20240701194011

Årsredovisning

för

Linné IVF AB

556988-5584

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad styrelseledamot i Linné IVF AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2024-06-28. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Uppsala 2024-06-28

Anna Anbratt

20241107104202

Årsredovisning

för

Linné IVF AB

556988-5584

Räkenskapsåret

2023

Styrelsen och verkställande direktören för Linné IVF AB får härmed avge årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten
Företagets verksamhet består av medicinska utredningar och behandlingar. Verksamheten bedrivs i dotterbolaget Carl von Linnékliniken HB (916671-3934).

Bolaget har inga anställda.

Företaget har sitt säte i Uppsala.

Väsentliga händelser under räkenskapsåret
Efter att tidigare haft full anslutning till landstinget för mottagningsbesök blev dotterföretaget Carl von Linnékliniken HB (CvLHB) i mitten av maj 2019 privat, med undantag för enstaka patienter som gör mottagningsbesök hos den kollega som fortsatt har ett personligt vårdavtal enl LoL med Region Uppsala. Under det gångna verksamhetsåret har ingen förändring skett därvidlag.

Ägarbolaget KKR har expanderat sitt ägande av IVF-enheter och klinikgruppen rymmer nu även hela IVIRMA-koncernen. CvLK är därmed en klinik bland många i den gruppering av IVF-kliniker som idag är den största i världen. Detta har dock inte inneburit någon väsentlig förändring i klinikens verksamhet. Samarbetet inom gruppen och med majoritetsägarna är fortsatt välfungerande.

Under 2023 har ett stigande antal IVF-behandlingar med donerade ägg genomförts. Även omfattningen av s k egendonation (att frysa sin egna ägg för framtida bruk) har ökat. Dessa typer av behandlingar, inklusive spermadonationsbehandlingar, kommer sannolikt med tiden att ytterligare öka i omfattning och utgöra en allt större del av bolagets verksamhet. Viss fortsatt avmattning har noterats avs behandling med egna ägg, vilket bedöms bero på det allmänna ekonomiska läget och allmänna orostider med krig i närområdet.

En barnmorska har under sommaren 2023 gått i pension. En barnmorska nyanställdes därför. Vi ser fortsatt behov av att nyanställa ännu en läkare, dels för att täcka för framtida pensionsavgångar men också för att i det kortare perspektivet kunna öka antalet behandlingar i önskvärd omfattning.

Det tidigare (november 2022) utställda lånet till GeneraLife i dotterföretgaet CvLHB har löpande utökats med del av inkomna vinstmedel och löper fortsatt med ränta och med oförändrade villkor. Låntagaren har rätt att återbetala lånet helt eller delvis i förtid.

Under slutet av 2023 har tidigare delägare sålt sina respektive återstående aktier till huvudägaren.

20240701194103

Flerårsöversikt (Tkr)	**2023**	**2022** (8 mån)	**2021/22**	**2020/21**
Resultat efter finansiella poster	18 558	9 731	17 879	13 652
Soliditet (%)	99,5	99,6	95,2	98,2

Förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	55 600	31 996 331	7 719 760	**39 771 691**
Disposition enligt beslut av årsstämman:		7 719 760	-7 719 760	**0**
Årets resultat			14 698 954	**14 698 954**
Belopp vid årets utgång	**55 600**	**39 716 091**	**14 698 954**	**54 470 645**

Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	39 716 091
årets vinst	14 698 954
	54 415 045
disponeras så att	
i ny räkning överföres	54 415 045
	54 415 045

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Resultaträkning

	Not	2023-01-01 -2023-12-31	2022-05-01 -2022-12-31 (8 mån)
Rörelsekostnader			
Övriga externa kostnader		-10 545	-35 996
Summa rörelsekostnader		**-10 545**	**-35 996**
Rörelseresultat		**-10 545**	**-35 996**
Finansiella poster			
Resultat från andelar i koncernföretag	2	18 555 253	9 773 068
Övriga ränteintäkter och liknande resultatposter		14 287	1 092
Räntekostnader och liknande resultatposter		-1 102	-6 773
Summa finansiella poster		**18 568 438**	**9 767 387**
Resultat efter finansiella poster		**18 557 893**	**9 731 391**
Resultat före skatt		**18 557 893**	**9 731 391**
Skatter			
Skatt på årets resultat		-3 858 939	-2 011 631
Årets resultat		**14 698 954**	**7 719 760**

20240701194044

Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	3	53 205 059	39 150 805
Summa finansiella anläggningstillgångar		**53 205 059**	**39 150 805**
Summa anläggningstillgångar		**53 205 059**	**39 150 805**
Omsättningstillgångar			
Kortfristiga fordringar			
Förutbetalda kostnader och upplupna intäkter		3 721	0
Summa kortfristiga fordringar		**3 721**	**0**
Kassa och bank			
Kassa och Bank		1 541 653	785 439
Summa kassa och bank		**1 541 653**	**785 439**
Summa omsättningstillgångar		**1 545 374**	**785 439**
SUMMA TILLGÅNGAR		**54 750 433**	**39 936 244**

Balansräkning

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		55 600	55 600
Summa bundet eget kapital		**55 600**	**55 600**
Fritt eget kapital			
Balanserat resultat		39 716 091	31 996 332
Årets resultat		14 698 954	7 719 760
Summa fritt eget kapital		**54 415 045**	**39 716 092**
Summa eget kapital		**54 470 645**	**39 771 692**
Kortfristiga skulder			
Skatteskulder		230 787	115 553
Upplupna kostnader och förutbetalda intäkter		49 001	48 999
Summa kortfristiga skulder		**279 788**	**164 552**
SUMMA EGET KAPITAL OCH SKULDER		**54 750 433**	**39 936 244**

Noter

Not 1 Redovisningsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning.

Bolaget är integrerat i en större grupp av hälsovårdsföretag vars majoritetspartner är Inception Topco, S.a.r.l., detta företag är det som upprättar koncernbokslut. Inception Topco S.a.r.l. har sitt säte i Luxemburg, rue Edward Steichen, n*2, 2540.

Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Resultat från andelar i koncernföretag

	2023	2022-05-01 -2022-12-31
Nedskrivningar	0	-39 575
Resultatandel handelsbolag	18 555 253	9 812 643
	18 555 253	**9 773 068**

Not 3 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	40 450 382	33 637 738
Resultatandel handelsbolag	18 555 253	9 812 643
Egna uttag handelsbolag	-4 501 000	-3 000 000
Utgående ackumulerade anskaffningsvärden	**54 504 635**	**40 450 381**
Ingående nedskrivningar	-1 299 576	-1 260 000
Årets nedskrivningar	0	-39 576
Utgående ackumulerade nedskrivningar	**-1 299 576**	**-1 299 576**
Utgående redovisat värde	**53 205 059**	**39 150 805**

Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Uppsala

Anna Anbratt
Suppleant (ersätter Eugene Marsden)
2024-06-17

Thomas Brodin
Verkställande direktör
2024-06-24

Vår revisionsberättelse har lämnats 2024-06-24

Ernst & Young AB

Ida Brandt
Auktoriserad revisor

20240701119413

Building a better working world

Revisionsberättelse

Till bolagsstämman i Linné IVF AB, org.nr 556988-5584

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Linné IVF AB för räkenskapsåret 2023-01-01 - 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Linné IVF ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Linné IVF AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Linné IVF AB för räkenskapsåret 2023-01-01 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Linné IVF AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Uppsala, den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Ida Brandt
Auktoriserad revisor

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

20240701119414

Ida Brandt
Auktoriserad revisor
På uppdrag av: Ernst & Young AB
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Bolagsverket

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Linné IVF AB
Uppsala Science Park
Dag Hammarskjölds väg 10 A
751 83 UPPSALA

20241111105546

Företagsnamn:	Linné IVF AB , 556988-5584
Ärende:	Årsredovisning
Räkenskapsår:	2023-01-01-2023-12-31
Ärendenummer:	9426090/2024
Ärendet kom in:	2024-07-01
Svaret ska ha kommit in:	2024-10-04
Telefonnummer:	060-18 42 00

Årsredovisningen innehåller fel

Här kan du läsa om vad som blivit fel i årsredovisningen och hur du gör för att rätta till det.

Information om förseningsavgift

Om du inte svarar i tid kan företaget behöva betala en förseningsavgift.

Påminnelse

Detta är en påminnelse. Vi har inte fått något svar på föreläggandet vi skickade tidigare.

Skicka in en koncernredovisning

Årsredovisningen som vi har fått hänvisar till ett moderföretags koncernredovisning. Skicka in en kopia av koncernredovisningen och revisionsberättelsen som årsredovisningen hänvisar till.

Koncernredovisningen ni har skickat in är på spanska. Koncernredovsiningen ska vara översatt till något av följande språk : engelska, danska eller norska.

Mer information hittar du på bolagsverket.se.

Gör så här

Skicka handlingarna med post och kom ihåg att skriva ärendenumret. Svaret ska ha kommit in senast 4 oktober 2024.

På bolagsverket.se kan du se hur det går med ditt ärende. Där kan du också se våra aktuella handläggningstider.

Vad händer om årsredovisningen inte kommer in i tid?

Om du inte svarar i tid kan företaget få betala en förseningsavgift. Har det gått mer än 11 månader sedan räkenskapsåret tog slut kan vi pröva om företaget ska gå i likvidation.

"p0160_arsred_foreläggande"

Bifogar koncernredovisning på engelska.

20241111105547

Inception Topco, S.à r.l. and subsidiaries

Consolidated Financial Statements for the financial year ended December 31, 2023,
Consolidated Management Report and report of independent auditor

Rue Edward Steichen, 2
L- 2540 Luxembourg
R.C.S Luxembourg: B268239

202411110548

The Board of Directors of Inception TopCo S.à r.l. (the "company") hereby presents this Management Report on the business evolution, the Group's situation, its immediate prospects, and significant events occurring after the end of the financial year.

