, the period of designation may not exceed five years but the designation may be renewed by a resolution of the General Meeting for periods of up to five years.

Unless provided otherwise in the designation, the designation cannot be cancelled. The resolution designating such authority to the Management Board must specify the number of Shares which may be issued and, if applicable, any conditions to the issuance.

No resolution of the General Meeting or, if designated, the Management Board is required for an issue of Shares pursuant to the exercise of a previously granted right to subscribe for Shares. The Company may not subscribe for its own Shares on issue.

The General Meeting on 10 November 2015 has designated the Management Board, for a period that ends 18 months following the Conversion, as the corporate body authorised to, subject to approval of the Supervisory Board, issue Shares or grant rights to subscribe for Shares and to restrict or exclude pre-emptive rights in respect thereof. Pursuant to this designation, the Management Board may, subject to approval of the Supervisory Board, resolve to issue Shares or grant rights to subscribe for Shares (i) up to a maximum of 10% of the total number of Shares issued and outstanding on the Settlement Date (as defined below) plus (ii) an additional 10% of the total number of Shares issued and outstanding on the Settlement Date in connection with or on the occasion of mergers and acquisitions and strategic alliances. Such authorisation may from time to time be extended by a resolution of the General Meeting subject to the limitations set out above.

PRE-EMPTIVE RIGHTS

Each Shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her Shares. Shareholders do not have pre-emptive rights in respect of Shares issued against contribution in kind, Shares issued to employees of the Company and any of its group companies or Shares issued to persons exercising a previously granted right to subscribe for Shares.

Pre-emptive rights may be restricted or excluded by a resolution of the General Meeting at the proposal of the Management Board, which is subject to the approval of the Supervisory Board. Such resolution of the General Meeting requires a majority of at least two-thirds of the votes cast, if less than half of the issued and outstanding share capital of the Company is present or represented at the General Meeting. The Management Board is authorised, subject to the approval of the Supervisory Board to resolve on the restriction or exclusion of the pre-emptive right if and to the extent the Management Board has been designated by the General Meeting to do so. The designation will only be valid for a specific period and may from time to time be extended by the General Meeting, in each case not exceeding five years. Unless provided otherwise in the designation, the designation cannot be cancelled.

The General Meeting on 10 November 2015 has designated the Management Board, for a period that ends 18 months following the Conversion, as the corporate body authorised to, subject to approval of the Supervisory Board, issue Shares or grant rights to subscribe for Shares and to restrict and/or exclude statutory pre-emptive rights in relation to the issuances of Shares or the granting of rights to subscribe for Shares. Such authorisation of the Management Board is limited to (i) up to a maximum of 10% of the total number of Shares issued and outstanding on the Settlement Date plus (ii) an additional 10% of the total number of Shares issued and outstanding on the Settlement Date in connection with or on the occasion of mergers and acquisitions and strategic alliances and such authorisation may from time to time be extended by a resolution of the General Meeting, subject to the limitations set out above.

ACQUISITION OF SHARES BY THE COMPANY

The Company may acquire fully paid-up Shares at any time for no consideration or, subject to the laws of the Netherlands and the Articles of Association if: (i) the distributable part of the Shareholders' equity is at least equal to the total purchase price of the repurchased Shares; (ii) the aggregate nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board has been authorised by the General Meeting to repurchase Shares, which authorisation can only be granted at the proposal of the Management Board, which proposal is subject to the approval of the Supervisory Board. The General Meeting's authorisation is valid for a specific period not exceeding 18 months. As part of the authorisation, the General Meeting must specify the number of Shares that may be acquired, the manner in which the Shares may be acquired and the price range within which the Shares may be acquired.

No authorisation from the General Meeting is required for the acquisition of fully paid-up Shares for the purpose of transferring these Shares to Curetis' employees pursuant to any share option plan.

The Company may not cast votes on, and is not entitled to dividends paid on, Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. For the computation of the profit distribution, the Shares held by the Company in its own capital shall not be included. The Management Board is authorised, subject to approval of the Supervisory Board, to dispose of the Company's own Shares held by it.

The General Meeting on 10 November 2015 has designated the Management Board, for a period that ends 18 months following theConversion, as the corporate body authorised to, subject to approval of the Supervisory Board, cause the Company to acquire its own fully paid-up Shares (including Shares issued as stock dividend), subject to the approval of the Supervisory Board, up to a maximum of 10% of the total number of Shares issued immediately following the Settlement Date plus any and all of the Roll-Over Shares, provided the Company will hold no more Shares in stock than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Shares and not higher than the opening price on Euronext in Amsterdam and Euronext in Brussels on the day of the repurchase plus 10%.

TRANSFER OF SHARES

A transfer of a Share or a restricted right thereto (beperkt recht) requires a deed of transfer and the acknowledgment by the Company of the transfer in writing. Such acknowledgement is not required if the Company itself is a party to the transfer.

A Share becomes a deposit share by transfer or issuance to Euroclear Nederland or to an intermediary, recording in writing that it is a deposit share. The deposit share shall be recorded in the Company's shareholders register in the name of Euroclear Nederland or the relevant intermediary, stating in writing that it is a deposit share. Deposit Shareholders are not recorded in the Company's shareholders register. Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Dutch Securities Giro Transfers Act and with the approval of the Management Board. The transfer by a deposit shareholder of its bookentry rights representing deposit shares shall be effected in accordance with the provisions of the Dutch Securities Giro Transfers Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

CAPITAL REDUCTION

Subject to the provisions of the laws of the Netherlands and the Articles of Association, the General Meeting may resolve to reduce the issued share capital by (i) cancelling Shares or (ii) reducing the nominal value of Shares through an amendment of the Articles of Association. A resolution to cancel Shares may only relate to Shares held by the Company itself or of which it holds the depositary receipts. A reduction of the nominal value of Shares, with or without repayment must be made pro rata on all Shares concerned. This pro rata requirement may be waived if all Shareholders concerned so agree.

A resolution of the General Meeting upon a proposal of the Management Board, which is subject to the prior approval of the Supervisory Board, to reduce the share capital requires a majority of at least two-thirds of the votes cast, if less than half of the issued and outstanding share capital is present or represented at the General Meeting.

In addition, the laws of the Netherlands contain detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution. Certain aspects of taxation of a reduction of share capital are described in the section "Taxation" of this Prospectus.

DIVIDENDS AND OTHER DISTRIBUTIONS

General

Distribution of profits only takes place following the adoption of the annual accounts from which it appears that the distribution is allowed. The Company may only make distributions, whether a distribution of profits or of freely distributable reserves, to its shareholders if its shareholders' equity exceeds the sum of the paid-up and called-up share capital plus the reserves required to be maintained by the laws of the Netherlands or by the Articles of Association. See the section "Dividends and Dividend Policy" for a more detailed description regarding dividends.

Right to reserve

The Management Board, subject to the prior approval of the Supervisory Board, may resolve to reserve the profits or a part of the profits.

Dissolution and liquidation

The Company may only be dissolved by a resolution of the General Meeting upon a proposal of the Management Board, which is subject to the prior approval of the Supervisory Board. If the General Meeting has resolved to dissolve the Company, the Management Board must carry out the liquidation of the Company, unless otherwise resolved by the General Meeting. The Supervisory Board shall be charged with the supervision thereof. During liquidation, the provisions of the Articles of Association will remain in force to the extent possible. The balance of the Company's assets remaining after all liabilities and the costs of liquidation have been deducted shall be distributed among the Shareholders in proportion of their number of Shares.

Exchange Controls and other Provisions relating to non-Dutch Shareholders

Under Dutch law, subject to the 1977 Sanction Act (Sanctiewet 1977) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Shares (except as to cash amounts).

There are no special restrictions in the Articles of Association or the laws of the Netherlands that limit the right of Shareholders who are not citizens or residents of the Netherlands to hold or vote Shares.

GENERAL MEETINGS AND VOTING RIGHTS

GENERAL MEETINGS

General Meetings shall be held in the Netherlands in Amsterdam, Haarlemmermeer, The Hague, Rotterdam, Utrecht or Arnhem. The annual General Meeting must be held at least once a year, no later than in June. Extraordinary General Meetings may be held, as often as the Management Board or the Supervisory Board deem desirable. In addition, one or more Shareholders, who solely or jointly represent at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered. If no General Meeting has been held within 42 days of the Shareholder(s) making such request, that/those Shareholder(s) will be authorised to request in summary proceedings a Dutch District Court to convene a General Meeting. In any event, a General Meeting will be held to discuss any requisite measures within three months of it becoming apparent to the Management Board that the shareholders' equity of the Company has decreased to an amount equal to or lower than one-half of the issued and paid-up part of the capital.

The convocation of the General Meeting must be published through an announcement on the website of the Company. The notice must state the time and place of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place where the meeting documents may be obtained. The notice must be given by at least such number of days prior to the day of the meeting as required by the laws of the Netherlands, which is currently 42 days.

The agenda for the annual General Meeting must contain certain subjects, including, among other things, the adoption of the Company's annual accounts, the discussion of any substantial change in the Company's corporate governance structure and the allocation of the profit, insofar as this is at the disposal of the General Meeting. In addition, the agenda shall include such items as have been included therein by the Management Board, the Supervisory Board or Shareholders (with due observance of the laws of the Netherlands as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively. The agenda shall also include such items as one or more Shareholders and others entitled to attend General Meetings, representing, pursuant to the Articles of Association, at least the percentage of the issued and outstanding share capital as required by law (which as of the date of this Prospectus is 3%), have requested the Management Board by a motivated request to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda, unless the resolution is adopted unanimously during a meeting where the entire issued capital of the Company is present or represented. Shareholders who individually or with other Shareholders, hold Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least EUR 250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect of misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by the chairman of the Supervisory Board. Managing Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairman of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting. Each Shareholder may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Shares on the record date as required by the laws of the Netherlands, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing at the address and by the date specified in the notice of the meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

VOTING RIGHTS

Each Share confers the right to cast one vote in the General Meeting. Subject to certain exceptions provided by Dutch law or the Articles of Association, resolutions of the General Meeting are passed by an absolute majority of votes cast.

Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Shares which are held by the Company.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

The General Meeting may resolve to amend the Articles of Association upon a proposal of the Management Board which is subject to the prior approval of the Supervisory Board. A proposal to amend the Articles of Association must be included in the agenda. A copy of the proposal, containing the verbatim text of the proposed amendment, must be lodged with the Company for the inspection of every Shareholder until the end of the General Meeting.

DISSOLUTION AND LIQUIDATION

Under the Articles of Association, the Company may be

dissolved by a resolution of the General Meeting, subject to a proposal by the Management Board which has been approved by the Supervisory Board. In the event of dissolution, the Company's business will be liquidated in accordance with Dutch law and the Articles of Association and the liquidation shall be arranged by the Management Board under supervision of the Supervisory Board, unless the General Meeting has designated other liquidators. During liquidation, the provisions of the Articles of Association will remain in force as far as possible. The balance of the Company's remaining equity after payments of debts and liquidation costs will be distributed to holders of the Shares, in proportion to the aggregate nominal value of the Shares held by them.

ANNUAL ACCOUNTS, SEMI-ANNUAL ACCOUNTS AND INTERIM MANAGEMENT STATEMENTS

Annually, within four months after the end of the financial year, the Management Board must prepare the annual accounts and make them available for inspection by the Shareholders at the Company's office. The annual accounts must be accompanied by an independent auditors' report, an annual report and certain other information required under the laws of the Netherlands and a report of the Supervisory Board. The annual accounts must be signed by the Managing Directors and the Supervisory Directors.

The annual accounts, the independent auditors' report, the annual report, the other information required under the laws of the Netherlands and the report of the Supervisory Board must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting. The annual accounts must be adopted by the General Meeting. The Management Board must send the adopted annual accounts to the AFM within five business days after adoption.

The Company must prepare and make publicly available a semi-annual financial report as soon as possible, but at the latest two months after the end of the first six months of the financial year. It is expected that this period of two months will be extended to three months in November 2015. If the semi-annual financial report is audited or reviewed, the independent auditor's audit or review report, respectively, must be published together with the semi-annual financial report.

During the period between ten weeks after the start and six weeks before the end of each half of the financial year, the Company must prepare an interim management statement and make it publicly available. The interim management statement must contain an explanation of the important events and transactions that took place during the period between the start of the relevant period and publication of the interim management statement and the consequences for the Company's financial position. The interim management statement must also contain a general description of the Company's financial position and the performance during that period. It is expected that this requirement will be abolished in November 2015 and as such the Company will no longer be publishing interim management statements. To the extent required, the disclosure under "Operating and Financia Review – Recent Developments" qualifies as the Company's interim management statements for the second half of 2015.

DUTCH FINANCIAL REPORTING SUPERVISION ACT

On the basis of the Dutch Financial Reporting Supervision Act (Wet toezicht financiële verslaggeving) (the "FRSA") the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the Company's financial reporting meets such standards and (ii) recommend the Company to make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the enterprise chamber of the court of appeal in Amsterdam (Ondernemingskamer van het Gerechtshof te Amsterdam) (the "Enterprise Chamber") orders the Company to (i) provide an explanation of the way the Company has applied the applicable financial reporting standards to its financial reports or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

RULES GOVERNING OBLIGATIONS OF SHAREHOLDERS TO MAKE A PUBLIC TAKEOVER BID

Pursuant to the Dutch Financial Supervision Act and in accordance with European Directive 2004/25/EC, also known as the takeover directive, the obligation to make a public takeover bid for all issued and outstanding shares or depositary receipts for shares in the share capital of a Dutch listed company arises when a party, by itself or together with parties with whom it is acting in concert, directly or indirectly acquires 'predominant control' in such listed company. 'Predominant control' is defined as being able to cast, alone or acting in concert, at least 30% of the votes at the general meeting of such listed company.

Under the Dutch Financial Supervision Act, "persons with whom a party is acting in concert" has been defined as natural persons, legal persons or companies collaborating under a contract with the aim to acquire predominant control in a Dutch listed company or, if the target company is one of the collaborators, to frustrate the success of an announced public takeover bid for that company. The following categories of natural persons, legal persons or companies are deemed in any case to act in concert: (i) legal persons or companies

which together form part of a group as referred to in Section 2:24b of the Dutch Civil Code; and (ii) natural persons, legal persons or companies and the undertakings controlled by these persons or companies.

No obligation to launch a public takeover bid exists if an exemption applies, including if a party has decreased its shareholding to below 30% within a period of 30 days, unless the loss of predominant control is the result of a transfer of shares to a natural person, legal person or company that may invoke an exemption from the requirement to make a public takeover bid or if the controlling party has made use of its voting rights during that period.

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the Offer Shares, unless an offer document has been approved by the AFM. A public takeover bid may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The public takeover bid rules are intended to ensure that in the event of a public takeover bid, among others, sufficient information will be made available to the holders of the shares, the holders of the shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

SQUEEZE-OUT PROCEEDINGS

Pursuant to Section 2:92a of the Dutch Civil Code, a shareholder who for his or her own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to him or her. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (Wetboek van Burgerlijke Rechtsvordering).

The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public takeover bid is also entitled to start squeeze-out proceedings if, following the public takeover bid, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the Dutch Financial Supervision Act also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

STATUTORY AUDITOR

The fees for services rendered by Curetis' independent auditor PricewaterhouseCoopers AG and its member firms and/or affiliates to the Company and its subsidiaries were approved by the Audit Committee and/or the Supervisory Board and can be detailed as follows:

EUR	2015	2014
Financial statement audit	380,362.00	27,058.33
Audit related services and other audit work	541,479.87	0.00
Tax consultancy	60,659.50	0.00
Total	**982,502.37**	**27,058.33**

Audit related services and other audit work were mainly for support in the first-time IFRS conversion project as well as preparation and execution of the IPO project and the comfort letters required for the Underwriters for the IPO prospectus. Other non-audit fees were related to various tax advisory projects.

LIABILITY, CONFLICTS OF INTEREST AND OTHER CORPORATE GOVERNANCE ISSUES

Under the laws of the Netherlands, the Managing Directors and Supervisory Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

The Managing Directors, the Supervisory Directors and certain other employees and all other directors and/or officers of Curetis are insured under an insurance policy taken out by Curetis against damages resulting from their conduct when acting in their capacities as members or officers.

CONFLICTS OF INTEREST

MANAGEMENT BOARD

The laws of the Netherlands provide that a Managing Director of a Dutch public company with limited liability (naamloze vennootschap), such as the Company (after the Conversion), may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company. Such a conflict of interest only exists if in the situation at hand, the Managing Director is deemed to be unable to serve the Company's interests and its connected business with the required level of integrity and objectivity. Pursuant to the Management Board Rules, each Managing Director shall immediately report any (potential) personal conflict of interest concerning a Managing Director to the Chairman of the Supervisory Board and to the other Managing Directors and shall provide all information relevant to the conflict.

If no resolution can be adopted by the Management Board as a consequence of such a personal conflict of interest, the resolution concerned will be adopted by the Supervisory Board. All transactions in which there are conflicts of interests with Managing Directors will be agreed on terms that are customary in the sector concerned and disclosed in the Company's annual report.

