

**In re Nuo Therapeutics, Inc.**  
**Debtor**

**Case No. 16-10192 (MFW)**  
**Chapter 11**

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF ENTITIES IN  
WHICH THE ESTATE OF NUO THERAPEUTICS, INC. HOLDS A SUBSTANTIAL OR  
CONTROLLING INTEREST**

This is the report as of February 29, 2016 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of Nuo Therapeutics, Inc. (the "Debtor") holds a substantial or controlling interest in the following entities:

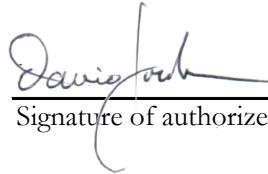
| Name of Entity | Interest of the Estate |
|----------------|------------------------|
| Aldagen, Inc.  | 100.0%                 |

This periodic report (the "Periodic Report") contains a separate report ("Entity Report") on the value, operations, and profitability of the entities listed above.

The undersigned, having reviewed the above listing of entities in which the estate of the Debtor holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his knowledge.

February 29, 2016

Date



Signature of authorized individual

David E. Jorden

Printed name of authorized individual

Acting CEO and Acting CFO

Title of authorized individual

## **GENERAL NOTES TO THE PERIODIC REPORT**

The financial statements and supplemental information contained herein regarding Aldagen, Inc. ("Aldagen") are unaudited and may not comply with U.S. GAAP in all material respects. These statements do not include the Debtor and therefore do not represent its consolidated financial results. The financial statements contained herein are derived from the books and records of the Debtor, but are not presented on the same basis as the consolidated results of the Debtor. Such presentation is appropriate for the non-debtor entity on a stand-alone basis.

In general, the Debtor maintains its books and records on an individual legal-entity basis. Various estimates, assumptions, adjustments and allocations were required to derive the financial statements contained herein.

Although the Debtor keeps separate income statements and balance sheets for Aldagen, it does not prepare separate statements of cash flows or of changes in shareholders' equity for Aldagen, but rather reports them on a consolidated basis. As a result, an attestation with respect to Aldagen's cash flows and changes in shareholders' equity is presented in place of Exhibits B-3 and B-4.

The results of operations contained herein are not necessarily indicative of results that are expected from any other period or for the full year and may not necessarily reflect the combined results of operations and financial position of the Non-Debtor in the future.

The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. See further notes regarding the information contained in the financial statements and how they were prepared on the subsequent tabs.

**EXHIBIT A**  
**VALUATION ESTIMATE FOR ALDAGEN, INC.**

| Name of Entity | Interest of the Estate | Net Book Value    | As of Date       |
|----------------|------------------------|-------------------|------------------|
| Aldagen, Inc.  | 100.0%                 | (\$10,991,060.47) | January 26, 2016 |

**Notes**

1. The accounting systems are not primarily designed to produce reports that are consistent with the requirements of the Office of the United States Trustee. The numbers presented in the following financial statements are subject to change as additional information is made available. The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustments.

2. Net book value of Aldagen reflects an intercompany payable to the Debtor of \$14,593,348.36.

**EXHIBIT B-1**  
**BALANCE SHEET FOR ALDAGEN, INC.**

The balance sheet for Aldagen, Inc. are provided on the next two pages for the periods ended January 26, 2016 (the "Petition Date") and December 31, 2015, respectively. The period ended on the Petition Date is the first period of the 2016 fiscal year.

The accounting systems are not primarily designed to produce reports that are consistent with the requirements of the Office of the United States Trustee. The numbers presented in the following financial statements are subject to change as additional information is made available. The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustments.