Evolution and situation

Following various corporate transactions in previous fiscal years, the Group has focused its efforts on expanding in strategic geographical areas. Key financial data as of December 31, 2023, are highlighted as follows:

- The Group's consolidated balance sheet shows assets totaling 4,257,556 thousand euros and a positive working capital of 27,526 thousand euros.
- The Group's net turnover amounted to 673,204 thousand euros mainly due to increased demand for fertility services.
- The Group's consolidated income statement shows an operating profit loss of 50,409 thousand euros.
- The net result for the year, after taxes, amounted to consolidated losses of 154,213 thousand euros.
- The Group's average workforce in 2023 was 3,813 people. There have been no significant events during the year in relation to issues concerning the Group's personnel and compliance with rules on equality and non-discrimination and disability.

EBITDA

The Group defines EBITDA as the sum of operating profit for the period, impairment and result from disposal of fixed assets, depreciation, imputed subsidies for non-financial fixed assets, and other items in the "Other results" section of the consolidated statement of profit and loss.

EBITDA is used by the Group as an objective and comparable measure of performance to assess our ability to pay and generate cash. The EBITDA derived from the current consolidated annual accounts, according to the above definition, is as follows:

	Thousands of euros
Operating loss	(50,409)
Impairment and result from disposal of fixed assets	257
Depreciation of fixed assets	72,658
Result from loss of control of consolidated entities	4,104
Other results	5,591
EBITDA	**32,201**

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However, it should be noted that, for analytical purposes, in 2023 the Group considers it relevant to take into consideration that the above EBITDA includes 145,601 thousand euros of non-recurring expenses from which 113,135 thousand euros are derived from the transaction described in Note 25. Therefore, the Group considers that the recurring EBITDA on a like-for-like basis would be 180,436 thousand euros.

Main risks and uncertainties

Among the risks and uncertainties facing the Group, the following are prominent:

- Currently, particularly within the European Union, the legal situation regarding assisted reproduction treatments is favorable to the interests of Spanish companies, given Spain's more permissive laws compared to other countries.
- Regarding legal frameworks in other recently established Group companies, legislation is either limited or non-existent. However, there are movements within these countries towards regulating assisted reproduction activities, necessitating vigilance for any regulatory changes.
- There are financial risks associated with exchange rates, as the Group invests in subsidiaries operating in foreign currencies.
- The evolution of interest rates in the current economic environment.

Personnel and environmental issues

Given the Group's activities, the directors of the parent company believe it does not have significant environmental responsibilities, expenses, assets, or provisions and contingencies that could materially impact its equity, financial position, or results.

Significant events after the end of the reporting period

In January 31, 2024, Helios Fertility Spain, S.L.U. acting as seller and IVI-RMA Global, S.L.U. as purchaser, entered into an agreement for the sale and purchase of the entire issued share capital of Eugin Canada, Inc. The sale involves 127,684 common shares of Eugin Canada, Inc., for a total consideration of 11,600 thousands of euros. The transfer of shares and payment are to occur on the closing date, immediately prior to the sale of other associated entities.

On January 26, 2024, KKR Genesis Topco S.à r.l. subscribed to an additional 43,340,000 shares in KKR Inception Midco S.à r.l, for a total amount of 43,340 thousand euros.

On March 25, 2024, KKR Genesis BidCo SLU was penalized 683 thousand euros by the Spanish competition regulator (CNMC) in relation to the acquisition of GeneraLife. This agreement concluded the ongoing investigation by the competition authority.

On April 9, 2024, the Group has closed a refinancing process of the TLB debt and the existing RCF in the context of broadening its access to the debt capital markets, significantly reducing its total cost of debt, re-setting maturities and increasing liquidity through the enhanced RCF size. The new facilities refinance existing debt of 1bn drawn at the level of KKR Inception Finco, comprising two tranches of TLB financing. The amount of debt and allocation within the Group has remained unchanged with more favourable terms and reduced margins.

There have been no other financially significant events subsequent to the balance sheet date.

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Expected evolution of the group

The group is undergoing integration following the recent inclusion of IVI RMA and GeneraLife businesses within its scope.

The group expects to achieve synergies and economies of scale aimed at delivering substantial profitability and positive results in 2024.

Research and development

Research and development activities primarily occur within clinics through studies, article publications, and presentation of abstracts at conferences.

Treasury stock transactions

There were no treasury stock transactions conducted by the parent company during the year.

Use of financial instruments

During the fiscal year 2023, the Group utilized derivative financial instruments. The Group's financial risk management is centralized in its general and financial management, which has established mechanisms to control exposure to interest rate and currency fluctuations, as well as credit and liquidity risks.

The main financial risks impacting the Group are:

Credit Risk

The balance under the heading "Cash and cash equivalents" in the consolidated balance sheet as of December 31, 2023, corresponds to balances held in bank current accounts, generally, the Group maintains these assets with financially sound institutions.

The Group extends credit to certain external partners. The recoverability of these receivables could be affected by the future evolution of the results and cash flows of the dependent companies. Additionally, the Group has granted loans or credits to equity-accounted investees, some ultimate shareholders, and entities related to the ultimate shareholders (individuals) of the Parent Company, with no expected issues in their recovery.

Furthermore, the Group deals with a large number of customers for whom credit insurance does not exist, although the Group generally receives advances for a percentage of the orders received.

Credit risk also affects certain financial assets recorded at fair value. In this regard, the maximum credit risk exposure of the Group is measured by the market value of these assets.

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Liquidity Risk

To ensure liquidity and meet all payment commitments arising from its activities, the Group has the treasury as shown in its consolidated balance sheet, as well as certain lines of financing.

Market Risk

Both the Group's treasury and financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows, although this is not considered significant.

Foreign Exchange Risk

The Group conducts transactions in currencies other than the euro, which could affect future cash flows and the valuation of certain assets, depending on the future evolution of exchange rates.

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Audit report

To the Shareholder of
Inception Topco S.à r.l.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Inception Topco S.à r.l. (the "Company") and its subsidiaries (the "Group") as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

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As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated 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 Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;

- conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated 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 audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

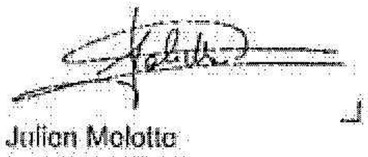
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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by
Electronically signed by:
Julien Malotte



Julien Malotte

Luxembourg, 31 July 2024

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Inception Topco, S.à r.l. and subsidiaries

Consolidated Balance sheet
(Expressed in thousands of euros or as otherwise indicated)

	Notes	At December 31,2023	At December 31,2022(*)
Non current Assets			
Property, plant and equipment	7	248,901	-
Right of use assets	8	78,519	-
Goodwill	5	2,989,224	-
Other Intangible assets	6	560,607	-
Loans to related parties	9 and 21	2,918	-
Other financial assets	4 and 9	31,254	12
Deferred tax assets	17	93,694	-
Total non- current Assets		4,005,117	12
Current Assets			
Inventories	10	30,647	-
Trade Receivables and Other Accounts Receivable	4 and 9	63,425	-
Current Tax Assets		9,363	-
Loans to related parties	9 and 21	157	-
Other Financial Assets	4 and 9	4,825	-
Short-Term Accruals	11	7,612	-
Cash and Cash Equivalents	4 and12	136,410	10
Total current Assets		252,439	10
TOTAL ASSETS		4,257,556	22
NON-CURRENT LIABILITIES			
Long-Term Provisions	15	28,838	4
Financial Debt	4, 14 and 16	1,210,489	-
Lease Liabilities	4, 8, 14 and 16	68,675	-
Deferred Tax Liabilities	17	144,333	-
Grants		112	-
Total Non-Current Liabilities		1,452,447	4
CURRENT LIABILITIES			
Trade Payables and Other Accounts Payable	4 and 14	36,960	36
Contract Liabilities	3, 4, and 14	44,822	-
Current Tax Liabilities	17	13,296	-
Financial Debt	4, 14 and 16	64,306	-
Payables to Related Parties	14 and 21	37	12
Short-Term Debt to Group and Associated Companies	14 and 21	4	-
Lease Liabilities	4, 8, 14 and 16	13,652	-
Employee Benefit Obligations	4 and 14	30,307	-
Short-Term Provisions	15	3,539	-
Short-Term Accruals	11	17,990	-
Total Current Liabilities		224,913	48
EQUITY			
Capital	13	207,900	12
Share Premium	13	1,773,793	-
Reserves	13	536,731	-
Retained Earnings		(42)	-
Profit for the Year	13	(142,920)	(42)
Other Contributions from Shareholders	13	4,000	-
Interim Dividend		(104)	-
Translation Differences	13	(13,308)	-
Hedging Transactions	4	(8,560)	-
Equity Attributable to the owners of the Parent		2,307,490	(30)
Non-Controlling Interests	13	272,706	-
Total Equity		2,580,196	(30)
		4,257,556	22

Notes 1 to 25 of the consolidated financial statements are an integral part of these Consolidated Financial Statements.
(*) The comparative financial figures for the year 2022 reflect the period as from the date of the company's incorporation.

Inception Topco, S.à r.l. and subsidiaries

Consolidated Income statement
(Expressed in thousands of euros or as otherwise indicated)

	Note	At December 31,2023	At December 31,2022(*)
Revenue from contracts with customers	19	668,125	-
Finance income	18	3,473	-
Other operating revenue		5,079	-
Materials	18	(97,883)	(36)
Employee benefit expenses	18	(286,193)	-
Operating expenses	18	(256,927)	(6)
Depreciation and amortization	6, 7 and 8	(72,658)	-
Results from disposals of property, plant and equipment		(257)	-
Results from loss of control and consolidated investments		(4,104)	-
Other		(5,591)	-
Finance expenses	18	(125,194)	-
Net foreign Exchange differences	18	(9,655)	-
Results from Disposals of investments	18	2,475	-
Profit before income tax		(179,310)	(42)
Income tax expense	17	25,097	-
Profit from continuing operations		(154,213)	(42)
Profit from discontinued operations		-	-
Profit for the period	13	(154,213)	(42)
Result Attributable to the owners of the Parent	13	(142,920)	(42)
Result Attributable to Non-Controlling Interests	13	(11,293)	-

Notes 1 to 25 of the consolidated financial statements are an integral part of these Consolidated Financial Statements.
(*) The comparative financial figures for the year 2022 reflect the period as from the date of the company's incorporation.