The existence of a (potential) personal conflict of interest does not affect the authority to represent the Company. Each time a resolution is adopted, while one or more of the Managing Directors had a conflict of interest, the Management Board will afterwards inform the General Meeting and the Supervisory Board thereof and will indicate how they have dealt with such a conflict of interest.

SUPERVISORY BOARD

Similar to the rules that apply to the Managing Directors as described above, Dutch law also provides that a Supervisory Director of a Dutch public company with limited liability, such as the Company, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company.

Each Supervisory Director (other than the chairman of the Supervisory Board) shall immediately report any (potential) personal conflict of interest concerning a Supervisory Director to the Chairman of the Supervisory Board and must provide him with all information relevant to the (potential) conflict. In case the Chairman of the Supervisory Board has a (potential) personal conflict of interest he shall immediately report such potential conflict to the Vice-Chairman of the Supervisory Board and shall provide all information relevant to the (potential) personal conflict of interest. If both the Chairman and the Vice-Chairman of the Supervisory Board have a (potential) personal conflict of interest with respect to the same matter, they will report and provide information to one of the other Supervisory Directors.

If as a result of such a personal conflict of interest either or both the Chairman or Vice-Chairman of the Supervisory Board are not entitled to vote, the resolution of the Supervisory Board will be adopted by the other Supervisory Directors validly present or represented, by unanimous votes. If, as a result of such a personal conflict of interest, all Supervisory Directors are unable to participate in the deliberations and the decision-making process and no resolution of the Supervisory Board can be adopted, the resolution can be adopted by the General Meeting.

All transactions in which there is a conflict of interest with one or more Supervisory Directors shall be agreed on terms that are customary in the sector concerned and disclosed in the Company's annual report.

POTENTIAL CONFLICTS OF INTEREST AND OTHER INFORMATION

The Supervisory Directors Dr. Frank Mühlenbeck, Dr. Rudy Dekeyser and Dr. Holger Reithinger are – or have recently been – affiliated with aeris CAPITAL Equity Investments, L.P., LSP Curetis Pooling B.V., and Forbion Capital Fund II

Coöperatief U.A., who are major shareholders of the Company, respectively. This subjects these Supervisory Directors to a conflict of interests as a shareholder representative on the one hand and as a Supervisory Director on the other.

The Supervisory Director Dr. Werner Schäfer is entitled to receive a certain number of Shares from certain existing Shareholders, or, at the option of the respective shareholders, a corresponding amount in cash of 59,084.41 Euro 365 days after the Settlement Date. This subjects him to a conflict of interest as a future Shareholder on the one hand and his duties as a Supervisory Director on the other.

In addition, the Managing Directors Johannes Bacher, Andreas Boos and Oliver Schacht hold a minority stake in the Company following the IPO. All four Managing Directors, including Dr. Achim Plum, are also beneficiaries under Curetis PSOP Roll-Over Agreement (see Note 4.20 of the Notes of the consolidated financial statement).

Other than these circumstances, Curetis is not aware of any potential conflicts between the personal interests or other duties of Supervisory Directors and personal interests or other duties of Managing Directors on the one hand and the interests of the Company on the other hand. There is no family relationship between any Managing Director and any Supervisory Director.

During the last five years, none of the Managing Directors or Supervisory Directors:
(i) has been convicted of fraudulent offenses;
(ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or
(iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Other than as disclosed herein, Curetis is not aware of any arrangement or understanding with major Shareholders, suppliers, customers or others pursuant to which any Managing Director or Supervisory Director was selected as a member of such management or supervisory bodies of the Company.

MANAGEMENT AND SUPERVISORY BOARD MEMBERS' INDEMNIFICATION

Pursuant to the Articles of Association, and unless the laws of the Netherlands provide otherwise, the following will be reimbursed to inter alia current and former Managing Directors and Supervisory Directors:
(i) the reasonable costs of conducting a defense against claims based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request;
(ii) any damages or fines payable by them as a result of an act or failure to act as referred to under (i); and
(iii) the reasonable costs of appearing in other legal proceedings or investigations in which they are involved as current or former Managing Directors or Supervisory Directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

There shall be, however, no entitlement to reimbursement if and to the extent that a Dutch court, or, in the event of arbitration, an arbitrator has established in a final and conclusive decision that the act or failure to act of the person concerned can be characterized as willful (opzettelijk) or grossly negligent (grove schuld) misconduct, unless the laws of the Netherlands provide otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness; or the costs or financial loss of the person concerned are covered by insurance and the insurer has paid out the costs or financial loss.

DIVERSITY AND LIMITATION OF SUPERVISORY POSITIONS

As the Company does not qualify as a "large company" within the meaning of Dutch legislation that came into force on January 1, 2013, requiring large Dutch companies to pursue a policy of having at least 30% of the seats on both the Management Board and the Supervisory Board to be held by men and at least 30% of those seats to be held by women, these requirements do not apply to the Company. For the same reason, the Dutch legislation limiting the number of supervisory positions to be occupied by Managing Directors or Supervisory Directors is not applicable to the Company. However, Curetis is currently actively engaged in a search process to add a female non-executive Supervisory Board member with relevant expertise in due course.

DUTCH CORPORATE GOVERNANCE CODE

The Dutch Corporate Governance Code, as amended, became effective on January 1, 2009, and finds its statutory basis in Book 2 of the Dutch Civil Code. The Dutch Corporate Governance Code applies to the Company as it has its statutory seat in the Netherlands and its shares are listed on the regulated market Euronext in Amsterdam and Euronext in Brussels.

The Dutch Corporate Governance Code defines a company as a long-term form of collaboration between the principal corporate bodies of a company. For the Company, these corporate bodies include the Management Board, the Supervisory Board and the General Meeting. The Management Board values and considers the interests of the various stakeholders involved. According to the Dutch Corporate Governance Code, good corporate governance results in effective decision-making in a manner which enhances shareholder value and enables a company to maintain a culture of integrity, transparency and trust.

The Dutch Corporate Governance Code is based on a "comply or explain" principle. Accordingly, companies are required to disclose in their annual report filed in the Netherlands whether or not they are complying with the various principles and provisions of the Dutch Corporate Governance Code that are addressed to the board of directors or, if any, the supervisory board of the company. If a company deviates from a best practice provision in the Dutch Corporate Governance Code, the reason why must be properly explained in its annual report.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

The current Dutch Corporate Governance Code entered into force on January 1, 2009. The Dutch Corporate Governance Code applies to all Dutch companies listed on a regulated market or a comparable system in a non-EEA member state. The Dutch Corporate Governance Code contains principles and best practice provisions for the Management and Superviosary Boardd, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards, and is based on a "comply or explain" principle. Accordingly, the Company is required to disclose in its annual report for which principles and best practices it does not apply the code provisions of the Dutch Corporate Governance Code and, in the event that the Company does not apply a certain provision, to explain the reason why. The full text of the Dutch Corporate Governance Code can be found on http://commissiecorporategovernance.nl/corporate-governance-code

Curetis fully endorses the underlying principles of the Dutch Corporate Governance Code, and is committed to adhering to the best practices of the Dutch Corporate Governance Code as much as possible. The Company complies with the Dutch Corporate Governance Code, however, Curetis does not (yet) comply with or deviates from the best practice provisions with the following rationale and explanation provided below:

- The Company does not (yet) comply with best practice provision II 1.4 b and c, which requires that the annual report contains a description of the design and effectiveness of the internal risk management and control systems for the main risks during the financial year, and a description of any major failings in the internal risk management and control systems which have been discovered in the financial year, any significant changes made to these systems and any major improvements planned, and a confirmation that these issues have been discussed with the audit committee and the non-executive board. For reasons of this deviation from the code, please refer to the explanations given in the section "Risk Management Procedures" above.

- The Company so far does not comply with best practice provision II.1.5, which requires an 'in control statement' stating that the internal control and risk management systems have worked properly in the year ended 31 December 2015. As outlined in the section "Risk Management Procedures" above, the development of adequate risk management procedures is an ongoing process which has been started post IPO and which deserves the full attention of the Management and Supervisory Boards. Although the Company is confident about the quality of the information and the reliability of the figures presented, the internal control procedures and the documentation thereof are still an iterative and ongoing process.

- Best practice provision III.2.1 provides all Supervisory Directors, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2. As of year-end 2015, three out of six of the Supervisory Directors, being Dr. Frank Mühlenbeck, Dr. Rudy Dekeyser and Mr. William E. Rhodes, III, are not deemed independent. Dr. Mühlenbeck and Dr. Dekeyser will not meet these requirements because they currently are or have been recently affiliated with two of the largest shareholders, being aeris CAPITAL Equity Investments, L.P. and LSP Curetis Pooling B.V. (each holding more than 10% of the issued and outstanding share capital of the Company), respectively.

  The intention to appoint both of them (and not only one of them) is based on the aim to secure sufficient continuity within the Supervisory Board. Mr. Mühlenbeck and Mr. Dekeyser have been Supervisory Directors of Curetis AG prior to the IPO and are expected to be well equipped to perform the duties as Supervisory Director Mr. Mühlenbeck and Mr. Dekeyser have been initially appointed as Supervisory Directors for the term of one year (ending with the Annual General Meeting on June 16, 2016).

  Mr. Rhodes shall not be deemed independent within the meaning of best practice provision III.2.2 due to the services agreement entered into between him and Curetis AG a few weeks prior to the date of the IPO relating to his performance of consultancy services for Curetis AG as of 1 November 2015 in anticipation of his expected appointment as Supervisory Director. The services agreement has terminated automatically upon his appointment as Supervisory Director on November 11, 2015. Given his track record in the diagnostics industry and previous executive top management roles with Becton Dickinson, Mr. Rhodes is expected to be well equipped to perform the duties as Supervisory Director and Chairman of the Supervisory Board.

- Principle III.3 provides the Supervisory Board shall aim for a diverse composition, including in terms of gender and age. Upon the IPO, all of the Supervisory Board Members of Curetis N.V. are male. In the recruitment procedure for the appointment of the Supervisory Directors, sincere efforts were made to find Supervisory Directors of the female gender. During that procedure, it appeared that suitable female candidates were not available at that time. The Supervisory Board endorses the aim of diversity and shall continue to strive for the appointment of female Supervisory Directors when vacancies have to be filled.

- The Company does not yet comply with best practice provision III 3.3, which requires that the non-executive Supervisory Board Directors will follow an introductory program. Our Supervisory Board members all have extensive relevant experience in the field the Company operates in, and/or have substantial experience with the Company. Therefore, an introductory program has so far not been deemed relevant or needed. However, in the future whenever new non-executive directors will join the Supervisory Board of the Company, the Company will re-evaluate the necessity and benefit of such an introductory program.

- Best practice provision III.5.1 provides that no more than one member of the Remuneration Committee shall be not independent within the meaning of best practice provision III.2.2. As indicated above three out of six Supervisory Directors are not deemed independent. However, given the wish of the Supervisory Directors to be actively involved within the Supervisory Board and all of its Committees, the Remuneration Committee shall be composed of more than one Supervisory Director which is not independent: all three members of the Remuneration Committee (Mr. Rhodes, Mr. Mühlenbeck and Mr. Dekeyser) are not independent. However, such persons are expected to be equipped best for the role as members of the Remuneration Committee.

- Best practice provision III.5.11 provides that the Remuneration Committee may not be chaired by the chairman of the Supervisory Board or by a Supervisory Director who is a member of the management board of another listed company. Mr. Rhodes however is a board member of other listed companies and shall be appointed both as chairman of the Supervisory Board and as chairman of the Remuneration Committee since Mr. Rhodes is expected to be equipped best for the role as chairman of the Remuneration Committee.

- The Company will – going forward – report on the activity of all of its Supervisory Board committees pursuant to best practice provision III.5.2 and III.5.3. However, since these committees were only established upon IPO in November 2015, and thus a full year since their establishment has not yet passed, the activity report provided above is naturally rather limited to those few meetings that actually did take place so far.

- Principle II.2 and best practice provision III.7.2 provide that any Shares held by the Managing Directors or the Supervisory Directors shall be held as long-term investment. This is the case with the exception of the Roll-Over Shares which will be held by the Managing Directors pursuant to the restructuring of the PSOP. See Note 4.20 in the Notes of the consolidated financial statement).

After the expiry of the lock up period, the beneficiaries under the Phantom Stock Option Plan, amongst which the Managing Directors, shall be allotted Shares as a step of the equity settlement of the Phantom Stock Option Plan. As part of the settlement of the Phantom Stock Option Plan, one or several transactions are expected to be consummated in order to generate the funds that will enable the beneficiaries to pay the German income taxes that will become due as a result of the roll-up and settlement of the existing Phantom Stock Option Plan.

- Best practice provision IV.3.3 provides that the Company shall not pay fees to any party for the carrying out of research for analysts' reports or for the production or publication of analysts' reports on the Company (with the exception of payments to credit rating agencies). The Company reserves the right not to adhere to such best practice provision if and to the extent that such payments may be regarded as customary for listed companies in the biotech industry. Pursuant to the Management Board Rules, a resolution of the Management Board to make such payments or to change the Companies policies in respect of making such payments shall require the approval of the Supervisory Board. In any event, the amount and the terms and conditions of each of such payments shall be in conformity with market practice and be compliant with the arm's length principle.

- Best practice provision IV.3.1 provides that the Company shall make provisions for all Shareholders to follow meetings with analysts, presentations to analysts, presentations to investors and institutional investors in real time, by means of webcasting, telephone or by any other means. However, the Company shall comply with this rule for major investor conferences only. The Company believes that, considering its size, enabling Shareholders to follow in real time all of the meetings with analysts, presentations to analysts, and presentations to investors as referred to in this best practice provision would create an excessive burden on the Company's resources. The Company will make sure that all presentations shall be posted on the website of the Company as soon practically possible.

- Whilst the Company has appointed an internal auditor (best practice principle V.3), due to resource constraints this function is held by its Director Finance and not another independent person or function. The audit committee will evaluate the need for a more independent internal auditor on a regular basis and may make a recommendation to the Management Board based on this assessment. Any such recommendation will be included in the Supervisory Board reports.

CORPORATE SOCIAL RESPONSIBILITIES

The Company has established a Code of Conduct, an Insider Trading Policy, a Whistle-blower policy and a policy on Bilateral Contacts with shareholders. Each of these documents can be found on Curetis' investor relations and corporate governance website.

III

CONSOLIDATED FINANCIAL STATEMENTS


8. Auflage
International Financial Reporting Standards IFRS
IDW
pwc

CURETIS N.V.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December

in Euro	2015	2014
Revenue [5]	2,086,726	274,552
Cost of sales [6]	2,160,778	642,519
Gross loss	-74,052	-367,967
Distribution costs [8]	2,786,967	1,939,334
Administrative expenses [9]	2,598,424	1,637,406
Research & development expenses [10]	6,712,341	6,297,554
Other income [12]	121,139	110,600
Operating loss	-12,050,645	-10,131,661
Finance income	29,566	5,754
Finance costs	1,929,762	22,363
Finance income / costs fair value measurement	-27,790,433	2,285,652
Finance costs – net [13]	25,890,237	-2,302,261
Profit / loss before income tax	13,839,592	-12,433,922
Income tax expenses [32]	—	–
Profit / loss for the year	13,839,592	-12,433,922
Other comprehensive income for the year, net tax	—	—
Total comprehensive income for the year	13,839,592	-12,433,922

Earnings / loss per share [14]	2015	2014
Basic	1.18	-9.48
Diluted	1.18	-9.48

[..] Bracketed numbers refer to the related notes to the financial statements, which form an integral part of these financial statements.

CURETIS N.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

As at 31 December 2015

in Euro	31.12.2015	31.12.2014
Current assets	**50,573,547**	**6,485,882**
Cash and cash equivalents [15]	46,060,397	2,993,883
Trade receivables [16]	1,072,131	42,235
Inventories [18]	2,786,887	3,153,137
Other current assets [19]	654,132	296,627
Non-current assets	**6,823,465**	**7,307,395**
Intangible assets [20]	645,120	286,355
Property, plant and equipment [21]	5,605,496	6,591,674
Other non-current assets [22]	223,846	390
Other non-current financial assets [23]	349,003	428,976
Deferred tax assets	—	—
Total assets	**57,397,012**	**13,793,277**

LIABILITY & EQUITY

As at 31 December 2015

in Euro	31.12.2015	31.12.2014
Current liabilities	**2,446,095**	**1,304,748**
Trade and other payables [24]	863,342	579,862
Liability PSOP [25]	367,308	—
Provisions current [26]	29,300	34,800
Other current liabilities [27]	676,502	316,817
Other current financial liabilities [28]	509,643	373,269
Non-current liabilities	**155,926**	**131,024,233**
Provisions non-current [26]	38,035	816,065
Provision PSOP [26]	—	3,913,841
Other non-current financial liabilities [29]	117,891	258,168
Financial liability for preferred and common shares [31]	—	126,036,159
Deferred tax liabilities	—	—
Total liabilities	**2,602,021**	**132,328,981**
Equity	**54,794,991**	**-118,535,704**
Share capital [33]	155,384	50,000
Capital reserve [33]	152,793,347	—
Other reserves [33]	6,592,372	—
Retained earnings [33]	-104,746,112	-118,585,704
Total Equity and liabilities	**57,397,012**	**13,793,277**

[..] Bracketed numbers refer to the related notes to the financial statements, which form an integral part of these financial statements.

