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IVFTECH APS

Klintehøj Vænge 3
3460 Birekerød

Annual report for 2021/22

Adopted at the annual general meeting on
13 July 2023

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. July 2021 - 31. December 2022.

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 2022 and of the results of the company's operations for the financial year 1. July 2021 - 31. December 2022.

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, 13 July 2023

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 of IVFTech ApS

Opinion

We have audited the financial statements of IVFTech ApS for the financial year 1. July 2021 - 31. December 2022, 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 2022 and of the results of the company's operations for the financial year 1. July 2021 - 31. December 2022 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:

- 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, 13 July 2023

MAZARS
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Karsten Vedel
Statsautoriseret revisor
MNE no. mne47841

COMPANY DETAILS

The company	IVFTech ApS Klintehøj Vænge 3 3460 Birkerød	
	CVR no.:	20 89 23 07
	Reporting period:	1. July 2021 - 31. December 2022
	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 2022 shows a profit of DKK 1.336.935, and the balance sheet at 31. December 2022 shows equity of DKK 10.190.795.

During the year the company has merged with its sister company K4technology to simplify the danish group structure. The effect on equity is shown separately under the statement of change in equity.

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 2021/22 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 annual report for 2021/22 is presented in DKK

Changes in accounting policies
The accounting policies have been changed in the following respect:

Leased assets are recognised as assets and liabilities in the balance sheet. Amortisation/depreciation charges and the interest element of lease payments are recognised in the income statement. Previously, lease payments were expensed in the income statement. The effect of the policy change only relates to the balances under assets and liabilities respectively as well as classification changes between operating expenses, depreciation and interest expenses.

Comparatives have been restated to reflect the policy change.

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.

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.

Recognition and measurement of business combinations
Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

ACCOUNTING POLICIES

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the foreign entity's functional currency using the exchange rate at the date of the transaction.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

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.

ACCOUNTING POLICIES

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.

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.

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 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.

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 31.000 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.

ACCOUNTING POLICIES

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.

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
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 JULY - 31 DECEMBER

	Note	2021/22 DKK	2020/21 DKK
Gross profit		**26.341.193**	**18.742.338**
Staff costs	1	-21.349.391	-11.788.320
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.944.890	-300.947
Profit/loss before net financials		**2.046.912**	**6.653.071**
Financial costs	2	-404.121	-209.176
Profit/loss before tax		**1.642.791**	**6.443.895**
Tax on profit/loss for the year	3	-305.856	-1.419.759
Profit/loss for the year		**1.336.935**	**5.024.136**
Transferred to reserve for development expenditure		488.279	1.228.280
Retained earnings		848.656	3.795.856
		1.336.935	**5.024.136**

BALANCE SHEET 31 DECEMBER

	Note	2021/22 DKK	2020/21 DKK
ASSETS			
Development projects		4.098.871	3.472.872
Intangible assets	4	**4.098.871**	**3.472.872**
Other fixtures and fittings, tools and equipment	5	703.632	520.191
Right-of-use assets	5	4.945.711	6.540.255
Tangible assets		**5.649.343**	**7.060.446**
Deposits	6	566.379	540.000
Fixed asset investments		**566.379**	**540.000**
Total non-current assets		**10.314.593**	**11.073.318**
Raw materials and consumables		7.541.339	4.810.595
Work in progress		310.220	115.971
Finished goods and goods for resale		1.513.863	811.972
Stocks		**9.365.422**	**5.738.538**
Trade receivables		7.649.049	8.281.855
Receivables from subsidiaries		717.223	18.750
Other receivables		443.921	481.612
Prepayments		202.876	0
Receivables		**9.013.069**	**8.782.217**
Cash at bank and in hand		**378.119**	**163.542**
Total current assets		**18.756.611**	**14.684.297**
Total assets		**29.071.204**	**25.757.615**

BALANCE SHEET 31 DECEMBER

	Note	2021/22	2020/21
		DKK	DKK
EQUITY AND LIABILITIES			
Share capital		260.000	252.000
Reserve for development expenditure		3.197.119	3.937.120
Retained earnings		6.733.676	7.738.547
Equity		**10.190.795**	**11.927.667**
Provision for deferred tax		844.732	671.024
Total provisions		**844.732**	**671.024**
Lease obligations		4.271.087	6.844.778
Total non-current liabilities	7	**4.271.087**	**6.844.778**
Short-term part of long-term debet	7	941.985	0
Banks		0	3.140
Trade payables		3.715.325	1.396.500
Payables to subsidiaries		6.813.956	21.876
Corporation tax		199.143	1.134.364
Other payables		2.003.402	3.758.266
Deferred income		90.779	0
Total current liabilities		**13.764.590**	**6.314.146**
Total liabilities		**18.035.677**	**13.158.924**
Total equity and liabilities		**29.071.204**	**25.757.615**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 July 2021	252.000	2.708.840	9.204.356	12.165.196
Net effect from merger and acquisition under the book value method	8.000	0	595.664	603.664
Adjusted equity at 1 July 2021	260.000	2.708.840	9.800.020	12.768.860
Extraordinary dividend paid	0	0	-3.915.000	-3.915.000
Net profit/loss for the year	0	488.279	848.656	1.336.935
Equity at 31 December 2022	260.000	3.197.119	6.733.676	10.190.795

NOTES

		2021/22	2020/21
		DKK	DKK
1	**STAFF COSTS**		
	Wages and salaries	18.994.371	10.556.382
	Pensions	2.256.878	1.045.863
	Other social security costs	98.142	186.075
		21.349.391	11.788.320
	Average number of employees	30	26
2	**FINANCIAL COSTS**		
	Other financial costs	404.121	209.176
		404.121	209.176
3	**TAX ON PROFIT/LOSS FOR THE YEAR**		
	Current tax for the year	199.143	1.134.364
	Deferred tax for the year	173.708	285.395
	Adjustment of tax concerning previous years	-66.995	0
		305.856	1.419.759

4 INTANGIBLE ASSETS

	Development projects
Cost at 1 July 2021	3.478.000
Additions for the year	1.605.842
Disposals for the year	-425.315
Cost at 31 December 2022	4.658.527
Impairment losses and amortisation at 1 July 2021	5.128
Amortisation for the year	958.700
Reversal of impairment and amortisation of sold assets	-404.172
Impairment losses and amortisation at 31 December 2022	559.656
Carrying amount at 31 December 2022	4.098.871

NOTES

5 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Right-of-use assets
Cost at 1 July 2021	1.186.989	6.540.254
Additions for the year	553.946	0
Disposals for the year	-213.885	0
Cost at 31 December 2022	1.527.050	6.540.254
Impairment losses and depreciation at 1 July 2021	666.798	0
Depreciation for the year	370.505	1.594.543
Reversal of impairment and depreciation of sold assets	-213.885	0
Impairment losses and depreciation at 31 December 2022	823.418	1.594.543
Carrying amount at 31 December 2022	703.632	4.945.711

6 FIXED ASSET INVESTMENTS

	Deposits
Cost at 1 July 2021	540.000
Additions for the year	26.379
Cost at 31 December 2022	566.379
Carrying amount at 31 December 2022	566.379

7 LONG TERM DEBT

	Debt at 1 July 2021	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Lease obligations	6.844.778	5.213.072	941.985	0
	6.844.778	5.213.072	941.985	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