Consolidated statement of comprehensive income
(Expressed in thousands of euros or as otherwise indicated)

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	Notes	For the year ended December 31,2023	For the year ended December 31,2022(*)
Profit / (loss) for the period	13	(154,213)	(42)
Other comprehensive income			
Other comprehensive income (loss) net of income tax effects			
Items that may be reclassified subsequently to profit and loss:			
Foreign Currency Translation Differences	13	(13,308)	-
Hedging gains and losses		(8,560)	-
Total Comprehensive Income for the year		(176,081)	
Attributable to:			
The owners of the Parent		(164,788)	(42)
Non-Controlling Interests		(11,293)	-

Notes 1 to 25 of the consolidated financial statements are an integral part of these Consolidated Financial Statements.
(*) The comparative financial figures for the year 2022 reflect the period as from the date of the company's incorporation.

Inception Topco, S.à r.l. and subsidiaries

Consolidated statement of changes in equity
(Expressed in thousands of euros or as otherwise indicated)

	Issued capital (Note 13)	Share premium (Note 13)	Reserves in consolidated entities (Note 13)	Retained earnings	Result attributable to owners of the Parent company	Other shareholder contributions (Note 13)	Interim dividend	Currency translation differences (Note 13)	Hedging Transactions (Note 4)	TOTAL	Non controlling interests (Note 13)	TOTAL EQUITY
Date of incorporation May 19th, 2022	-	-	-	-	-	-	-	-	-	-	-	-
Incorporation	12	-	-	-	-	-	-	-	-	12	(1)	11
Profit or loss for the period	-	-	-	-	(42)	-	-	-	-	(42)	-	(42)
Opening balance (*) January 1st 2023	12	-	-	-	(42)	-	-	-	-	(30)	(1)	(31)
Business Combination (Note 25)	207,888	1,723,793	536,731	-	-	4,000	-	-		2,472,412	284,000	2,756,412
Distribution of the result for the year 2022 (Note 13 (f))	-	-	-	(42)	42	-	-	-	-	-	-	-
Other comprehensive loss for the year								(13,308)	(8,560)	(21,868)	-	(21,868)
Profit or loss for the period	-	-	-	-	(142,920)	-	-		-	(142,920)	(11,293)	(154,213)
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	(104)	-	-	(104)	-	(104)
									-	-		
Balance at December 31, 2023	207,900	1,723,793	536,731	(42)	(142,920)	4,000	(104)	(13,308)	(8,560)	2,307,490	272,706	2,580,196

Notes 1 to 25 of the consolidated financial statements are an integral part of these Consolidated Financial Statements.
(*) The comparative financial figures for the year 2022 reflect the period as from the date of the company's incorporation.

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Consolidated Cash flow Statement
(Expressed in thousands of euros or as otherwise indicated)

	Notes	For the year ended, December 31,2023	For the year ended, December 31,2022(*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		(146,803)	-
Profit for the year before taxes		(179,310)	-
Adjustments to profit:		205,920	-
Depreciation and amortization	6, 7 and 8	72,658	-
Gains and losses on disposals of property, plant, and equipment		257	-
Gains and losses on disposals of financial instruments		1,629	-
Interest income	18	(3,473)	-
Interest expense	18	125,194	-
Exchange differences	18	9,655	-
Changes in working capital		(61,838)	
Inventories		(30,647)	
Trade Receivables and Other Accounts Receivable		(63,425)	
Other financial assets		(4,690)	
Payables		36,924	
Other cash flows from operating activities		(111,575)	-
Interest paid	18	(115,048)	-
Interest received	18	3,473	-
CASH FLOWS FROM INVESTING ACTIVITIES (II)		(2,798,255)	-
Payments for investments:		(2,804,540)	-
Group and associated companies	5 and 25	(2,763,879)	-
Intangible assets	6	(4,987)	-
Property, plant, and equipment	7	(35,674)	-
Proceeds from divestments:		6,285	-
Intangible assets	6	187	-
Property, plant, and equipment	7	6,098	-
CASH FLOWS FROM FINANCING ACTIVITIES (III)		3,081,458	10
Receipts and payments for equity instruments:		1,931,681	10
Issuance of equity instruments		1,931,681	10
Receipts and payments for financial liabilities:		1,149,777	-
Issuance of debt with credit institutions		1,261,180	-
Receipts and payments for equity instruments		(111,403)	
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		136,400	10
Cash and cash equivalents at the beginning of the year		10	-
Cash and cash equivalents at the end of the year	12	136,410	10

Notes 1 to 25 of the consolidated financial statements are an integral part of these Consolidated Financial Statements.
(*) The comparative financial figures for the year 2022 reflect the period as from the date of the company's incorporation.

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1. Background and general information

Inception Topco, S.à r.l. (hereinafter, the "Parent Company" or "Company"), was established as a private limited company (Société à Responsabilité Limitée) under the laws of the Grand-Duchy of Luxembourg on May 19, 2022. The Parent Company is domiciled in Luxembourg, at 2 Rue Edward Steichen, Luxembourg, L-2540.

References in these Consolidated Financial Statements to "Inception Group" or "Group" refer to Inception Topco, S.à. r.l. and its consolidated subsidiaries. A list of the Inception's Group subsidiaries is included in Note 3 to these Consolidated Financial Statements.

The fiscal year begins on January 1 and ends on December 31, except for the first financial year that begun on May 19, 2022 and ended December 31, 2022 and therefore the comparative financial figures for the year 2022 reflect the period as from the date of the company's incorporation. The Company is exempted in 2022 from establishing consolidated annual accounts in accordance with article 1711-4 of the Law of August 10, 1915, as amended of the Grand-Duchy of Luxembourg.

The corporate purposes of Inception Topco, S.à r.l. and the companies comprising the Inception Group primarily consist of the following:

- The performance and provision of all types of analysis, explorations, diagnostics, treatment, and services related to human reproduction and infertility issues, in both men and women, through assisted reproduction techniques.
- In the broadest sense, the comprehensive treatment of women's health in the fields of gynecology, obstetrics, and plastic surgery.
- The provision of advisory, management, assistance, and processing services in legal, administrative, and labor matters to affiliated companies and other companies in the assisted reproduction sector.
- The provision of administrative management services to related or third-party companies.
- The management and administration of securities, shares, interests, or any other form of representation of the equity of entities, both resident and non-resident in Spanish territory.
- Scientific research in the field of reproductive medicine and the dissemination and communication of the results of the research conducted.
- The brokerage and wholesale trade of pharmaceutical products and medications.
- The collection, processing, cryopreservation, and storage of umbilical cord blood.

The Group's main activity during the 2023 fiscal year consisted in operating clinics located mainly in Europe and USA, providing healthcare services related to human reproduction to its patients. Given the activities to which the Group is dedicated, the directors of the Parent Company consider that it does not have significant environmental liabilities, expenses, assets, provisions, or contingencies that could be significant concerning the Group's equity, financial position, and results.

The incorporation of the Parent Company was carried out in 2022 through the issuance of new shares. 100% of the shares are owned by KKR Inception Aggregator GP LLC (hereinafter, the Ultimate Shareholder), an entity whose tax domicile is in Canada.

These Consolidated Financial Statements were approved for issuance by the Company's Board of Managers on July 31, 2024.

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2. Basis of presentation and accounting policies.

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Inception Group have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (hereinafter "IFRS Accounting Standards") and the interpretations of the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), as approved by the European Commission Regulations in effect as of December 31, 2023.

Presentation in the consolidated statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are regarded as current if they mature within one year or within the normal business cycle of the Company or are held for sale.

Several balance sheet consolidated statements of financial position and consolidated statements of income items have been combined in the interests of clarity. These items are stated and explained separately in the notes to the Consolidated Financial Statements. The statement of income is structured according to the function of the expense method (nature of the expenses is classified in notes).

The financial statements have been prepared on a historical cost basis, except for the following: certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and investment property – measured at fair value or revalued amount.

These Consolidated Financial Statements are presented in thousands of euros ("EUR" or "€") unless otherwise stated. All amounts are rounded off to thousands of euros unless otherwise stated. As such, insignificant rounding differences may occur. A dash ("—") indicates that no data was reported for a specific line item in the relevant financial year or period or when the pertinent figure, after rounding, amounts to nil.

These consolidated financial statements do not include segment information, as IFRS 8 allows for the omission of such information when the parent company of the Group does not have publicly traded securities (shares or debt), nor are such securities in the process of being listed. For the same reason, information on earnings per share required by IAS 33 is not included.

2.2 Significant Accounting Estimates, Assumptions, and Judgments in the Application of Accounting Policies

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards-EU requires the application of significant accounting estimates and the exercise of judgments, estimates, and assumptions in the process of applying the Group's accounting policies.

Below is a summary of the aspects that have involved a higher degree of judgment, complexity, or where assumptions and estimates are significant for the preparation of these consolidated financial statements.

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Estimated Loss for Goodwill and Indefinite useful life assets (Note 5)

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 5.

The recoverable amount of goodwill is determined by management based on the value in use calculated based on the cash flow projections of the financial budgets approved by management for a period of 5 years for each of the CGUs.

Business combination (Note 3.3, 25)

As explained in Note 25, the Group has acquired businesses which resulted in an aggregate amount of goodwill of 3,024,496 thousand euros, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. In the view of the management, embedded intangible assets (such as know-how, brand, etc.) within the acquired businesses (together with a related contract, identifiable assets or liabilities) or arising from contractual or legal rights have been separated within the consolidated financial statements. The fair value of assets and liabilities acquired at the acquisition dates. If estimates of fair values of assets and liabilities will change materially because additional information becomes available within 12 months after the acquisitions, the Group will adjust the carrying amounts and adjust the corresponding goodwill.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows.