CURETIS N.V. CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December

in Euro	2015	2014
Profit before income tax	13,839,592	-12,433,922
Adjustment for:		
– Net finance income / costs [13]	-25,890,237	2,302,261
– Depreciation, amortization and impairments [20, 21]	1,708,401	1,448,455
– Gain on disposal of fixed assets	15,586	38,161
– Changes in provisions [25, 26]	-784,082	1,023,028
– Changes in valuation of PSOP-liability [26]	3,045,839	0
– Net exchange differences	-10,404	1,475
Changes in working capital relating to:		
– Inventories [18]	366,250	-367,143
– Trade receivables and other receivables [16, 19, 22]	-1,530,884	382,767
– Trade payables and other payables [24, 2, 28, 29]	773,011	179,807
Income taxes received (+) / paid (-)	0	0
Interests paid (-)	-30,423	-22,363
Net cash flow provided by operating activities	**-8,497,351**	**-7,447,474**
Payments for intangible assets [20]	-487,439	-66,878
Payments for property, plant and equipment [21]	-608,583	-1,512,013
Proceeds from sale of property, plant and equipment	0	4,000
Interests received	29,566	5,754
Net cash flow used in investing activities	**-1,066,456**	**-1,569,137**
Payments for finance lease liabilities [30]	-133,749	-127,523
Cash received from capital increase [33]	13,578,054	6,757,529
Proceeds from issue of ordinary shares [33]	44,310,330	0
Payments for financing costs for IPO of old shares [33]	-1,899,339	0
Transaction costs for issue of ordinary shares [33]	-3,235,379	0
Net cash flow provided by financing activities	**52,619,917**	**6,630,006**
Net increase (decrease) in cash and cash equivalents	**43,056,110**	**-2,386,605**
Net cash and cash equivalents at the beginning of the year [15]	2,993,883	5,381,963
Net increase (decrease) in cash and cash equivalents	43,056,110	-2,386,605
Effects of exchange rate changes on cash and cash equivalents	10,404	-1,475
Net Cash and cash equivalents at the end of the year	**46,060,397**	**2,993,883**

[..] Bracketed numbers refer to the related notes to the financial statements, which form an integral part of these financial statements.

CURETIS N.V.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

in Euro	Share capital	Capital reserve	Other reserve	Retained earnings	TOTAL equity
Balance at 1 January 2014	50,000	0	0	-106,151,782	-106,101,782
Loss for the year				-12,433,922	-12,433,922
Other comprehensive income				0	0
Balance as of 31 December 2014	50,000	0	0	-118,585,704	-118,535,704
Exchange of preferred shares	61,074	110,962,706			111,023,780
Capital increase		800,000			800,000
Issue of common shares	44,310	44,266,020			44,310,330
Transaction Costs for the issue of ordinary shares		-3,235,379			-3,235,379
Equity settled PSOP			6,592,372		6,592,372
Profit for the year				13,839,592	13,839,592
Other comprehensive income				0	0
Balance as of 31 December 2015	155,384	152,793,347	6,592,372	-104,746,112	54,794,991

For detailed information please see notes 2, 4.20, 33.

CURETIS N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2015

1. GENERAL INFORMATION ABOUT THE COMPANY

Curetis N.V. (the Company) is a public company with limited liability (naamloze vennootschap) and has its corporate seat in Amsterdam, the Netherlands. The Company was incorporated as Curetis B.V. on 8 October 2015 as a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) for the purpose of a corporate reorganization of Curetis AG and converted its legal form under Dutch law to a public company with limited liability at the date of the initial public offering of its common shares in November 2015. The Company has one subsidiary, Curetis AG, Holzgerlingen, Germany where it holds 100% of the shares (together "the Curetis Group" or "the Group" or "Curetis").

The consolidated financial statements of the Group as of and for the year ended 31 December 2015 comprise as such the Company and its wholly owned and controlled subsidiary Curetis AG, Holzgerlingen, Germany. Financial information presented in the consolidated financial statements for periods prior to the corporate reorganization on 11 No-vember 2015 (i.e. also comparatives as per 31 December 2014) are those of Curetis AG on a standalone IFRS basis. Curetis N.V. had neither existed nor conducted any operations and had not held any assets or liabilities, including contingent liabilities, prior to the reorganization.

The group´s earnings per share were previously presented based on Curetis AG shares in the prior year financial statements. However management considers it to be more relevant if the disclosure earnings per share are made based on Curetis N.V. shares after the share-swap agreement considering the 1:2 spilt in 2015 compared with 2014 (see note 14).

The group´s interests paid and received were previously presented together in the consolidated statements of cash flow in the prior year financial statements based on IAS 1 p 31. However, management considers it to be more relevant if the disclosure of interests paid and received is made separately in accordance with IAS 7 p 31.

Curetis is a commercial-stage molecular diagnostics company focusing on simple, accurate and rapid solutions for diagnosing infectious diseases and antibiotic resistance in severely ill, hospitalized patients.

Curetis N.V. is listed on Euronext Amsterdam and Brussels as from 11 November 2015 under the ticker symbol CURE. The Group does not have an ultimate parent entity or a controlling party, it is controlled by its directors. The statutory seat of Curetis N.V. is in Amsterdam, the Netherlands, the corporate headquarters is at Max-Eyth-Str. 42, 71088 Holzgerlingen, Germany.

2. CORPORATE REORGANIZATION

At the initial step of the corporate reorganization on 11 November 2015, the shareholders of Curetis AG subscribed for 11,107,378 common shares in Curetis B.V. and agreed to transfer their common shares and their preferred shares in Curetis AG to Curetis B.V. in consideration therefore. Simultaneously, the single share in Curetis B.V. then held by LSP Curetis Pooling B.V. was cancelled, and as a At the initial step of the corporate reorganization on 11 November 2015, the shareholders of Curetis AG subscribed for 11,107,378 common shares in Curetis B.V. and agreed to transfer their common shares and their preferred shares in Curetis AG to Curetis B.V. in consideration therefore. Simultaneously, the single share in Curetis B.V. then held by LSP Curetis Pooling B.V. was cancelled, and as a result, Curetis AG became a wholly owned subsidiary of Curetis B.V. The legal form of Curetis B.V. was then converted from a Dutch private company with limited liability to a Dutch public Company with limited liability, which resulted in a name change into Curetis N.V.

All shares of Curetis AG were exchanged by the shareholders for common shares of Curetis B.V. with individual exchange ratios (the "Share Swap"). In the course of the Share Swap all of the shares in Curetis AG have been converted into Shares of Curetis B.V. on a one-to-two ratio adjusted for the stock split for the aggregate number of shares, so that 5,553,689 shares in Curetis AG have been converted into 11,107,378 shares of Curetis B.V. The individual exchange ratios for various shareholders have been different, so that some shareholders received fewer than two shares for one Curetis AG share, and others received more. In detail the respective applicable individual exchange ratio depended on the individual contributions rendered by the respective shareholder to Curetis AG. Under the then existing shareholder agreements the shareholders that held class (A) voting preference shares and/or class (B) voting preference shares of Curetis AG had been entitled to receive more shares for

each class (A) voting preference share and / or class (B) voting preference share held by them immediately prior to Corporate Reorganization, as those shares benefited from certain agreed upon liquidation preferences. The liquidation preference factor on the contributed capital of the class (A) and class (B) shareholders that did apply for the share swap was 1.1481. This liquidation preference factor was fulfilled by applying different individual exchange ratios in the Share Swap.

In conjunction with the corporate reorganization and the successful completion of the initial public offering (IPO) the beneficiaries holding more than 1,000 phantom stock options, granted under the phantom stock option plan 2010 (PSOP) agreed to sell their cash payment claim resulting from the PSOP against Curetis AG to Curetis N.V. in consideration for the right to subscribe for new ordinary shares in Curetis N.V. with effect as from and under the conditions precedent of the expiry of the Lock Up Period, i.e. not before 13 November 2016 . The Payment claim of all those beneficiaries that had been granted 1,000 or fewer phantom stock options will be settled in cash after expiry of the Lock Up Period.

3. BASIS OF PREPARATION – CONSOLIDATED FINANCIAL STATEMENTS

3.1. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the Interpretation (IFRIC) as endorsed by the European Union (EU). The financial year corresponds to the calendar year. The following explanatory notes are an integral part of the consolidated financial statements which further comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows and the statement of changes in equity. The consolidated financial statements were authorized for issuance by the Board of Directors on 6 April 2016.

3.2. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for the financial liabilities connected with preferred and common shares that are measured at fair value as required by IFRS as adopted by the EU. The statement of profit or loss has been prepared in accordance with the nature of expense method. The financial statements have been prepared on a going concern basis. These consolidated financial statements are presented in Euro – where appropriate – has been rounded to the nearest thousand (abbreviated kEUR).

3.3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group´s accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following areas are areas where key assumptions concerning the future, and other key sources of estimations uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Estimated useful life of intangible assets – note 20 / 4.17
- Estimation of provisions – note 26
- Estimation of fair values of contingent liabilities and contingent purchase commitments – note 35

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

4.1. NEW STANDARDS AND INTERPRETATIONS APPLIED FOR THE FIRST TIME

The international Accounting Standards Board (IASB) continues to issue new standards, interpretations and amendments to existing standards. Curetis applies these new standards when their mandatory application is required by the EU. Curetis has not opted for early adoption for any of these standards. A number of amendments to standards and new or amended interpretations are effective for annual periods beginning on or before January 1, 2015, and have been applied in preparing these financial statements.

Standard / Interpretation	Effective Date [1]
Annual Improvements to IFRSs 2011-2013 Cycle	01.01.2015
IFRIC 21 Levies	17.06.2014

[1] Shall apply for periods beginning on or after shown in the effective date column

The interpretation IFRIC 21 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

None of these amendments to standards and new or amended interpretations had an effect on the consolidated financial statements of the Group.

4.2. STANDARDS, INTERPRETATIONS, AND AMENDMENTS ISSUED, BUT NOT YET TO BE APPLIED

The following new standards and interpretations and amendments to existing standards will become effective after 1 January 2015.

Standard/Interpretation	Content	Adopted by the EU	Application mandatory from
IFRS 9: Financial Instruments	Classification and Measurement requirements, Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39	No	
IFRS 14: Regulatory deferral accounts	Accounting for regulatory deferral accounts	No	n/a
IFRS 15: Revenue from contracts with customers	Accounting for revenue recognition	No	
IFRS 16: Leases	Accounting of Leasing-transactions	No	
Amendments to IAS 1	Disclosure Initiative	Yes	01.01.2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture	Postponed	Deferred indefinitely
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	Yes	01.01.2016
Amendments to IFRS 11	Acquisition of an interest in a joint operation	Yes	01.01.2016
Amendments to IAS 16 and IAS 38	Acceptable methods of depreciation and amortization	Yes	01.01.2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	Yes	01.01.2016
Amendments to IAS 19	Defined Benefit Plans: Employee Contribution	Yes	01.02.2015
Amendments to IAS 27	Equity method in separate financial statements	Yes	01.01.2016
Amendments to IFRSs	Annual Improvements to IFRs 2010-2012 Cycle	Yes	01.02.2015
Amendments to IFRSs	Annual Improvements to IFRs 2012-2014 Cycle	Yes	01.01.2016
Amendments to IAS 12	Recognition of Deferred Tax Assets for unrealized losses	Yes	01.01.2017
Amendments to IAS 7	Disclosure initiative	Yes	01.01.2017

IFRS 9 ‘Financial Instruments’ contains rules for the classification and measurement of financial assets and liabilities. The new standard defines two instead of four measurement categories for financial assets, with classification to be based partly on the Company’s business model and partly on the characteristics of the contractual cash flows from the respective financial asset. In the case of equity investments that are not held for trading, an entity may irrevocably opt at initial recognition to recognize future changes in their fair value outside profit or loss in the statement of comprehensive income. In November 2013, the IASB issued further amendments under the title ‘Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39’. The focus of the amendments is on a thorough revision of hedge accounting rules with the aim of more appropriately reflecting risk management activities in the financial statements. This involves additional disclosures in the notes. In July 2014, the IASB published the new rules for the disclosure of financial instrument impairments. This new impairment model is based on the principle of accounting for expected losses.

IFRS 14, ‘Regulatory deferral accounts’ permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for ‘regulatory deferral accounts balances’ in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

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 recognized 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 1 January 2018 and earlier application is permitted. Curetis is currently evaluating the impact the changes will have on the presentation of its financial position.

IFRS 16, ´Leases´ sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (´lessee´) and the supplier (`lessor´). IFRS 16 will be effective from 1 January 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15, ´Revenue from contracts with customers´. IFRS 16 completes the IASB´s project to improve the financial reporting of leases and replaces the previous leases standard IAS 17 ´Leases´, and related Interpretations.

The amendment to IAS 1 ‘Presentation of Financial Statements’ clarify, rather than significantly change, existing IAS 1 requirements.

The amendment to IFRS 10 and IAS 28 address an acknowledgement inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets in a subsidiary.

The amendment to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception” address issues that have arisen in relation to the exemption from consolidation for investment entities.

The amendment to IFRS 11 adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

The amendment to IAS 16 and IAS 38 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of intangible assets.

The amendment to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16. Curetis is not engaged in agricultural activities.

The objective of the amendment to IAS 19 is to simplify the accounting for contributions from employees or third parties to a defined benefit plan. The simplified accounting permits such contributions to be recognized as a reduction in the current service cost in the period in which the related service is rendered if the amount of the contributions is independent of the number of years of service.

The amendment to IAS 27 will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors.

The IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, Annual Improvements to IFRSs 2011-2013 Cycle and Annual Improvements to IFRSs 2012-2014 Cycle which amended various standards in detail. The improvements primarily aim to provide clarifications. The date of initial application varies from standard to standard.

The amendment to IAS 7 represents the IASB´s objective to require additional disclosure about non-cash-movements in those liabilities for which cash flows have been, or will be, classified as financing activities in the statement of cash flows. This requirement should provide useful information because it is not always possible to identify material non-cash movements in these liabilities.

The amendment to IAS 12 clarifies the requirements on recognition of deferred tax assets for unrealized losses, to address diversity in practice. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

The Group is assessing the potential impact that IFRS 9 ´Financial instruments´ / 15 ´Revenues from contracts with customers´ / 16 ´Leases´ has on its consolidated financial statements. The other new or amended standards and interpretations are not expected to have a significant effect on the consolidated financial statements of the Group.

4.3. CONSOLIDATION

Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including structured entities) which Curetis N.V. can control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries shown separately in the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

b) Equity method

Under the equity method of accounting, the investments are initially recognized at net asset value and adjusted thereafter to recognize the group´s share of the post-acquisition profits or losses of the investee in profit or loss.

c) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Curetis N.V.

4.4. SEGMENT REPORTING

In accordance with IFRS 8, Curetis is a single-segment entity. The Group manages its activities and operates as one business unit which is reflected in its organizational structure and internal reporting. The Group does not distinguish in its internal reporting different segments. The Group does not create different statements of profit or loss for different segments, neither geographical nor for products. Strategical business decisions are controlled by the management board using the implemented single-segment reports.

4.5. CURRENT AND NON-CURRENT DISTINCTION

Curetis presents current and non-current assets and current and non-current liabilities as separate classifications in the statement of financial position. Curetis classifies all amounts expected to be recovered or settled within twelve months after the reporting period as ´current´ and all other amounts as 'non-current'.

4.6. FOREIGN CURRENCY TRANSLATION

a) functional and presentation currency

Items included in the financial statements of each of the group´s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro which is the Curetis N.V. functional and presentation currency.

b) Transactions and balances

Transactions in foreign currencies are translated into Euros at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Euros at the exchange rate at the reporting date. Curetis uses the exchange rates of the Deutsche Bundesbank on the reporting date.

Curetis converted amounts in USD to the functional currency with the exchange rate as of 31 December 2015 of 1 Euro = 1.0887 USD (31 December 2014 of 1 Euro = 1.2141 USD).

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the historical rate at the date of the transaction.

Foreign exchange gains or losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss and other comprehensive income within finance income or within the finance costs.

4.7. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The balance of cash and cash equivalents as at the date of the financial statements disclosed in the cash flow statement is comprised of cash and cash equivalents. Cash comprises cash on hand and demand deposits. Cash equivalents are short-term bank deposits and are not subject to any significant risk of changes in value. Interest paid is included in the cash from operating activities whereas interest received from part of the cash flows from investing activities.

4.8. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services. Curetis recognizes revenue at the time that the relevant risks and opportunities associated with the ownership of the goods sold and products have been transferred to the customer and when it has become probable that future economic benefits will flow to the customer's entity. Revenues are presented net of value-added tax, rebates and discounts.

4.9. COST OF SALES

Cost of sales includes the costs for sold products in terms of manufacturing as well as manufactured as well as delivery costs for the sold products. Manufacturing costs for products manufactured in-house include the directly allocable individual material and production costs, the allocable parts of the overhead costs for production including depreciation of production equipment and reduction in inventories.

