



## PW Estournel Holding III ApS

Struenseegade 9, 2.  
2200 København N  
CVR No. 43301055

## Annual report 2023

The Annual General Meeting adopted the annual report on 24.04.2024

---

**Jesper Ahlmann Funding Andersen**  
Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2023	10
Consolidated balance sheet at 31.12.2023	11
Consolidated statement of changes in equity for 2023	13
Consolidated cash flow statement for 2023	14
Notes to consolidated financial statements	15
Parent income statement for 2023	21
Parent balance sheet at 31.12.2023	22
Parent statement of changes in equity for 2023	24
Notes to parent financial statements	25
Accounting policies	28

# Entity details

## Entity

PW Estournel Holding III ApS

Struenseegade 9, 2.

2200 København N

Business Registration No.: 43301055

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

## Executive Board

Martin Guy Le Huray

Peter Matzen Drachmann

Morten Wordenskjold Hansen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of PW Estournel Holding III ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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, 24.04.2024

## Executive Board

**Martin Guy Le Huray**

**Peter Matzen Drachmann**

**Morten Wordenskjold Hansen**

# Independent auditor's report

## To the shareholders of PW Estournel Holding III ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of PW Estournel Holding III ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.04.2024

### 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

## Financial highlights

	2023	2022
	DKK'000	DKK'000
<b>Key figures</b>		
Gross profit/loss	104,211	(86,422)
Operating profit/loss	(121,968)	(155,368)
Net financials	(97,834)	(29,124)
Profit/loss for the year	(212,848)	(170,878)
Profit for the year excl. minority interests	(212,848)	(128,816)
Balance sheet total	2,676,084	2,909,107
Investments in property, plant and equipment	4,453	24,463
Equity	1,570,840	1,778,185
Cash flows from operating activities	(111,729)	(82,672)
Cash flows from investing activities	(21,318)	(2,255,957)
Cash flows from financing activities	49,556	2,437,864
<b>Ratios</b>		
Equity ratio (%)	58.70	61.12

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Equity ratio (%):

Equity \* 100

Balance sheet total



### Primary activities

The Group's main activities are within the fertility industry and related production.

PW Estournel acquired European Sperm Bank (ESB) in August 2022. Founded in 2004, ESB is one of the leading sperm banks in the world, providing fertility clinics all over the world with donor semen of the highest quality. The main product offering consists of a wide selection of high-quality donor semen from both open and anonymous sperm donors, helping heterosexual couples, single women and lesbian couples in +100 countries. The end users are reached through two channels, i.e. the products are either sold to a fertility clinic (B2B) or directly to end customers via the company website (B2C), in which case the donor semen is delivered to a clinic of choice where the fertility treatment is carried out.

ESB is headquartered in Copenhagen with c. 120 employees worldwide and currently operates out of 9 locations, including 3 sites in Copenhagen (DK), 1 site in Aarhus, 1 site in Aalborg (DK), 1 site in the Netherlands (NL), 1 site in London (UK) and 2 site in Hamburg (DE).

The parent company's main activities are investments in subsidiaries within the fertility industry and related production, including providing management services.

### Development in activities and finances

The company was established in 2022. The loss for the year amounts to 212,848 tDKK. Equity amounts to 1,569,875 tDKK at 31 December 2023.

Management considers the result for the financial year of 2023 to be lower than expected.

### Profit/loss for the year in relation to expected developments

Despite the growth in financial performance, the result for the financial year of 2023 was lower than expected.

Management continues to execute on the strategic plan with initiatives supporting a continued growth of the company.

### Uncertainty relating to recognition and measurement

Measurement of certain assets and liabilities is based on accounting estimates made by Management. These estimates are made in accordance with the accounting policies and based on Management's assumptions and experience. The estimates made are considered realistic and prudent.

The areas subject to assumptions and estimates that are considered material to the financial statements are intangible assets, investments in group enterprises, inventories and other provisions.

Inventories are subject to assumptions and estimates, as saleable straws depends on factors such as fertility rate, pregnancy limits and donor characteristics. Inventories are measured at cost including direct and indirect production costs. Indirect production costs are assessed on an ongoing basis to ensure relevant and reliable measurement of these. Changes in assumptions, estimates and assessment of indirect production costs may have an impact on the gross margin and the overall valuation of inventory. Apart from this, there are no particular uncertainties relating to recognition and measurement.

### Unusual circumstances affecting recognition and measurement

No significant unusual circumstances affecting recognition and measurement have occurred.

### **Outlook**

For 2024 Management expects consolidated operating profit between -101 and -111 mDKK and net result between -190 and -200 mDKK.

