

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

**Råbyovedvej 8
4791 Borre**

CVR no. 35 04 02 77

Annual report 2017/18

The annual report has been presented and approved on the Company's ordinary general meeting on November 27, 2018

Jacob Møllenbach Larsen
Chairman of general meeting

CONTENTS

	<u>Page</u>
Company details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management's review	4
Accounting policies	5 - 7
Income statement for 2017/18	8
Balance of 30 June 2018	9
Statement of changes in equity for 2017/18	10
Notes	11

COMPANY DETAILS

Reporting entity	IVFertilization Devices ApS Råbyovedvej 8 4791 Borre
	CVR no.: 35 04 02 77
	Reporting period: 1 July 2017 - 30 June 2018
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 2017 - 30 June 2018 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 2018 and of its financial performance for the financial year 1 July 2017 - 30 June 2018.

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, 27 November 2018

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 2017 to 30 June 2018 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.

Elsinore, 27 November 2018
CVR no. 30 19 52 64
Kallermann Revision A/S - statsautoriseret revisionsfirma

Leif Lindén
statsautoriseret revisor
MNE no.: mne19716

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 loss of 48.931 DKK, which is considered to be unsatisfactory. The equity amounts to 163.108 DKK at 30 June 2018.

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.

ANNUAL REPORT

ACCOUNTING POLICIES

This annual report of IVFertilization Devices ApS for 2017/18 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.

ANNUAL REPORT

INCOME STATEMENT FOR 2017/18

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Gross loss		-43.198	146.539
Depreciation, amortisation and impairment losses		-18.733	-18.737
Profit (loss) from ordinary operating activities		<u>-61.931</u>	<u>127.802</u>
Financial expenses		0	-480
Profit (loss) from ordinary activities before tax		<u>-61.931</u>	<u>127.322</u>
Tax	1	13.000	-26.768
PROFIT/LOSS FOR THE YEAR		<u><u>-48.931</u></u>	<u><u>100.554</u></u>
Proposed distribution of results:			
Retained earnings		-48.931	100.554
		<u><u>-48.931</u></u>	<u><u>100.554</u></u>

ANNUAL REPORT

BALANCE OF 30 JUNE 2018

	Notes	2017/18 DKK	2016/17 DKK
ASSETS			
Patents originating from development projects		39.455	46.759
Development projects in progress		22.855	34.284
Intangible assets	2	62.310	81.043
FIXED ASSETS			
		62.310	81.043
Work in progress		15.000	30.000
Manufactured goods and goods for resale		0	40.000
Inventories		15.000	70.000
Other receivables		7.150	0
Receivables		7.150	0
Cash and cash equivalents		106.881	101.825
CURRENT ASSETS			
		129.031	171.825
ASSETS			
		191.341	252.868
EQUITY AND LIABILITIES			
Contributed capital		80.000	80.000
Share premium		5.000	5.000
Retained earnings		78.108	127.039
EQUITY		163.108	212.039
Provisions for deferred tax		4.000	17.000
PROVISIONS		4.000	17.000
Tax payables		16.923	16.923
Other payables		5.000	6.362
Payables to shareholders and management		2.310	544
Short-term liabilities other than provisions		24.233	23.829
LIABILITIES OTHER THAN PROVISIONS			
		24.233	23.829
EQUITY AND LIABILITIES			
		191.341	252.868
Contingent liabilities	3		
Mortgages and collaterals	4		

ANNUAL REPORT

STATEMENT OF CHANGES IN EQUITY FOR 2017/18

	<u>2017/18</u> DKK	<u>2016/17</u> DKK
Contributed capital:		
Capital, 1 July 2017	80.000	80.000
Capital, 30 June 2018	80.000	80.000
Share premium:		
Equity, beginning balance	5.000	5.000
Equity, ending balance	5.000	5.000
Retained earnings:		
Retained earnings, 1 July 2017	127.039	26.485
Increase	0	100.554
Decrease	-48.931	0
Retained earnings, 30 June 2018	78.108	127.039
Equity, 30 June 2018	163.108	212.039

ANNUAL REPORT

NOTES

	2017/18 DKK	2016/17 DKK
1. Tax		
Current tax expense	0	9.768
Adjustments for deferred tax	-13.000	17.000
Tax expense on ordinary activities	-13.000	26.768
2. Intangible assets		
Patents originating from development projects:		
Intangible assets, gross, beginning balance	73.037	75.883
Disposals of intangible assets	0	-2.846
Intangible assets, gross, ending balance	73.037	73.037
Accumulated impairment losses and amortisation of intangible assets	26.278	18.970
Amortisation of intangible assets	7.304	7.308
Accumulated impairment losses and amortisation of intangible assets	33.582	26.278
Intangible assets, ending balance	39.455	46.759
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	45.716	34.287
Amortisation of intangible assets	11.429	11.429
Accumulated impairment losses and amortisation of intangible assets	57.145	45.716
Intangible assets, ending balance	22.855	34.284
3. Contingent liabilities		
None.		
4. Mortgages and collaterals		
None.		

Penneo

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Jacob Møllenbach Larsen

Direktør og dirigent

På vegne af: Ivfertilisation Devices ApS

Serienummer: PID:9208-2002-2-497167652860

IP: 83.88.xxx.xxx

2018-11-29 07:34:27Z

NEM ID 

Leif Lindén

Statsautoriseret revisor

På vegne af: Kallermann Revision A/S

Serienummer: CVR:30195264-RID:1171381709273

IP: 217.74.xxx.xxx

2018-11-29 07:36:21Z

NEM ID 

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>