



ESB Group ApS

Struenseegade 9, 2.
2200 København N
CVR No. 40100539

Annual report 2022

The Annual General Meeting adopted the
annual report on 22.05.2023

Jens Chr. Hesse Rasmussen
Chairman of the General Meeting

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Entity details

Entity

ESB Group ApS

Struenseegade 9, 2.

2200 København N

Business Registration No.: 40100539

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Jesper Ahlmann Funding Andersen

Executive Board

Annemette Arndal-Lauritzen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of ESB Group ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 22.05.2023

Executive Board

Annemette Arndal-Lauritzen

Board of Directors

Jesper Ahlmann Funding Andersen

Independent auditor's report

To the shareholders of ESB Group ApS

Opinion

We have audited the financial statements of ESB Group ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The main activity consists of ownership of shares in subsidiaries, and provision of management services.

Description of material changes in activities and finances

The profit for the year amounts to DKK 23,421 thousands. Equity amounts to DKK 510,067 thousands at 31 December 2022.

The Management team considers the result for the financial year of 2022 to be satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		2,159	956
Staff costs	2	(2,640)	(4,152)
Operating profit/loss		(481)	(3,196)
Income from investments in group enterprises		28,522	28,893
Other financial income	3	1,484	0
Other financial expenses	4	(7,225)	(6,164)
Profit/loss before tax		22,300	19,533
Tax on profit/loss for the year	5	1,121	1,615
Profit/loss for the year		23,421	21,148
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		70,000	0
Retained earnings		(46,579)	21,148
Proposed distribution of profit and loss		23,421	21,148

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		647,509	647,509
Financial assets	6	647,509	647,509
Fixed assets		647,509	647,509
Receivables from group enterprises		72	444
Deferred tax		525	0
Other receivables		108	0
Joint taxation contribution receivable		2,211	1,615
Receivables		2,916	2,059
Cash		2,454	5,978
Current assets		5,370	8,037
Assets		652,879	655,546

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		50	50
Retained earnings		440,017	486,596
Proposed dividend		70,000	0
Equity		510,067	486,646
Bank loans		0	168,000
Payables to group enterprises		141,326	0
Other payables		0	179
Non-current liabilities other than provisions	7	141,326	168,179
Current portion of non-current liabilities other than provisions	7	1,286	0
Trade payables		89	189
Other payables		111	532
Current liabilities other than provisions		1,486	721
Liabilities other than provisions		142,812	168,900
Equity and liabilities		652,879	655,546
Events after the balance sheet date	1		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	50	486,596	0	486,646
Profit/loss for the year	0	(46,579)	70,000	23,421
Equity end of year	50	440,017	70,000	510,067

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	2,557	3,952
Pension costs	80	188
Other social security costs	3	12
	2,640	4,152
Average number of full-time employees	2	2

Special incentive programmes

In April 2019, an incentive scheme was established comprising both the Board of Directors, the Executive Management and other employees and the incentive scheme is made to motivate and retain the participants. The incentive scheme allows participants to subscribe for a number of warrants, each entitling the holder to buy 1 share of a nominal value of DKK 0.01 in the Company at a price agreed in advance plus an annual hurdle rate of 8%. The warrants subscribed for are allotted 1 year from the date of subscription with 1/4 and thereafter with 1/48 per month until all warrants are allotted if certain conditions are met.

During 2022 the total subscribed warrants of 6,030,698 have exercised at an average price of DKK 13.60. Management categories have exercised 2,375,00 warrants.

3 Other financial income

	2022 DKK'000	2021 DKK'000
Other interest income	1,484	0
	1,484	0

4 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	3,463	0
Other interest expenses	3,471	5,828
Other financial expenses	291	336
	7,225	6,164

5 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	0	(1,615)
Change in deferred tax	(525)	0
Refund in joint taxation arrangement	(596)	0
	(1,121)	(1,615)

6 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	647,509
Cost end of year	647,509
Carrying amount end of year	647,509

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
European Sperm Bank ApS	Denmark	ApS	100.00

7 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Payables to group enterprises	1,286	141,326	138,890
	1,286	141,326	138,890

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where PW Estournel Holding III ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Assets charged and collateral

The company subject to negative pledges (in Danish: pantsætningsforbud).

The shares in the subsidiaries are pledged in favour of the lenders under the Group's Senior Facilities Agreement.

Entities within the group acts as a guaranties for liabilities in relation to the group's facility loan agreements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Non-comparability

In 2021 the company served as administrative company for the Group, whereas the activities have been moved to another Group company in 2022. Hence, the 2021 and 2022 figures are not comparable.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised

in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the

balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.