4.10. RESEARCH AND DEVELOPMENT EXPENSES

Research expenses are defined as costs incurred for investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development expenses are defined as costs incurred for the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.

Research and development costs are expensed as incurred unless the recognition criteria outlined in IAS 38 are met. The criteria for the recognition of development costs are closely defined: an intangible asset must be recognized if, and only if, there is reasonable certainty of receiving future cash flows that will cover an asset's carrying amount. Since Curetis' development projects are often subject to product development risks, clinical trial risks, regulatory approval procedures and other uncertainties, the conditions for the recognition of costs incurred before receipt of approvals are not satisfied in the ordinary course of business of Curetis.

4.11. LEASES

Leasing transactions are classified according to the lease agreements and to the underlying risks and rewards. Curetis has entered into agreements in which it is the lessor and other agreements in which it is the lessee. Additionally, certain arrangements are analyzed with regard to embedded leases (IFRIC 4). If specific criteria are met, certain arrangements should be accounted for as leases even if they do not take the legal form of a lease. The Group does not intend to early adopt IFRS 16 Leases.

4.11.1. AS THE LESSEE

Curetis leases certain property, plant and equipment. Leasing transactions in which Curetis is the lessee are classified either as finance leases or operating leases. Leases of property, plant and equipment where Curetis bears substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are recognized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Accordingly, Curetis recognizes the asset and the associated liability in equal amounts. The leased property is depreciated over its useful economic life or, if it is shorter, the term of the lease. The liability is measured by using the effective interest method.

Each lease payment is split into and allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other current financial liabilities and other non-current financial liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and lease term.

All other transactions not classified as a finance lease in which Curetis is the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

4.11.2. AS THE LESSOR

In case Curetis acts as the lessor and substantially all the risks and rewards associated with ownership of the leased property are transferred to the lessee, the leasing transactions are classified as finance leases.

In case Curetis acts as the lessor in a finance lease, the transaction is accounted for as a normal sale and the present value of the minimum lease payments as well as the unguaranteed residual value accruing to Curetis, in sum the net investment in the lease, is recognized as a receivable. The difference between the net investment in the lease and the gross investment in the lease (that is the nominal values of the minimum lease payments as well as the unguaranteed residual value accruing to Curetis) is recognized as interest over the lease term using the effective interest method.

All other transactions in which Curetis acts as lessor are classified as operating leases. The property remains on the statement of financial position as an asset, and the lease payments are generally recorded on a straight-line basis as income over the term of the lease.

4.12. FINANCE INCOME AND FINANCE COSTS

Interest income and expenses are recognized using the effective interest method.

4.13. EARNINGS PER SHARE

a) Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit (loss) for the period attributable to equity owners of Curetis by the weighted average number of common shares outstanding during the period.

b) Diluted earnings per share

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive

instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method.

4.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

4.15. TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Receivables qualify as loans and receivables in accordance with IAS 39 (see below) and are initially recognized at fair value, and subsequently measured at amortized cost using the effective interest rate method, less provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that Curetis will not be able to collect all amounts due, according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

4.16. INVENTORIES

Inventories are valued at the lower of cost or net realizable value. The cost of merchandise as well as raw, auxiliary and operating materials is determined by using the specific identification of their individual cost method. The cost of semi-finished and finished goods is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

If the net realizable value of a finished good is lower than their costs, the difference is recognized as impairment immediately.

4.17. INTANGIBLE ASSETS

Intangible assets that are acquired against payment are recognized at acquisition cost. Standard-Software-licenses and ERP-licenses are amortized with their respective useful lives (between 3 – 5 years) using the straight-line method. Licenses for biomarkers are amortized according to the terms of validity of the patent (up to 18 years). Intangible assets are amortized according to the straight-line method. There are no intangible assets with an indefinite useful life. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable amount. Impairments are reversed if and to the extent that the reasons for impairment no longer exist. The recoverable amount is defined as the higher of an asset's fair value less cost to sell and its value in use.

4.18. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at cost less depreciation and impairment losses, if any. Cost includes direct costs (e.g. materials, direct labor and work contracted out) and directly attributable overhead costs.

Asset retirement obligations are recognized as part of the cost of tangible fixed assets and expensed as either depreciation over the asset's estimated useful life or as impairment charges. The estimated useful lives of the principal property, plant and equipment categories are as follows:

Asset class	Depreciation term
Building on third-parties' land	Max. 10 years
Technical equipment	3-13 years
Office equipment	2-14 years
Unyvero-Platforms	3-5 years

Property, plant and equipment are depreciated using the straight-line method, based on estimated useful life, taking into account residual value. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable. An impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is defined as the higher of an asset's fair value less cost to sell and its value in use. Impairments are reversed if and to the extent that the reasons for impairment no longer exist.

The assets' residual values and useful lives are reviewed at least annually and adjusted if appropriate.

4.19. FINANCIAL INSTRUMENTS

Financial instruments are contracts that lead to a financial asset at one company and a financial liability or equity instrument at another.

Financial assets and liabilities are disclosed on the statement of financial position when Curetis becomes a contractual party to a financial instrument. Financial assets are recognized at their fair value in the initial disclosure. Subsequent valuation depends on the classification of the financial instruments.

IAS 39 classifies financial assets into the following categories:

- financial assets at fair value through profit or loss,
- financial assets held to maturity,
- loans and receivables, and
- available-for-sale financial assets.

Financial instruments of the 'Loans and receivables' category are recognized upon delivery or settlement of the service, e.g. at the time the claim to payment arises (settlement date). Derivatives are recorded on the day of the transaction, and all other financial assets are recorded on the settlement date. The transaction day is the day on which Curetis enters into the obligation to purchase or sell an asset. The settlement date is the day on which an asset is delivered to or by the Company.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest rate, less an allowance for non-collectability. Amortized cost is calculated by taking into account any discounts or premiums on acquisition and transactions costs. Effects from subsequent measurement using the effective interest rate are recognized in the statement of profit or loss under finance income. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Curetis' loans and receivables comprise 'trade receivables' and 'other non-current financial assets', as well as 'cash and cash equivalents' in the statement of financial position which are measured at amortized cost using the effective interest rate method, less any impairment.

As of 31 December 2015 the Group did not have any financial assets available for sale.

De-recognition of a financial asset takes place on the selling date (trading day) or when the claim has been settled. De-recognition also takes place when a receivable has become irrecoverable. Any effects arising from de-recognition are recognized through profit or loss.

Financial instruments are impaired when there are objective indications for this. Such indications for a financial instrument could include:

- severe financial difficulties on the part of the issuer,
- breach of contract by the debtor, e.g. defaulting on interest or debt repayments,
- concessions made to a debtor that would not have been made under normal circumstances,
- a high probability of insolvency proceedings or other financial restructuring by the debtor,
- observable information from which a reduction in the expected future cash flows can be deduced (e.g. adverse changes in the conduct of debtor payments, national or local commercial circumstances), as well as
- a lasting or significant reduction in the fair value of equity instruments under acquisition costs.

The impairment is determined by taking into account collateral held, or other credit enhancements, with recourse to the objective indications. The carrying amount of the asset is reduced by using an adjustment account and recognizing the impairment loss with an effect on profit or loss. Interest earnings, based on the original effective interest rate of the asset, continue to be reported on the reduced carrying amount. Receivables, together with the relevant amortization, are de-recognized when they are classified as irrecoverable and when all collateral has been accessed and utilized. If the amount of an estimated amortization expense increases or decreases in a later reporting period due to an event

occurring after the amortization expense was reported, then the previously reported amortization expense is increased or decreased with an effect on profit or loss by adjusting the amortization account. If a de-recognized receivable is again classified as recoverable due to an event occurring after de-recognition, then the relevant amount is immediately reported as recoverable with an effect on profit or loss. The cash value of the expected future cash flow is reduced by the original effective interest rate of the financial asset.

Curetis' financial liabilities include liabilities from finance lease agreements as well as payables related to the operating activities (trade and other payables).

They are to be recognized when the Company becomes a contractual party to the provisions of a financial instrument. Liabilities incurred due to an obligation to purchase goods or services are recognized on the settlement date for the respective delivery or service. For financial liabilities, the appropriate liabilities are to be recognized on the settlement date, i.e. the value date. Derivatives are recognized on the day of the transaction. Financial liabilities are de-recognized when they have been settled, i.e. when the obligations stated in the contract have been met, lifted or expired. Initial disclosure is made at fair value. Where there is a financial liability that is valued at fair value without an effect on profit or loss, valuation occurs after deducting transaction costs from the consideration received. The subsequent valuation is dependent on the categorization.

IAS 39 classifies financial liabilities into the following categories:

- financial liabilities measured at fair value through profit or loss, and
- other liabilities.

In the subsequent periods, other liabilities are recognized at amortized costs. For current liabilities, this means that they are recognized at the redemption or settlement amount. Non-current liabilities and financial debt are accounted for using the effective interest method.

Management determines the classification of the financial liabilities at initial recognition and assesses the designation at every reporting date, except 'Financial liabilities measured at fair value through profit or loss'.

Currently, Curetis classifies its finance lease agreements and trade and other payables relating to the operating activities into the category 'Financial liabilities measured at amortized cost' (referred to in IAS 39 as "other liabilities") and its liabilities relating to preferred and common shares into the category 'Financial liabilities measured at fair value through profit or loss'.
Financial liabilities are classified as current liabilities unless Curetis has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
Financial assets and liabilities are offset and reported on a net basis on Curetis' statement of financial position only when there is a current and legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.20. TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables qualify as financial liabilities measured at amortized cost (or other liabilities), in accordance with IAS 39 (see above). Trade payables are initially recognized at fair value, net of directly attributable transaction costs. After initial recognition, they are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss until maturity of the liability using the effective interest method. Amortized cost is calculated by taking into account any discounts or premiums on acquisition or issuance and transaction costs. The effective interest rate amortization is recognized in the statement of profit or loss under finance costs.

Accounts payable 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 ´non-current liabilities´.

4.21. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions are recognized when Curetis has a present legal or factual obligation as a result of past events; and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where future cash outflows are expected to occur after one year, the provision is recognized at the present value of their expected settlement amounts if the interest rate effect resulting from discounting is material.

4.22. CURRENT AND DEFERRED TAX INCOME

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable 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 tax bases of assets and liabilities and their carrying amounts in the financial statements, as well as for tax loss carryforward. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. In addition, 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 nor loss. Deferred income tax is determined applying 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 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 taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

In accordance with IAS1 ‘Presentation of financial statements’, the current part of deferred taxes is recognized as non-current assets/ liabilities in the statement of financial position.

4.23. EQUITY

Share capital is classified as equity. Mandatorily redeemable preference shares as well as common shares had been classified as liabilities until the corporate reorganization. Incremental costs directly attributable to the issuance of shares are recognized net of tax as a deduction from equity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

4.24. SHARE-BASED PAYMENTS

Curetis operates the share-based compensation plan, Curetis AG Phantom Stock Option Incentive Plan 2010 (“PSOP”) under which the Company receives services from employees and freelancers as consideration for Phantom Stock Options. This share-based payment plan is accounted for in accordance with IFRS 2, ‘Share-Based Payment’.

The PSOP had initially been classified as a cash-settled share-based payment (see note 25) with a vesting period of 4 years and a runtime period of 10 years. The grant date is defined as the date on which both parties agree to the plan,

which is usually the date of signing the contract. The fair value of a PSO is determined using an option pricing model after assessing the fair value through a discounted cash flow model. In case of a listing or exit event, the vesting period accelerates and the beneficiaries receive cash in the amount of the opening quotation less the strike price.

Consequently, on 11 November 2015, all PSOs automatically vested with the successful completion of the Curetis IPO. Roll-Over-Agreements were signed in October 2015, which subject participants to a lock-up period up to 13 November 2016. It was agreed that the payment claims for beneficiaries entitled to more than 1,000 phantom stock options will be settled in the Company's shares and therefore this arrangement is classified as an equity-settled transaction. Payment claims for beneficiaries entitled to 1,000 or less phantom stock options will be settled in cash and therefore classified as a cash-settled transaction.

The fair value of the PSOs in case of a successful IPO is the offer price, minus the agreed strike price. The fair value of the equity-settled share-based transactions is recognized as an expense and a corresponding increase in equity over any vesting period. Cash-settled share-based payments are initially recognized at the fair value of the liability and are expensed over the vesting period. The liability is remeasured at each reporting date, with all changes recognized in the income statement.

4.25. USE OF ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to determination of the useful lives of property, plant and equipment, inventories, valuation, provisions, discounted cash flows for impairment testing, recognition of deferred tax assets and the determination of the fair value of certain financial instruments.

The uniform determination of the useful economic life for intangible assets and property, plant and equipment of Curetis is subject to the estimates made by the management.

Inventories are valued at the lower value of acquisition and manufacturing cost and net realizable value. The net realizable value is determined by subtracting the costs incurred up to completion from the expected sales price of the end product. If assumptions regarding future sales prices or end product market potentials are not appropriate, this may lead to a further need for depreciating inventories.

When accounting for provisions, management must make assumptions regarding the probability of certain business transactions resulting in an impending loss of commercial benefit for Curetis. Estimates regarding the amount and timing of possible economic outflows form the basis for the measurement of provisions. If the actual amount and the timing differ from estimates made, then this may affect the results of Curetis.

To test for impairment, the value-in-use is determined by means of the discounted cash flow method. Assumptions regarding future business developments and general underlying data are to be made for this purpose. If there are any changes in these input factors, the recognition of an impairment may be necessary.

The calculation of deferred tax assets requires assumptions to be made with regard to the level of future taxable income and the timing of recovery of deferred tax assets. These assumptions take account of forecasting operating results and the impact on earnings of the reversal of taxable temporary differences. Since future business developments cannot be predicted with certainty and to some extent cannot be influenced by Curetis, the measurement of deferred tax assets is subject to risk and uncertainty.

In 2014 Curetis had a cash settled phantom stock option plan in place. The estimation of the fair value of these phantom stock options was based on an option pricing model after assessing the fair value through a discounted cash flow model. Since 11 November 2015, when all beneficiaries agreed to sign the Roll-Over-Agreements (note 4.24) the estimation was replaced by a clearly defined payment claim.

Before the IPO preferred and common shares of Curetis AG had been measured at their fair value. For the determination of the fair value, management made assumptions on several input factors (e.g. business development, weighted average cost of capital, beta factors).

On 10 November 2015 a final valuation of the liability for preferred and common shares of Curetis AG – using the offer price has been executed. This resulted in a finance gain in the amount of kEUR 22,790. On 11 November 2015, with completion of the IPO, the liability did expire, as the preferred and common shares of Curetis AG were exchanged into common shares of Curetis N.V. (see note 2).

No retrospective amendments to the existing remuneration policy for the year 2015 will be proposed for adoption by the Annual General Meeting of Shareholders in 2016. The full remuneration report for 2015 will be made available on the Company's website.

4.26. GOING CONCERN

The Group has incurred net losses since its incorporation until 2014. In 2015 the Group incurred a profit for the first time. However, the result from operating activities was still negative, as the profit was due to finance income from the gain resulting out of the fair value measurement of common and preferred shares of Curetis AG. The retained earnings of the Group are still negative. Taking into account the strong cash position of the Group following the successful IPO in November 2015 and the cash flows to be generated over the next years, the Management Board is of the opinion that it can prepare these consolidated financial statements under the going concern assumption. Whilst the current cash position is sufficient for the Group´s immediate and medium term needs, the Management Board has pointed out that Curetis may seek further additional funding to support the continuing development of its portfolio of products or to be able to execute other business opportunities.

4.27. TRANSACTION COSTS

When Curetis N.V. executed its initial public offering, new shares have been issued to investors to raise additional capital and, along with existing shares, subsequently became listed at Euronext in Amsterdam and Brussels. Costs incurred in listing the existing shares have not been treated as transaction costs relating to the issue of an equity instrument. These costs are simply incurred to make the existing shares more marketable and are not related to the equity instrument´s issue. Curetis identified the costs that are specifically attributable to the issue of new shares. All other costs of the IPO that would not have been incurred had the IPO not taken place, have been allocated between the new shares and old shares based on the ratio of old to new shares.

Transaction costs for the issuance of new shares have been accounted as a deduction from equity. Other costs for the listing of existing shares have been accounted for through profit or loss.

Transaction costs are to be accounted for net of tax. As Curetis does not pay any income taxes currently, has no tax expenses for the current year and management does not consider that the tax-loss-carry-forwards are exercisable in the current situation of the Group, no adjustments were made in this respect. When relating deferred tax assets are recognized in future, a corresponding net of tax entry within equity will take place.

4.28. GOVERNMENT GRANTS

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received.

The Group receives grants related to research projects from governmental agencies, these are recognized at their fair value when the Group receives the grants from the agency and will comply with the conditions attached to the grants, but in no event prior to the formal grant approval. The grants are accounted for as other operating income in the statement of profit or loss.