Considerable management judgement is necessary in the identification and valuation of identifiable assets acquired and liabilities assumed (including purchase price allocation). Such judgement is exercised based on careful analysis of the acquired business, their financial and commercial arrangements and expected economic benefits. The premise of value used in the valuation of intangibles for a purchase price allocation is fair value. The estimate of fair value has been determined based on the income approach. The income approach is the most common technique used to value intangibles, both because it captures expected future returns to the owners and because it is able to estimate value for unique assets when a market transaction is not available. Market data may often be obtained to estimate the income stream that is likely to be generated from particular assets.

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Estimated loss due to impairment of certain non-financial assets – Inventory (Note 10).

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Management of the group conducts a stock analysis, estimating at the end of each fiscal year the impairment of their value based on the viability rate, obsolescence rate in stock and usability rate of samples. The valuation of stock at year-end is conducted in two phases: (1) determination of the gross cost per sample, corresponding to the expenses associated with donation; and (2) percentage of usable samples.

Impairment of Other Non-Financial and Non-Current Assets (Notes 6, 7, and 8)

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the excess of the asset's carrying amount over its recoverable amount.

This recoverable amount is determined as the higher of fair value less costs to sell and value in use, using, where applicable, valuations from independent experts.

Value-in-use calculations involve estimating the cash flows generated by the asset over its estimated useful life and discounting them at a discount rate. The estimates used, including the methodology employed, in the key assumptions to determine both fair value and value in use can have a significant impact on values and impairment losses.

Useful Lives of Property, Plant, and Equipment and Other Intangible Assets (Notes 6, and 7)

The Group's management determines the estimated useful lives and corresponding depreciation charges for its property, plant, and equipment. These estimates are determined in relation to the period during which the assets generate economic benefits, considering that the assets will reach the expected age and condition at the end of their useful life.

Revenue recognition by percentage of completion (Note 19)

The Group uses the percentage-of-completion method for recognizing revenue from healthcare and fertility service contracts. The use of this method requires estimating the services performed to date as a proportion of the total services to be provided, considering the costs incurred.

Lease Term Determination (Note 8)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated).

The assessment is reviewed if a significant event or change in circumstances that affects this assessment occurs and is within the lessee's control.

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Provisions (Note 15)

Provisions are recognized when it is probable that a present obligation, resulting from past events, will load to an outflow of resources and the amount of the obligation can be reliably estimated. The Group's management makes estimates by evaluating all relevant information and facts regarding the probability of occurrence of contingencies and the amount of the liability to be settled in the future.

Income tax (Note 17)

The calculation of income tax requires interpretations of the tax regulations applicable to the Group. Additionally, several factors, primarily but not exclusively related to changes in tax laws and changes in the interpretations of current tax laws, require estimates to be made by the Group's management.

The Group also assesses the recoverability of deferred tax assets based on the existence of future taxable income against which these assets can be utilized.

The Group recognizes liabilities for potential tax claims based on the estimate of whether additional taxes will be required. When the final tax outcome of these matters is different from the amounts initially recognized, such differences will affect the income tax and deferred tax provisions in the year in which such determination is made.

2.3 Comparative information

With respect to comparative figures, it has been included as comparative figures those corresponding to the annual accounts of the Parent Company, Inception Topco S.à r.l., for the previous fiscal year.

2.4 Mandatory Standards, Amendments, and Interpretations for periods Beginning January 1, 2023

As a result of the approval, publication, and entry into force on January 1, 2023, the following standards and amendments have been applied as of the date of the preparation of these financial statements:

- Definition of accounting estimates – Amendments to IAS 8;
- International tax reform - Pillar Two Model Rules – Amendments to IAS 12;
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12;
- Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice statement 2.

Standards, Amendments, and Interpretations Not Yet Effective but Available for Early Adoption:

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The Company also elected to adopt the following amendments early:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Non-current Liabilities with Covenants – Amendments to IAS 1

The aforementioned standards and amendments have not had a significant impact on the amounts recognized in the financial statements and are not expected to significantly affect future periods.

Certain amendments to accounting standards that have been published are not mandatory for the fiscal year ending December 31, 2023, and have not been early adopted by the Group. These amendments are currently under the assessment of the Management in order to evaluate the potential impact.

2.5 Going concern

As of December 31, 2023, the Group has a positive working capital amounting to 27,526 thousand of euros and a loss before taxes of 179,310 thousand of euros as well as a net result for the year, after taxes, amounted to consolidated losses of 154,213 thousand euros as a consequence of the impacts of the non-recurring expenses incurred by the Group amounting 145,298 thousand euros, from which 113,135 thousand euros is related to the transaction explained in Note 25.

On March 27, 2022, an affiliate of Kohlberg Kravis Roberts & Co. L.P. (the "Investor" or "ultimate parent") signed an agreement to acquire IVI RMA Group ("IVI RMA"), the leading global fertility platform in partnership with its founders and management team. The acquisition of IVI RMA Global, S.L.U was completed by KKR Inception BidCo, S.L.U subsidiary of the Company on January 10, 2023 for price of 2,849 million euros.

Management have prepared these consolidated financial statements based on the going concern principle, understanding that the actions taken to mitigate the effects of negative results in acquisition will allow to obtain positive results and cash flows in the next years.

The investor and management believe that the merge of GeneraLife and IVI RMA represents a highly compelling opportunity, The combined group would have market-leading scale and the global footprint to drive our vision and unlock significant value creation through synergies and enhanced strategic value.

Considering the above transaction, the Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has sufficient resources to continue in business for the foreseeable future.

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3. Material accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements are described below:

3.1 Basis of preparation

(i) Standardization of items

In order to present the various items that make up these consolidated financial statements for the year ended December 31, 2023, in a uniform manner, the principles, recognition, and measurement standards used by the Parent Company of the Group have been applied to all companies included in the consolidation. All companies included in the consolidation scope end their financial year on December 31 of each year.

(ii) Subsidiaries

Subsidiaries are those entities over which Inception Topco, S.à r.l. exercises or can exercise, directly or indirectly, control, understood as the power to direct the financial and operating policies of an entity to obtain economic benefits from its activities. This circumstance is generally manifested, although not exclusively, by the ownership, directly or indirectly, of 50% or more of the voting rights of the subsidiary. Subsidiaries are consolidated from the date control is transferred to the Group. They cease to be consolidated from the date control ceases.

The acquisition method of accounting is used to account for business combinations by the group (see note 3.3).

The profit and loss of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of transfer of control.

Intercompany transactions, balances, and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated balance sheet, respectively.

A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized as part of the equity attributable to the parent Company.

The subsidiaries included in the consolidation and related information as of December 31, 2023, are detailed below:

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Fiscal year 2023:

Corporate name	Registered office	Auditor	% of ownership		Thousands of euros					
			Direct	Indirect (*)	Cost	Equity	Result		Rest of equity	Total equity
							Operating	Net		
IVI ALICANTE, S.L.	Spain	(1)	-	59%	-	1,000	858	667	215	1,902
IVI ALMERÍA, S.L.	Spain	(2)	-	65%	-	165	122	91	139	213
IVI BARCELONA, S.L.	Spain	(1)	-	54%	-	545	3,544	3,011	1,365	4,921
IVI BILBAO, S.L.	Spain	(1)	-	56%	-	300	3,669	3,109	678	4,087
IVI LAS PALMAS, S.L.	Spain	(1)	-	57%	-	1,500	1,378	1,044	331	2,875
IVI MADRID, S.L.	Spain	(1)	-	57%	-	481	10,654	8,475	1,137	10,087
IVIRMA IV, S.L.U.	Spain	(2)	-	57%	-	3	183	136	713	852
IVI MURCIA, S.L.	Spain	(1)	-	58%	-	419	36	2	321	742
IVI VALENCIA, S.L.	Spain	(1)	-	53%	-	284	6,395	5,425	1,777	7,486
IVI VIGO, S.L.	Spain	(1)	-	58%	-	396	2,976	2,341	436	3,173
INSTITUTO VALENCIANO DE INFERTILIDAD, S.L.U.	Spain	(2)	-	66%	-	3	1	1	-	2
IVI ZARAGOZA, S.L.	Spain	(1)	-	57%	-	750	1,863	1,477	299	2,926
IVI MÁLAGA, S.L.	Spain	(1)	-	59%	-	500	1,490	1,114	100	1,714
IVI PAMPLONA, S.L.U.	Spain	(2)	-	60%	-	3	157	91	216	311
FERTOOLITY, S.L.U.	Spain	(2)	-	66%	-	3	297	184	76	105
IVI ILLES BALEARS, S.L.	Spain	(1)	-	66%	-	37	386	354	30	421
IVI RIVA, S.L.	Spain	(2)	-	56%	-	10	136	103	55	37
IVI BURGOS, S.L.	Spain	(2)	-	59%	-	7	61	46	55	94
IVI PANAMA, S.A.	Panama	(6)	-	56%	-	3,624	383	549	5,689	2,614
IVF SPIN OFF 1, S.L.U.	Spain	(2)	-	66%	-	3	1	1	-	2
Instituto Valenciano de Infertilidade – Clínica de Reprodução Assistida, Lda	Portugal	(4)	-	63%	-	500	3,174	2,511	143	3,154
Instituto Valenciano de Infertilidade Porto – Clínica de Reprodução Assistida, Lda	Portugal	(2)	-	61%	-	1,000	130	115	53	833
IVI SANTIAGO DE CHILE, S.A.	Chile	(3)	-	53%	-	1,630	1,470	1,143	66	2,839
IVI SALVADOR MEDICINA REPRODUTIVA, SA	Brasil	(5)	-	59%	-	934	599	439	414	1,786
IVI ITALY, S.R.L.	Italy	(9)	-	53%	-	10	903	1,137	284	843
IVI ROMA, S.R.L.	Italy	(9)	-	52%	-	3,230	2,640	1,520	(499)	4,391
IVI MILANO, S.R.L.	Italy	(2)	-	53%	-	10	381	381	27	348
IVI BARI, S.R.L.	Italy	(2)	-	53%	-	10	178	178	12	156
FSPIN'S 4 FERTILITY, S.L.	Spain	(2)	-	33%	-	4	18	19	7	27
SONDA DE VIDA S, S.L.	Spain	(2)	-	39%	-	4	161	142	170	315
JUNO GENETICS SPAIN, S.L.	Spain	(2)	-	62%	-	100	2,715	1,935	280	1,755
IVI UK LTD	UK	(7)	-	66%	-	2,307	1	20	29,530	24,242
IVI LONDON WIMPOLE LTD	UK	(7)	-	66%	-	1	694	697	15,807	16,503
JUNO GENETICS LTD	UK	(2)	-	62%	-	-	(1,010)	(1,077)	(2,084)	(3,161)
JUNO GENETICS ITALY, S.R.L.	Italy	(2)	-	62%	-	10	183	183	-	173
CREATE HEALTH HOLDING LIMITED	UK	(10)	-	63%	-	63	100	100	2,569	2,533
CREATE HEALTH LIMITED	UK	(10)	-	63%	-	-	5,823	5,120	10,396	15,516
Vitanova ApS	Denmark	(11)	-	63%	-	56	653	634	194	384
IRMA DICAL SUPPLY, S.L.	Spain	(1)	-	62%	-	3	16,886	12,745	2,685	15,434
Biomedical Supply US, Inc.	United States	(7)	-	62%	-	-	1,216	906	45	860
EQUIPO IVI, S.L.U.	Spain	(1)	-	66%	-	22	3,294	27,346	172,615	199,982
IVI AMERICA, LLC	United States	(5)	-	66%	-	3,907	33,325	30,320	46,639	20,120
Juno Genetics US, INC	United States	(2)	-	63%	-	476	8,583	5,561	686	5,771
IRMANJ Management, LLC	United States	(5)	-	59%	-	52,413	26,621	28,396	47,178	23,163
IRMA of New Jersey Complementary Care, LLC	United States	(5)	-	32%	-	1,359	289	289	1,479	609
IRMATL Management, LLC	United States	(5)	-	59%	-	4,313	132	68	20	4,392
Liberty Corner Surgical Center LLC	United States	(5)	-	52%	-	91	3,921	3,920	559	3,452

