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# ***ARTSMedia Denmark ApS***

Kongevejen 149, DK-2830 Virum

## **Annual Report for 28 October 2020 - 31 December 2021**

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CVR No 41 80 88 45

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
30/5 2022

Ulrik Bangsbo Hansen  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ARTSMedia Denmark ApS for the financial year 28 October 2020 - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2020/21.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Virum, 30 May 2022

## Executive Board

Lotte Bjørg Strøbech  
CEO

## Board of Directors

Lin Yuyan  
Chairman

Ulrik Bangsbo Hansen

Claus Yding Andersen

Zhang Xiaoming

Liu Juan

# Independent Auditor's Report

To the Shareholder of ARTSMedia Denmark ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 28 October 2020 - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ARTSMedia Denmark ApS for the financial year 28 October 2020 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

# Independent Auditor's Report

## Management's responsibilities 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 as 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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 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.

## Independent Auditor's Report

- 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.

Hellerup, 30 May 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Martin Lunden  
statsautoriseret revisor  
mne32209

Mads Blichfeldt Henriksen  
statsautoriseret revisor  
mne46065

## Company Information

### The Company

ARTSMedia Denmark ApS  
Kongevejen 149  
DK-2830 Virum  
E-mail: [kundenavn@kundenavn.dk](mailto:kundenavn@kundenavn.dk)

CVR No: 41 80 88 45  
Financial period: 28 October - 31 December  
Municipality of reg. office: Virum

### Board of Directors

Lin Yuyan, Chairman  
Ulrik Bangsbo Hansen  
Claus Yding Andersen  
Zhang Xiaoming  
Liu Juan

### Executive Board

Lotte Bjørg Strøbech

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Management's Review**

### **Key activities**

The objects of the Company are to develop, produce and sell products for artificial insemination of humans, and any other related activities in the Executive Board's opinion.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 28 October - 31 December

	<u>Note</u>	<u>2021</u> DKK
<b>Gross profit/loss</b>		<b>-5.752.540</b>
Staff expenses	1	-5.054.390
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-279.481
<b>Profit/loss before financial income and expenses</b>		<b>-11.086.411</b>
Financial expenses		-191.378
<b>Profit/loss before tax</b>		<b>-11.277.789</b>
Tax on profit/loss for the year	2	1.718.918
<b>Net profit/loss for the year</b>		<b>-9.558.871</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-9.558.871
		<b>-9.558.871</b>

# Balance Sheet 31 December

## Assets

	<u>Note</u>	<u>2021</u> DKK
Other fixtures and fittings, tools and equipment		1.542.878
<b>Property, plant and equipment</b>		<b>1.542.878</b>
Claim for payment of company capital		7.450.092
<b>Fixed asset investments</b>		<b>7.450.092</b>
<b>Fixed assets</b>		<b>8.992.970</b>
Claim for payment of company capital		7.450.092
Other receivables		398.908
Corporation tax		1.718.918
<b>Receivables</b>		<b>9.567.918</b>
<b>Cash at bank and in hand</b>		<b>10.473.267</b>
<b>Currents assets</b>		<b>20.041.185</b>
<b>Assets</b>		<b>29.034.155</b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK
Share capital		63.646
Unpaid share capital		36.354
Reserve for unpaid share capital and share premium		14.863.831
Retained earnings		<u>12.352.498</u>
<b>Equity</b>		<b><u>27.316.329</u></b>
Trade payables		653.045
Other payables		<u>1.064.781</u>
<b>Short-term debt</b>		<b><u>1.717.826</u></b>
<b>Debt</b>		<b><u>1.717.826</u></b>
<b>Liabilities and equity</b>		<b><u>29.034.155</u></b>
Contingent assets, liabilities and other financial obligations	3	
Accounting Policies	4	

## Statement of Changes in Equity

	Share capital	Unpaid share capital	Reserve for unpaid share capital and share premium	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 28 October	40.000	0	0	0	0	40.000
Cash capital increase	23.646	36.354	14.863.831	21.911.369	0	36.835.200
Net profit/loss for the year	0	0	0	0	-9.558.871	-9.558.871
Transfer from share premium account	0	0	0	-21.911.369	21.911.369	0
<b>Equity at 31 December</b>	<b>63.646</b>	<b>36.354</b>	<b>14.863.831</b>	<b>0</b>	<b>12.352.498</b>	<b>27.316.329</b>

# Notes to the Financial Statements

	2021
	DKK
<b>1 Staff expenses</b>	
Wages and salaries	4.592.489
Pensions	248.182
Other social security expenses	41.435
Other staff expenses	172.284
	<b>5.054.390</b>
<b>Average number of employees</b>	<b>5</b>
<b>2 Tax on profit/loss for the year</b>	
Current tax for the year	-1.718.918
	<b>-1.718.918</b>
<b>3 Contingent assets, liabilities and other financial obligations</b>	
<b>Rental and lease obligations</b>	
Lease obligations under operating leases. Total future lease payments:	
Within 1 year	367.800
Between 1 and 5 years	376.277
	<b>744.077</b>

## Other contingent liabilities

One of the Company's professional consultants has filed a claim against ARTS Media Denmark ApS. The claim concern invoices issued in 2021 for an amount totaling DKK 895k. Arts Media Denmark ApS has refused to pay the invoices due to unsatisfactory deliveries from the consultant.

ARTS Media Denmark ApS assess that the claim will not cause economic disadvantages for the Company and has therefore not recognized the liability in the balance sheet.

# Notes to the Financial Statements

## 4 Accounting Policies

The Annual Report of ARTSMedia Denmark ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020/21 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 4 Accounting Policies (continued)

### Income Statement

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## 4 Accounting Policies (continued)

### Balance Sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.



# Notes to the Financial Statements

## 4 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.