**Exhibit B-1a**  
**Nuo Therapeutics, Inc.**  
**Parent Company : Aldagen**  
**Balance Sheet**  
**End of Jan 2016**  
**(Unaudited)**

| Financial Row   | Amount                   |
|---|--------------------------|
| <b>ASSETS</b>   |                          |
| <b>Current Assets</b>   |                          |
| <b>Bank</b>   |                          |
| 1000 - Cash and cash equivalents                                |                          |
| 1004 - Square 1 Bank Checking                                   | \$5,416.43               |
| <b>Total - 1000 - Cash and cash equivalents</b>                 | <b>\$5,416.43</b>        |
| <b>Total Bank</b>   | <b>\$5,416.43</b>        |
| <b>Other Current Asset</b>                                      |                          |
| 1075 - Receivables - Other                                      |                          |
| 1076 - Receivables - Other                                      | \$70,140.14              |
| <b>Total - 1075 - Receivables - Other</b>                       | <b>\$70,140.14</b>       |
| 1200 - Prepaid expenses and other current assets                |                          |
| 1204 - Prepaid Other  | \$1,216.66               |
| <b>Total - 1200 - Prepaid expenses and other current assets</b> | <b>\$1,216.66</b>        |
| <b>Total Other Current Asset</b>                                | <b>\$71,356.80</b>       |
| <b>Total Current Assets</b>                                     | <b>\$76,773.23</b>       |
| <b>Fixed Assets</b>   |                          |
| 1700 - Property, plant & equipment                              |                          |
| 1707 - Leasehold Improvements                                   | \$385,050.67             |
| <b>Total - 1700 - Property, plant &amp; equipment</b>           | <b>\$385,050.67</b>      |
| 1750 - Accumulated Depreciation                                 |                          |
| 1757 - Accumulated Depreciation - Leasehold Improvements        | (\$385,050.67)           |
| <b>Total - 1750 - Accumulated Depreciation</b>                  | <b>(\$385,050.67)</b>    |
| <b>Total Fixed Assets</b>                                       | <b>\$0.00</b>            |
| <b>Other Assets</b>   |                          |
| 1815 - Other long-term assets                                   |                          |
| 1816 - Other long-term assets                                   | \$31,817.12              |
| <b>Total - 1815 - Other long-term assets</b>                    | <b>\$31,817.12</b>       |
| 1900 - Other intangibles  |                          |
| 1902 - Intangible Asset - Trademarks                            | \$727,003.00             |
| 1905 - Intangible Asset - IPR&D                                 | \$3,313,554.00           |
| 1912 - Accumulated Amortization Intangibles - Trademarks        | (\$65,220.73)            |
| <b>Total - 1900 - Other intangibles</b>                         | <b>\$3,975,336.27</b>    |
| <b>Total Other Assets</b>                                       | <b>\$4,007,153.39</b>    |
| <b>Total ASSETS</b>   | <b>\$4,083,926.62</b>    |
| <b>LIABILITIES &amp; EQUITY</b>                                 |                          |
| <b>Current Liabilities</b>                                      |                          |
| <b>Accounts Payable</b>   |                          |
| 2000 - Trade accounts payable                                   |                          |
| 2001 - Trade Accounts Payable - USA                             | \$158,885.18             |
| <b>Total - 2000 - Trade accounts payable</b>                    | <b>\$158,885.18</b>      |
| <b>Total Accounts Payable</b>                                   | <b>\$158,885.18</b>      |
| <b>Other Current Liability</b>                                  |                          |
| 2550 - Accrued expenses   |                          |
| 2552 - Other Accrued Liabilities                                | \$17,602.64              |
| 2553 - Accrued Expenses-Other                                   | \$617.05                 |
| 2554 - Deferred rent, current portion                           | \$2,225.81               |
| 2556 - Accrued loss on abandonment                              | \$103,172.93             |
| <b>Total - 2550 - Accrued expenses</b>                          | <b>\$123,618.43</b>      |
| <b>Total Other Current Liability</b>                            | <b>\$123,618.43</b>      |
| <b>Total Current Liabilities</b>                                | <b>\$282,503.61</b>      |
| <b>Long Term Liabilities</b>                                    |                          |
| 2875 - Intercompany payable                                     |                          |
| 2876 - Intercompany Payable                                     | \$14,593,348.36          |
| <b>Total - 2875 - Intercompany payable</b>                      | <b>\$14,593,348.36</b>   |
| 2900 - Long-term liabilities - Other                            |                          |
| 2903 - Other LT Liabilities                                     | \$199,135.12             |
| <b>Total - 2900 - Long-term liabilities - Other</b>             | <b>\$199,135.12</b>      |
| <b>Total Long Term Liabilities</b>                              | <b>\$14,792,483.48</b>   |
| <b>Equity</b>   |                          |
| 3300 - Additional paid-in-capital                               |                          |
| 3301 - Additional-paid-in capital                               | \$31,753,382.00          |
| <b>Total - 3300 - Additional paid-in-capital</b>                | <b>\$31,753,382.00</b>   |
| Retained Earnings   | (\$42,751,121.32)        |
| Net Income  | \$6,678.85               |
| <b>Total Equity</b>   | <b>(\$10,991,060.47)</b> |
| <b>Total LIABILITIES &amp; EQUITY</b>                           | <b>\$4,083,926.62</b>    |