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Corporate name	Registered office	Auditor	% of ownership		Thousands of euros					
			Direct	Indirect (*)	Cost	Equity	Result		Rest of equity	Total equity
							Operating	Net		
Liberty Corner Surgical Center at Marlton LLC	United States	(5)	-	52%	-	91	166	167	1,945	2,021
RMA of Philadelphia Surgical Center, LLC	United States	(5)	-	62%	-	1,495	1,494	1,494	2,456	2,545
RMA of Northern California Management, LLC	United States	(5)	-	46%	-	23,365	5,598	5,470	18,003	106
Reproductive Medicine Associates of Northern California, PC	United States	(5)	-	46%	-	-	-	-	-	-
RMASOCAL Management, LLC	United States	(5)	-	66%	-	1,673	1,445	1,561	3,777	3,016
Reproductive Medicine Associates of Southern California, PC	United States	(5)	-	60%	-	-	-	-	132	132
RMASD Management, LLC	United States	(5)	-	59%	-	708	1,978	2,262	6,961	5,991
RMAPHI Management, LLC	United States	(5)	-	62%	-	4,654	2,093	2,095	308	2,874
RMA of Philadelphia Surgical Center, LLC	United States	(5)	-	62%	-	-	-	-	-	-
Reproductive Medicine Associates of Florida, LLC	United States	(5)	-	59%	-	-	-	-	385	385
RMA of New Jersey, LLC	United States	(5)	-	59%	-	4,954	-	-	3,407	1,547
Reproductive Medicine Associates of Philadelphia, PC	United States	(5)	-	62%	-	-	-	-	-	-
Reproductive Medicine Associates of Pennsylvania, PC	United States	(5)	-	59%	-	-	-	-	109	109
Reproductive Medicine Associates of San Diego, PC	United States	(5)	-	59%	-	-	-	-	124	124
RMAHOU Management, LLC	United States	(5)	-	43%	-	5,250	1,761	1,771	1,087	2,397
Reproductive Medicine Associates of Houston, PLLC	United States	(5)	-	43%	-	-	-	-	-	-
RMA Seattle Management, LLC	United States	(5)	-	39%	-	6,932	1,541	1,543	151	5,539
Sound Fertility Care, PLLC	United States	(5)	-	44%	-	3,563	-	-	3,669	105
RMA Colorado Management, LLC	United States	(5)	-	44%	-	1,655	1,618	1,623	33	3,245
Conceptions Reproductive Associates, INC.	United States	(5)	-	66%	-	3,354	-	-	5,702	2,348
Genesis Property Management, LLC	United States	(5)	-	66%	-	6,302	3,031	2,623	23,573	14,648
Paloma BioSciences HoldCo	United States	(2)	-	1%	-	-	-	-	-	-
RMANJ Management Buyout, INC	United States	(5)	-	66%	-	-	-	1,205	399	1,604
CompCare Buyout	United States	(2)	-	100%	-	-	-	383	297	87
IVIRMA GLOBAL, S.L.U.	Spain	(1)	-	66%	-	73,422	103,445	106,398	256,478	223,503
VALENCIA IVI MANAGEMENT, S.L.U.	Spain	(2)	-	66%	-	3,295	2,461	1,108	10,378	14,780
KKR GENESIS HOLCO, S.L.U.	Spain	(13)	-	66%	-	3	1,266	4,093	493,771	497,867
General de Clínica, S.L.U.	Spain	(13)	-	66%	-	4,485	2,950	10,712	54,457	46,230
Clínicas Glinemed, S.L.U.	Spain	(13)	-	66%	-	6	2,862	4,094	31,542	27,455
INSTITUTO DE REPRODUCCIÓN ASTURIANA, S.L.	Spain	(13)	-	49%	-	18	88	91	85	12
Clínicas Ginefiv, S.L.U.	Spain	(13)	-	66%	-	83	3,736	2,557	4,870	7,489
Medicenservice S.R.L.	Italy	(13)	-	52%	-	10	300	323	349	36
Tecnobios Procreazione S.R.L.	Italy	(13)	-	52%	-	11	2,098	1,693	4,151	5,855
B-Women, S.r.l.	Italy	(13)	-	52%	-	10	2	2	61	73
Cecos Srl (Cecos Italy)	Italy	(13)	-	66%	-	100	114	114	23	9
Genera Clinica Cagliari S.R.L.	Italy	(13)	-	66%	-	50	175	152	52	51
Clinica Valle Giulia Casa di cura S.p.A. (CVG Italy)	Italy	(13)	-	66%	-	500	1,763	1,381	2,098	3,979
Centro Procreazione Assistita Donatia S.R.L. (CPA Italy)	Italy	(13)	-	66%	-	15	1,697	1,421	2,503	3,938
Donatra Centro Consegliano per la Cura dell'infertilità S.R.L. (DCC Italy)	Italy	(13)	-	66%	-	50	53	33	11	28
IVIRMA Italy, S.R.L.	Italy	(13)	-	66%	-	68	2,189	786	10,358	9,639
General de Milano S.r.l.	Italy	(13)	-	66%	-	10	246	209	55	145
Genera Umbria S.R.L.	Italy	(13)	-	33%	-	10	274	282	469	750
Genera Veneto S.R.L. (GV Italy)	Italy	(13)	-	66%	-	10	852	666	1,097	1,776
Livet S.R.L. (Livet Italy)	Italy	(13)	-	66%	-	11	1,988	1,542	1,437	2,990
GHC Policlinico S.R.L.	Italy	(2)	-	66%	-	10	85	66	15	41
Genera Roma S.R.L.	Italy	(2)	-	45%	-	-	-	-	-	-
Listvrana, SL	Czech Republic	(13)	-	51%	-	-	-	-	-	-

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Corporate name	Registered office	Auditor	Shares		Thousands of euros					
			Direct	Indirect (*)	Cost	Equity	Result		Rest of equity	Total equity
							Operating	Net		
7HAVED s.r.o.	Czech Republic	(13)	-	51%	-	-	-	-	-	-
Livio AB	Sweden	(6)	-	66%	-	71	1,406	603	21,168	21,862
Livio Ägg & Sperm Bank AB (indirectly through Livio AB)	Sweden	(6)	-	60%	-	5	595	15	932	921
Livio BidCo AB	Sweden	(6)	-	66%	-	1	522	561	8,340	8,779
IVF-kliniken Cura AB	Sweden	(6)	-	66%	-	9	-	-	60	69
Barnmorskemottagningen CuraÖresund AB	Sweden	(6)	-	66%	-	5	-	-	-	5
Livio Falun AB	Sweden	(6)	-	66%	-	9	206	36	174	147
Livio Gävle AB	Sweden	(6)	-	66%	-	9	40	51	65	23
Livio Göteborg AB	Sweden	(6)	-	66%	-	33	1,165	9	1,085	1,118
Livio Malmö AB	Sweden	(6)	-	66%	-	9	54	5	56	65
Livio IVF-klinikken Oslo	Norway	(6)	-	66%	-	10	241	240	170	61
Livio Research AB	Sweden	(6)	-	66%	-	9	11	-	20	29
Livio Reykjavik	Iceland	(6)	-	42%	-	44	1,150	942	92	1,078
Livio SD	Sweden	(7)	-	66%	-	202	9	859	84	1,145
IVF gruppen vid Sophiahemmet AB	Sweden	(6)	-	66%	-	11	135	15	1,341	1,336
Ciel van Livio Klinken Handelsbolag (CVL HB)	Sweden	(13)	-	66%	-	-	-	-	-	-
Livio IVF AB (LIVTAB)	Sweden	(13)	-	66%	-	-	-	-	-	-
Livio Sperm Bank ApS	Denmark	(6)	-	60%	-	8	32	32	170	202
KKR Inception Bidco, S.L.U.	Spain	(2)	-	52%	-	629	14,709	52,407	2,882,819	2,831,141
Inception Finco, S.à r.l.	Luxembourg	(12)	-	66%	-	193,130	482	587	2,690,426	2,884,144
Inception Holdco, S.à r.l.	Luxembourg	(12)	-	66%		193,513	83	91	2,689,881	2,883,402
Inception Midco 3, S.à r.l.	Luxembourg	(12)	-	66%		193,629	96	117	2,700,186	2,893,698
Inception Midco 2, S.à r.l.	Luxembourg	(12)	-	66%		193,646	83	104	2,700,440	2,893,982
Inception Midco 1, S.A r.l.	Luxembourg	(12)	66%	-	1,935,328	27,385	65,462	65,356	7,917,024	2,904,053

*) corresponds to the direct participation that each holding company has in the respective investee companies.

