

Accountant's compilation report

To: Stichting EAU Foundation for Urological Research

The financial statements of Stichting EAU Foundation for Urological Research at Arnhem have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2017 and the profit and loss account for the year 2017 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

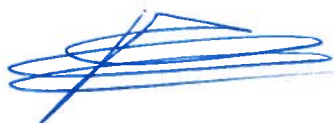
This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance to the chosen and described accounting policies in the financial statements. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Stichting EAU Foundation for Urological Research. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Arnhem, 14 March 2018

Ernst & Young Accountants LLP



P.H.L. Koolstra

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Arnhem, 14 March 2018

Ernst & Young Accountants LLP

signed by P.H.L. Koolstra

Financial Statements 2017
Stichting EAU
Foundation for Urological Research

seated in Arnhem
the Netherlands

Initialed
for identification purposes only
Ernst & Young Accountants LLP



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1. General comments

The foundation was founded on 29 November 2006.

The Board members are Prof. Dr. A. Bjartell and Drs. M.G.B.T. Schlieff.

2. Previous year's financial statements

The financial reports for the years 2014 until 2016 were discussed during a Board Meeting held on 23 March 2017. The reports were approved and management discharged for their activities.

3. Results

The financial result of 2017 is a loss of € 372.718. In 2016 a profit of € 13.410 was achieved. This means that the result of the foundation decreased by € 386.128.

This year's and last year's result can be summarized as follows:

	2017		2016	
<i>amounts in euro's</i>				
Gross margin	(255.990)	100,0%	148.216	100,0%
Expenses	<u>(101.728)</u>	-39,7%	<u>(122.305)</u>	82,5%
Operating result	(357.718)	139,7%	25.911	17,5%
Financial result	<u>(15.000)</u>	-5,9%	<u>(12.501)</u>	8,4%
Result before taxation	<u>(372.718)</u>	145,6%	<u>13.410</u>	9,0%

4. Cash flow statement

amounts in euro's

	<u>2017</u>	<u>2016</u>
Cash flow from operational activities		
Operational result	(357.718)	25.911
Changes in working capital:		
Debtors	270.038	48.540
Affiliated companies	266.408	69.818
Other receivables and prepayments	14.214	(16.550)
Creditors	(58.414)	26.162
Taxes and social securities	(9.640)	13.897
Other payables and accrued expenses	<u>475.487</u>	<u>(787.918)</u>
Cash flow from working capital	958.093	(646.051)
Received (Paid) interest	<u>(15.000)</u>	<u>(12.501)</u>
	(15.000)	(12.501)
Financial activities		
Subordinated loan	<u>-</u>	<u>100.000</u>
Cash flow from financial activities	-	100.000
Nett cash flow	<u><u>585.375</u></u>	<u><u>(532.640)</u></u>
Cash position as per December 31	775.029	189.654
Cash position as per January 1	<u>189.654</u>	<u>722.294</u>
Nett cash flow	<u><u>585.375</u></u>	<u><u>(532.640)</u></u>

The cash flow statement has been prepared in accordance with the indirect method. Cash and cash equivalents consists of cash at bank and in hand. Interest received and paid and profit tax is included under cash flow from operational activities.

5. BALANCE SHEET AS AT DECEMBER 31st, 2017

(after appropriation of the result)

Assets	31 december 2017	31 december 2016
<i>amounts in euro's</i>		
Current assets		
Debtors	21.422	291.460
Due from affiliated companies	185.007	538
Taxation and social security	1.714	1.461
Other receivables and prepayments	<u>2.486</u>	<u>16.700</u>
	210.629	310.159
Liquidity	<u>775.029</u>	<u>189.654</u>
Total assets	<u><u>985.658</u></u>	<u><u>499.813</u></u>

Equity and liabilities	31 december 2017	31 december 2016
<i>amounts in euro's</i>		
Funding		
Capital	1.000.000	1.000.000
Retained earnings	<u>(1.685.099)</u>	<u>(1.312.381)</u>
	(685.099)	(312.381)
Subordinated loan	<u>800.000</u>	<u>600.000</u>
Liability capital	114.901	287.619
Current liabilities		
Creditors	16.397	74.811
Due to affiliated companies	357.476	106.599
Taxation and social securities	5.902	15.289
Other liabilities and accrued expenses	<u>490.982</u>	<u>15.495</u>
	870.757	212.194
Total equity and liabilities	<u><u>985.658</u></u>	<u><u>499.813</u></u>