**Exhibit B-1b**  
**Nuo Therapeutics, Inc.**  
**Parent Company : Aldagen**  
**Balance Sheet**  
**End of Dec 2015**  
**(Unaudited)**

| Financial Row   | Amount                   |
|---|--------------------------|
| <b>ASSETS</b>   |                          |
| <b>Current Assets</b>   |                          |
| <b>Bank</b>   |                          |
| 1000 - Cash and cash equivalents                                |                          |
| 1004 - Square 1 Bank Checking                                   | \$5,561.63               |
| <b>Total - 1000 - Cash and cash equivalents</b>                 | <b>\$5,561.63</b>        |
| <b>Total Bank</b>   | <b>\$5,561.63</b>        |
| <b>Other Current Asset</b>                                      |                          |
| 1075 - Receivables - Other                                      |                          |
| 1076 - Receivables - Other                                      | \$55,140.14              |
| <b>Total - 1075 - Receivables - Other</b>                       | <b>\$55,140.14</b>       |
| 1200 - Prepaid expenses and other current assets                |                          |
| 1204 - Prepaid Other  | \$1,539.46               |
| <b>Total - 1200 - Prepaid expenses and other current assets</b> | <b>\$1,539.46</b>        |
| <b>Total Other Current Asset</b>                                | <b>\$56,679.60</b>       |
| <b>Total Current Assets</b>                                     | <b>\$62,241.23</b>       |
| <b>Fixed Assets</b>   |                          |
| 1700 - Property, plant & equipment                              |                          |
| 1707 - Leasehold Improvements                                   | \$385,050.67             |
| <b>Total - 1700 - Property, plant &amp; equipment</b>           | <b>\$385,050.67</b>      |
| 1750 - Accumulated Depreciation                                 |                          |
| 1757 - Accumulated Depreciation - Leasehold Improvements        | (\$385,050.67)           |
| <b>Total - 1750 - Accumulated Depreciation</b>                  | <b>(\$385,050.67)</b>    |
| <b>Total Fixed Assets</b>                                       | <b>\$0.00</b>            |
| <b>Other Assets</b>   |                          |
| 1815 - Other long-term assets                                   |                          |
| 1816 - Other long-term assets                                   | \$31,817.12              |
| <b>Total - 1815 - Other long-term assets</b>                    | <b>\$31,817.12</b>       |
| 1900 - Other intangibles  |                          |
| 1902 - Intangible Asset - Trademarks                            | \$727,003.00             |
| 1905 - Intangible Asset - IPR&D                                 | \$3,313,554.00           |
| 1912 - Accumulated Amortization Intangibles - Trademarks        | (\$62,317.20)            |
| <b>Total - 1900 - Other intangibles</b>                         | <b>\$3,978,239.80</b>    |
| <b>Total Other Assets</b>                                       | <b>\$4,010,056.92</b>    |
| <b>Total ASSETS</b>   | <b>\$4,072,298.15</b>    |
| <b>LIABILITIES &amp; EQUITY</b>                                 |                          |
| <b>Current Liabilities</b>                                      |                          |
| <b>Accounts Payable</b>   |                          |
| 2000 - Trade accounts payable                                   |                          |
| 2001 - Trade Accounts Payable - USA                             | \$122,102.23             |
| <b>Total - 2000 - Trade accounts payable</b>                    | <b>\$122,102.23</b>      |
| <b>Total Accounts Payable</b>                                   | <b>\$122,102.23</b>      |
| <b>Other Current Liability</b>                                  |                          |
| 2550 - Accrued expenses   |                          |
| 2552 - Other Accrued Liabilities                                | \$16,402.64              |
| 2553 - Accrued Expenses-Other                                   | \$14,865.17              |
| 2556 - Accrued loss on abandonment                              | \$103,172.93             |
| <b>Total - 2550 - Accrued expenses</b>                          | <b>\$134,440.74</b>      |
| <b>Total Other Current Liability</b>                            | <b>\$134,440.74</b>      |
| <b>Total Current Liabilities</b>                                | <b>\$256,542.97</b>      |
| <b>Long Term Liabilities</b>                                    |                          |
| 2875 - Intercompany payable                                     |                          |
| 2876 - Intercompany Payable                                     | \$14,607,148.36          |
| <b>Total - 2875 - Intercompany payable</b>                      | <b>\$14,607,148.36</b>   |
| 2900 - Long-term liabilities - Other                            |                          |
| 2903 - Other LT Liabilities                                     | \$206,346.14             |
| <b>Total - 2900 - Long-term liabilities - Other</b>             | <b>\$206,346.14</b>      |
| <b>Total Long Term Liabilities</b>                              | <b>\$14,813,494.50</b>   |
| <b>Equity</b>   |                          |
| 3300 - Additional paid-in-capital                               |                          |
| 3301 - Additional-paid-in capital                               | \$31,753,382.00          |
| <b>Total - 3300 - Additional paid-in-capital</b>                | <b>\$31,753,382.00</b>   |
| Retained Earnings   | (\$19,637,576.38)        |
| Net Income  | (\$23,113,544.94)        |
| <b>Total Equity</b>   | <b>(\$10,997,739.32)</b> |
| <b>Total LIABILITIES &amp; EQUITY</b>                           | <b>\$4,072,298.15</b>    |