(1) PricewaterhouseCoopers Auditores, S.L.
(2) Not subject to audit because it is no required
(3) Indirect participation through Grupo IVI, S.L.U.
(4) Indirect participation through IVI América, LLC
(5) PricewaterhouseCoopers LLP, Florham Park
(6) Indirect participation through IVI Roma, S.R.L.
(7) PwC Chile
(8) PwC Network
(9) Indirect participation through IVI Italia, S.R.L.
(10) PwC UK
(11) Redmark
(12) PwC Luxemburg
(13) Ernst & Young

Although the Parent Company does not hold the majority of shares in certain subsidiaries, these subsidiaries have been included in these consolidated financial statements using the full consolidation method. This is because the Group exercises control over them in the sense that it directs the financial and operating policies of these subsidiaries with the aim of obtaining economic benefits from their activities.

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(iii) Associates

Associates are all entities over which the Group has significant influence but does not have control or joint control. This is generally the case when the Group holds between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method, after being initially recognized at cost.

Investments in associates are recorded using the equity method from the date significant influence is exercised until the date the Group can no longer justify the existence of such influence. However, if on the acquisition date, all or part of the investment meets the conditions to be classified as non-current assets or disposal groups held for sale, it is recorded at fair value less disposal costs.

Investments in associates are initially recognized at their acquisition cost, including any directly attributable acquisition costs and any contingent consideration, whether asset or liability, dependent on future events or the fulfillment of certain conditions.

The Group's share of the profits or losses of associates obtained from the acquisition date is recorded as an increase or decrease in the value of the investments with a credit or debit to the item "Share of profit or loss of associates accounted for using the equity method" in the consolidated income statement (consolidated statement of comprehensive income). Similarly, the Group's share of other comprehensive income of associates obtained from the acquisition date is recorded as an increase or decrease in the value of investments in associates with the corresponding credit or debit recognized by nature in other comprehensive income. Dividend distributions are recorded as reductions in the value of investments. To determine the Group's share of profits or losses, including impairment losses recognized by associates, income or expenses derived from the acquisition method are considered.

The Group's share of the profits or losses of associates and changes in equity is determined based on the ownership interest at the end of the year, without considering the possible exercise or conversion of potential voting rights. However, the Group's share is determined considering the eventual exercise of potential voting rights and other derivative financial instruments that, in substance, currently provide access to the economic benefits associated with ownership interests, i.e., the right to participate in future dividends and changes in the value of associated entities.

The Group's share of the profits or losses of associates is recorded after considering the effect of dividends, whether agreed upon or not, corresponding to cumulative preference shares that have been classified in equity accounts.

Losses in associated entities attributable to the Group are limited to the value of the net investment, except in cases where the Group has assumed legal or implicit obligations or has made payments on behalf of the associates. For the purpose of recognizing impairment losses in associates, the net investment is considered as the result of adding to the carrying amount resulting from the application of the equity method, any other item that, in substance, forms part of the investment in associates. Excess losses over the investment in equity instruments are applied to other items in reverse order of priority in liquidation. Subsequent profits obtained by those associates for which loss recognition was limited to the value of the investment are recorded to the extent that they exceed previously unrecognized losses.

Unrealized profits and losses on transactions between the Group and associated entities are only recognized to the extent they relate to the interests of unrelated investors. The recognition of unrealized losses that provide evidence of an impairment of the asset transferred is excluded from this criterion. However, profits and losses arising from transactions between the Group and associated entities of net assets constituting a business are fully recognized.

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(iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The companies under the equity method included in the scope of consolidation for the fiscal year 2023, are as follows:

Corporate name	Registered office	Auditor	Indirect interest (2)
			2023
Project Noxgen, S.L.	Spain	(1)	50,00%
American Hospital Livio LLC	United Arabian Emirates	(1)	49,00%

(1) Unaudited entities due to non-compliance with applicable legal thresholds.
(2) Indirect holdings through KKR Genesis Bidco S.L.U., acquired through agreements with other partners without any financial outlay by the Group.

Summarised financial information of the financial statement position of companies by equity method:

	2023	
Summarised statement of financial position of companies by equity method	American Hospital Livio	Project Noxgen, S.L.
Current assets including prepayments and cash and cash equivalents	468,916	47,936
Non-current assets	146,003	690
Current Liabilities	(155,110)	(1,377)
Non-current Liabilities	-	-
Equity	**459,809**	**47,250**
Group share in equity	225,306	23,625
Goodwill	-	893,477
Group's carrying amount of the investment	**225,306**	**917,102**

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The activity of the associates consists of providing administrative management services to related entities dedicated to assisted reproduction. All of them operate on the same financial year as the Group.

(v) Changes in Ownership Interest

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of Inception Topco, S.à r.l. and subsidiaries.

When the Group ceases to consolidate or account for an investment using the equity method due to loss of control, joint control, or significant influence, any retained investment in the entity is remeasured to its fair value, with the change in carrying amount recognized within profit or loss. This fair value becomes the initial carrying amount for subsequently accounting for the retained interest as an associate, joint venture, or financial asset. Additionally, any amount previously recognized in other comprehensive income related to that entity is accounted for as if the Group had directly disposed of the corresponding assets or liabilities. This may result in amounts previously recognized in other comprehensive income being reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate amount of amounts previously recognized in other comprehensive income is reclassified to profit or loss as appropriate.

(vi) Changes in the consolidation scope

Entries in the consolidated scope

As of January 10, 2023, and in accordance with the transaction described in Note 25, the Group acquired IVI RMA Global, S.L.U. and its subsidiaries, Valwealth management, S.L.U, and Genesis Property Management, LLC, in its consolidation scope.

On August 21, 2023, mergers by absorption of Genesis group companies, under common control, were officially registered in the Luxembourg Trade and Companies Register. The Group opted for the transaction to be recorded using the predecessor value method, with full retrospective effect, taking the initial grouping date of January 10, 2023, as the reference.

On August 23, 2023, the Group included RMA Colorado Management, LLC, and Conceptions Reproductive Associates, Inc., in its consolidation scope due to the transaction described in Note 25.

Exits from the consolidated scope

During the year 2023, as a result of commitments made by Inception Group with the National Commission of Markets and Competition (CNMC) related to file C/1321/22, and in order to comply with them, the sale of the subsidiary IVI Sevilla, S.L. was formalized.

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3.2 Foreign Currency conversion

(i) Functional and presentation currency

Items in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in thousands of euros, which is the functional and presentation currency of Inception Topco, S.à r.l. and its consolidated subsidiaries.

All amounts presented in the financial statements and Notes have been rounded to thousands of euros, unless otherwise indicated.

(ii) Group companies

Foreign currency transactions are translated into the functional currency using exchange rates at the transaction dates. Foreign exchange gains and losses arising from the settlement of these transactions and from translating monetary assets and liabilities denominated in foreign currencies at closing exchange rates are generally recognized in profit or loss. They are recognized in equity if they relate to qualified cash flow hedges and net investment hedges or are attributable to a foreign operation.

Foreign exchange gains and losses on financial liabilities are presented in the income statement under financial expenses. Other foreign exchange gains and losses are presented net in the income statement under other gains / (losses).

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Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the dates when fair value was determined. Translation differences on non-monetary assets and liabilities held at fair value are presented as part of the gain or loss on fair value. For example, translation differences on non-monetary assets such as equity investments held at fair value through profit or loss are recognized in profit or loss, and translation differences on non-monetary assets such as equity investments classified as fair value through other comprehensive income are recognized in other comprehensive income.

(iii) Translation of foreign operations

The results and financial position of foreign operations whose functional currency is different from the presentation currency are converted into the presentation currency as follows:

- Assets and liabilities of each balance sheet are translated at the closing exchange rate on the balance sheet date.
- Income and expenses of each income statement and statement of comprehensive income are translated at average exchange rates (unless it is not a reasonable approximation of the cumulative effect of existing rates at transaction dates, in which case revenues and expenses are translated at transaction dates).
- All resulting foreign exchange differences are recognized in other comprehensive income statement.

In consolidation, foreign exchange differences arising from the translation of any net investment in foreign operations, and from liabilities and other financial instruments designated as hedges of those investments, are recognized in other comprehensive income statement. When a foreign operation is sold or any financial debt forming part of the net investment is settled, associated foreign exchange differences are reclassified to profit or loss for the period, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

3.3 Business combinations

The acquisition method of accounting is used for all business combinations, regardless of whether equity instruments or other assets are acquired, is the acquisition method. The consideration transferred for the acquisition of a subsidiary includes:

- Fair values of assets transferred
- Liabilities incurred with the previous owners of the acquired business
- Equity interests issued by the group
- Fair value of any asset or liability resulting from a contingent consideration arrangement
- Fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, with limited exceptions, are initially measured at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at fair value or at the proportionate share of the identifiable net assets of the acquired entity.

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Acquisition-related costs are expensed when incurred. The excess of:

- Consideration transferred
- Amount of any non-controlling interest in the acquired entity, and
- Fair value at the acquisition date of any pre-existing equity interest in the acquired entity

Over the fair value of identifiable net assets acquired is recorded as goodwill. If these amounts are less than the fair value of identifiable net assets of the acquired subsidiary, the difference is recognized directly in income as a bargain purchase gain.