6. PROFIT AND LOSS STATEMENT

	2017	2016
<i>amounts in euro's</i>		
Turnover	30.000	15.000
Change of position Work in Progress	894.334	1.422.654
Costs related to turnover trials	<u>(1.180.324)</u>	<u>(1.289.438)</u>
Revenues	(255.990)	148.216
Wages and salaries	168.370	177.235
Social security charges	24.746	26.055
Pension costs	16.941	18.239
Coverage wages and salaries	(279.210)	(267.259)
Other personnel expenses	5.611	5.612
Management fee	72.811	62.193
Meeting costs	35.400	13.169
Housing expenses	9.730	9.224
General and administrative expenses	<u>47.329</u>	<u>77.837</u>
Total expenses	<u>101.728</u>	<u>122.305</u>
Operating result	(357.718)	25.911
Interest expenses and related charges	(15.000)	(12.501)
Interest income	<u>-</u>	<u>-</u>
Profit (loss) in ordinary activities before taxation	<u>(15.000)</u> <u>(372.718)</u>	<u>(12.501)</u> <u>13.410</u>
Tax on profit	<u>-</u> <u>(372.718)</u>	<u>-</u> <u>13.410</u>

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The financial statements have been prepared in accordance with the accounting policies selected and disclosed as set out below.

The objective of the foundation is to improve the science and research in the medical field of Urology and encourage all activities, directly and indirectly, that contribute to this objective. The Foundation is located at the Mr. E.N. van Kleffensstraat 5, 68742 CV Arnhem and registered at the Chamber of Commerce with number 09165573.

As Stichting EAU Foundation for Urological Research has a negative equity primary there could be doubt about the going concern assumption in the financial statements. By loan agreement with European Association of Urology currently sufficient funding is available for going concern. Accordingly the financial statements have been prepared on the basis of continuity.

The financial statements were prepared on 14 March 2018.

Translation of foreign currencies

Transactions arising in foreign currencies are translated into the local currency at the approximate rate ruling at the

Work in Progress

Work in progress is carried at realized costs plus attributable profit - provided this can be reliably measured - and less a provision for expected losses and installments invoiced.

If the outcome of a contract can be reliably estimated, contract revenue and contract costs from the construction contract are taken to the profit and loss account pro rata to the extent of the work performed at the balance sheet date (percentage of completion method). The percentage of completion is determined on the basis of the contract costs incurred in proportion to the estimated total contract costs.

If the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that are probable to be recoverable, and contract costs are recognized as an expense in the period in which they are incurred (percentage of completion with zero profit method).

If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Expenses relating to contract costs resulting in work to be performed after the balance sheet date are recognized under Inventories (work in progress or prepayments on inventories) or Prepayments and accrued income, if it is probable that they will give rise to revenue in the subsequent period.

The net amount for work in progress is recognized as a current asset or a current liability where the balance of the construction contract is positive or negative.

The net amount of the result of a project is recognized in the profit and loss account as turn over (profit of the project)

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Accounts receivable

Accounts receivable are stated at face value, where appropriate after deducting an allowance for doubtful accounts.

Liquidity

Liquid assets are stated at face value.

Long term liabilities

On initial recognition, long-term liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, long-term liabilities are carried at amortized cost.

Liabilities

All current liabilities are shown at the amounts at nominal value unless stated otherwise.

Income and expenses

Income, costs and expenses are allocated to the year to which they relate. Losses are taken into account in the year in which they are foreseeable.

Personnel

Wages, salaries and social securities are recognized in the profit and loss statement according to the terms of employment to the extent they are due to either employees or the tax authorities.

Pension

The company's pension plan is a defined contribution based plan. All the costs arising from the pension plan are allocated to the year in which the costs are incurred.

Interest income and expenses

Income is recognized pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned.