**EXHIBIT B-2**  
**STATEMENT OF INCOME / (LOSS) FOR ALDAGEN, INC.**

The income statements for Aldagen, Inc. are provided on the next two pages for the one month ended the Petition Date and the 12 months ended December 31, 2015, respectively. The period ended on the Petition Date is the first period of the 2016 fiscal year.

The accounting systems are not primarily designed to produce reports that are consistent with the requirements of the Office of the United States Trustee. The numbers presented in the following financial statements are subject to change as additional information is made available. The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustments.

**Exhibit B-2a**  
**Nuo Therapeutics, Inc.**  
**Parent Company : Aldagen**  
**Income Statement**  
**Jan 2016**  
**(Unaudited)**

| Financial Row  | Amount             |
|--|--------------------|
| <b>Ordinary Income/Expense</b>                         |                    |
| <b>Income</b>  |                    |
| <b>4200 - Royalties</b>                                |                    |
| 4210 - Aldefluor Royalty Revenue                       | \$15,000.00        |
| <b>Total - 4200 - Royalties</b>                        | <b>\$15,000.00</b> |
| <b>Total - Income</b>                                  | <b>\$15,000.00</b> |
| <b>Cost Of Sales</b>                                   |                    |
| <b>5200 - Cost of Royalties</b>                        |                    |
| 5210 - Cost of Stem Cell Royalties                     | \$1,200.00         |
| <b>Total - 5200 - Cost of Royalties</b>                | <b>\$1,200.00</b>  |
| <b>Total - Cost Of Sales</b>                           | <b>\$1,200.00</b>  |
| <b>Gross Profit</b>                                    | <b>\$13,800.00</b> |
| <b>Expense</b>   |                    |
| <b>6210 - Professional Fees</b>                        |                    |
| 6215 - Legal Fees                                      | \$322.80           |
| <b>Total - 6210 - Professional Fees</b>                | <b>\$322.80</b>    |
| <b>6325 - Rent</b>                                     |                    |
| 6326 - Office Rent                                     | \$1,993.01         |
| <b>Total - 6325 - Rent</b>                             | <b>\$1,993.01</b>  |
| <b>6400 - Other services</b>                           |                    |
| 6417 - IT Services                                     | \$85.00            |
| <b>Total - 6400 - Other services</b>                   | <b>\$85.00</b>     |
| <b>6540 - Depreciation &amp; Amortization</b>          |                    |
| 6545 - Amortization of Intangibles                     | \$2,903.53         |
| <b>Total - 6540 - Depreciation &amp; Amortization</b>  | <b>\$2,903.53</b>  |
| <b>6950 - Other Dues and Fees</b>                      |                    |
| 6953 - Bank Service Charges                            | \$145.20           |
| <b>Total - 6950 - Other Dues and Fees</b>              | <b>\$145.20</b>    |
| <b>7000 - Research and Development Expense</b>         |                    |
| 7007 - ALD-401 Clinical Trial Expenses                 | \$1,671.61         |
| <b>Total - 7000 - Research and Development Expense</b> | <b>\$1,671.61</b>  |
| <b>Total - Expense</b>                                 | <b>\$7,121.15</b>  |
| <b>Net Ordinary Income</b>                             | <b>\$6,678.85</b>  |
| <b>Net Income</b>                                      | <b>\$6,678.85</b>  |



