

VivaNeo DK ApS

Store Kongensgade 38, 1.th.
1264 København K

CVR no. 36 90 92 93

Annual report for the period 1 January 2019 – 31 March 2020

The annual report was presented and approved at
the Company's annual general meeting on

1 December 2020

Judith Fleming
chairman

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of VivaNeo DK ApS for the financial period 1 January 2019 – 31 March 2020.

The annual report has been 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 assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial period 1 January 2019 – 31 March 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 1 December 2020
Executive Board:

Judith Fleming
Chairman

Geoffrey Howard Trew

Johannes Röhren

Independent auditor's report

To the shareholder of VivaNeo DK ApS

Opinion

We have audited the financial statements of VivaNeo DK ApS for the financial period 1 January 2019 – 31 March 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial period 1 January 2019 – 31 March 2020 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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 company 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

Independent auditor's report

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 1 December 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jette Kjær Bach
State Authorised
Public Accountant
mne19812

VivaNeo DK ApS
Annual report 2019/20
CVR no. 36 90 92 93

Management's review

Company details

VivaNeo DK ApS
Store Kongensgade 38, 1.th.
1264 København K

CVR no.:	36 90 92 93
Established:	29 May 2015
Registered office:	Copenhagen
Financial period:	1 January 2019 – 31 March 2020

Executive Board

Judith Fleming, Chairman
Geoffrey Howard Trew
Johannes Röhren

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

The Company's principal activity is to act as holding company of Stork IVF Klinik A/S and Speciallægeselskabet Ciconia Århus ApS.

Development in activities and financial position

The income statement for the Company for 1 January 2019 - 31 March 2020 shows a loss of DKK 2,290,295 and at 31 March 2020, the Company's balance sheet shows equity of DKK 65,922,371.

The results for the year are not considered satisfactory.

Going concern

The Company's liquidity indicates a need for liquidity support in the financial year 2020/21.

The Company has received a letter of support from Delivery I Ltd. ensuring sufficient liquidity to the Company to settle its obligations as they fall due until the annual general meeting in 2021 when the annual report for the year ended 31 March 2021 will be approved.

Events after the balance sheet date

The Company has been materially affected by the virus COVID-19.

As a result, the Company will be affected by reduced income. At the current stage, it is impossible to quantify the effect from COVID-19 as no one knows how this will impact the society, including the Companies' customers, on the long-term basis. No other events have occurred after the balance sheet date which materially affects the financial position of the Company.

Financial statements 1 January – 31 March

Income statement

DKK	Note	1/1 2019- 31/3 2020	2018
Gross loss		-1,232,813	-2,858,450
Operating loss		-1,232,813	-2,858,450
Income from equity investments in group entities		0	4,500,000
Financial income	3	524,493	101,445
Financial expenses	4	-1,813,118	-1,892,262
Loss before tax		-2,521,438	-149,267
Tax on loss for the year		231,143	0
Loss for the year		-2,290,295	-149,267
Proposed distribution of loss			
Retained earnings		-2,290,295	-149,267
		-2,290,295	-149,267

Financial statements 1 January – 31 March

Balance sheet

DKK	Note	1/1 2019- 31/3 2020	2018
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities	5	<u>61,073,462</u>	<u>61,073,462</u>
Total fixed assets		<u>61,073,462</u>	<u>61,073,462</u>
Current assets			
Receivables			
Receivables from group entities		13,807,380	8,579,110
Corporation tax		<u>305,959</u>	<u>0</u>
		<u>14,113,339</u>	<u>8,579,110</u>
Cash at bank and in hand		<u>16,279</u>	<u>8,051</u>
Total current assets		<u>14,129,618</u>	<u>8,587,161</u>
TOTAL ASSETS		<u><u>75,203,080</u></u>	<u><u>69,660,623</u></u>

Financial statements 1 January – 31 March

Balance sheet

DKK	Note	1/1 2019- 31/3 2020	2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital	6	60,000	50,000
Retained earnings		<u>65,862,371</u>	<u>-4,926,324</u>
Total equity		<u>65,922,371</u>	<u>-4,876,324</u>
Provisions			
Other provisions		<u>6,000,000</u>	<u>5,729,000</u>
Total provisions		<u>6,000,000</u>	<u>5,729,000</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities		<u>3,192,708</u>	<u>68,717,947</u>
Current liabilities other than provisions			
Other payables		<u>88,001</u>	<u>90,000</u>
Total liabilities other than provisions		<u>3,280,709</u>	<u>68,807,947</u>
TOTAL EQUITY AND LIABILITIES		<u><u>75,203,080</u></u>	<u><u>69,660,623</u></u>
 Disclosure of material uncertainties regarding going concern			
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Financial statements 1 January – 31 March

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2019	50,000	-4,926,324	-4,876,324
Cash capital increase	10,000	73,078,990	73,088,990
Transferred over the distribution of loss	0	-2,290,295	-2,290,295
Equity at 31 March 2020	60,000	65,862,371	65,922,371

Financial statements 1 January – 31 March

Notes

1 Accounting policies

The annual report of VivaNeo DK ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

The Danish group fulfills the requirements for not performing a consolidated financial statement based on the elimination method.

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.

Income statement

Gross loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs include expenses related to administration, bad debts, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Financial statements 1 January – 31 March

Notes

1 Accounting policies (continued)

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

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

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Equity investments in group entities

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 March

Notes

1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 March

Notes

2 Disclosure of material uncertainties regarding going concern

The Company's liquidity indicates a need for liquidity support in the financial year 2020/21. In order to ensure the Company's continued operations, VivaNeo DK ApS has received a letter of support from Delivery I Ltd. ensuring sufficient liquidity to the Company to settle its obligations as they fall due until the annual general meeting in 2021 when the annual report for the year ended 31 March 2021 will be approved.

DKK	1/1 2019- 31/3 2020	2018
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3 Financial income

Interest income from group entities	336,386	101,445
	<u>336,386</u>	<u>101,445</u>

4 Financial expenses

Interest expense to group entities	1,813,118	1,877,989
Exchange adjustments costs	0	14,273
	<u>1,813,118</u>	<u>1,892,262</u>

5 Investments

DKK	Equity investments in group entities
Cost at 1 January 2019	<u>61,073,462</u>
Cost at 31 March 2020	<u>61,073,462</u>
Carrying amount at 31 March 2020	<u>61,073,462</u>

Name	Registered office	Voting rights and ownership interest
Stork IVF Klinik A/S	Copenhagen	100 %
Speciallægeselskabet Ciconia Århus ApS	Århus	100 %

6 Contributed capital

The contributed capital consists of 600 shares of a nominal value of DKK 100 each.

All shares rank equally.

Financial statements 1 January – 31 March

Notes

7 Contractual obligations, contingencies, etc.

The Company serves as the administrative company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities. The Company is jointly taxed with its Danish subsidiaries and is jointly and severally liable with the other jointly taxed entities for the payment of taxes on income, dividends and interest.

8 Related party disclosures

Control

VivaNeo DK ApS is part of the consolidated financial statements of Delivery I Ltd., Institute Of Reproductive Sciences Alec Issigonis Way, Oxford Business Park North, Oxford, England, OX4 2HW, which is the smallest group in which the Company is included as a subsidiary.

Ownership

The following shareholder is registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

VivaNeo Deutschland GmbH
Am Weingarten 25
60487 Frankfurt
Germany