

TFP Stork Fertility A/S

Store Kongensgade 38, 1. th., 1264 København K

CVR no. 33 03 49 11

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

Adopted at the annual general meeting on 16 October
2023

Svitlana Babak
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 Stork Fertility A/S for the financial year 1 April 2022 - 31 March 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 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.

Copenhagen, 16 October 2023

Executive board

Jacob Lyster Dethlefsen

Supervisory board

Erik Martin Fagerlund
chairman

Jacob Lyster Dethlefsen

Svitlana Babak

Independent auditor's report

To the Shareholder of TFP Stork Fertility A/S

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of TFP Stork Fertility A/S 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.

Material uncertainty related to going concern

We refer to note 1 in the financial statements, which states that the company has tight liquidity and that positive results need to be generated in the remaining part of the budget period until March 31, 2024, and that the budget assumptions for the period contain a certain degree of uncertainty. This, combined with the results for the year, indicates that the Company's ability to remain a going concern is associated with uncertainty. We have not modified our opinion in respect of this matter.

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

Violation of money laundering legislation

In the financial year, the company has received cash payments that exceed the limits in the Money Laundering Act, whereby the management can incur responsibility.

Odense, 16 October 2023

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

Christoffer Pedersen
State Authorised Public Accountant
MNE no. mne36180

Company details

The company	TFP Stork Fertility A/S Store Kongensgade 38, 1. th. 1264 København K CVR no.: 33 03 49 11 Reporting period: 1 April 2022 - 31 March 2023 Incorporated: 14 June 2010 Domicile: Copenhagen
Supervisory board	Erik Martin Fagerlund, chairman Jacob Lyster Dethlefsen 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 principal activity is to operate the IVF clinic.

Financial review

The company's income statement for the year ended 31 March 2023 shows a loss of DKK 13.702.784, and the balance sheet at 31 March 2023 shows negative equity of DKK 27.031.558.

Financing

The company's equity is negative and indicates a need for liquidity support in the financial year 2023/24 refer to note 1.

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 DKK
Gross profit	3	14.491.315	19.308.729
Staff costs	2	<u>-25.014.448</u>	<u>-25.772.538</u>
Profit/loss before amortisation/depreciation and impairment losses		-10.523.133	-6.463.809
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-5.594.870</u>	<u>-4.841.527</u>
Profit/loss before net financials		-16.118.003	-11.305.336
Financial income		753	0
Financial costs	4	<u>-412.533</u>	<u>-286.348</u>
Profit/loss before tax		-16.529.783	-11.591.684
Tax on profit/loss for the year		<u>2.826.999</u>	<u>3.100.470</u>
Profit/loss for the year		<u>-13.702.784</u>	<u>-8.491.214</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>-13.702.784</u>	<u>-8.491.214</u>
		<u>-13.702.784</u>	<u>-8.491.214</u>

Balance sheet 31 March

	Note	2022/23 DKK	2021/22 DKK
Assets			
Goodwill		0	4.690.090
Intangible assets	5	0	4.690.090
Other fixtures and fittings, tools and equipment	6	609.221	1.195.838
Leasehold improvements	6	261.198	706.228
Tangible assets		870.419	1.902.066
Deposits		1.315.060	1.224.247
Fixed asset investments		1.315.060	1.224.247
Total non-current assets		2.185.479	7.816.403
Raw materials and consumables		755.102	799.016
Stocks		755.102	799.016
Trade receivables		1.078.010	936.946
Receivables from group companies		77.930	0
Other receivables		1.719.180	750.128
Deferred tax asset		0	863.758
Joint taxation contributions receivable		3.727.746	2.458.382
Prepayments		313.633	360.735
Receivables		6.916.499	5.369.949
Cash at bank and in hand		937.467	1.172.594
Total current assets		8.609.068	7.341.559
Total assets		10.794.547	15.157.962

Balance sheet 31 March

	Note	2022/23 DKK	2021/22 DKK
Equity and liabilities			
Share capital		1.900.000	1.900.000
Retained earnings		-28.931.558	-15.228.774
Equity		-27.031.558	-13.328.774
Other payables		2.028.320	2.019.946
Total non-current liabilities	7	2.028.320	2.019.946
Trade payables		1.143.773	1.274.159
Payables to group companies		25.694.829	15.440.447
Other payables		1.470.123	1.828.727
Deferred income		7.489.060	7.923.457
Total current liabilities		35.797.785	26.466.790
Total liabilities		37.826.105	28.486.736
Total equity and liabilities		10.794.547	15.157.962
Uncertainty about the continued operation (going concern)	1		
Special items	3		
Rent and lease liabilities	8		
Contingent liabilities	9		
Mortgages and collateral	10		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 April	1.900.000	-15.228.774	-13.328.774
Net profit/loss for the year	0	-13.702.784	-13.702.784
Equity at 31 March	<u>1.900.000</u>	<u>-28.931.558</u>	<u>-27.031.558</u>

Notes

1 Uncertainty about the continued operation (going concern)

The company has in the financial year 2022/23 performed worse than expected. This is due to a lower volume of treatments than expected and due to misalignment between the cost base and the volumes of treatments. The costs base has been adjusted in the financial year 2023/24, which is expected to contribute to the improvement of the earnings.