**Exhibit B-2b**  
**Nuo Therapeutics, Inc.**  
**Parent Company : Aldagen**  
**Income Statement**  
**From Jan 2015 to Dec 2015**  
**(Unaudited)**

| Financial Row  | Amount                   |
|--|--------------------------|
| <b>Ordinary Income/Expense</b>                         |                          |
| <b>Income</b>  |                          |
| 4200 - Royalties                                       |                          |
| 4210 - Aldefluor Royalty Revenue                       | \$205,030.00             |
| <b>Total - 4200 - Royalties</b>                        | <b>\$205,030.00</b>      |
| <b>Total - Income</b>                                  | <b>\$205,030.00</b>      |
| <b>Cost Of Sales</b>                                   |                          |
| 5200 - Cost of Royalties                               |                          |
| 5210 - Cost of Stem Cell Royalties                     | \$16,402.64              |
| <b>Total - 5200 - Cost of Royalties</b>                | <b>\$16,402.64</b>       |
| <b>Total - Cost Of Sales</b>                           | <b>\$16,402.64</b>       |
| <b>Gross Profit</b>                                    | <b>\$188,627.36</b>      |
| <b>Expense</b>   |                          |
| 6010 - Employee Compensation                           |                          |
| 6016 - Severance                                       | \$942.99                 |
| 6046 - Payroll Tax Expense                             | \$924.00                 |
| <b>Total - 6010 - Employee Compensation</b>            | <b>\$1,866.99</b>        |
| 6180 - Employee Benefits                               |                          |
| 6195 - 401k Plan Expenses                              | \$2,675.00               |
| <b>Total - 6180 - Employee Benefits</b>                | <b>\$2,675.00</b>        |
| 6210 - Professional Fees                               |                          |
| 6211 - Consulting                                      | \$2,040.56               |
| 6215 - Legal Fees                                      | \$63,144.31              |
| <b>Total - 6210 - Professional Fees</b>                | <b>\$65,184.87</b>       |
| 6325 - Rent  |                          |
| 6326 - Office Rent                                     | (\$15,564.33)            |
| <b>Total - 6325 - Rent</b>                             | <b>(\$15,564.33)</b>     |
| 6400 - Other services                                  |                          |
| 6417 - IT Services                                     | \$510.00                 |
| <b>Total - 6400 - Other services</b>                   | <b>\$510.00</b>          |
| 6540 - Depreciation & Amortization                     |                          |
| 6545 - Amortization of Intangibles                     | \$41,542.80              |
| <b>Total - 6540 - Depreciation &amp; Amortization</b>  | <b>\$41,542.80</b>       |
| 6650 - Supplies  |                          |
| 6655 - Office Supplies                                 | \$118.00                 |
| <b>Total - 6650 - Supplies</b>                         | <b>\$118.00</b>          |
| 6700 - Other Office expense                            |                          |
| 6701 - Utilities                                       | (\$487.21)               |
| 6705 - Telephone                                       | \$2,252.90               |
| <b>Total - 6700 - Other Office expense</b>             | <b>\$1,765.69</b>        |
| 6750 - Other taxes                                     |                          |
| 6751 - Franchise Tax Fees                              | \$2,289.13               |
| 6752 - State Corporate Taxes                           | \$9,070.00               |
| <b>Total - 6750 - Other taxes</b>                      | <b>\$11,359.13</b>       |
| 6800 - Other Expenses                                  |                          |
| 6840 - Office Expense                                  | (\$148.99)               |
| 6870 - Printing & Reproduction                         | \$217.18                 |
| 6875 - Shipping & Delivery                             | \$41.53                  |
| <b>Total - 6800 - Other Expenses</b>                   | <b>\$109.72</b>          |
| 6950 - Other Dues and Fees                             |                          |
| 6953 - Bank Service Charges                            | \$1,820.15               |
| 6955 - Payroll Preparation Services                    | \$225.75                 |
| <b>Total - 6950 - Other Dues and Fees</b>              | <b>\$2,045.90</b>        |
| 7000 - Research and Development Expense                |                          |
| 7007 - ALD-401 Clinical Trial Expenses                 | \$155,259.71             |
| <b>Total - 7000 - Research and Development Expense</b> | <b>\$155,259.71</b>      |
| 8000 - Loss on Impairment                              | \$23,034,140.00          |
| <b>9600 - Other income (expense)</b>                   |                          |
| 9602 - Interest Expense                                | \$1,265.83               |
| 9604 - Other Income                                    | (\$81.72)                |
| <b>Total - 9600 - Other income (expense)</b>           | <b>\$1,184.11</b>        |
| 9650 - Income Tax                                      |                          |
| 9651 - Income Tax Expense                              | (\$25.29)                |
| <b>Total - 9650 - Income Tax</b>                       | <b>(\$25.29)</b>         |
| <b>Total - Expense</b>                                 | <b>\$23,302,172.30</b>   |
| <b>Net Ordinary Income</b>                             | <b>(\$23,113,544.94)</b> |
| <b>Net Income</b>                                      | <b>(\$23,113,544.94)</b> |