### **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.

# Consolidated income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
<b>Gross profit/loss</b>		<b>104,211</b>	<b>(86,422)</b>
Staff costs	2	(71,149)	(18,721)
Depreciation, amortisation and impairment losses	3	(155,030)	(50,225)
<b>Operating profit/loss</b>		<b>(121,968)</b>	<b>(155,368)</b>
Other financial income	4	1,150	292
Other financial expenses	5	(98,984)	(29,416)
<b>Profit/loss before tax</b>		<b>(219,802)</b>	<b>(184,492)</b>
Tax on profit/loss for the year	6	6,954	13,614
<b>Profit/loss for the year</b>	7	<b>(212,848)</b>	<b>(170,878)</b>

# Consolidated balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	9	22,356	17,470
Acquired intangible assets		157,863	181,595
Acquired trademarks		175,190	184,575
Acquired rights		147,857	155,770
Goodwill		1,957,693	2,062,569
Development projects in progress	9	13,907	8,918
<b>Intangible assets</b>	<b>8</b>	<b>2,474,866</b>	<b>2,610,897</b>
Other fixtures and fittings, tools and equipment		4,444	5,116
Leasehold improvements		6,602	4,336
<b>Property, plant and equipment</b>	<b>10</b>	<b>11,046</b>	<b>9,452</b>
Deposits		2,417	0
Other receivables		0	1,692
<b>Financial assets</b>	<b>11</b>	<b>2,417</b>	<b>1,692</b>
<b>Fixed assets</b>		<b>2,488,329</b>	<b>2,622,041</b>
Manufactured goods and goods for resale		154,382	166,256
<b>Inventories</b>		<b>154,382</b>	<b>166,256</b>
Trade receivables		7,848	12,062
Other receivables		6,952	6,081
Tax receivable		497	2,025
Prepayments	12	2,332	1,407
<b>Receivables</b>		<b>17,629</b>	<b>21,575</b>
<b>Cash</b>		<b>15,744</b>	<b>99,235</b>
<b>Current assets</b>		<b>187,755</b>	<b>287,066</b>
<b>Assets</b>		<b>2,676,084</b>	<b>2,909,107</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Contributed capital	13	1,460	1,935
Translation reserve		(242)	(10)
Retained earnings		1,569,622	1,776,260
<b>Equity</b>		<b>1,570,840</b>	<b>1,778,185</b>
Deferred tax	14	125,564	136,029
Other provisions	15	16,329	18,509
<b>Provisions</b>		<b>141,893</b>	<b>154,538</b>
Bank loans		931,444	887,435
Other payables	16	2,990	2,889
<b>Non-current liabilities other than provisions</b>	17	<b>934,434</b>	<b>890,324</b>
Current portion of non-current liabilities other than provisions	17	5,281	0
Bank loans		0	1
Prepayments received from customers		1,380	746
Trade payables		13,871	15,914
Tax payable		0	7,509
Other payables		8,385	61,890
<b>Current liabilities other than provisions</b>		<b>28,917</b>	<b>86,060</b>
<b>Liabilities other than provisions</b>		<b>963,351</b>	<b>976,384</b>
<b>Equity and liabilities</b>		<b>2,676,084</b>	<b>2,909,107</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Non-arm's length related party transactions	22		
Group relations	23		
Subsidiaries	24		

# Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,459	0	(7)	1,776,733	1,778,185
Increase of capital	1	1,022	0	0	1,023
Purchase of treasury shares	0	0	0	(3,256)	(3,256)
Sale of treasury shares	0	0	0	2,500	2,500
Exchange rate adjustments	0	0	(235)	0	(235)
Other entries on equity	0	0	0	5,471	5,471
Transfer to reserves	0	(1,022)	0	1,022	0
Profit/loss for the year	0	0	0	(212,848)	(212,848)
<b>Equity end of year</b>	<b>1,460</b>	<b>0</b>	<b>(242)</b>	<b>1,569,622</b>	<b>1,570,840</b>

## Special incentive programmes

In September 2022, an incentive scheme was established comprising both the Board of Directors, the Executive Management, and other employees. The incentive scheme is made to motivate and retain the participants and 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. The majority of the granted warrants vest 20% at the time of grant and thereafter with 1/48 per month until all warrants are vested if certain conditions are met.

As of 31st December 2023, 2,491,721 warrants have been issued corresponding to 1.13% of the outstanding share capital on a fully diluted basis. Of these, 1,047,966 warrants have vested.

# Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		(121,968)	(155,368)
Amortisation, depreciation and impairment losses		155,809	57,235
Working capital changes	18	(42,517)	64,683
Other adjustments		4,271	0
<b>Cash flow from ordinary operating activities</b>		<b>(4,405)</b>	<b>(33,450)</b>
Financial income received		1,150	292
Financial expenses paid		(98,984)	(29,416)
Taxes refunded/(paid)		(9,490)	(20,098)
<b>Cash flows from operating activities</b>		<b>(111,729)</b>	<b>(82,672)</b>
Acquisition etc. of intangible assets		(16,140)	(2,244,011)
Acquisition etc. of property, plant and equipment		(4,453)	(11,839)
Acquisition of fixed asset investments		(725)	(107)
<b>Cash flows from investing activities</b>		<b>(21,318)</b>	<b>(2,255,957)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(133,047)</b>	<b>(2,338,629)</b>
Loans raised		49,289	736,410
Acquisition of treasury shares		(3,256)	0
Sale of treasury shares		2,500	0
Cash capital increase		1,023	1,701,454
<b>Cash flows from financing activities</b>		<b>49,556</b>	<b>2,437,864</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(83,491)</b>	<b>99,235</b>
Cash and cash equivalents beginning of year		99,235	0
<b>Cash and cash equivalents end of year</b>		<b>15,744</b>	<b>99,235</b>
Cash and cash equivalents at year-end are composed of:			
Cash		15,744	99,235
<b>Cash and cash equivalents end of year</b>		<b>15,744</b>	<b>99,235</b>

# Notes to consolidated financial statements

## 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

	<b>2023</b>	<b>2022</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	61,954	15,684
Pension costs	3,852	1,182
Other social security costs	343	132
Other staff costs	5,000	1,723
	<b>71,149</b>	<b>18,721</b>
Average number of full-time employees	<b>124</b>	<b>121</b>

### Special incentive programmes

In September 2022, an incentive scheme was established comprising both the Board of Directors, the Executive Management, and other employees. The incentive scheme is made to motivate and retain the participants and 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. The majority of the granted warrants vest 20% at the time of grant and thereafter with 1/48 per month until all warrants are vested if certain conditions are met.

As of 31st December 2023, 2,491,721 warrants have been issued corresponding to 1.13% of the outstanding share capital on a fully diluted basis. Of these, 1,047,966 warrants have vested.

The management receives no remuneration.



### 3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Amortisation of intangible assets	152,171	49,906
Depreciation on property, plant and equipment	2,859	263
	<b>155,030</b>	<b>50,169</b>

In the comparative figures depreciation and amortisation in the income statement is DKK 3,375 thousand lower than the depreciation and amortisation presented in notes 8 and 10, which is due to the fact that part of the depreciation and amortisation is capitalized as inventories as indirect production costs.

In 2023 depreciation of DKK 2,342 thousand has been capitalized as inventories under own work capitalised in the income statement.

### 4 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	17	0
Other interest income	1,119	253
Other financial income	14	39
	<b>1,150</b>	<b>292</b>

### 5 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Other interest expenses	195	165
Exchange rate adjustments	2,142	180
Other financial expenses	96,647	29,071
	<b>98,984</b>	<b>29,416</b>

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

	2023	2022
	DKK'000	DKK'000
Current tax	2,513	0
Change in deferred tax	(9,764)	(13,632)
Adjustment concerning previous years	297	18
	<b>(6,954)</b>	<b>(13,614)</b>

### 7 Proposed distribution of profit/loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(212,848)	(128,816)
Minority interests' share of profit/loss	0	(42,062)
	<b>(212,848)</b>	<b>(170,878)</b>

## 8 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired trademarks DKK'000	Acquired rights DKK'000	Goodwill DKK'000
Cost beginning of year	27,273	189,490	187,703	158,408	2,097,953
Transfers	7,354	0	0	0	0
Additions	3,797	0	0	0	0
<b>Cost end of year</b>	<b>38,424</b>	<b>189,490</b>	<b>187,703</b>	<b>158,408</b>	<b>2,097,953</b>
Amortisation and impairment losses beginning of year	(9,803)	(7,895)	(3,128)	(2,638)	(35,384)
Amortisation for the year	(6,265)	(23,732)	(9,385)	(7,913)	(104,876)
<b>Amortisation and impairment losses end of year</b>	<b>(16,068)</b>	<b>(31,627)</b>	<b>(12,513)</b>	<b>(10,551)</b>	<b>(140,260)</b>
<b>Carrying amount end of year</b>	<b>22,356</b>	<b>157,863</b>	<b>175,190</b>	<b>147,857</b>	<b>1,957,693</b>

	Development projects in progress DKK'000
Cost beginning of year	8,918
Transfers	(7,354)
Additions	12,343
<b>Cost end of year</b>	<b>13,907</b>
Amortisation and impairment losses beginning of year	0
Amortisation for the year	0
<b>Amortisation and impairment losses end of year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>13,907</b>

## 9 Development projects

Developments projects in progress relates to the development of new website and integrated ERP-system, including inventory management. The accounting system was implemented in January 2023, while the website was completed during the start of 2024. It is the expectation that the new ERP system with integrated inventory and accounting modules will generate an optimization of the sales and shipping process.