The activities on the clinics were expected to go up in the financial year 2023/24, but due to the personnel situation the ability to conduct treatments has been constrained by capacity, and hereby the activity from April 2023 to September 2023 are realized lower than in the initial budget for the year.

Due to the financial situation and the results generated in the last years, the company is dependent on a positive cashflow. The management assesses that the company has sufficient liquidity for the upcoming fiscal year. This assessment is based on the assumption that the company will not significantly deviate from the budget for the period from October 2023 to March 2024 and that the joint taxation contribution will be paid. The company is significantly funded through intra-group reconciliations. The company has received confirmation from intra-group companies that the internal debt as of September 30, 2023, will not be required to be repaid in the coming year.

Based on expectations for the future, the management presents the annual report on the assumption of a going concern and believes that sufficient liquidity can be achieved if the activity does not significantly deviate from the budget.

	<u>2022/23</u> DKK	<u>2021/22</u> DKK
2 Staff costs		
Wages and salaries	22.888.054	23.214.343
Pensions	2.124.030	2.054.731
Other social security costs	237.833	235.130
Other staff costs	-235.469	268.334
	<u>25.014.448</u>	<u>25.772.538</u>
Average number of employees	<u>36</u>	<u>38</u>

Notes

3 Special items

Special items contain income received in relation to Covid-19 compensation, included in gross profit, respectively TDKK 680 in 2021/22 and 0 in 2022/23 aswell as a loss regarding the sale of operating assets, respectively TDKK 127 in 2022/23.

4 Financial costs

Financial expenses, group entities	368.071	217.457
Other financial costs	6.161	13.352
Exchange adjustments costs	38.301	55.539
	<u>412.533</u>	<u>286.348</u>

5 Intangible assets

	Goodwill DKK
Cost at 1 April	<u>30.016.577</u>
Cost at 31 March	<u>30.016.577</u>
Impairment losses and amortisation at 1 April	25.326.487
Impairment losses for the year	938.018
Amortisation for the year	<u>3.752.072</u>
Impairment losses and amortisation at 31 March	<u>30.016.577</u>
Carrying amount at 31 March	<u><u>0</u></u>

6 Tangible assets

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 April	7.911.343	4.224.183
Disposals for the year	<u>126.875</u>	<u>0</u>
Cost at 31 March	<u>8.038.218</u>	<u>4.224.183</u>

Notes

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Impairment losses and depreciation at 1 April	7.104.880	3.517.955
Depreciation for the year	459.742	445.030
Reversal of impairment and depreciation of sold assets	-135.625	0
Impairment losses and depreciation at 31 March	<u>7.428.997</u>	<u>3.962.985</u>
Carrying amount at 31 March	<u>609.221</u>	<u>261.198</u>

7 Long term debt

	Debt at 1 April	Debt at 31 March	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Other payables	2.019.946	2.028.320	0	0
	<u>2.019.946</u>	<u>2.028.320</u>	<u>0</u>	<u>0</u>

2022/23	2021/22
DKK	DKK

8 Rent and lease liabilities

Rental and operating lease liabilities.
Total future lease payments:

Within 1 year	1.518.952	2.317
Between 1 and 5 years	152.913	519
	<u>1.671.865</u>	<u>2.836</u>

Notes

9 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.

10 Mortgages and collateral

The Company has no mortgages or collateral.

Accounting policies

The annual report of TFP Stork Fertility A/S for 2022/23 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.

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.

Statement of goodwill

Acquirees are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquiree are measured at their fair values at the date of acquisition. Provisions are made for costs related to announced plans to restructure the acquiree in connection with the acquisition. Allowance is made for the tax effect of revaluations made. All transaction costs are recognised in the income statement.

Income statement

Gross profit

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

Accounting policies

Gross profit reflects an aggregation of revenue 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 indemnities relating to operating losses and payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

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, realised and unrealised foreign currency transactions and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

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

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed to be 8 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

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.

Tangible assets

Other fixtures and fittings, tools and equipment and leasehold improvements 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.

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	3-6 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.

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.

Accounting policies

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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.

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.

Accounting policies

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.