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IVFertilization Devices ApS

**Råbyvedvej 8
4791 Borre**

CVR no. 35 04 02 77

Annual report 2019/20

The annual report has been presented and approved on the Company's ordinary general meeting on 27 November 2020



Jacob Møllenbach Larsen
Chairman of general meeting

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COMPANY DETAILS

Reporting entity	IVFertilization Devices ApS Råbyovedvej 8 4791 Borre
	CVR no.: 35 04 02 77
	Reporting period: 1 July 2019 - 30 June 2020
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 2019 - 30 June 2020 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 2020 and of its financial performance for the financial year 1 July 2019 - 30 June 2020.

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.

Borre, 27 November 2020

Executive board

Jacob Møllenbach Larsen



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

We have drawn up the annual report for IVFertilization Devices ApS for the financial year 1 July 2019 - 30 June 2020 on basis on the Company's bookkeeping and further information you have provided us with.

The annual report comprises accounting policies, income statement, balance sheet, statement on changes in equity 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 the Danish Financial Statements Act. We have complied with the relevant conditions in revisorloven (auditing law) and FSR – danske revisorer's Etske regler for revisorer (Danish auditor's 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 the Danish Financial Statements Act.

Elsinore, 27 November 2020
Kallermann Revision A/S - statsautoriseret revisionsfirma
CVR no-30 19 52 64



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 profit of 25.034 DKK, which is considered to be satisfactory. The equity amounts to 154.888 DKK at 30 June 2020.

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 2019/20 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.

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.

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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The tax share recognized in the income statement, and which is attached to the year's extraordinary result, is attributed hereto, whereas the remaining share is attributed to the year's ordinary result.

The Company is included in the Danish rules on mandatory joint taxation in Bushøjgård IVS Danish subsidiaries. Subsidiaries are included in the joint taxation from the time they are included in the consolidated accounts and on to the time, when they no longer are part of the consolidated accounts.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from other companies that have used the tax losses to reduce their own taxable profit.

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ACCOUNTING POLICIES

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.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

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.

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 2019/20

	<u>Notes</u>	<u>2019/20 DKK</u>	<u>2018/19 DKK</u>
Gross profit		49.842	-23.113
Depreciation, amortisation and impairment losses		-18.730	-18.733
Profit (loss) from ordinary operating activities		31.112	-41.846
Financial expenses	1	-78	-408
Profit (loss) from ordinary activities before tax		31.034	-42.254
Tax	2	-6.000	9.000
PROFIT/LOSS FOR THE YEAR		<u>25.034</u>	<u>-33.254</u>
 Proposed distribution of results:			
Retained earnings		<u>25.034</u>	<u>-33.254</u>
		<u>25.034</u>	<u>-33.254</u>

ANNUAL REPORT

BALANCE OF 30 JUNE 2020

	Notes	2019/20 DKK	2018/19 DKK
ASSETS			
Patents originating from development projects		24.847	32.151
Development projects in progress		0	11.426
Intangible assets	3	<u>24.847</u>	<u>43.577</u>
FIXED ASSETS			
		<u>24.847</u>	<u>43.577</u>
Work in progress		25.000	50.000
Inventories		<u>25.000</u>	<u>50.000</u>
Receivables from group enterprises		12.500	0
Tax receivables		1.000	1.000
Other receivables		1.030	8.685
Deferred income assets		0	5.000
Receivables		<u>14.530</u>	<u>14.685</u>
Cash and cash equivalents		<u>103.069</u>	<u>41.728</u>
CURRENT ASSETS			
		<u>142.599</u>	<u>106.413</u>
ASSETS			
		<u>167.446</u>	<u>149.990</u>
EQUITY AND LIABILITIES			
Contributed capital		80.000	80.000
Share premium		5.000	5.000
Retained earnings		69.888	44.854
EQUITY		<u>154.888</u>	<u>129.854</u>
Provisions for deferred tax		1.000	0
PROVISIONS		<u>1.000</u>	<u>0</u>
Trade payables		0	3.728
Tax payables		0	8.438
Other payables		5.275	5.100
Payables to shareholders and management		6.283	2.870
Short-term liabilities other than provisions		<u>11.558</u>	<u>20.136</u>
LIABILITIES OTHER THAN PROVISIONS			
		<u>11.558</u>	<u>20.136</u>
EQUITY AND LIABILITIES			
		<u>167.446</u>	<u>149.990</u>
Contingent liabilities	4		
Mortgages and collaterals	5		

ANNUAL REPORT

STATEMENT OF CHANGES IN EQUITY FOR 2019/20

	<u>2019/20</u> DKK	<u>2018/19</u> DKK
Contributed capital:		
Capital, beginning balance	80.000	80.000
Capital, ending balance	<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, beginning balance	44.854	78.108
Increase	25.034	0
Decrease	0	-33.254
Retained earnings, ending balance	<u>69.888</u>	<u>44.854</u>
Equity, 30 June 2020	<u><u>154.888</u></u>	<u><u>129.854</u></u>

ANNUAL REPORT

NOTES

	<u>2019/20</u> DKK	<u>2018/19</u> DKK
1. Other finance expenses		
Other interest expenses	3	12
Interest charge and tax recognized as finance expenses	75	396
Other finance expenses	<u>78</u>	<u>408</u>
2. Tax		
Current tax expense	0	0
Adjustments for deferred tax	6.000	-9.000
Tax expense on ordinary activities	<u>6.000</u>	<u>-9.000</u>
3. Intangible assets		
Patents originating from development projects:		
Intangible assets, gross, beginning balance	73.037	73.037
Intangible assets, gross, ending balance	<u>73.037</u>	<u>73.037</u>
Accumulated impairment losses and amortisation of intangible assets	40.886	33.582
Amortisation of intangible assets	7.304	7.304
Accumulated impairment losses and amortisation of intangible assets	<u>48.190</u>	<u>40.886</u>
Intangible assets, ending balance	<u>24.847</u>	<u>32.151</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	68.574	57.145
Amortisation of intangible assets	11.426	11.429
Accumulated impairment losses and amortisation of intangible assets	<u>80.000</u>	<u>68.574</u>
Intangible assets, ending balance	<u>0</u>	<u>11.426</u>

4. Contingent liabilities

The Company is in joint taxation with other Danish group companies. As group company the Company is unlimited and joint and several liable with the other group companies for Danish company tax and withholding tax on dividends, interest and royalties within the joint taxation group. The jointly taxed companies' total known net liability of outstanding company tax and withholding tax on dividends, interest and royalties will appear from the administration company's Financial Statements Bushøjgård IVS, CVR no. 39 23 24 05. Any later adjustments to the joint taxation income could entail, that the Company's liability will come to a larger amount.

5. Mortgages and collaterals

None.