5. REVENUE

in kEuro	2015	2014
Sale of Unyvero Systems	1,491	33
Sale of cartridges	570	154
Sale of services	26	46
Sale of spare parts	—	42
Total revenues	2,087	275

In accordance with IFRS 8, Curetis is a single-segment entity. Revenues from external customers by territory, based on the destination of the customers are as follows:

in kEuro	2015	2014
Germany, Austria, Switzerland	617	157
Western Europe	43	0
Asia	1,033	0
Rest of the world	394	118
Total revenues	2,087	275

All revenues are derived from a total of 23 external customers, including hospitals as well as distribution partners.

The increase in revenues compared to 2014 in the direct selling markets Germany, Austria and Switzerland mainly resulted from increased number of sold cartridges and from Unyvero-Systems sold to a new pharmaceutical collaboration partner.

The increase in revenues in Asia is mainly due to new distribution partners in China, United Arab Emirates and the ASEAN (Association of South East Asian Nations) markets, where Curetis sold 21 Unyvero-Systems in 2015 and also recognized revenues from sold cartridges.

6. COST OF SALES

Cost of sales includes the total acquisition and manufacturing costs incurred for products, goods and services that are sold. In 2015, cost of sales amounting to kEUR 2,161 (2014: kEUR 643). Curetis manufactures cartridges and disposables at its manufacturing plant and purchases Unyvero-Systems from its OEM-supplier.

The increase of cost of sales compared to 2014 mainly results from a higher number of sold Unyvero Systems and cartridges.

Cost of sales also include share-based-payments of kEUR 146 (thereof kEUR 13 cash-settled and kEUR 133 equity settled).

7. EXPENSES BY NATURE

in kEuro	2015	2014
Employee benefit expenses	7,167	4,734
Depreciation, amortization and impairment charges	1,708	1,448
Changes in inventories and finished goods and work in progress	-30	71
Raw material and consumables used	1,565	393
Facility expenses	373	335
Disposables for clinical trials and R&D activities	661	903
3rd party services for US FDA trial	508	305
Marketing and travel expenses	547	390
Other expenses	1,760	1,938
Total Cost of Sales, distribution costs, administrative expenses and research & development expenses	14,259	10,517

The Employee benefit expenses in 2015 include kEUR 2,941 additional expenses compared to the prior year for the new valuation of the PSOP after the IPO compared to kEUR 894 in 2014.

8. DISTRIBUTION COSTS

in kEuro	2015	2014
Personnel expenses	1,894	1,130
– thereof from share-based-payments cash-settled	*48*	*338*
– thereof from share-based-payments equity-settled	*493*	*0*
Depreciation and Amortization	153	21
Other expenses	740	788
Total	2,787	1,939

Distribution costs include all individual sales and overhead sales costs. They include all expenses for personnel, marketing, materials and depreciation, in addition to other sales-related expenditures.

The increase in personnel expenses in 2015 is due to (i) the recruitment of a new Chief Commercial Officer (CCO), (ii) the recruitment of additional sales & marketing staff and (iii) the share based payment costs recognized in relation to the phantom stock option plan (see note 4.24).

The increase in depreciation and amortization compared to 2014 is due to the increase of marketing-specific software in 2015.

9. ADMINISTRATIVE EXPENSES

in kEuro	2015	2014
Personnel expenses	1,400	801
– thereof from share-based-payments cash-settled	*17*	*158*
– thereof from share-based-payments equity-settled	*894*	*0*
Depreciation and Amortization	116	205
Other expenses	1,082	631
– thereof from share-based-payments cash-settled	*100*	*60*
– thereof from share-based-payments equity-settled	*0*	*0*
Total	2,598	1,637

Administrative expenses include personnel, depreciation and other costs of the central administrative areas, which are not related to production, sales or research and development.

The increase of Personnel expenses in 2015 is mainly explained by the share based payment expenses recognized in relation to the phantom stock options plan (see note 4.24).

The decrease of Depreciation and Amortization is mainly due to technical installations that have been transferred from administrative to manufacturing.

The increase of other expenses is mainly due to an increase in the valuation of phantom stock options for freelancers and 3rd parties (see note 4.24).

10. RESEARCH AND DEVELOPMENT EXPENSES

in kEuro	2015	2014
Personnel expenses	3,574	2,722
– thereof from share-based-payments cash-settled	*87*	*370*
– thereof from share-based-payments equity-settled	*1,257*	*0*
Depreciation and Amortization	1,143	1,142
Materials expenses	550	740
Other expenses	1,445	1,694
– thereof from share-based-payments cash-settled	*5*	*3*
– thereof from share-based-payments equity-settled	*0*	*0*
Total	6,712	6,298

The increase of personnel expenses in 2015 is mainly explained by the share based payment expenses recognized in relation to the phantom stock options plan (see note 4.24).

The decrease in material expenses is mainly due to a decrease of Unyvero-cartridges used for R&D-purposes in 2015.

The decrease in other expenses is due to less 3rd party services for Research and Development projects, as the development of the demand for product improvements in 2015 was lower than in 2014.

11. EMPLOYEE BENEFIT EXPENSES

in kEuro	2015	2014
Wages and salaries	3,692	3,334
Social security costs	534	506
PSOs granted to management and employees	2,941	894
Total	7,167	4,734

The employer´s contribution paid to the statutory pension scheme (Deutsche Rentenversicherung) in Germany amounted to kEUR 246 in 2015 (2014: kEUR 233).

Increase of expenses for phantom stock options (PSOs) is due to the corporate reorganization of the PSOP as explained in note 4.23.

12. OTHER INCOME

Other income mainly comprises income from government grants for research and development projects amounting to kEUR 51 (2014: kEUR 7).

13. FINANCE INCOME/COTS NET

Finance income – net amounting to kEUR 25,890 (2014: Finance cost – net of kEUR 2,302) arising primarily from the fair value measurement of Curetis´ preferred and common shares. The costs for the listing of old (former Curetis AG) shares have been accounted for through profit & loss, as these are no transaction costs. For further details on the treatment of transaction costs we refer to note 4.27. The preferred and common shares of Curetis AG have been exchanged into common shares of Curetis N.V. within the corporate reorganization for purposes of the IPO (See Note 2).

in kEuro	2015	2014
Gain / loss from exchange of preferred and common shares of Curetis AG into common shares of Curetis N.V.	27,790	-2,286
IPO Costs for the listing of old shares	-1,899	0
Foreign exchange differences	6	0
Other finance income / finance costs	-6	-16
Finance income/costs net	25,891	-2,302

14. EARNINGS / LOSS PER SHARE

Earnings / loss per common share is calculated by dividing the profit / loss of the period by the weighted average number of common shares outstanding during the period, adjusted for reorganization of the Company (see note 2).

Basic earnings / loss per share

in Euro	2015	2014
From continuing operations attributable to the ordinary equity holders of the company	1.18	-9.48
Total basic earnings / loss per share attributable to the ordinary equity holder of the company	1.18	-9.48

Diluted earnings / loss per share

in Euro	2015	2014
From continuing operations attributable to the ordinary equity holders of the company	1.18	-9.48
Total diluted earnings / loss per share attributable to the ordinary equity holder of the company	1.18	-9.48

RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

Basic earnings per share

in Euro	2015	2014
Profit attributable to the ordinary equity holders of the company used in calculation basic earnings per share:		
From continuing operations	13,839,592	-12,433,922
Total basic earnings / loss per share	13,839,592	-12,433,922

Diluted earnings / loss per share

in Euro	2015	2014
Profit attributable to the ordinary equity holders of the company used in calculation basic earnings per share:		
From continuing operations	13,839,592	-12,433,922
Total diluted earnings / loss per share	13,839,592	-12,433,922

WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

weighted average number	2015	2014
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	11,683,665	1,311,112
Phantom stock options equity settled	92,113	0
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	11,775,778	1,311,112

As of 31 December 2015 the weighted average number of ordinary shares as well as the profit of the year has been adjusted for the number and expenses of the equity-settled phantom stock options. As of 31 December 2014 no instruments had a dilutive effect.

The weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share include the weighted average of 659,237 (considering the 1:2 Split in 2015 compared with 2014) vested phantom stock options that are equity-settled after the Roll-Over-Agreement became effective (note 4.24)

15. CASH AND CASH EQUIVALENTS

On 31 December 2015, cash and cash equivalents amounted to kEUR 46,060 (31 December 2014: kEUR 2,994). These consist of bank balances and cash on hand. Cash & cash equivalents are at the company´s free disposal, none of these amounts are pledged.

The increase in cash and cash equivalents is due to

(i) Funds received from the private B extended financing round of Curetis AG (kEUR 13,578) for the issuance of 893,293 Series B preferred shares (later converted into common shares of Curetis N.V.).(ii) Funds from the IPO of Curetis N.V., incl. greenshoe (gross proceeds kEUR 44,310) for the issuance of 4,431,033 ordinary shares of Curetis N.V.

These increases have only partly been offset by (i) a negative cash outflow from operating activities of kEUR 8,497 (ii) a negative cash outflow from investing activities of kEUR 1,066 and (iii) negative cash outflows for transaction costs of new shares and financing costs of old shares, as well as lease liabilities of kEUR 5,268.

16. TRADE RECEIVABLES

The carrying amounts of the trade receivables approximate to their fair values. Current trade receivables are non-interest bearing.

in kEuro	31 December 2015	31 December 2014
Trade receivables, gross	1,083	43
less provision for doubtful receivables	-11	-1
Trade receivables, net	1,072	42

The aging of the gross trade receivables at the reporting date was as follows:

in kEuro	31 December 2015		31 December 2014	
	gross	provision	gross	provision
Amounts not due	1,042	-11	43	-1
Past due 0-30 days	41	—	—	—
Past due 31-60 days	—	—	—	—
Past due 61-90 days	—	—	—	—
Past due 91-180 days	—	—	—	—
Past due 181-270 days	—	—	—	—
Past due 271-360 days	—	—	—	—
More than one year	—	—	—	—
Total	1,083	-11	43	-1
Trade receivables, net		1,072		42

As of 31 December 2015, trade receivables of kEUR 41 (31 December 2014 kEUR 0) were past due but not impaired. The aging analysis of these trade receivables is as follows:

in kEuro	31 December 2015	31 December 2014
Up to 3 months	41	—
3 to 6 months	—	—
Total	41	—

Movements in the Company´s allowance on trade receivables are as follows:

in kEuro	2015	2014
Balance as of 1 January	—	1
Net additions (–) / reversals (–)	-11	-1
Use	—	—
Balance as of 31 December	-11	—

17. FINANCIAL INSTRUMENTS BY CATEGORY

The following table displays the carrying amounts of Curetis´ financial assets and liabilities:

in kEuro	31 December 2015	
Assets as per balance sheet date	Loans and receivables	Total
Trade receivables [16]	1,072	1,072
Other non-current financial assets [23]	349	349
Cash and cash equivalents [15]	46,060	46,060
Total	47,481	47,481

in kEuro Liabilities as per balance sheet date	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Total
Finance lease liabilities [30]	—	258	258
Other financial liabilities [28; 29]	—	370	370
Trade payables [24]	—	863	863
Liability PSOP [25]	—	367	367
Financial liabilities for preferred and common shares [31]	—	—	—
Total	—	1,858	1,858

Please refer to the corresponding notes (bracketed numbers) for further information.

in kEuro	31 December 2014	
Assets as per balance sheet date	Loans and receivables	Total
Trade receivables [16]	42	42
Other non-current financial assets [23]	429	429
Cash and cash equivalents [15]	2,994	2,994
Total	3,465	3,465

18. INVENTORIES

in kEuro	31 December 2015	31 December 2014
Raw materials	506	623
Semi-finished goods	81	56
Trade goods	2,556	2,734
Finished goods	60	56
Spare parts	6	—
Total inventories, gross	3,209	3,469
Valuation allowance	-422	-316
Total	2,787	3,153

The provision for obsolescence of inventories recognized as an expense and included in ´Cost of Sales´ amounted to kEUR 422 (2014: kEUR 316).

Semi-finished comprise not yet completely assembled or manufactured parts of our disposables, such as reagent containers, base plates, PCR chambers, etc.

Trade goods comprise Unyvero Systems-components. The decrease compared to 2014 is due to a larger number of sold systems at the end of the year.

19. OTHER CURRENT ASSETS

As of 31 December 2015, other current assets mainly comprise VAT receivables amounting to kEUR 452 (31 December 2014 kEUR 170). Furthermore other current assets include deferred expenses amounting to kEUR 185 as of 31 December 2015 (kEUR 95 as of 31 December 2014).

20. INTANGIBLE ASSETS

in kEuro	Software	advance payments	Total
Balance as of 1 January 2014	331		331
Additions	67	—	67
Disposals	—	—	—
Amortization	-112	—	-112
Reclassifications	—	—	—
Balance as of 31 December 2014	286	—	286
Cost	546	—	546
Accumulated amortization/impairments	-260	—	-260
Balance as of 31 December 2014	286	—	286
Additions	487	—	487
Disposals	—	—	—
Amortization	-128	—	-128
Reclassifications	—	—	—
Balance as of 31 December 2015	645	—	645
Cost	1,033	—	1,033
Accumulated amortization/impairments	-388	—	-388
Balance as of 31 December 2015	645	—	645

In 2015 amortization of kEUR 0 (2014: kEUR 1) is included in ´Cost of Sales´, in distribution costs kEUR 25 (2014: kEUR 9), in R&D costs kEUR 9 (2014: kEUR 8) and kEUR 94 (2014: kEUR 94) in administrative expenses.

21. PROPERTY, PLANT AND EQUIPMENT

in kEuro	Land and buildings	Machines and technical installation	Other tangible assets	Assets under construction	Total
Balance as of 1 January 2014	44	4,718	934	761	6,457
Additions	2	154	702	657	1,515
Disposals		-4	-39	—	-43
Depreciation	-7	-957	-373	—	-1,337
Reclassifications		1,183	—	-1,183	—
Balance as of 31 December 2014	39	5,094	1,224	235	6,592
Cost	65	7,420	1,997	235	9,717
Accumulated depreciation/impairments	-26	-2,326	-773	—	-3,125
Balance as of 31 December 2014	39	5,094	1,224	235	6,592
Additions	6	143	348	110	607
Disposals	—	-7	-7	—	-14
Depreciation	-7	-1,113	-460	—	-1,580
Reclassifications	—	190	—	-190	—
Balance as of 31 December 2015	38	4,307	1,105	155	5,605
Cost	71	7,631	2,227	155	10,084
Accumulated depreciation/impairments	-33	-3,324	-1,122	—	-4,479
Balance as of 31 December 2015	38	4,307	1,105	155	5,605

The net book value of machines and technical installations of which Curetis as the lessee is the beneficial owner under finance lease programs amounted to kEUR 194 as of 31 December 2015 (2014: kEUR 339). All other property, plant and equipment is free from any rights held by third parties. For further details please refer to note 30.

22. OTHER NON-CURRENT ASSETS

Other non-current assets mainly comprise prepaid expenses for insurance contributions.

23. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets solely include assigned accounts for rent and bank deposits as follows:

in kEuro	31 December 2015	31 December 2014
Rent deposit	64	64
Bank deposit	285	365
Total	349	429

24. TRADE AND OTHER PAYABLES

in kEuro	31 December 2015	31 December 2014
Trade and other payables	863	580
Total	863	580

The increase in trade payables is due to increased number of purchased Unyvero-Systems at the end of the year to satisfy the demands from the markets. The fair value of trade payables approximate their carrying amount.

25. LIABILITY PSOP

Curetis AG operated a cash-settled, share-based compensation plan under which Curetis AG received services from employees and freelancers as consideration for Phantom Stock Options (PSO).

By virtue of resolution of the supervisory board of Curetis AG of 11 June 2010 and 17 April 2013, Curetis AG has implemented a Phantom Stock Options Incentive Plan ("PSOP") for its officers, employees, freelancers and advisors entitling the beneficiaries to certain payment rights against Curetis AG in the event of a trade sale, merger or stock exchange listing. The terms and conditions of the PSOP are defined down in the "Curetis AG Phantom Stock Option Incentive Plan 2010" dated 3 September 2010.

The PSOP of Curetis had been set up initially as a cash-settled plan. Each PSO entitled its holder to receive cash which amount was to be calculated as the difference between the value of the common shares as defined in the shareholder agreement dated 13 November 2009 (fair value) and the nominal value of a common share. In case of a successful IPO the offer price (minus a strike price of EUR 1.00 per phantom stock option) would have been paid.

This share-based payment plan issued by Curetis was accounted for in accordance with IFRS 2, 'Share-Based Payment'. The plan involved share-based payment transactions that have been settled in cash and measured at fair value. The fair value of a PSO was determined using an option pricing model after assessing the fair value through a discounted cash flow model. Expenses occurred in the vesting period were recognized as a provision. The vesting period started at the grant date up to the time the claims were vested. The grant date was defined as the date on which both parties agreed to the plan. This was usually the date of signing the contract. Originally it was agreed, that in case of an initial public offering, the beneficiaries would have received cash in the amount of the opening quotation less the strike price. The acquired services and the incurred debt have been recognized at the fair value of the debt. Services received, and as a liability to pay for those services are recognized, as the employees render service. Until the debt has been settled, the fair value of the debt was re-measured at every balance sheet date and all changes to the fair value are recognized as profit or loss. The amount of the provision taken into account for all phantom stock options at 31 December 2014 was EUR 3,913,841.