When settlement of any part of the consideration in cash is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar loan could be obtained from an independent financial institution under comparable terms and conditions.

Contingent consideration is classified as either equity or financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognized in income.

If the business combination is achieved in stages, the carrying amount at the acquisition date of the previously held equity interest in the acquired entity is re-measured to fair value at the acquisition date, recognizing any resulting gain or loss in income.

3.4 Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

3.5 Other intangible assets

As a general rule, other intangible assets are initially recognized at cost or production cost. Subsequently, they are valued at cost less accumulated amortization and, if applicable, impairment losses. These assets are amortized over their useful lives. Useful lives are reviewed annually and adjusted if expectations have changed.

Intangible assets adjustments compriso trademarks (€352.0m), intellectual property (€92.5m), technology (€5.0m) and customer relationships (€55.7m) as of the valuation date.

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(i) Brands, Licenses, and Customer Contracts

Separately acquired brands and licenses are recorded at historical cost. Brands, licenses, and customer contracts acquired in a business combination are recognized at fair value on the acquisition date. They generally have a finite useful life and, after initial recognition, are carried at cost less accumulated amortization and impairment losses.

This account records amounts paid for the acquisition of property or the right to use different manifestations thereof, or for expenses incurred in the registration developed by the Group. Industrial property is amortized on a straight-line basis over its estimated useful life, which is ten years.

During the year 2023, as a result of the business combination described in Note 25, the Group acquired the "IVI" brand, valued at €152.8 thousand at the business combination date. Other trademarks include RMA, Create and Juno valued at €164.8 thousand, €32.5 thousand and 1.8 thousand, respectively. Trademarks for "Create" and "Juno" brand have been estimated with 15 years of accounting life while IVI and RMA have been estimated with an indefinite useful life. The valuation of the trademarks was performed by employing the Relief from Royalty method. This method reflects the potential income stream a trademark can command in the open market, offering the trademark owner exclusive rights that others would need to pay for. Its based on the premise that a trademark's value is linked to its ability to generate future revenue.

Additionally, customer relationships haven been acquired from the entity Dibimed valued at €55.7m with a useful life of 33 years and intellectual property has been valued at €44.7m with a useful life of 6.5 years.

(ii) Computer Applications

This includes computer applications acquired by the Group as tools for managing and administering its activities, which are accounted for at cost or production cost. Costs for maintaining computer applications are recognized in the consolidated income statement for the year in which they are incurred. In this regard, in the context of the business combination described in Note 25, during the year 2023, the Group acquired several medical management software applications valued at €92.5 thousand at the business combination date. The estimated useful life assigned to the mentioned software application is 6.5 years, considering its internal development and specific nature. The useful life assigned to the rest of the computer applications is four years. All computer applications are amortized using the straight-line method.

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Costs associated with the maintenance of computer programs are recognized as an expense when incurred. Development costs directly attributable to the design and testing of identifiable and unique software programs controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software program so that it can be available for use.
- Management intends to complete the program for use or sale.
- There is capacity to use or sell the software program.
- It can be demonstrated how the program will generate probable future economic benefits.
- Technical, financial, or other resources are available to complete the development and to use or sell the software program.
- Expenditure attributable to the program during its development can be reliably measured.

Directly attributable costs capitalized as part of the software program include personnel expenses and a proportionate share of indirect costs.

Capitalized development costs are recognized as intangible assets and are amortized from the time the asset is ready for use.

During the year 2023, as a result of the business combination described in Note 25, the Group acquired the intellectual property "IP", valued at €95,6m at the business combination date. A useful life of 6.5 years has been considered.

(iii) Research and Development Expenses

Research and development expenses that do not meet the criteria in (ii) above are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods. These assets are amortized on a straight-line basis over their useful lives (up to a maximum period of five years).

If there are doubts about the technical success or economic profitability of the project, then the amounts recognized in the asset are directly charged to the profit and loss account for the year.,

3.6 Property, plant and equipment

Property, plant, and equipment are accounted for at historical cost less accumulated depreciation. Historical cost includes directly attributable expenses related to the acquisition of the assets. It may also include transfers from equity of gains or losses on cash flow hedges of foreign currency acquisitions of property, plant, and equipment.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Costs of major overhauls are provisioned over the period until the next major overhaul (dry dock), while recurring maintenance expenses (other than major overhauls) are charged to the consolidated income statement during the period in which they are incurred.

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Depreciation is calculated using the straight-line method to allocate its cost or revalued amount, net of its residual value, over its estimated useful life or, for improvements in leased properties and certain leased machinery and equipment, over the shorter lease term as follows:

	Estimated useful life (years)
Buildings	15 - 50
Installations and machinery	2 - 10
Other fixtures, fittings, and furniture	5 - 15
Information processing equipment	3 - 7
Other property, plant and equipment	4 - 15

The residual value and useful life of assets are reviewed and adjusted, if necessary, at each balance sheet date.

If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount is immediately reduced to its recoverable amount (refer to note 3.8).

Gains or losses on disposal are determined by comparing the proceeds from disposal with the carrying amount and are recognized in the income statement. When revalued assets are sold, it is the Group's policy to transfer any amounts included in reserves related to those assets to retained earnings.

3.7 Leases

Leases are recognized as a right-of-use asset and a corresponding financial liability equivalent to the present value of fixed payments to be made over the lease term, on the date the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance expense. Finance expense is charged to the income statement over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is amortized over the asset's useful life or the lease term, whichever is shorter, on a straight-line basis.

Right-of-use assets and lease liabilities are presented separately from other assets and liabilities. For balance sheet presentation, the Group has elected to present right-of-use assets and their related liabilities on separate lines. Interest expense on financial liabilities is presented as a component of finance costs in the income statement and other comprehensive income.

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Assets and liabilities arising from leases are initially measured on a present value basis, Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- Variable lease payments based on an index or a rate,
- Amounts expected to be payable by the lessee under residual value guarantees,
- Exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- Payments of penalties for early termination of the lease, if the lease term reflects the lessee exercising that option and
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Right-of-use assets are measured at cost, which includes:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs, and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets include computer equipment and small office furniture items. Right-of-use assets are presented on a separate line in the consolidated balance sheet.

The Group applies IAS 36 Impairment of Assets to determine if a right-of-use asset is impaired and recognizes any impairment loss, as described in Note 3.8.

3.8 Non-Financial Assets Impairment

Goodwill and intangible assets with indefinite useful lives are not subject to amortization and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that impairment may have occurred. Other assets are tested for impairment whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs of disposal and its value in use.

For the purpose of assessing impairment losses, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows of other assets or groups of assets (cash-generating units). Impairment losses on non-financial assets (other than goodwill) are reviewed for possible reversal at the end of each reporting period.

3.9 Inventory

The Group's inventories primarily consist of costs capitalized in certain vitrification processes, pharmaceutical products, and consumable healthcare materials.

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Inventories are valued at the lower of cost or net realizable value. Cost includes direct materials, direct labor, and a proportionate share of variable and fixed overhead costs, with the latter allocated based on normal production capacity. Costs include reclassification from equity of any gains or losses on cash flow hedges related to raw material purchases, excluding interest costs. Costs are assigned to individual items based on weighted average costs. The costs of acquired inventories are determined after deducting discounts and rebates. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete production and necessary selling expenses.

The Group makes appropriate write-downs, recognized as an expense in the consolidated income statement, when the net realizable value of inventories is lower than their acquisition cost. For vitrification processes, specific technical parameters are additionally considered in determining the valuation adjustments.

3.10 Cash and cash equivalents

For the purpose of cash flow statement presentation, cash and cash equivalents include cash on hand, demand deposits with financial institutions, other short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value, and bank overdrafts. In the balance sheet, bank overdrafts are classified as financial liabilities in the current liabilities.

Term deposits are classified as cash equivalents if they mature within three months from the date of acquisition and are redeemable on demand with a 24-hour notice without loss of interest. Refer to Note 12 for further details.

3.11 Investments and other financial assets

(i) Classification

The Group classifies its financial assets into the following valuation categories:

1. Those subsequently measured at fair value (either through profit or loss or other comprehensive income), and
2. Those measured at amortized cost.

Classification depends on the entity's business model for managing financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses are recognized in profit or loss or other comprehensive income. For investments in equity instruments not held for trading, this depends on whether the Group made an irrevocable election at initial recognition to account for the equity investment at fair value through other comprehensive income. The Group classifies debt investments only when it changes its business model for managing these assets.

(ii) Recognition and derecognition

Conventional purchases and sales of financial assets are recognized on the trade date, the date on which the Group commits to buy or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire or are transferred and the Group has substantially transferred all risks and rewards inherent in ownership.

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(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, for a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets measured at fair value through profit or loss are recognized as expenses in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining if their cash flows are solely payments of principal and interest.

Debt instruments

The subsequent valuation of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three valuation categories in which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly *in profit or loss and presented in other gains/(losses) together with foreign exchange gains* and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

The Group does not have debt instruments classified as fair value through other comprehensive income.

Debt instruments at amortized cost are assets held for contractual cash flow collection where those cash flows represent solely payments of principal and interest and are valued at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gains or losses arising on derecognition are recognized directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

Debt instruments at fair value through profit or loss are assets that do not meet the criteria to be at amortized cost or fair value through other comprehensive income.

A gain or loss on a debt investment subsequently recognized at fair value through profit or loss is recognized in profit or loss and presented net within other gains/losses in the period in which it arises.

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Equity instruments

The Group subsequently values all investments in equity instruments at fair value. When the Group elects to present gains and losses on the fair value of equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss upon derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in profit or loss when applicable. Impairment losses (and reversals of impairment losses) on equity investments measured at fair value through other comprehensive income are not separately presented from other fair value changes.