Expenses are allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognized in the profit and loss statement, with the amortized cost of the liabilities being recognized in the balance sheet. Period interest charges and similar charges are recognized in the year in which they fall due.

8. NOTES TO THE BALANCE SHEET

	<u>2017</u>	<u>2016</u>
Current assets		
Debtors		
Debtors	21.422	291.460
	<u>21.422</u>	<u>291.460</u>
Due from affiliated companies		
Current account Stichting E.U.F.	16.986	538
Current account European Association of Urology	168.021	-
The current account with the affiliated companies bears no interest (2016: 0%).	185.007	538
	<u>185.007</u>	<u>538</u>
Taxation and social securities		
Pension plan	1.714	1.461
	<u>1.714</u>	<u>1.461</u>
Other receivables and prepayments		
Work in progress	-	16.520
Other prepayments	2.486	181
	<u>2.486</u>	<u>16.700</u>
Total current assets	<u><u>210.629</u></u>	<u><u>310.159</u></u>
Liquidity		
Bank	775.029	189.654
	<u>775.029</u>	<u>189.654</u>
Funding		
Capital	1.000.000	1.000.000
	<u>1.000.000</u>	<u>1.000.000</u>
Retained earnings		
Retained earnings as at January 1	(1.312.381)	(1.325.791)
Add/(deduct): result for the year	(372.718)	13.410
Retained earnings as at December 31	(1.685.099)	(1.312.381)
Subordinated loan	800.000	600.000
	<u>800.000</u>	<u>600.000</u>
Total Funding	<u><u>114.901</u></u>	<u><u>287.619</u></u>

Current liabilities

	<u>2017</u>	<u>2016</u>
Creditors		
Creditors	16.397	74.811
	<u>16.397</u>	<u>74.811</u>
Due to affiliated companies		
Current account European Association of Urology	-	16.979
Current account Congress Consultants B.V.	202.986	1.544
Current account Trentt B.V.	2.594	58
Current account Curatrial SMO & Research B.V.	151.896	88.018
	<u>357.476</u>	<u>106.599</u>
The current account with the affiliated companies bears no interest (2016: 0%).		
Taxation and social securities		
Payroll tax	3.683	1.840
V.A.T.	2.219	13.449
	<u>5.902</u>	<u>15.289</u>
Other liabilities and accrued expenses		
Work in progress	170.527	-
Holiday allowance	10.751	9.130
Accounting fees	6.300	6.300
Invoices to be received	300.843	-
Other liabilities	2.561	65
	<u>490.982</u>	<u>15.495</u>
Total current liabilities	<u><u>870.757</u></u>	<u><u>212.194</u></u>

Commitments and contingencies

Security

Several liability has been provided for the mortgages in Uro Stone B.V.

Rental payments

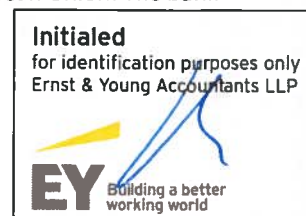
Since 2017 the Foundation is renting a building and parking lots. The contract ends at January 1, 2022. The annual rent is EUR 9.274. The contract will automatically be renewed, unless a written notice will be send to the lessor.

Fiscal unity for VAT purposes

The group is part of the fiscal unity for VAT purposes with Stichting European Urological Foundation, Congress Consultants B.V., Trentt B.V. and Curatrial SMO & Research B.V., which makes the group jointly and severally liable for tax liabilities concerned of the fiscal unit.

Bank guarantee

The Foundation has issued a bank guarantee for one of its projects that is subsidized by the European Union. The bank guarantee amounts € 172.130.



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9. NOTES TO THE PROFIT AND LOSS STATEMENT

Tax on profit

The foundation is an ANBI registered organization and therefore exempted for Corporate Income Tax.

Interest expense and related charges

The amount of € 15.000 (2016: € 12.501) for interest expenses and related is fully charged by group companies (2016: € 12.501).

Personnel

The Foundation employed 2,4 persons on an average (2016: 2,4).

Autographs of the Board Members:

Copenhagen,

Prof. Dr. A. Bjartell

Drs. M.G.B.T. Schlieff