The original vesting period was determined to be 4 years and the runtime of the program was initially defined to be 10 years. The vesting period, however, accelerates and immediately completes with an exit and/or IPO scenario. This means, that all PSOs automatically vested on 13 November 2015 with the successful completion of Curetis' IPO. According to the PSOP agreement in the event of a stock exchange listing, the beneficiary would be entitled to a payment claim against Curetis AG as the virtual stock options under the PSOP do not constitute transferable assets but are rather bookkeeping entries representing contingent contractual rights to receive a payment and which are used for the calculation of the payment claim of the beneficiary against Curetis AG upon a stock exchange listing.

In October 2015 PSOP- Roll-Over-Agreements have been signed by each beneficiary holding more than 1,000 phantom stock options where after expiry of the lock-up-period (13 November 2016) the beneficiary sells and assigns its payment claim to Curetis N.V. which purchases and accepts the assignment of the payment claim from the beneficiary. The purchase price which shall be payable by Curetis N.V. to the beneficiary shall be equal to the nominal amount of the payment claim.

Under the PSOP Roll-Over-Agreement, Curetis N.V. grants rights to those beneficiaries holding more than 1,000 phantom stock options (at the end of the lock-up-period) to

subscribe for shares to be newly created in the share capital of Curetis N.V.. The beneficiary is entitled to subscribe for a number of ordinary shares to be calculated by dividing the payment claim by the IPO offer price, i.e. EUR 10.-.

Each beneficiary entitled to 1,000 or fewer phantom stock options will be settled in cash after the lock-up-period (13. November 2016). This arrangement represents a cash-settled arrangement with a corresponding liability in the statement of financial position (reclassification from provision as at 31 December 2014 to liability as at 31 December 2015).

A share-based payment arrangement is defined in IFRS 2 as "An agreement between the entity (or another group entity or any shareholder of any group entity) and another party (including an employee) that entitles the other party to receive

(a) cash or other assets of the entity for amounts that are based on the price (or value) equity instruments (including shares or share options) of the entity or another group entity,

(b) equity instruments (including shares or share options) of the entity or another group entity, provided the specified vesting conditions, if any, are met."

The definition of a share-based payment does not require the exposure of the entity to be linked to movements in the share price of the entity. Accordingly, even if the value of the shares to be delivered is a fixed monetary amount (i.e. the amount of the settlement does not vary with changes in the share price as the amount of the payment claim is fixed), the arrangement will be within the scope of IFRS 2 since the consideration will be equity instruments of Curetis N.V.

For Curetis, the liabilities (in 2014 provisions) as of 31 December 2015 relate to the PSOP payment claims. Since the PSOP was within the scope of IFRS 2, the PSOP awards are within the scope of IFRS 2 until settled. This is the case also if the amount of the payment claim has been fixed based on the IPO offer price - i.e. this payment claim is either (i) the fair value of the IFRS 2 liability or (ii) the fair value of the equity-settled share-based payment as determined at the modification date.

In the consolidated IFRS financial statements of Curetis N.V. the payment claim for beneficiaries entitled to 1,000 or more phantom stock options will be settled in shares of the Company – i.e. the beneficiary has already exercised the Roll-Over Options in respect of all Roll-Over Shares, with effect from and under the condition precedent of the expiry of the Lock Up Period. As a result, the Company has no obligation to settle in cash and the arrangement represents an equity-settled arrangement with a respective credit within equity in the consolidated IFRS financial statements of Curetis N.V. The fixed amount of the payment claim to be settled in shares has therefore been recognized as a credit within equity.

	Cash-settled	Equity-settled	Total
Outstanding PSOs at 01.01.2015	311,342	0	311,342
Granted during the period	58,200	0	58,200
Forfeited during the period	-2,169	0	-2,169
Exercised during the period	0	0	0
Expired during the period	0	0	0
PSOs rolled over from cash- to equity-settlement	-346,967	346,967	0
Outstanding at the end of the period	20,406	346,967	367,373
Exercisable at the end of the period	0	0	0
Amount accounted for in statement of financial position in Euro	367,308 Accounted for as current liability 'Liability PSOP'	6,592,372 Accounted for as 'other reserves' in equity	6,959,680

The weighted average exercising price per PSO (considering the strike-price) as of 31 December 2015 was EUR 1.00 (EUR 1.00 as of 31 December 2014).

The fair value at the end of the period was determined by the terms of the roll over agreement: (offer-price x 2) minus strike price.

26. PROVISIONS

The following table provides a breakdown of provisions for other liabilities and charges by type of provision: >

in kEuro	31 December 2015	31 December 2014
Asset retirement obligations	35	34
Profit sharing	–	779
Provision PSOPs	–	3,914
Other provisions	32	38
Balance	67	4,765
– of which: current	*29*	*35*
– of which: non-current	*38*	*4,730*

The movements in the provisions are as follows:

in kEuro	Asset retirement obligation	Profit sharing	PSOPs Provision	Other Provisions
Balance at 1 January 2014	32	743	2,957	8
Additions	2	36	957	30
Usage	—	—	—	—
Release	—	—	—	—
Change in estimates	—	—	—	—
Unwinding of discount	—	—	—	—
Balance as of 31 December 2014	34	779	3,914	38
Additions	1	—	—	—
Usage	—	-779	-3,914	—
Release	—	—	—	-6
Change in estimates	—	—	—	—
Unwinding of discount	—	—	—	—
Balance as of 31 December 2015	35	—	—	32

Curetis has a contractual asset retirement obligation to dismantle the cleanrooms at the end of the lease period, in which they produce their cartridges, and to restore the rented building.

In the early years of the company, a number of employees and directors had waived salary payment claims against Curetis in consideration for a so-called 'profit sharing participation'. On the basis of the respective agreements, these became payable upon completion of the initial public offering of Curetis in November 2015. Curetis therefore had to make a payment to the respective beneficiaries after the Settlement Date, hence the provision was consumed with this payment.

The PSOP Provision after the IPO has become a liability with a defined payment claim. For further information we refer to note 25.

Other provisions relate to various risks and commitments for warranty costs and retention provisions.

27. OTHER CURRENT LIABILITIES

in kEuro	31 December 2015	31 December 2014
Accruals for vacation	185	105
Accruals for audit and preparation of financial statements	181	18
Other tax liabilities	129	66
Other liabilities	182	128
Balance	677	317

Other liabilities mainly comprise liabilities for bonuses and other personnel expenses amounting to kEUR 44 as of 31 December 2015 (kEUR 77 as of 31 December 2014), as well as deferred income amounting to kEUR 59 as of 31 December 2015 (kEUR 0 as of 31 December 2014).

28. OTHER CURRENT FINANCIAL LIABILTIES

Other current financial liabilities include liabilities for outstanding invoices and finance lease.

in kEuro	31 December 2015	31 December 2014
Liabilities for outstanding invoices	370	240
Lease liabilities	140	133
Balance	510	373

29. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities only refer to the non-current liabilities from finance leases.

30. FINANCE LEASE

The Company's finance lease liabilities are split into non-current and current amounts as follows and relate to the lease of machinery as described below:

in kEuro	31 December 2015	31 December 2014
Finance lease liabilities	258	391
– of which: current	140	133
– of which: non-current [1]	118	258

[1] The non-current minimum lease payments are all due within 1-5 years

Curetis leases machinery under finance lease agreements. The lease term is 5 years. As a covenant for the lease contract the company pledged a bank account of kEUR 235 as described in note 23.

The following table provides the reconciliation between the total of future minimum lease payments at the end of the reporting period and their present value:

in kEuro	31 December 2015	31 December 2014
Gross finance lease liabilities – minimum lease payments:		
Less than 1 year	140	133
Less than 1-5 years	118	258
More than 5 years	—	—
Total	258	391
Future finance charges on finance lease liabilities	11	27
Present value of finance lease liabilities	269	418

Property, plant and equipment include the following amounts related to the lease of a laser welding machine:

in kEuro	31 December 2015	31 December 2014
Cost-capitalized finance lease	690	690
Accumulated depreciation	-496	-351
Total	194	339

in kEuro	31 December 2015	31 December 2014
Less than 1 year	145	145
Less than 1-5 years	49	194
More than 5 years	0	0
Total	194	339

31. FINANCIAL LIABILITY FOR PREFERRED AND COMMON SHARES

Before the IPO of the Company on 11 November 2015, Curetis AG had contractual obligations to pay cash to the shareholders in certain events which were beyond the control of the Company and given that these events could have occurred at any time, the Company did determine it as appropriate to apply the measurement guidance for financial liabilities for preferred and common shares with a demand feature in IFRS 13.47 by analogy. The agreements governing preferred shares included a right and in certain events a contingent obligation to trigger a preference payment or to convert into common shares. As these events could have occurred at any time before the IPO, the Company elected to designate the common as well as preferred shares as a financial liability through profit and loss.

The fair value measurement of preferred and common shares was based on a level 3 category estimated by a discounted cash flow model using weighted average cost of capital at each valuation date before the IPO.

Upon the corporate reorganization all preferred shares of Curetis AG were exchanged for common shares of Curetis N.V., resulting in a net gain of kEUR 27,790 (see note 2).

32. TAXATION

In Germany, Income tax consists of trade tax (´Gewerbesteuer´) and corporate income tax (´Körperschaftsteuer´). Corporate income tax is imposed at a uniform rate of 15% and is additionally subject to a solidarity surcharge of 5.5%, resulting in an effective tax rate of 15.825% (2014: 15.825%). Municipalities impose a trade tax. Each municipality set its individual local multiplier rate, so that no uniform trade tax rate exists in Germany. In 2015, Curetis has a trade tax rate of 12.05% (2014: 12.05%).

The company is according to the double tax treatment between Germany and the Netherlands is fully taxable in Germany, as the company´s statutory seat is in the Netherlands without any permanent establishment there and with the place of effective management in Holzgerlingen, Germany. In 2015, the income statement effect resulting from current and deferred taxes is kEUR 0 (2014: kEUR 0).

The reconciliation from the statutory tax to the effective tax rate is explained in the table below:

in kEuro	2015	2014
Loss / Profit before income tax	13,840	-12,434
Expected income tax at a tax rate 2015: 27.880% (2014: 27.880%)	-3,859	3,467
Non-taxable income and non-deductible expenses	-8	-4
Changes in the recognition of deferred tax assets on tax loss carry-forwards	-5,871	-2,594
Effect from revaluation of DTA (in context with DTL)	285	—
Tax effect from local taxes	-2	-55
Transaction costs	902	—
Permanent differences	8,708	-811
Other effects	-155	-3
Income tax as stated in P&L	0	0
Effective tax rate	0%	0%

Permanent differences refer to the fair value measurement of preferred and common shares. For IFRS purposes equity was classified as financial liability and any changes in fair value were recognized in the statement of profit or loss until 10 November 2015. Due to the corporate reorganization and the IPO of Curetis N.V., these preferred and common shares have been re-qualified as equity, and a financial income in the amount of kEUR 27,790 has been recognized. No tax effect will arise from this reclassification.

Deferred tax assets and liabilities:

in kEuro	31 December 2015		31 December 2014	
	total	thereof current	total	thereof current
DTA	369	35	329	34
current income tax receivables	—	—	—	—
DLT	369	35	329	34
current income tax liabilities	—	—	—	—

Deferred taxes relate to the following balance sheet items:

in kEuro	Deferred tax assets		Deferred tax liabilities	
	31. December 2015	31. December 2014	31. December 2015	31. December 2014
Assets				
Trade and other receivables	–	1	–	–
Inventories	–	–	35	32
Property, plant and equipment	–	–	334	295
Liabilities				
Financial liabilities	–	38	–	1
Provisions current	–	–	–	1
Provisions PSOP	–	251	–	–
Other current liabilities	6	–	–	–
Other current financial liabilities	39	21	–	–
Provisions non-current	6	18	–	–
Other non-current financial liabilities	33	–	–	–
Equity				
loss-carry-forwards	285	–	–	–
Deferred Taxes (gross)	369	329	369	329
Offsetting	369	329	369	329
Deferred Taxes (net)	–	–	–	–

Deferred tax assets for losses- carried-forward have been recognized in the corresponding amount of existing deferred tax liabilities. Due to the uncertainty surrounding the Group´s ability to realize taxable profits in the near future, the Company did not recognize any further deferred tax assets. Transaction costs are to be accounted for net of tax. As Curetis does not pay any income taxes currently, has no tax expense for the current year and management does not consider that the tax-loss-carry-forwards are exercisable in the current situation of the Group, no adjustments were made in this respect.

Due to differences in the valuation of the shares in Curetis AG between IFRS and national (German) tax law, outside basis differences are existing at Curetis N.V. While the valuation under IFRS is based on the net asset value of Curetis AG, the valuation under German tax law is based on the taxable net book value. The resulting difference is a permanent one which does not result in a deferred tax asset.

As of 31 December 2014 temporary differences amounting to kEUR 2,382 have not been recognized as deferred tax assets as no sufficient future profits or offsetting deferred

tax liabilities are available. As of 31 December 2015 no such deferred tax assets exist.

As of 31 December 2015, Curtis had tax loss carryforwards that were not utilizable and for which no deferred taxes were recognized. These tax loss carryforwards amount to kEUR 60,596 for corporate tax purposes and kEUR 60,561 for trade tax purposes (31 December 2014: kEUR 39,526 for corporate tax purposes and kEUR 39,505 for trade tax purposes; both determined with tax assessment dated 6 February 2016). Those are available unlimited for offsetting against future taxable profits of Curetis. Deferred tax assets have not been recognized in respect of these losses as no sufficient certainty is given, whether mid-term such tax loss carryforwards will enable Curetis to offset its future taxable profits.

Overview of the Group´s tax loss carryforwards:

in kEuro	Curetis AG		Curetis N.V.		TOTAL	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Tax loss carryforwards corporate tax	55,072	39,526	5,524	—	60,596	39,526
Tax loss carryforwards trade tax	55,037	39,505	5,524	—	60,561	39,505

33. EQUITY

At 31 December 2015 the share capital of Euro 155,384 is divided into 15,538,411 fully paid common shares with a par value of EUR 0.01.

The common shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

As of 11 November 2015, following of the corporate reorganization, all common and preferred shares in Curetis AG were exchanged for 11,107,378 common shares of Curetis N.V. (see note 2). In addition, in the initial public offering, the Company newly issued an aggregate of 4,431,033 common shares (including greenshoe) at a price of EUR 10.00 per share. In the offering capital reserves of EUR 40,928,058 were recognized net of issuing costs of EUR 3,337,962.

As at December 31, 2015 no revaluation reserve exists.

The exchange of 5,553,689 common and preferred shares of Curetis AG for 11,107,378 common shares of Curetis N.V. on the basis of the sliding scale with individual exchange ratios (see note 2) was retrospectively accounted for as a stock split.

According to the articles of association of Curetis N.V. up to 55,000,000 common shares with a par value of EUR 0.01 are authorized to be issued.

The other reserves have been taken into account for the settlement of the payment claim (after lock-up-period) of the beneficiaries entitled to more than 1,000 phantom stock options (fair value of the equity-settled Roll-Over-Awards) (see note 4.23 for further details).

With the 2nd Amendment to the Series B Extended Financing round on 6 August 2015, all shareholders of Curetis AG agreed to reduce their outstanding obligation for the second instalment of the B Extended financing round to Curetis AG by 800,000 Euro and replace it by a separate third instalment on a pro-rata-basis of their participation in the B extended financing round. The third installment was then contributed to the capital reserve of Curetis N.V. to equip the company with capital for the foundation and to continue the IPO activities.

The Group capitalized transaction costs of kEUR 3,235 directly as deduction from the capital reserves. This amount reflects the costs for the listing of new Curetis N.V. shares. They mainly comprise bank fees (kEUR 2,621), underwriter and legal counsel (kEUR 314) and expenses for the audit of financial statements, IFRS-conversion and IPO preparation (kEUR 229).

The investment in the Curetis AG shares in the standalone statement of financial position of Curetis N.V. is valued at the net equity value of Curetis AG as at 31 December 2015. There are no differences between the Equity as shown in the standalone financial statements and in the consolidated financial statements of Curetis N.V. as at 31 December 2015.

The Group does not consider paying dividends as long as the result from operating activities in the consolidated statement of profit or loss and the cash flows from operating activities are negative.

