

TFP Ciconia Fertility ApS

Saralyst Allé 50, 8270 Højberg

CVR no. 18 02 19 35

**Annual report for the period
1 April 2022 to 31 March 2023**

Adopted at the annual general meeting on 12 July
2023

Jacob Lyster Dethlefsen
chairman



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of TFP Ciconia Fertility ApS for the financial year 1 April 2022 - 31 March 2023.

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

However, we would like to draw attention to the fact that the financial statements have been prepared based on the realization principle because the company does not expect to continue its operations due to significant financial difficulties.

Furthermore, we refer to the management report, accounting policies, and notes where it is described that the annual financial statements are not prepared according to the going concern principle. As a result, assets have been revalued at expected realization values as of end of March 2023.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2023 and of the results of the company's operations for the financial year 1 April 2022 - 31 March 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Højbjerg, 12 July 2023

Executive board

Jacob Lyster Dethlefsen

Supervisory board

Erik Martin Fagerlund
chairman

Svitlana Babak

Independent auditor's report

To the shareholder of TFP Ciconia Fertility ApS **Auditors' Report on the Financial Statements**

Opinion

We have audited the financial statements of TFP Ciconia Fertility ApS for the financial year 1 April 2022 - 31 March 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2023 and of the results of the company's operations for the financial year 1 April 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without affecting our conclusion, we would like to draw attention to the fact that the management has not prepared the financial statements according to the going concern principle due to the company's financial situation. Therefore, the management has prepared the financial statements based on the realization principle. Please refer to note 1.

Management's responsibilities for the financial statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 override of internal control.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events 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. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Independent auditor's report

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Report on other legal and regulatory requirements

Anti-Money Laundering Act

The company has, during the fiscal year, received cash payments in connection with sales that exceed the limits set by the Anti-Money Laundering Act, and management may incur liability in this respect.

Odense, 12 July 2023

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Christoffer Pedersen
state authorized public accountant
MNE no. mne36180

Company details

The company	TFP Ciconia Fertility ApS Saralyst Allé 50 8270 Højberg CVR no.: 18 02 19 35 Reporting period: 1 April 2022 - 31 March 2023 Incorporated: 30 June 1994 Domicile: Aarhus
Supervisory board	Erik Martin Fagerlund, chairman Svitlana Babak
Executive board	Jacob Lyster Dethlefsen
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Hjallesevej 126 5230 Odense M

Management's review

Business review

The company's purpose is to operate a business with fertility treatment and related business, including research, including non-concessional (external number) specialist medical business.

However, we would like to draw attention to the fact that Management does not expect to continue its operations due to significant financial difficulties.

Financial review

The company's income statement for the year ended 31 March 2023 shows a loss of DKK 6.537.381, and the balance sheet at 31 March 2023 shows negative equity of DKK 19.998.939.

Therefore, we would like to draw attention to the fact that the financial statements have been prepared based on the realization principle because the company does not expect to continue its operations due to significant financial difficulties. Furthermore, we refer to the management report, accounting policies, and notes where it is described that the annual financial statements are not prepared according to the going concern principle. As a result, assets have been revalued at expected realization values as of end of March 2023. Management is aware that the value may differ when realized but has recognized the liquidation value based to its best knowledge.

Financing

Management did not receive a funding guarantee from the company's shareholders in order to confirm that the company will be able to fulfill its financial obligations during an orderly liquidation process.

TFP Ciconia Fertility ApS has received a letter of support from TFP Fertility Holding Limited., Oxford, UK, in prior year which expired on the day of the annual general meeting in 2023 where in the annual report for the year ended 31.03.2023 was approved

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 April - 31 March

	Note	2022/23 DKK	2021/22 TDKK
Gross profit	3	4.457.867	6.403
Staff costs	2	-10.154.226	-10.035
Profit/loss before amortisation/depreciation and impairment losses		-5.696.359	-3.632
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.435.719	-753
Profit/loss before net financials		-7.132.078	-4.385
Financial costs	4	-350.276	-237
Profit/loss before tax		-7.482.354	-4.622
Tax on profit/loss for the year	5	944.973	1.054
Profit/loss for the year		-6.537.381	-3.568
Recommended appropriation of profit/loss			
Retained earnings		-6.537.381	-3.568
		-6.537.381	-3.568

Balance sheet 31 March

Note	2022/23 DKK	2021/22 TDKK
Assets		
Other fixtures and fittings, tools and equipment	655.469	1.326
Leasehold improvements	0	196
Tangible assets	655.469	1.522
Deposits	0	502
Fixed asset investments	0	502
Total non-current assets	655.469	2.024
Raw materials and consumables	209.869	283
Stocks	209.869	283
Trade receivables	593.219	238
Other receivables	169.121	1
Deferred tax asset	0	374
Joint taxation contributions receivable	1.350.000	792
Prepayments	0	226
Receivables	2.112.340	1.631
Cash at bank and in hand	45.824	34
Total current assets	2.368.033	1.948
Total assets	3.023.502	3.972

