

IVFertilization Devices ApS

Hvidkildevej 48, 2.

2400 København NV

CVR no. 35 04 02 77

Annual report 2015/16

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



Chairman of general meeting

8/11 2016

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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 2015 - 30 June 2016
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 2015 - 30 June 2016 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 2016 and of its financial performance for the financial year 1 July 2015 - 30 June 2016.

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, 8 November 2016

Executive board

Jacob Møllenbach Larsen



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

We have drawn up the annual report for IVFertilization Devices ApS for the financial period 1 July 2015 to 30 June 2016 on basis of the Company's bookkeeping and further information you have provided us with.

The annual report comprises accounting policies, income statement, balance sheet and notes.

We have carried out the assignment in accordance with ISRS 4410, Assignments concerning drawing up of financial information.

We have used our professional expertise in assisting you in completing and presenting the annual report according to valid tax law. We have complied with the relevant conditions in revisorloven (auditing law) and FSR - danske revisorer's Ethiske regler for revisorer (Danish auditors' ethical rules for auditors), including principles concerning integrity, objectivity, professional expertise and necessary care.

The annual report and the accuracy and completeness of the information used in connection with preparation of the annual report are your responsibility.

As an assignment concerning preparation of financial information is not a statement involving security we are not obliged to verify the accuracy or the completeness of the information you have provided us with in order to drawing up the annual report. Therefore we do not draw any audit or review conclusion on whether the annual report has been prepared in accordance with valid tax law.

Elsinore, 8 November 2016

CVR no. 30 19 52 64

Kallermann Revision A/S - statsautoriseret revisionsfirma



Leif 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 annual report shows a loss of 97.920 DKK which is considered unsatisfactory by Management. The equity amounts to 111.485 DKK at 30 June 2016.

The company has during its first year developed, manufactured and tested a new type of flusher and invested in the protection by a patent. The flusher is already in use in a number of IVF Clinics in Denmark and abroad, and has been tested over a longer period of time. The device seems to work very well and to the customers' satisfaction. The result is following the strategic development and business plan and focus will in the future be to broaden the use of the flusher into more clinics and to establish an international network of distributors.

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 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting 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.

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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 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Gross loss		-104.903	47.623
Depreciation, amortisation and impairment losses		-19.017	-19.017
Profit (loss) from ordinary operating activities		-123.920	28.606
Tax	1	26.000	187
PROFIT/LOSS FOR THE YEAR		<u>-97.920</u>	<u>28.793</u>
 Proposed distribution of results:			
Retained earnings		-97.920	28.793
		<u>-97.920</u>	<u>28.793</u>

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BALANCE OF 30 JUNE 2016

	Notes	2015/16 DKK	2014/15 DKK
ASSETS			
Patents originating from development projects		56.913	64.501
Development projects in progress		45.713	57.142
Intangible assets	2	102.626	121.643
FIXED ASSETS			
		102.626	121.643
Work in progress		16.500	11.846
Inventories		16.500	11.846
Trade receivables		0	68.829
Other receivables		0	2.857
Receivables		0	71.686
Cash and cash equivalents		9.389	44.043
CURRENT ASSETS			
		25.889	127.575
ASSETS			
		128.515	249.218
EQUITY AND LIABILITIES			
Contributed capital		80.000	80.000
Share premium		5.000	5.000
Retained earnings		26.485	124.405
EQUITY		111.485	209.405
Provisions for deferred tax		0	26.000
PROVISIONS		0	26.000
Tax payables		8.813	8.813
Other payables		8.217	5.000
Short-term liabilities other than provisions		17.030	13.813
LIABILITIES OTHER THAN PROVISIONS			
		17.030	13.813
EQUITY AND LIABILITIES			
		128.515	249.218
Contingent liabilities	3		
Mortgages and collaterals	4		

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STATEMENT OF CHANGES IN EQUITY FOR 2015/16

	<u>2015/16</u> DKK	<u>2014/15</u> DKK
Contributed capital:		
Capital, 1 July 2015	80.000	80.000
Capital, 30 June 2016	<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 2015	124.405	95.612
Increase	0	28.793
Decrease	-97.920	0
Retained earnings, 30 June 2016	<u>26.485</u>	<u>124.405</u>
Equity, 30 June 2016	<u>111.485</u>	<u>209.405</u>

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NOTES

	<u>2015/16</u> DKK	<u>2014/15</u> DKK
1. Tax		
Current tax expense	0	8.813
Adjustments for deferred tax	-26.000	-9.000
Tax expense on ordinary activities	<u>-26.000</u>	<u>-187</u>
2. Intangible assets		
Patents originating from development projects:		
Intangible assets, gross, beginning balance	75.883	75.883
Intangible assets, gross, ending balance	<u>75.883</u>	<u>75.883</u>
Accumulated impairment losses and amortisation of intangible assets	11.382	3.794
Amortisation of intangible assets	7.588	7.588
Accumulated impairment losses and amortisation of intangible assets	<u>18.970</u>	<u>11.382</u>
Intangible assets, ending balance	<u>56.913</u>	<u>64.501</u>
Development projects in progress:		
Intangible assets, gross, beginning balance	80.000	80.000
Intangible assets, gross, ending balance	<u>80.000</u>	<u>80.000</u>
Accumulated impairment losses and amortisation of intangible assets	22.858	11.429
Amortisation of intangible assets	11.429	11.429
Accumulated impairment losses and amortisation of intangible assets	<u>34.287</u>	<u>22.858</u>
Intangible assets, ending balance	<u>45.713</u>	<u>57.142</u>
3. Contingent liabilities		
None.		
4. Mortgages and collaterals		
None.		