Difference in Equity and profit/loss between the company and the consolidated statements:

The difference between the result according to the company income statement and the result according to the consolidated income statement of kEUR 17,468 is shown in the following reconciliation:

in kEuro	2015
Result of consolidated income statement:	13,840
Profit of Subsidiary Curetis AG	-16,143
Impairment of investment of Curetis AG shares at Curetis N.V. company statement	-1,325
Result of company statement	-3,628

34. FINANCIAL RISK MANAGEMENT

34.1. FINANCIAL RISK FACTORS

Curetis' activities expose the Company to a variety of financial risks such as currency risks, fair value interest risks, cash flow risks, interest rate risks and price risks. Curetis' finance department has created controlling instruments and key metrics to identify and evaluate such risks in close co-operation with the operating units.

a) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Curetis has a strong international business focus and therefore the Company is influenced by foreign currency exchange rates and interest rates. However, Curetis currently does not hold any securities available for sale and Curetis keeps all its liquidity in immediately available money market funds.

b) Foreign exchange risk
Curetis is exposed to foreign currency risks primarily through its operating activities. Curetis identifies the main currency risk in US Dollar, because certain purchase transactions are undertaken in US Dollar ("USD"). The net exposure to exchange differences of the monetary assets (being cash and cash equivalents) of the Group at the end of the reporting period are as follows:

in kEuro	31 December 2015	31 December 2014
USD	2,041	–

If the USD/EUR exchange rate would increase/decrease by 10%, compared to year-end 2015 exchange rates, this would have a negative / positive impact of kEUR 204. The group considers a shift in the exchange rates of 10% as a realistic scenario.

c) Other market risk
Curetis is not exposed to equity price risk or commodity price risk as it does not invest in these classes of investments.

d) Credit risk
The finance department works in close cooperation with the other operating departments to identify credit risks related to account receivables balances. Curetis analyzes the credit risk of each new client before standard payment and delivery terms and conditions are offered. Curetis has also implemented a well-organized dunning system and in 2014, Curetis had had write-downs on trade receivables of kEUR 10 in 2015 (2014: kEUR 2). The credit risk on the accounts receivables is limited because Curetis primarily sells to big laboratories, pharma-companies and major public hospitals in Curetis' direct markets in Central and Western Europe, all of these partners have very good credit ratings. Outside of Europe Curetis works together with large and experienced distributors. If Curetis expands the business to other more credit-risky countries Curetis will consider implementing a commercial credit insurance to cover the risks.

Cash and cash equivalents as well as short-term deposits which are disclosed under other financial assets are invested in EUR denominated money market funds with highly reputable banks. Curetis follows a decisive 'no-risk-policy' which means that Curetis has sight deposits at banks only, and sometimes time deposits with short runtimes.

e) Liquidity risk
Liquidity risk is the risk that the Group will might encounter difficulties in meeting the obligations associated with its financial liabilities which are normally settled by delivering cash. The Group´s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group monitors its risk of a shortage of funds using short and mid-term liquidity planning. This takes account of the expected cash flows from all activities. The supervisory board undertakes regular reviews of the budget and forecast.

In 2015 Curetis raised significant funding that it estimates will enable the group to fund operating expenses and capital expenditure requirements at least for the coming 12 to 24 months.

However, Curetis' future liquidity requirements will depend on many factors, some of which are beyond Curetis' control, including:

- the cost and timing of marketing or regulatory clearances, including the FDA clearance;
- market acceptance of Curetis' products;
- the cost and timing of establishing further sales, marketing and distribution capabilities;
- the cost of Curetis' research and development activities;
- the ability of healthcare providers to obtain coverage and adequate reimbursement by third-party payers for procedures using Curetis' products;
- the cost of goods associated with Curetis' products;
- the effect of competing technological and market developments; and
- the extent to which Curetis might decide to invest in third-party businesses, products and technologies, including entering into licensing or collaboration arrangements for products.

If Curetis were to miss its objectives or experienced material delays in one or more of these factors, additional funding may be required.

The following table depicts an analysis of the Company's financial liabilities into relevant maturity groupings based on the remaining term on the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows.

Balance as at 31 December 2014 in kEuro	Up to 1 year	1-3 years	3-5 years	More than 5 years
Trade and other payables	580	–	–	–
Finance lease liabilities	133	258	–	–
Finanical liabilities for preferred and common shares	—	–	–	126,036
Other financial liabilities	240	–	–	–

Balance as at 31 December 2015 in kEuro	Up to 1 year	1-3 years	3-5 years	More than 5 years
Trade and other payables	863	–	–	–
Finance lease liabilities	140	118	–	–
Finanical liabilities for preferred and common shares	—	–	–	–
Other financial liabilities	327	–	–	–

34.2. CAPITAL MANAGEMENT

Capital comprises equity attributable to shareholders, cash and cash equivalents. Curetis´ policy is to maintain a strong base in terms of equity capital and sufficient cash balance in order to maintain investor and creditors confidence and to sustain the future development of the business. Our primary goals when managing capital are to ensure sufficient liquidity to meet our working capital requirements, fund capital investments and purchases and to safeguard our ability to continue operating as a going concern.

Curetis monitors all capital positions regularly (at least monthly) within its financial reporting, discusses the capital status frequently within the management meetings and also within its supervisory board meetings.

34.3. FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

in kEuro	31 December 2015 Fair value	31 December 2014 Fair value
Financial liabilites		
Measured at fair value through profit or loss		
Financial liabilities for preferred and common shares	—	126,036

There were no transfers between the different levels of the fair value hierarchy in any of the periods presented.

As per 31 December 2014 preferred and common shares have been designated as financial liabilities at fair value through profit and loss in accordance with IAS 39. Given the input parameters and the valuation method used, their fair value measurement was categorized within Level 3 of the fair value hierarchy. After the corporate reorganization where the preferred and common shares of Curetis AG were exchanged into new common shares of Curetis N.V. without any preference rights, the liability for preferred and common shares was eliminated and the valuation of the transfer into equity was made within Level 1.

The fair value of the financial liability was determined using a discounted cash flow model. The model uses the following input parameters to the valuation as of the respective dates:

in kEuro	Projection Period (years)	Long-term growth-rate %
31 December 2015	n/a	n/a
31 December 2014	10	2.0

The following table provides a reconciliation of the opening to the closing balances of the preferred and common shares liability included in non-current financial liabilities.

in kEuro	2015	2014
Balance as of 1 January	126,036	116,993
Additional paid-in Series B shares	12,778	6,758
Conversion of preferred and common shares into common shares (equity)	-111,024	—
Losses recognized in profit or loss	—	2,285
Gains recognized in profit or loss	-27,790	—
Balance as of 31 December	—	126,036

35. COMMITMENTS

OPERATING LEASE COMMITMENTS

Curetis leases its offices, laboratories, and production facility under non-cancellable operating leases agreements. The lease term is 5 years and the agreements are renewable at the end of the lease term at market rate. For the manufacturing facility in Bodelshausen Curetis has a prolongation option.

Curetis also leases machinery and vehicles under non-cancellable operating leases agreements. The lease term is 3 years and the agreements are not renewable at the end of the lease term. The future aggregate minimum lease payments under non-cancellable operating leases and existing purchase commitments are as follows: >

in kEuro	2015	2014
No later than 1 year	6,064	2,527
Later than 1 year and no later than 5 years	529	1,324
Later than 5 years	34	34
Total	6,627	3,885

The commitments no later than 1 year as of 31 December 2015 include a new frame-order of 100 Unyvero-Systems at the OEM-manufacturer to cover the demand for 2016.

36. RELATED PARTIES

Transactions with related parties occur in the normal course of business. Related party transactions have been listed completely below.

COMPENSATION OF KEY MANAGEMENT

Name	Base salary/ consultancy fee	Employer's pension contributions	Annual Bonus	Other benefits [2] (car lease, travel expenses)	Share besed payments and other incentives	Total remuneration
Mr. Johannes Bacher	kEUR 157	kEUR 0	kEUR 0	kEUR 0	kEUR 220 [4] kEUR 2 [5]	kEUR 379
Mr. Andreas Boos	kEUR 157	kEUR 0	kEUR 0	kEUR 0	kEUR 220 [4] kEUR 2	kEUR 379
Mr. Dr. Achim Plum [1]	kEUR 98	kEUR 0	kEUR 30	kEUR 2 [3]	kEUR 651 [4]	kEUR 781
Mr. Oliver Schacht, PhD	kEUR 199	kEUR 0	kEUR 0	kEUR 0	kEUR 709 [4]	kEUR 908

[1] Appointed by Curetis AG on 1 June 2015
[2] Cost reimbursement only, no additional flat catering expenses
[3] Company car reimbursement
[4] Increase in valuation of PSOP-provision
[5] Increase in valuation of profit sharing provision

For more details we refer to the remuneration report in the annual business report.

in kEuro	2015	2014
Salaries and other short-term employee benefits	643	490
Post-employment benefits	—	—
Share based payments	1,800	488
Others	4	14
Total	2,447	992

COMPENSATION OF SUPERVISORY BOARD

The compensation of Supervisory Board is shown below:

in kEuro	2015	2014
Dr. Werner Schäfer	25	20
Detlef Sasse	—	5
Hans-Günter Hohmann	—	11
William Rhodes	13	0
Mario Crovetto	7	—
Total	45	36

Curetis does not grant any loans, advance payments and guarantees to members of the Management and Supervisory Board.

37. AVERAGE NUMBER OF EMPLOYEES

In 2015 the Group employed on average 52 employees (2014: 50).

38. OVERVIEW OF CONSOLIDATION SCOPE

The parent company Curetis N.V. is domiciled in Germany, and only has its statutory seat in the Netherlands.

Details of the Group´s subsidiaries at the end of the reporting period are as follows:

Name	Curetis AG
Registration No.	HRB 724472
Country	Germany
Participation	100.00%
Main activity	Development, manufacturing and sale of molecular diagnostic products

The equity of Curetis AG at 31 December 2015 amounted to kEUR 15,224 and the company gained a profit of kEUR 16,143 in 2015.

39. AUDIT FEES

The fees for services rendered by Curetis' independent auditor PricewaterhouseCoopers Accountants N.V., Eindhoven, The Netherlands and its member firms and/or affiliates to the Company and its subsidiaries were approved by the Audit Committee and/or the Supervisory Board and can be detailed as follows:

in Euro	Total Pricewaterhouse-Coopers	Pricewaterhouse-Coopers AG	Pricewaterhouse-Coopers Accountants N.V.
2015			
Financial statements audit	380,362	239,362	141,000
Audit-related services and other audit work 2015	541,480	541,480	0
Tax consultancy 2015	60,660	60,660	0
Total	982,502	841,502	141,000
2014			
Financial statements audit	27,058	27,058	0
Audit-related services and other audit work 2014	0	0	0
Tax consultancy 2014	0	0	0
Total	27,058	27,058	0

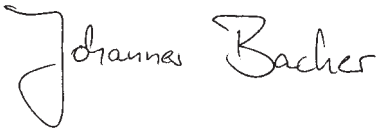
40. EVENTS AFTER THE BALANCE SHEET DATE

While none of the events after 31 December 2015 have been such that they would have material impact on the share price per se, there have been a series of relevant news events during the ordinary course of business in 2016 so far:

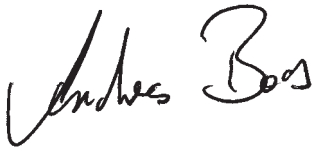
- In January 2016 Curetis established its Medical Advisory Board. The group of renowned experts in the areas of clinical microbiology, intensive care, sepsis and prosthetic joint infections will be advising the company on product development issues, pipeline development and related topics.
- In February 2016 Curetis announced the expansion of its commercial teams. Key hires such as Willem Haagmans as Head of Sales EMEA and Dr. Jie Song as Chinese expert for clinical application specialist support to our Asian partners and Bernd Bleile as General Legal Counsel have significantly strengthened the organization towards its commercial and corporate objectives in 2016 and beyond.
- Also in February Curetis has appointed Bank Degroof Petercam as Liquidity Provider to facilitate trading of its shares on Euronext Amsterdam and Euronext Brussels.
- Furthermore, in February Curetis announced the start of the final validation study for the new Unyvero BCU (Blood Culture) Application Cartridge.
- In March 2016 Curetis successfully completed the clinical validation of the new Unyvero BCU Application Cartridge and CE-IVD marked the product, making it the third commercially available product on the Unyvero platform.
- Throughout Q1-2016 Curetis provided regular updates on its FDA trial enrolment and as of 18 March 2016 has enrolled and successfully tested 1,544 patient samples. Overall the company strives to enroll at least 1,500 prospective patient samples and will also test up to 1,000 retrospective as well as contrived samples. Enrolment is on track to be completed by mid-2016 and thus in line with guidance given to investors and the capital markets.
- Curetis converted from Curetis AG into Curetis GmbH on 15th March 2016.

Holzgerlingen, 6 April 2016
Curetis N.V.

Oliver Schacht, PhD
Chief Executive Officer (CEO)



Johannes Bacher
Chief Operating Officer (COO)



Andreas Boos
Chief Technology Officer (CTO)

Dr. Achim Plum
Chief Commercial Officer (CCO)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CURETIS N.V.
COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December

in Euro	2015
Share in results of investments after tax [4]	-1,325,074
Other income and expense after tax [5]	-2,303,884
Profit / loss of the year	-3,628,958

[..] Bracketed numbers refer to the related notes to the financial statements which form an integral part of these financial statements.

CURETIS N.V.
COMPANY STATEMENT OF FINANCIAL POSITION

ASSETS

For the period ended 31 December

in Euro		2015
Current assets [6]		39,684,883
	Cash and cash equivalents	39,096,701
	Intercompany receivables	108,000
	Other current assets	480,182
Non-current assets [7]		15,947,379
	Investments in Group companies	15,223,924
	Intercompany loans	500,000
	Other non-current assets	223,455
Total assets		55,632,262

LIABILITY & EQUITY

For the period ended 31 December

in Euro		2015
Current liabilities [8]		837,271
	Trade and other payables	83,940
	Intercompany liabilities	477,076
	Other current liabilities	260,122
	Other current financial liabilities	16,133
Non-current liabilities		—
	Deferred tax liabilities	—
Total liabilities		837,271
Equity [9]		54,794,991
	Subscribed equity	155,384
	Capital reserve	51,676,192
	Other reserves / PSOP	6,592,373
	Result on subsidiaries	-1,325,074
	Retained earnings	-2,303,884
Total Equity and liabilities		55,632,262

[..] Bracketed numbers refer to the related notes to the financial statements which form an integral part of these financial statements.

CURETIS N.V. NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Curetis N.V. (Curetis or the Company) is a Dutch company with limited liability (naamloze vennootschap) and has its corporate seat in Holzgerlingen, Germany. The Company was founded as Curetis B.V. on October 8, 2015 as a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) for the purpose of a corporate reorganization of Curetis AG; Curetis B.V. then converted its legal from under Dutch law to a public company with limited liability for an initial public offering of its common shares on 10 November 2015.

2. CORPORATE REORGANIZATION

At the initial step of the corporate reorganization, a shareholder of Curetis AG (LSP Curetis Pooling B.V.) subscribed for a single common share in Curetis B.V. After the foundation of Curetis B.V. all shareholders of Curetis AG agreed to transfer all of their common shares and all of their preferred shares in Curetis AG to Curetis B.V. in consideration for a corresponding number of B.V. shares. Simultaneously the share in Curetis B.V. held by LSP Curetis Pooling B.V., was cancelled, and as a result, Curetis AG became a wholly owned subsidiary of Curetis B.V. The legal form of Curetis B.V., was then converted from a Dutch private company with limited liability to a Dutch public Company with limited liability, which resulted in a name change into Curetis N.V.

3. ACCOUNTING INFORMATION AND POLICIES

BASIS OF PREPARATION

The company's financial statements of Curetis N.V. (hereafter: the company) have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

As the financial data of the company are included in the consolidated financial statements, the income statement in the company financial statements is presented in its condensed form (in accordance with article 402, Book 2 of the Dutch Civil Code).

The company prepared its consolidated financial statements in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The financial statements have been prepared on a going concern basis.

These financial statements cover the short fiscal year from 8 October 2015 to 31 December 2015. As the company was just founded in 2015 there is no comparison period shown in the financial statements.

The functional currency of the Company is Euro. The primary financial statements are presented in Euro and the notes to the financial statements are presented in Euros in accordance with commercial rounding practices unless stated otherwise. The financial year corresponds to the calendar year. The balance sheet and income statement references have been included. These refer to the notes.

In case no other policies are mentioned, please refer to the accounting policies as described in the summary of significant accounting policies in the consolidated financial statements. For an appropriate interpretation, the company financial statements of Curetis N.V. should be read in conjunction with the consolidated financial statements.

INVESTMENTS IN CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the company has control. The company controls an entity when it is exposed to, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognized from the date on which control is transferred to the company or its intermediate holding entities. They are derecognized from the date that control ceases.

The company applies the acquisition method to account for acquiring subsidiaries, consistent with the approach identified in the consolidated financial statements. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred by the company, liabilities incurred to the former owners of the acquirer 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 an acquisition are measured initially at their fair values at the acquisition date, and are subsumed in the net asset value of the investment in consolidated subsidiaries. The company remeasures the investment at the end of each business period. Differences are accounted for in the statement of profit or loss.

Amounts due from investments are stated initially at fair value and subsequently at amortized cost. Amortized cost is determined using the effective interest rate.

4. SHARE IN RESULTS OF INVESTMENTS AFTER TAX

When Curetis N.V. acquired shares from Curetis AG on 11 November 2015, the initial valuation was taken into account with the net asset value of Curetis AG (EUR 16,548,998). On the balance sheet date on 31 December 2015 the net asset value of Curetis AG was EUR 15,223,924, since the loss for the period for Curetis AG amounted to EUR 1,325,074.