Balance sheet 31 March

	Note	2022/23 DKK	2021/22 TDKK
Equity and liabilities			
Share capital		200.000	200
Retained earnings		-20.198.939	-13.662
Equity		-19.998.939	-13.462
Other payables		0	726
Total non-current liabilities	6	0	726
Short-term part of long-term debet	6	741.293	0
Trade payables		455.121	557
Payables to subsidiaries		17.028.551	11.497
Other payables		911.383	1.095
Deferred income		3.886.093	3.559
Total current liabilities		23.022.441	16.708
Total liabilities		23.022.441	17.434
Total equity and liabilities		3.023.502	3.972
Special items	3		
Uncertainty about the continued operation (going concern)	1		
Rent and lease liabilities	7		
Contingent liabilities	8		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 April	200.000	-13.661.558	-13.461.558
Net profit/loss for the year	0	-6.537.381	-6.537.381
Equity at 31 March	200.000	-20.198.939	-19.998.939

Notes

1 Uncertainty about the continued operation (going concern)

The company has lost its equity, and continued operations will depend on the company receiving new capital or being provided with the necessary financing. As a result of the significant uncertainty about the company's ongoing operations.

As management did not receive a funding guarantee from the company's shareholders to confirm that the company will be able to fulfill its financial obligations, the annual report has been prepared based on the realization principle because the company does not expect to continue its operations due to significant financial difficulties. As a result, assets have been recognized as the expected realization value as of end of March 2023. Management is aware that the value may differ when realized but has recognized the liquidation value based to its best knowledge.

The decision regarding the discontinuing operations has not been finalized at the time of the annual reporting. Management is aware that there will be several costs associated with the shutdown, but these costs have not been included in the annual report.

	2022/23	2021/22
	DKK	TDKK
2 Staff costs		
Wages and salaries	8.763.433	8.734
Pensions	975.038	965
Other social security costs	97.664	98
Other staff costs	318.091	238
	10.154.226	10.035
Average number of employees	15	15

3 Special items

Special items contain income received in relation to covid19 compensation aswell as sales of minor acquisitions, included in gross profit, respectively DKK -13k in 2022/23 and DKK -146k in 2021/22.

In 2022/23 the revaluation of assets in accordance with realization principle DKK -1.522k.

Notes

4 Financial costs

Financial expenses, group entities	329.184	221
Other financial costs	20.268	12
Exchange adjustments costs	824	4
	<u>350.276</u>	<u>237</u>

5 Tax on profit/loss for the year

Current tax for the year	-601.558	-680
Deferred tax for the year	-374.221	-374
Adjustment of tax concerning previous years	30.806	0
	<u>-944.973</u>	<u>-1.054</u>

6 Long term debt

	Debt at 1 April DKK	Debt at 31 March DKK	Instalment next year DKK	Debt outstanding after 5 years DKK
Other payables	726.046	741.293	741.293	0
	<u>726.046</u>	<u>741.293</u>	<u>741.293</u>	<u>0</u>

2022/23 DKK	2021/22 TDKK
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7 Rent and lease liabilities

Operating lease liabilities. Total future lease payments:			
Within 1 year		774.687	741
Between 1 and 5 years		0	154
		<u>774.687</u>	<u>895</u>

Notes

8 Contingent liabilities

The Company is jointly taxed with Impilo ApS (management company), and is jointly and severally liable with other jointly taxed entities for the payment of income taxes, taxes on dividends and interests. The group as a whole is not liable to others.

The company has entered into operating leases at the following amount.

Term to maturity in 12 months totalling TDKK 775.

Accounting policies

The annual report of TFP Ciconia Fertility ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

The annual report for 2022/23 is presented in DKK

Changes in accounting policies

The accounting policies have been changed compared to last year, as the management has suspended the operations of the company after the year-end and initiated the realization of the company's assets. As a result, the annual report is prepared based on the realization principle.

As a starting point, the principles and regulations of the Annual Financial Statements Act are applied, but with the adjustments required to prepare the annual report based on the realization principle. Assets and liabilities are therefore recognized at expected realization values.

No adjustments have been made to comparative figures for previous years. The non restatement to the comparative figures should be understood in the context that it is practically difficult to determine realization values. Changing the comparative figures would therefore not be possible without incurring unnecessary significant costs. The quantitative impact of the change in accounting policy on the comparative figures is therefore not specified.

The accounting policies are otherwise consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

Accounting policies

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Income from services is recognised on a straight-line basis as the services are provided.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of minor acquisitions and indemnities relating to operating losses.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Accounting policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5-10 years	0 %
Leasehold improvements	5-10 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Accounting policies

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.