Classification as trade receivables

Trade receivables represent amounts owed by customers for goods sold or services rendered in the ordinary course of business. These balances are typically settled within 30 days and therefore classified as current assets. Trade receivables are initially recognized at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group maintains trade receivables with the objective of collecting contractual cash flows, and thus they are subsequently measured at amortized cost using the effective interest method.

(iv) Impairment

The Group assesses expected credit losses on a forward-looking basis for its assets measured at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach allowed under IFRS 9, which requires expected losses over their lifetime to be recognized from the initial recognition of the receivables. Refer to Note 4 for further details.

3.12 Financial Derivatives and Hedge Accounting

Financial derivatives are measured both at initial recognition and in subsequent valuations at their fair value. The method of recognizing the resulting gains or losses depends on whether the derivative has been designated as a hedging instrument and, if so, on the type of hedge. The Company designates certain derivatives as:

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Cash Flow Hedges

The gain or loss on the hedging instrument, to the extent that it constitutes an effective hedge, is recognized directly in equity. Therefore, the equity component that arises because of the hedge is adjusted to equal, in absolute terms, the lesser of the following two amounts:

- The cumulative gain or loss on the hedging instrument from the inception of the hedge,
- The cumulative change in the fair value of the hedged item (i.e., the present value of the cumulative change in expected future cash flows covered) from the inception of the hedge.

Any remaining gain or loss on the hedging instrument or any gain or loss required to adjust the cash flow hedge calculated according to the previous paragraph represents hedge ineffectiveness, which is recognized in the profit or loss for the period.

If a highly probable forecast transaction covered by the hedge subsequently results in the recognition of a non-financial asset or a non-financial liability, or a covered forecast transaction relating to a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting is applied, the amount removed from the cash flow hedge adjustment is included directly in the initial cost or other carrying amount of the asset or liability. This same criterion applies to hedges of the foreign exchange risk of the acquisition of an investment in a group company, jointly controlled entity, or associate.

In all other cases, the adjustment recognized in equity is transferred to the profit or loss account as the expected future cash flows covered affect the profit or loss for the period. However, if the adjustment recognized in equity is a loss and it is expected that all or part of the loss will not be recovered in one or more future periods, the amount that is not expected to be recovered is immediately reclassified to the profit or loss for the period.

3.13 Trade payables and other payables

These amounts represent liabilities for goods and services received by the Group before the end of the financial year and which are unpaid. These amounts are unsecured and typically settled within 30 days of recognition. Trade payables and other payables are presented as current liabilities unless the payment is not due within 12 months after the balance sheet date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

3.14 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions for future operating losses are not recognized.

When there are a number of similar obligations, the likelihood of an outflow of resources to settle the obligation is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any item included in the same class of obligations may be small.

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Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the specific risks associated with the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

3.15 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred, Subsequently, financial debts are measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the debt using the effective interest method. Fees paid for obtaining loans are recognized as transaction costs of the loan to the extent that it is probable that part or all of the facility will be drawn down. In such cases, the fees are deferred until drawdown occurs. To the extent there is no evidence that it is probable that all or part of the credit line will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period to which the availability of credit relates.

Borrowings are derecognized from the balance sheet when the contractual obligations specified in the agreement are discharged, cancelled, or have expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any assets transferred or liabilities assumed other than cash, is recognized in profit or loss for the period as other financial income or expenses.

When the terms and conditions of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt-for-equity swap), a gain or loss is recognized in profit or loss for the period. This gain or loss is calculated as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as a current liability unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

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3.16 Employee benefits

(i) Short- term obligations

Liabilities for wages and salaries, including non-monetary compensation, annual leave, and cumulative sick leave expected to be settled within 12 months after the end of the financial year in which employees render the corresponding services, are recognized for employee services up to the end of the reporting period and measured at the amounts expected to be paid when the liabilities are settled. *These liabilities are presented in the balance sheet as current obligations for employee benefits.*

(ii) Termination benefits

Termination benefits are paid to employees as a result of the Group's decision to terminate their employment contract before normal retirement age or when the employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes these benefits on the earlier of: (a) when the Group can no longer withdraw the offer of such benefits; or (b) when the entity recognizes the costs of a restructuring within the scope of IAS 37, which involves payment of termination benefits. When an offer is made to encourage voluntary resignation of employees, termination benefits are valued based on the number of employees expected to accept the offer. Benefits not expected to be paid within twelve months from the balance sheet date are discounted to their present value.

3.17 Recognition of ordinary income from contracts with customers

The Group operates in the fertility business (see Note 1). Revenue from the provision of services is generated by offering customers assisted reproduction services as well as complementary services within the same business area, such as specialized techniques and treatments and diagnostic testing, genetic testing, fertility preservation, etc.

The Group recognizes revenue as it considers the performance obligation identified in the provision of assisted human reproduction services, as well as other residual services, to its clients through its operating clinics. In this respect, income from treatments provided to patients is recognized on an accrual basis for accounting purposes in accordance with the accrual of the performance obligation to which the various activities are associated.

In this context and in accordance with their nature, as of the close of the 2023 fiscal year, under the "Trade receivables and other receivables" heading in the consolidated balance sheet, there is an amount receivable for accrued but unbilled services amounting €9,598 thousand, as well as a contractual liability recognized under the "Contract liabilities" heading in the short-term liabilities, for the unearned revenue received until the performance obligation allocated to that amount is satisfied, amounting €14,822 thousand.

Based on the Group's assessment, it is considered that there are no distinct performance obligations in the provision of services by the Group.

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3.18 Corporate income tax

The expense or credit for income tax for the period is the tax payable on the taxable income for the current period based on the applicable tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax expense is calculated based on enacted or substantially enacted tax laws at the balance sheet date in the countries where the entity's subsidiaries and associates operate and generate taxable income. Management periodically assesses positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances based on the most likely amount or expected value, depending on which method provides a better prediction of the uncertainty resolution.

Deferred tax is recognized in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not recognized if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either taxable or accounting profit. Deferred tax is determined using tax rates (and laws) enacted or substantially enacted at the balance sheet date and expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

The deferred tax liability related to investment property measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognized only if it is probable that future taxable profits will be available to utilize those losses and temporary differences.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and tax base of investments in foreign subsidiaries when the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax balances relate to the same tax authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In such cases, tax is also recognized in other comprehensive income or directly in equity, respectively.

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3.19 Equity

Share capital consists of shareholdings. The costs of issuing new shares or options are presented directly against equity as a reduction in reserves.

In the case of repurchasing shares by the parent company, the consideration paid, including any directly attributable incremental costs, is deducted from equity until the shares are cancelled, reissued, or disposed of. When these shares are subsequently sold or reissued, any proceeds received, net of any directly attributable incremental transaction costs, are included in equity.

3.20 Interest costs

Interest costs that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized during the period necessary to complete and prepare the asset for its intended use or sale. Qualifying assets are those that necessarily require a substantial period of time to get ready for their intended use or sale.

Returns earned on the temporary investment of specific loans pending their use in qualifying assets are deducted from interest costs eligible for capitalization.

All other interest costs are recognized as an expense in the period in which they are incurred.

3.21 Related party transactions

Transactions between related parties are recognized at the fair value of the consideration given or received. The difference between this fair value and the amount agreed upon is recorded based on the underlying economic substance.

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3.22 Grants, donations and legacies

For the accounting treatment of grants, donations, and legacies received from third parties other than owners, the Group follows the following criteria:

- Non-repayable capital grants are valued at fair value of the amount or asset granted, depending on whether they are monetary or non-monetary in nature, and are recognized in income over the period corresponding to the depreciation of the subsidized assets, or when the asset is sold or impaired.
- Interest subsidies, such as those derived from loans obtained from public bodies at zero interest rates, are valued at the fair value of the implied financial benefit and recognized in income based on the loan's interest charge schedule.
- Operating grants: These are recognized in income when granted and approved, if they are granted to finance specific expenses, recognition occurs as the financed expenses are incurred.

Furthermore, grants, donations, and legacies received from partners or owners are not considered income and are directly recorded in equity, regardless of the type of grant, provided they are non-repayable.

4. *Financial Risk Management*

4.1 Financial risk factors

The Group's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk, and liquidity risk, The Group's global risk management program focuses on uncertainties in financial markets and aims to minimize potentially adverse effects on its financial performance.

Risk management is overseen by the Group's Financial Department, with regular supervision and control functions exercised by the Board.

1. Market risk

(i) Currency risk

The Group operates internationally and is therefore exposed to currency risk from transactions in foreign currencies, particularly the US dollar and British pound, among others. Currency risk arises mainly from transactions in these currencies other than the functional currency, which is the euro.

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The Group is exposed to currency risk from financial assets and liabilities held at the end of the reporting period. The Group maintains financial assets and liabilities denominated in foreign currencies as follows:

	Thousands of euros
	2023
Financial liabilities	
Euros	1,387,203
USD	71,078
British pounds	6,018
Other currencies	4,912
Total	**1,469,211**

	Thousands of euros
	2023
Financial Assets	
Euros	166,255
USD	53,939
British pounds	6,865
Other currencies	8,855
Total	**235,914**

Below is the sensitivity of financial assets and liabilities to the maximum volatility observed in 2023 in the exchange rates of the US dollar relative to the euro, which is the Group's major foreign currency investment:

	Impact of exchange rate fluctuations on equity
	31.12.2023
Exchange rate sensitivity on financial assets	
US Dollar/Euro exchange rate - increase 7,09% *	17,681
US Dollar/Euro exchange rate - decrease 0,31%**	(784)
Exchange rate sensitivity on financial liabilities	
US Dollar/Euro exchange rate - increase 7,09% *	103,152
US Dollar/Euro exchange rate - decrease 0,31%**	(4,575)

(*) The percentage represents the increase / decrease in the closing exchange rate compared to the maximum currency volatility in 2023 (maximum exchange rate) and the average rate during 2022.
(**) The percentage represents the increase / decrease in the closing exchange rate compared to the minimum currency volatility in 2023 (minimum exchange rate) and the average rate during 2022.