5. OTHER INCOME AND EXPENSE AFTER TAX

Other income and expenses after tax mainly relate to the administrative expenses include personnel expenses for the management board members, consulting fees and services, other costs of the central administrative areas and costs for the initial public offering and listing of the old, already pre-existing shares, which did not constitute transaction costs.

Besides the administrative expenses the finance cost are a significant expense as well, comprising of mainly IPO-related expenses (audit, Underwriter Fees, legal counsel, Listing Fees, Consulting Fees, and other IPO-expenses) for the initial public offering of old (former Curetis AG) shares. IPO-related costs that could not directly be allocated to the issuance of new shares have been allocated on a pro-rata-basis of old shares in relation to the number of total shares. The proportion for new shares had been accounted for directly within equity (see note 9), the proportion for old shares have been accounted for through the statement of profit or loss and other comprehensive income as finance cost.

6. CURRENT ASSETS

CASH AND CASH EQUIVALENTS
At 31 December 2015, cash and cash equivalents amounted to EUR 39,096,701. That amount consists of bank balances and is at the Company's free disposal.

INTERCOMPANY RECEIVABLES
The Management of Curetis N.V. also renders services and activities for Curetis AG, and therefore Curetis N.V. charges Management Fees for the services provided to Curetis AG.

All intercompany receivables are due in less than one year. The fair value of the receivables approximates the nominal value, due to their short-term character.

OTHER CURRENT ASSETS
As of 31 December 2015, other current assets mainly comprise VAT receivables amounting to kEUR 452 and deferred expenses amounting to kEUR 28.

7. NON-CURRENT ASSETS

INVESTMENTS IN GROUP COMPANIES
Curetis N.V. holds 100% of the shares of Curetis AG. The value on this investment was measured by the fair value at the acquisition date:

in Euro	Investments in consolidated subsidiaries
At 8 October 2015 Net book value	—
Movements in book value 2015 investments	16,548,998
Share in result of investments	-1,325,074
Dividends received	—
At 31 December 2015 Net book value	15,223,924

INTERCOMPANY LOANS
The intercompany loan is due in more than 1 year.

OTHER NON-CURRENT ASSETS
Other non-current assets comprise deferred expenses that will occur in more than 1 year.

8. CURRENT LIABILITIES

TRADE AND OTHER PAYABLES
The Trade payables are due within 1 year.

INTERCOMPANY LIABILITIES
The intercompany liabilities are due within 1 year.

OTHER CURRENT LIABILITIES

in kEuro	31 December 2015
Accruals for vacation	16
Accruals for bonuses	30
Other liabilities for annual financial statements	164
Other tax liabilities	50
Total	260

OTHER CURRENT FINANCIAL LIABILITIES
Other current financial liabilities include liabilities for outstanding invoices.

9. EQUITY

in Euro	Subscribed capital	Capital reserves	Other reserves / PSOP	Retained earnings	Total equity
Contributions from shareholders participating in B-Ext.-Financing-Round of Curetis AG	0.01	800,000.00			800,000.01
Cancellation of founder-share-transfer into capital reserve	-0.01	0.01			0.00
Corporate reorg. share exchange fair value of Curetis AG shares	111,073.78	9,845,551.00	6,592,373.13		16,548,997.91
Issue of common shares gross proceeds from IPO	40,000.00	39,960,000.00			40,000,000.00
Issue of common shares gross proceeds from IPO-overallotment	4,310.33	4,306,019.67			4,310,330.00
Transaction expenses for IPO of new shares		-3,235,378.59			-3,235,378.59
Loss of period				-2,303,883.70	-2,303,883.70
Result on subsidiaries				-1,325,074.00	-1,325,074.00
Balance as of 31 December 2015	155,384.11	51,676,192.09	6,592,373.13	-3,628,957.70	54,794,991.63

[..] Bracketed numbers refer to the related notes to the financial statements which form an integral part of these financial statements.

At the initial step of the corporate reorganization, a shareholder of Curetis AG (LSP Curetis Pooling B.V.) subscribed for a single common share with a nominal value of EUR 0.01 in Curetis B.V. (see Note 2).

The participating shareholders of the Series B-Extension-Financing-Round of Curetis AG agreed to retain 800,000.00 Euro from the agio payable into capital reserves for the Series B-Extension-Financing-Round of Curetis AG and instead roll them over as a payment into capital reserves of Curetis B.V.

As of 10 November 2015, upon consummation of the corporate reorganization, all common and preferred shares in Curetis AG were exchanged for 11,107,378 common shares of Curetis B.V. / N.V. (see note 2). In addition in the initial public offering, the Company newly issued an aggregate of 4,000,000 common shares at a price of EUR 10.00 per share. Additionally another 431,033 common shares at a price of EUR 10.00 per share were issued by the exercise of the over-allotment option. Hence, in the initial public offering capital reserves of EUR 44,266,019.67 were recognized. The transaction costs for the issuance of new shares were deducted directly from the capital reserves with an amount of EUR 3,235,378.59.

For more details on Equity we refer to note 33 of the consolidated IFRS statements and the consolidated statement of changes in equity. For the details on PSOP we refer to note 25 of the consolidated IFRS statements.

10. RELATED-PARTY TRANSACTIONS

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered a related party. In addition directors, other key management of Curetis N.V. and close relatives are regarded as related parties.

The management of Curetis N.V. also manages the operating business of Curetis AG. Therefore the salaries and other costs are partly invoiced to Curetis AG based on a Management Service contract.

COMPENSATION OF KEY MANAGEMENT

We refer to note 36 of the consolidated financial statement for detailed information.

COMPENSATION OF SUPERVISORY BOARD

The compensation of Supervisory Board is shown below:

in kEuro	2015
William E. Rhodes	13
Dr. Werner Schäfer	25
Mario Crovetto	7
Total	45

11. TAXATION

In Germany, income tax consists of trade tax ('Gewerbesteuer') and corporate tax ('Körperschaftsteuer'). Corporate tax is imposed at a uniform rate of 15% and is additionally subject to a solidarity surcharge of 5.5%, resulting in an effective tax rate of 15.825%. Municipalities impose a trade tax. Each municipality set its individual local multiplier rate, so that no uniform trade tax rate exists in Germany. In 2015, Curetis had a trade tax rate of 12.05%.

In 2015, the income statement effect resulting from current and deferred taxes is kEUR 0.

12. EMPLOYEES

During the year 2015, the average number of employees, based on full time equivalents, was 0.

13. AUDIT FEES

The fees for services rendered by Curetis' independent auditor PricewaterhouseCoopers Accountants N.V. and its member firms and affiliates to the Company and its subsidiaries were approved by the Audit Committee and the Supervisory Board and can be detailed as follows:

in Euro	Pricewaterhouse-Coopers Accountants N.V.
2015	
Financial statements audit	141,000
Audit-related services and other audit work 2015	0
Tax consultancy 2015	0
Total	141,000

The fees listed above relate to the procedures applied to the company and its consolidated group entities by accounting firms and external auditors as referred to in article 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta).

OTHER INFORMATION

PROPOSED PROFIT APPROPRIATION

Following the profit appropriation proposed by the management board and pursuant to article 25 of the Articles of Association, the amount loss for 2015 of EUR 3,628,958 will be added to the retained earnings.

DIFFERENCE IN EQUITY AND PROFIT/LOSS BETWEEN THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The difference between the result according to the company income statement and the result according to the consolidated income statement of kEUR 17,468 is shown in the following reconciliation:

in kEuro	2015
Result of consolidated income statement:	13,840
Profit of Subsidiary Curetis AG	-16,143
Impairment of investment of Curetis AG shares at Curetis N.V. company statement	-1,325
Result of company statement	-3,628

EVENTS AFTER BALANCE SHEET DATE

No significant events after the balance sheet date have occurred.

Independent auditor's report

To: the general meeting and supervisory board of Curetis N.V.

Report on the financial statements 2015

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Curetis N.V. as at 31 December 2015, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (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 Curetis N.V. as at 31 December 2015, and of its result for the period 8 October to 31 December 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of Curetis N.V., Amsterdam ('the company'). The financial statements include the consolidated financial statements of Curetis N.V. and its subsidiary (together: 'the Group') and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2015;
- the following statements for 2015: the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 December 2015;
- the company statement of profit or loss and other comprehensive income for the period 8 October to 31 December 2015; and
- 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.

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

We are independent of Curetis N.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.

Our audit approach

Overview and context

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the board of directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the board of directors that may represent a risk of material misstatement due to fraud.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a biotech company. We therefore included specialists in the areas of income taxes, initial public offerings and share based payments in our team.

Curetis B.V. was incorporated on 8 October 2015 and transferred into Curetis N.V. in November 2015 after the shares of Curetis AG were contributed into Curetis B.V. The company has to include the Curetis AG 2014 balances and results as comparatives to the 2015 consolidated financial statements of Curetis N.V. The audit of the 2015 financial statements was our first year as auditors of Curetis N.V., therefore we performed specific procedures in addition to the recurring audit procedures. These mainly relate to:

- Procedures to obtain sufficient appropriate audit evidence concerning the 1 January 2015 opening balance sheet, including communications with the auditor of the Curetis AG year end 31 December 2014 financial statements.

- Procedures to gain an initial understanding of the entity and its environment by reviewing the 31 December 2014 audit file of the auditor of Curetis AG. Based on these procedures, we have prepared our risk assessment and audit plan.

Materiality

- Overall materiality: € 140.000 which represents 1% of total expenses.

Audit scope

- We conducted our audit work almost entirely at the head office of the group at Holzgerlingen, whereby we designed and executed our audit from a consolidated perspective.

Key audit matters

- The accounting for the corporate reorganization including the gain following the revaluation of the preferred shares/ common shares, comparative figures and valuation of investment in company financial statements.
- Accuracy, completeness and classification of IPO related costs.
- Specific organizational and accounting requirements after recent IPO.
- Classification and accounting for changes in the PSOP.

Materiality

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibility for the audit of the financial statements'.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	€ 140.000
How we determined it	1% of total expenses
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements and given the stage of development. Since the company is still in a start-up phase with limited revenues and significant investments in its programs, stakeholders are mainly interested in the ability of the company to control their expenses. On this basis we believe that total expenses is an important metric for the financial performance of the company.
Component materiality	Since Curetis AG is the entity with the activities of the company, we audited Curetis AG with the overall group materiality of €140.000. We performed additional audit procedures on Curetis N.V. using overall group materiality where necessary to obtain sufficient coverage over the consolidated balances as a whole.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above € 7.000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Curetis N.V. is the parent company of Curetis AG and the group consists of these two companies. The financial information of Curetis AG is included in the consolidated financial statements of Curetis N.V. Curetis AG was subject to audit of the complete financial information and we performed additional audit procedures on Curetis N.V. for transactions accounted for in the parent's company financial statements that were significant to the consolidated financial statements of the group.

For the audit of the financial information of Curetis AG, the group engagement team consisted also of local auditors to obtain sufficient appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole. By performing these procedures we have obtained sufficient and appropriate audit evidence regarding the financial information of the group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters or on specific elements of the financial statements. Any comments we make on the results of our procedures should be read in this context.

Key audit matter	***How our audit addressed the matter***
The accounting for the corporate reorganization including the gain following the revaluation of the preferred shares/ common shares, comparative figures and valuation of investment in company financial statements. *Note 2* Prior to the incorporation of Curetis N.V. original shareholders' interest in Curetis AG were classified as a financial liability due to certain liquidity preferences. On 10 November, 2015 a corporate reorganization was effected where such interests in Curetis AG were exchanged against common shares of Curetis N.V.	Our main audit procedures were evaluating the underlying contracts and agreements to consider the classification of the shares. Furthermore, based on the evaluation of the underlying contracts and external valuations performed by an external valuator on behalf of management, we verified whether the valuation of the financial liability in the comparative figures represented the fair value of the common and preference shares of the shareholders of Curetis AG. The valuation of the liability in November 2015 and the accounting of the gain through the income statement used a considerable amount of time from the audit team. We involved specialists to confirm our conclusions.

Key audit matter	*How our audit addressed the matter*
Up until the corporate reorganization the financial liability was measured at fair value. Due to the difference between the valuation of the liability during 2015 and the valuation at initial recognition of the common shares in equity, a gain to the company was accounted for at the time of the reorganization. The accounting of the corporate reorganization was a key focus area in our audit procedures, since this transaction had a significant impact on the consolidated and company financial statements of Curetis N.V. The basis of preparation of Curetis N.V.'s financial information including the presentation of comparative figures in the consolidated and company financial statements was an important factor in our audit. Furthermore, the valuation at net equity value of the subsidiary Curetis AG in the company financial statements of Curetis N.V. was a specific risk in our audit since accounting based on Dutch law had not been previously applied by the company. Considering the non-routine nature of the reorganisation, we consider the accounting for the Group reorganisation a key audit matter.	Curetis N.V. as the new parent after the corporate reorganization did not change the reporting of the group, except for the extinguishment of the liability which was replaced by equity instruments. Based on review of the accounting policies, we concur with management to include Curetis AG 2014 comparative figures in the consolidated financial statements of Curetis N.V. We consulted with specialists to confirm our conclusion. Since Curetis N.V. was incorporated 8 October 2015, we concluded no comparatives were to be included for the company financial statements of Curetis N.V.
Accuracy, completeness and classification of IPO related costs *Note 4.27, note 13 and note 33* In 2015, Curetis N.V. accounted for an amount of € 3,235K as an offset in equity related to the issuing of its common shares as part of their initial public offering. These costs included regulatory and underwriting costs, brokerage fees, amounts paid to lawyers, accountants and other professional advisors. An important area in our audit were the classification of these costs in accordance with IAS 32, i.e. incremental costs directly attributable to the equity transaction due to the significant impact on the financial statements and the risk of understatement of costs by recognising too much expenses as incremental cost in equity.	During our audit we read the underlying contracts and agreements and tested a sample of the individual expense invoices on accuracy related to the amount recognized as a deduction of equity for the year ended 31 December 2015. All other cost for the listing of existing shares have been tested for accuracy and classification by sampling and we concluded these items have been appropriately accounted for as expenses in the income statement in the amount of € 1.899K.

Key audit matter	*How our audit addressed the matter*
Specific organizational and accounting requirements after recent IPO In 2015, following the company's listing on Euronext Amsterdam, the company was required to prepare consolidated financial statements of Curetis N.V. and company statements based on Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the listing of Curetis N.V. on Euronext Amsterdam and Brussels resulted in a number of additional governance and reporting requirements compared to previous years due to specific Dutch requirements for listed companies. This area was important to our audit because of the more stringent reporting regime for listed companies.	Our audit procedures included, amongst others, the following: we tested the board of directors' assessment of the impact of the Dutch requirements for listed companies, including assumptions and estimates made in relation to its financial statements and setting up the various governance bodies by independently verifying compliance with EU-IFRS, with Part 9 of Book 2 of the Dutch Civil Code. We tested whether the consolidated- and company financial statements meet the EU-IFRS, with Part 9 of Book 2 of the Dutch Civil Code and Dutch law requirements for listed companies and concluded there were no material misstatements or issues. Another important aspect of our procedures was the organizational development and corporate governance initiatives that were initiated by management in 2015. We verified documentation prepared by the board of directors and tested compliance of the reporting over their corporate governance and other reporting requirements for Dutch listed companies.
Classification and accounting for changes in the PSOP *Note 2, 7, 25 and 26* As described in note 26 to the financial statements, Curetis AG restructured the phantom stock option plan. Given the technical complexity regarding the accounting for changes to share based payment plans/agreements such as the PSOP, including the financial significance to the consolidated financial statements with a P&L charge related to the new valuation of the PSOP in 2015 of €2.941k, we consider this to be a key audit matter.	Our audit procedures included evaluating the underlying contracts and agreements relating to the changes in the PSOP and concluded, that the accounting for the PSOP is within the scope of IFRS 2 until settled after the lock-up period. We also audited the arrangement of the payment claims of PSOP Beneficiaries who are each entitled to 1,000 phantom stock options or less and concluded that they will be settled in cash and qualify as cash-settled share based payment in accordance with IFRS 2 where the respective payment claim needs to be accounted for as a liability as at December 31, 2015. Furthermore, we audited the arrangement of the payment claims of the PSOP Beneficiaries who are each entitled to more than 1,000 phantom stock options and were settled in shares of Curetis N.V. and concluded this qualifies as equity-settled share based payments in accordance with IFRS 2 with a corresponding entry within Equity. We concur with managements accounting and conclusions.

Responsibilities of the board of directors and the supervisory board

The board of directors is 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 the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of 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.

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

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement 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.

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

Report on other legal and regulatory requirements

Our report on the directors' report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the directors' report and other information):

- We have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the directors' report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors of Curetis N.V. on 10 November 2015 by the supervisory board following the passing of a resolution by the shareholders on 10 November 2015. We act as auditors of Curetis N.V. since 2015.

Eindhoven, 6 April 2016
PricewaterhouseCoopers Accountants N.V.

Original has been signed by R.M.N. Admiraal RA

Appendix to our auditor's report on the financial statements 2015 of Curetis N.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 others of:

- 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 board of directors.
- Concluding on the appropriateness of the board of 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 supervisory board 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.

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

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

CURETIS N.V.

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