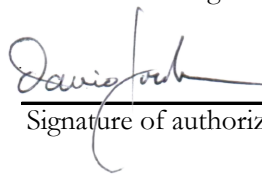
**EXHIBITS B-3 AND B-4**  
**ATTESTATION REGARDING THE STATEMENTS OF CASH FLOWS AND**  
**CHANGE IN SHAREHOLDERS' EQUITY**

The Debtor hereby submits this attestation regarding the statements of cash flows and change in shareholders' equity that are normally provided in this Entity Report in place of providing these reports.

I attest that, although the Debtor does not prepare statements of cash flow or of the change in shareholders' equity for Aldagen, the actual cash flows for Aldagen are reported in the Debtor's consolidated statement of cash flows and the change in shareholders' equity for Aldagen are reported in the Debtor's consolidate statement of the change in shareholders' equity.

February 29, 2016

Date



Signature of authorized individual

David E. Jorden

Printed name of authorized individual

Acting CEO and Acting CFO

Title of authorized individual

**EXHIBIT C**  
**DESCRIPTION OF OPERATIONS FOR ALDAGEN, INC.**

The description of operations for Aldagen, Inc. is listed below and excerpted from the Debtor's most recently filed Form 10-K.

"In February 2012, [the Debtor] acquired Aldagen, Inc., or Aldagen, a privately held cell-therapy company located in Durham, NC. ...[The Debtor] acquired the ALDHbr 'Bright Cell' technology as part of [its] acquisition of Aldagen in February 2012. The Bright Cell technology is a novel approach to cell-based regenerative medicine with potential clinical indications in large markets with significant unmet medical needs, such as peripheral arterial disease and ischemic stroke. The Bright Cell technology is unique in that it utilizes an intracellular enzyme marker to facilitate fractionation of essential regenerative cells from a patient's bone marrow. This core technology was originally licensed by Aldagen from Duke University and Johns Hopkins University. The proprietary bone-marrow fractionation process identifies and isolates active stem and progenitor cells expressing high levels of the enzyme aldehyde dehydrogenase, or ALDH, which is a key enzyme involved in the regulation of gene activities associated with cell proliferation and differentiation. These autologous, selected biologically instructive cells have the potential to promote the repair and regeneration of multiple types of cells and tissues, including the growth of new blood vessels, or angiogenesis, which is critical to the generation of healthy tissue."