

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 2021 to 31 March 2022**

Adopted at the annual general meeting on 30
September 2022

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 Stork Fertility A/S for the financial year 1 April 2021 - 31 March 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 March 2022 and of the results of the company's operations for the financial year 1 April 2021 - 31 March 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.

Copenhagen, 30 September 2022

Executive board

Jacob Lyster Dethlefsen

Supervisory board

Judith Fleming
chairman

Jacob Lyster Dethlefsen

Elaine Diane Barclay

Independent auditor's report

To the shareholder of TFP Stork Fertility A/S

Opinion

We have audited the financial statements of TFP Stork Fertility A/S for the financial year 1 April 2021 - 31 March 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 March 2022 and of the results of the company's operations for the financial year 1 April 2021 - 31 March 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.

Independent auditor's report

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.

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.

Independent auditor's report

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.

Odense, 30 September 2022

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 Stork Fertility A/S Store Kongensgade 38, 1. th. 1264 København K CVR no.: 33 03 49 11 Reporting period: 1 April 2021 - 31 March 2022 Incorporated: 14 June 2010 Domicile: Copenhagen |
| Supervisory board | Judith Fleming, chairman Jacob Lyster Dethlefsen Elaine Diane Barclay |
| 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 2022 shows a loss of DKK 8.491.214, and the balance sheet at 31 March 2022 shows negative equity of DKK 13.328.774.

During the financial year, the company has been impacted by the COVID-pandemic. Due to closure of society and borders, the company generated a backlog of treatments to be delivered at a later date.

Financing

The company's working capital is negative and indicates a need for liquidity support in the financial year 2022/23.

TFP Stork Fertility ApS has received a letter of support from TFP Fertility Holding Limited, in which it is confirmed that the parent company will provide the necessary cash until the annual general meeting in 2023 when the annual report for the year ended 31.03.2023 will be 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 | 2021/22 DKK | 2020/21 TDKK |
|--|------|--------------------|-----------------|
| Gross profit | 2 | 19.308.729 | 21.926 |
| Staff costs | 1 | -25.772.538 | -25.776 |
| Profit/loss before amortisation/depreciation and impairment losses | | -6.463.809 | -3.850 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | -4.841.527 | -5.083 |
| Profit/loss before net financials | | -11.305.336 | -8.933 |
| Financial costs | 3 | -286.348 | -245 |
| Profit/loss before tax | | -11.591.684 | -9.178 |
| Tax on profit/loss for the year | | 3.100.470 | 1.449 |
| Profit/loss for the year | | -8.491.214 | -7.729 |
| Recommended appropriation of profit/loss | | | |
| Retained earnings | | -8.491.214 | -7.729 |
| | | -8.491.214 | -7.729 |

Balance sheet 31 March

| | Note | 2021/22 DKK | 2020/21 TDKK |
|--|------|-------------------|-----------------|
| Assets | | | |
| Goodwill | | 4.690.090 | 8.443 |
| Intangible assets | 4 | 4.690.090 | 8.443 |
| Other fixtures and fittings, tools and equipment | | 1.195.838 | 1.603 |
| Leasehold improvements | | 706.228 | 1.159 |
| Tangible assets | 5 | 1.902.066 | 2.762 |
| Deposits | | 1.224.247 | 1.183 |
| Fixed asset investments | | 1.224.247 | 1.183 |
| Total non-current assets | | 7.816.403 | 12.388 |
| Raw materials and consumables | | 799.016 | 882 |
| Stocks | | 799.016 | 882 |
| Trade receivables | | 936.946 | 989 |
| Other receivables | | 750.128 | 10 |
| Deferred tax asset | | 863.758 | 0 |
| Joint taxation contributions receivable | | 2.458.382 | 2.184 |
| Prepayments | | 360.735 | 493 |
| Receivables | | 5.369.949 | 3.676 |
| Cash at bank and in hand | | 1.172.594 | 938 |
| Total current assets | | 7.341.559 | 5.496 |
| Total assets | | 15.157.962 | 17.884 |

