

IVFTECH APS
Klintehøj Vænge 3
3460 Birekerød

Annual report for 2023

Adopted at the annual general meeting on
26 June 2024



David Wolf
chairman

CVR-nr. 20 89 23 07

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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 IVFTech ApS for the financial year 1 January - 31 December 2023.

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

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

Birkerød, 26 June 2024

Executive board



Kjeld Ivan Nielsen

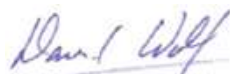


Karina Sandager Boserup



Kamilla Bjerg Boserup

Supervisory board



David Bruce Wolf
chairman



Kamilla Bjerg Boserup



Francesco Fragasso

INDEPENDENT AUDITOR'S REPORT

To the management of IVFTech ApS

Opinion

We have audited the financial statements of IVFTech ApS for the financial year 1 January - 31 December 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 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 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.

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.

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:

INDEPENDENT AUDITOR'S REPORT

- 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.

Copenhagen, 26 June 2024

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Karsten Vedel

Statsautoriseret revisor

mne47841

COMPANY DETAILS

The company	IVFTech ApS Klintehøj Vænge 3 3460 Birekerød
	CVR no.: 20 89 23 07
	Reporting period: 1 January - 31 December 2023
	Domicile: Rudersdal
Supervisory board	David Bruce Wolf, chairman Kamilla Bjerg Boserup Francesco Fragasso
Executive board	Kjeld Ivan Nielsen Karina Sandager Boserup Kamilla Bjerg Boserup
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

MANAGEMENT'S REVIEW

Business review

The principal activities are development, dissemination, production and sale of laboratory equipment.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 499.137, and the balance sheet at 31 December 2023 shows equity of DKK 9.898.469.

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.

ACCOUNTING POLICIES

The annual report of IVFTech ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

The annual report for 2023 is presented in DKK

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.

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

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of control, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

ACCOUNTING POLICIES

Raw materials and consumables

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

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.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation 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 of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

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

Intangible assets

Development costs and costs relating to rights developed by the company are recognised in the income statement as costs in the year of acquisition.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses.

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.

ACCOUNTING POLICIES

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.

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

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

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

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.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

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.

Equity

Provisions

Provisions comprise expected expenses relating to warranty commitments etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

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

ACCOUNTING POLICIES

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
Gross profit		19.226.882	26.341.196
Staff costs	1	-16.613.475	-21.349.392
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.245.766	-2.944.891
Profit/loss before net financials		367.641	2.046.913
Financial costs	2	-1.197.095	-404.122
Profit/loss before tax		-829.454	1.642.791
Tax on profit/loss for the year	3	330.317	-305.856
Profit/loss for the year		-499.137	1.336.935
Transferred to reserve for development expenditure		101.764	488.279
Retained earnings		-600.901	848.656
		-499.137	1.336.935

BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
ASSETS			
Completed development projects		1.489.444	0
Development projects		2.739.892	4.098.871
Intangible assets	4	4.229.336	4.098.871
Other fixtures and fittings, tools and equipment	5	448.814	703.631
Right-of-use assets	5	3.855.667	4.945.711
Tangible assets		4.304.481	5.649.342
Deposits	6	612.931	566.379
Fixed asset investments		612.931	566.379
Total non-current assets		9.146.748	10.314.592
Raw materials and consumables		7.780.374	7.541.339
Work in progress		449.021	310.220
Finished goods and goods for resale		1.588.925	1.513.863
Stocks		9.818.320	9.365.422
Trade receivables		6.428.330	7.649.049
Receivables from group companies		3.222.860	717.223
Other receivables		506.428	443.922
Prepayments		259.656	202.876
Receivables		10.417.274	9.013.070
Cash at bank and in hand		979.060	378.119
Total current assets		21.214.654	18.756.611
Total assets		30.361.402	29.071.203

BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
EQUITY AND LIABILITIES			
Share capital		260.000	260.000
Reserve for development expenditure		3.298.883	3.197.119
Retained earnings		6.339.586	6.733.676
Equity		9.898.469	10.190.795
Provision for deferred tax		667.007	844.732
Other provisions		821.982	0
Total provisions		1.488.989	844.732
Lease obligations		2.941.303	4.271.087
Total non-current liabilities	7	2.941.303	4.271.087
Short-term part of long-term debet	7	1.174.897	941.985
Trade payables		4.744.982	3.715.324
Payables to group companies		7.936.730	6.813.957
Corporation tax		0	199.143
Other payables		2.176.032	2.003.401
Deferred income		0	90.779
Total current liabilities		16.032.641	13.764.589
Total liabilities		18.973.944	18.035.676
Total equity and liabilities		30.361.402	29.071.203

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Reserve for development expenditure</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	260.000	3.197.119	6.733.677	10.190.796
Net profit/loss for the year	0	101.764	-600.901	-499.137
Contribution from group	0	0	206.810	206.810
Equity at 31 December 2023	<u>260.000</u>	<u>3.298.883</u>	<u>6.339.586</u>	<u>9.898.469</u>

NOTES

	2023	2022
	DKK	DKK
1 STAFF COSTS		
Wages and salaries	14.665.626	18.994.372
Pensions	1.879.497	2.256.878
Other social security costs	68.352	98.142
	16.613.475	21.349.392
Number of fulltime employees on average	30	30
 2 FINANCIAL COSTS		
Financial expenses, group entities	427.092	0
Other financial costs	770.003	404.122
	1.197.095	404.122
 3 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	0	199.143
Deferred tax for the year	-177.725	173.708
Adjustment of tax concerning previous years	-152.592	-66.995
	-330.317	305.856
 4 INTANGIBLE ASSETS		
	Completed development projects	Development projects
Cost at 1 January 2023	2.640.295	2.018.446
Additions for the year	0	1.031.369
Disposals for the year	0	-309.923
Cost at 31 December 2023	2.640.295	2.739.892
Impairment losses and amortisation at 1 January 2023	559.870	0
Amortisation for the year	590.981	0
Impairment losses and amortisation at 31 December 2023	1.150.851	0
Carrying amount at 31 December 2023	1.489.444	2.739.892

NOTES

5 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Right-of-use assets
Cost at 1 January 2023	1.527.050	6.540.254
Disposals for the year	-52.803	0
Cost at 31 December 2023	1.474.247	6.540.254
Impairment losses and depreciation at 1 January 2023	823.418	1.594.543
Depreciation for the year	254.818	1.090.044
Reversal of impairment and depreciation of sold assets	-52.803	0
Impairment losses and depreciation at 31 December 2023	1.025.433	2.684.587
Carrying amount at 31 December 2023	448.814	3.855.667

6 FIXED ASSET INVESTMENTS

	Deposits
Cost at 1 January 2023	566.379
Additions for the year	46.552
Cost at 31 December 2023	612.931
Carrying amount at 31 December 2023	612.931

7 LONG TERM DEBT

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Lease obligations	5.213.072	4.116.200	1.174.897	0
	5.213.072	4.116.200	1.174.897	0

NOTES

8 CONTINGENT LIABILITIES

The company is jointly taxed with its parent company, Hamilton Thorne Holdings (DK) ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2022 onwards.

The company has no contingent liabilities.

9 RELATED PARTIES AND OWNERSHIP STRUCTURE

Consolidated financial statements

The company is reflected in the group report as the parent company Hamilton Thorne Ltd., available at www.hamiltonthorne.ltd

The group report of Hamilton Thorne Ltd., available at www.hamiltonthorne.ltd can be obtained at the following address:

100 Cummings Center, Suite 465E
Beverly, MA 01915 USA