

statsautoriseret revisionsfirma
Stationspladsen 1 og 3
3000 Helsingør
CVR nr. 30 19 52 64

Tlf. 4921 8700
Fax 4921 8750
www.kallermann.dk

IVFertilization Devices ApS

**Hvidkildevej 48, 2.
2400 København NV**

CVR no. 35 04 02 77

Annual report 2016/17

The annual report has been presented and approved on the Company's ordinary general meeting on 24-11/2017



Chairman of general meeting



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COMPANY DETAILS

Reporting entity	IVFertilization Devices ApS Hvidkildevej 48, 2. 2400 København NV
	CVR no.: 35 04 02 77
	Reporting period: 1 July 2016 - 30 June 2017
Executive Board	Jacob Møllenbach Larsen
Company auditors	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive Board have today considered and approved the annual report for the financial year 1 July 2016 - 30 June 2017 for IVFertilization Devices ApS.

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

In my opinion the financial statements give a true and fair view of the Company's financial position at 30 June 2017 and of its financial performance for the financial year 1 July 2016 - 30 June 2017.

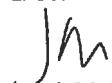
The Company has deselected audit. The conditions for this are still fulfilled.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30 October 2017

Executive board



Jacob Møllenbach Larsen

INDEPENDENT AUDITOR'S STATEMENT ON ASSISTANCE**To the Management of IVFertilization Devices ApS**

We have compiled the accompanying financial statements of IVFertilization Devices ApS for the financial year 1 July 2016 to 30 June 2017 based on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and FSR – danske revisorer's Code of Ethics, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Esbjerg, 30 October 2017

CVR no. 30 19 52 64

Kallermann Revision A/S - statsautoriseret revisionsfirma



Lelf Lindén

statsautoriseret revisor

MANAGEMENT'S REVIEW**Primary activities**

The company's principal activities are to develop and market medical devices and other products and services in connection to IVF (In Vitro Fertilization) and other business in connection related hereto.

Uncertainty relating to recognition and measurement

The financial report is not affected by uncertainty in recognition and measurement.

Development in activities and finances

The result for the year shows a profit of 100.554 DKK, which is considered to be satisfactory. The equity amounts to 212.039 DKK at 30 June 2017.

Events after the balance sheet date

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

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ACCOUNTING POLICIES

This annual report of IVFertilization Devices ApS for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with additional choice of a few rules from class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Income is recognised in the income statement when earned, hereunder valuation adjustment concerning financial assets and liabilities. Costs are also recognised in the income statement, hereunder depreciations and amortisations.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

INCOME STATEMENT

Revenue

Revenue deducted external costs is summarized to gross profit according to section 32 in the Danish Financial Statements Act.

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT.

External expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

ANNUAL REPORT**ACCOUNTING POLICIES**

Other external expenses also include research costs and costs of development projects that do not meet the criteria for recognition in the balance sheet. In addition, provisions for loss on contract work in progress are recognised.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a setoff against deferred tax liabilities or as net tax assets.

BALANCE SHEET**Intangible assets**

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate re-sources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Acquired intellectual property rights in the form of patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Tax payables and deferred tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

ANNUAL REPORT**ACCOUNTING POLICIES**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax is measured on basis of the tax rules and tax rates which are valid when deferred tax is expected to be current tax. Changes in deferred tax as a consequence of changes in tax rates are recognised in the income statement. The current tax rate is 22 per cent.

Liabilities other than provisions

Other financial liabilities are measured at amortized cost which usually corresponds to nominal value.

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INCOME STATEMENT FOR 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Gross profit		146.539	-104.903
Depreciation, amortisation and impairment losses		-18.737	-19.017
Profit (loss) from ordinary operating activities		127.802	-123.920
Financial expenses		-480	0
Profit (loss) from ordinary activities before tax		127.322	-123.920
Tax	1	-26.768	26.000
PROFIT/LOSS FOR THE YEAR		100.554	-97.920
 Proposed distribution of results:			
Retained earnings		100.554	-97.920
		100.554	-97.920

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BALANCE OF 30 JUNE 2017

	Notes	2016/17 DKK	2015/16 DKK
ASSETS			
Patents originating from development projects		46.759	56.913
Development projects in progress		34.284	45.713
Intangible assets	2	<u>81.043</u>	<u>102.626</u>
FIXED ASSETS		<u>81.043</u>	<u>102.626</u>
Work in progress		30.000	16.500
Manufactured goods and goods for resale		40.000	0
Inventories		<u>70.000</u>	<u>16.500</u>
Cash and cash equivalents		<u>101.825</u>	<u>9.389</u>
CURRENT ASSETS		<u>171.825</u>	<u>25.889</u>
ASSETS		<u>252.868</u>	<u>128.515</u>
EQUITY AND LIABILITIES			
Contributed capital		80.000	80.000
Share premium		5.000	5.000
Retained earnings		127.039	26.485
EQUITY		<u>212.039</u>	<u>111.485</u>
Provisions for deferred tax		17.000	0
PROVISIONS		<u>17.000</u>	<u>0</u>
Tax payables		16.923	8.813
Other payables		6.362	8.217
Payables to shareholders and management		544	0
Short-term liabilities other than provisions		<u>23.829</u>	<u>17.030</u>
LIABILITIES OTHER THAN PROVISIONS		<u>23.829</u>	<u>17.030</u>
EQUITY AND LIABILITIES		<u>252.868</u>	<u>128.515</u>
Contingent liabilities	3		
Mortgages and collaterals	4		

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STATEMENT OF CHANGES IN EQUITY FOR 2016/17

	<u>2016/17</u> DKK	<u>2015/16</u> DKK
Contributed capital:		
Capital, 1 July 2016	80.000	80.000
Capital, 30 June 2017	<u>80.000</u>	<u>80.000</u>
Share premium:		
Equity, beginning balance	5.000	5.000
Equity, ending balance	<u>5.000</u>	<u>5.000</u>
Retained earnings:		
Retained earnings, 1 July 2016	26.485	124.405
Increase	100.554	0
Decrease	0	-97.920
Retained earnings, 30 June 2017	<u>127.039</u>	<u>26.485</u>
Equity, 30 June 2017	<u>212.039</u>	<u>111.485</u>

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NOTES

	2016/17 DKK	2015/16 DKK
1. Tax		
Current tax expense	9.768	0
Adjustments for deferred tax	17.000	-26.000
Tax expense on ordinary activities	26.768	-26.000
2. Intangible assets		
Patents originating from development projects:		
Intangible assets, gross, beginning balance	75.883	75.883
Disposals of intangible assets	-2.846	0
Intangible assets, gross, ending balance	73.037	75.883
Accumulated impairment losses and amortisation of intangible assets	18.970	11.382
Amortisation of intangible assets	7.308	7.588
Accumulated impairment losses and amortisation of Intangible assets	26.278	18.970
Intangible assets, ending balance	46.759	56.913
Development projects in progress:		
Intangible assets, gross, beginning balance	80.000	80.000
Intangible assets, gross, ending balance	80.000	80.000
Accumulated impairment losses and amortisation of intangible assets	34.287	22.858
Amortisation of intangible assets	11.429	11.429
Accumulated impairment losses and amortisation of intangible assets	45.716	34.287
Intangible assets, ending balance	34.284	45.713
3. Contingent liabilities		
None.		
4. Mortgages and collaterals		
None.		