Balance sheet 31 March

| | Note | 2021/22 DKK | 2020/21 TDKK |
|--------------------------------------|------|--------------------|-----------------|
| Equity and liabilities | | | |
| Share capital | | 1.900.000 | 1.900 |
| Retained earnings | | -15.228.774 | -6.737 |
| Equity | | -13.328.774 | -4.837 |
| Other payables | | 2.019.946 | 1.873 |
| Total non-current liabilities | 6 | 2.019.946 | 1.873 |
| Trade payables | | 1.274.159 | 652 |
| Payables to subsidiaries | | 15.440.447 | 9.021 |
| Other payables | | 1.828.727 | 2.530 |
| Deferred income | | 7.923.457 | 8.645 |
| Total current liabilities | | 26.466.790 | 20.848 |
| Total liabilities | | 28.486.736 | 22.721 |
| Total equity and liabilities | | 15.157.962 | 17.884 |
| Special items | 2 | | |
| Capital resources | 7 | | |
| Rent and lease liabilities | 8 | | |
| Contingent liabilities | 9 | | |

Statement of changes in equity

| | Share capital | Retained earnings | Total |
|------------------------------|------------------|----------------------|--------------------|
| | DKK | DKK | DKK |
| Equity at 1 April | 1.900.000 | -6.737.560 | -4.837.560 |
| Net profit/loss for the year | 0 | -8.491.214 | -8.491.214 |
| Equity at 31 March | 1.900.000 | -15.228.774 | -13.328.774 |

Notes

| | 2021/22 | 2020/21 |
|--|-------------------|---------------|
| | DKK | TDKK |
| 1 Staff costs | | |
| Wages and salaries | 23.214.343 | 23.729 |
| Pensions | 2.054.731 | 1.815 |
| Other social security costs | 235.130 | 232 |
| Other staff costs | 268.334 | 0 |
| | 25.772.538 | 25.776 |
| | <hr/> | <hr/> |
| Average number of employees | 38 | 40 |
| | <hr/> | <hr/> |
| 2 Special items | | |
| Special items contain income received in relation to covid19 compensation, included in gross profit, respectively kr. 680k in 2021/22 and kr. 653k in 2020/21. | | |
| 3 Financial costs | | |
| Financial expenses, group entities | 217.457 | 213 |
| Other financial costs | 13.352 | 13 |
| Exchange adjustments costs | 55.539 | 19 |
| | 286.348 | 245 |
| | <hr/> | <hr/> |

Notes

4 Intangible assets

| | Goodwill DKK |
|--|------------------|
| Cost at 1 April | 30.016.577 |
| Cost at 31 March | 30.016.577 |
| Impairment losses and amortisation at 1 April | 21.574.415 |
| Amortisation for the year | 3.752.072 |
| Impairment losses and amortisation at 31 March | 25.326.487 |
| Carrying amount at 31 March | 4.690.090 |

5 Tangible assets

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|--|--|----------------------------------|
| Cost at 1 April | 8.207.827 | 4.224.183 |
| Additions for the year | 228.516 | 0 |
| Cost at 31 March | 8.436.343 | 4.224.183 |
| Impairment losses and depreciation at 1 April | 6.604.689 | 3.064.587 |
| Depreciation for the year | 635.816 | 453.368 |
| Impairment losses and depreciation at 31 March | 7.240.505 | 3.517.955 |
| Carrying amount at 31 March | 1.195.838 | 706.228 |

Notes

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 | 1.872.497 | 2.019.946 | 0 | 1.942.776 |
| | 1.872.497 | 2.019.946 | 0 | 1.942.776 |

7 Capital resources

The company is dependent on support from the parent company, as the company is financed by group balances.

The company has received a letter of support from TFP Fertility Holding Limited in which it is confirmed that the parent company will provide the necessary liquidity until the annual general meeting in 2023 when the annual report for the year ended 31.03.2023 will be approved.

Management therefore submits the financial statement under assumption as going concern.

8 Rent and lease liabilities

Rent and lease liabilities

Operating lease/rent liabilities.

Total future lease payments:

| | 2021/22 DKK | 2020/21 TDKK |
|-----------------------|------------------|-----------------|
| Within 1 year | 2.317.283 | 2.317 |
| Between 1 and 5 years | 518.715 | 2.094 |
| | 2.835.998 | 4.411 |

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.

Accounting policies

The annual report of TFP Stork Fertility A/S 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 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.

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.

Accounting policies

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 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. The item is net of refunds made by public authorities.

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.

Accounting policies

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 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. 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.

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 | 3-6 years |
| Leasehold improvements | 5-10 years |

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.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as 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.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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.

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.