Completed development projects are primarily related to the implementation of new CRM systems and parts of the CRM systems that is already completed. The systems are showing the full expected benefits after the implementation, and therefore no indication of impairment has been identified.

## 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	12,271	12,192
Additions	690	3,763
<b>Cost end of year</b>	<b>12,961</b>	<b>15,955</b>
Depreciation and impairment losses beginning of year	(7,155)	(7,856)
Depreciation for the year	(1,362)	(1,497)
<b>Depreciation and impairment losses end of year</b>	<b>(8,517)</b>	<b>(9,353)</b>
<b>Carrying amount end of year</b>	<b>4,444</b>	<b>6,602</b>

## 11 Financial assets

	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	0	1,692
Transfers	1,700	(1,700)
Additions	717	8
<b>Cost end of year</b>	<b>2,417</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>2,417</b>	<b>0</b>

## 12 Prepayments

Prepayments consists of prepaid expenses and insurance premiums.

## 13 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000	Recorded par value DKK'000
A-shares	19,364,106	0.00	194	194
B-shares	174,502,198	0.00	1,745	1,745
	<b>193,866,304</b>		<b>1,939</b>	<b>1,939</b>

#### 14 Deferred tax

	2023	2022
	DKK'000	DKK'000
<b>Changes during the year</b>		
Beginning of year	136,029	0
Additions through business combinations	0	149,661
Recognised in the income statement	(9,764)	(13,632)
Deferred tax classified as joint taxation contribution receivable in 2022	(701)	0
<b>End of year</b>	<b>125,564</b>	<b>136,029</b>

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

#### 15 Other provisions

Other provisions consist of provisions to repurchase straws in storage. It is expected, that straws amounting to DKK 2,120 thousand is to be repurchased in 2024.

#### 16 Other payables

	2023	2022
	DKK'000	DKK'000
Holiday pay obligation	2,990	2,889
	<b>2,990</b>	<b>2,889</b>

#### 17 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK'000	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Bank loans	5,281	931,444	931,444
Other payables	0	2,990	2,990
	<b>5,281</b>	<b>934,434</b>	<b>934,434</b>

#### 18 Changes in working capital

	2023	2022
	DKK'000	DKK'000
Increase/decrease in inventories	11,874	3,556
Increase/decrease in receivables	2,418	(6,893)
Increase/decrease in trade payables etc.	(56,809)	68,020
	<b>(42,517)</b>	<b>64,683</b>

#### 19 Unrecognised rental and lease commitments

	2023	2022
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	<b>21,707</b>	<b>15,599</b>

## 20 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.

## 21 Assets charged and collateral

The subsidiaries are 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.

## 22 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
PW Estournel Holding III ApS, Struenseegade 9, 2., 2200 København N

## 24 Subsidiaries

	<b>Registered in</b>	<b>Ownership %</b>
ESB Group ApS	Denmark	100.00
European Sperm Bank ApS	Denmark	100.00
European Sperm Bank Ltd.	UK	100.00
European Sperm Bank GmbH	Germany	100.00
PW Estournel ApS	Denmark	100.00
PW Estournel Holding I ApS	Denmark	100.00
PW Estournel Holding II ApS	Denmark	100.00

# Parent income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
<b>Gross profit/loss</b>		<b>(997)</b>	<b>(179)</b>
Other financial income	2	44	0
Other financial expenses	3	(12)	(25)
<b>Profit/loss before tax</b>		<b>(965)</b>	<b>(204)</b>
Tax on profit/loss for the year	4	1,142	43
<b>Profit/loss for the year</b>	5	<b>177</b>	<b>(161)</b>

# Parent balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		1,933,169	1,933,169
<b>Financial assets</b>	6	<b>1,933,169</b>	<b>1,933,169</b>
<b>Fixed assets</b>		<b>1,933,169</b>	<b>1,933,169</b>
Receivables from group enterprises	7	937	0
Deferred tax	8	0	43
Joint taxation contribution receivable		2,961	0
Prepayments	9	106	0
<b>Receivables</b>		<b>4,004</b>	<b>43</b>
<b>Cash</b>		<b>2,633</b>	<b>2,425</b>
<b>Current assets</b>		<b>6,637</b>	<b>2,468</b>
<b>Assets</b>		<b>1,939,806</b>	<b>1,935,637</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Contributed capital	10	1,936	1,935
Retained earnings		1,933,441	1,932,998
<b>Equity</b>		<b>1,935,377</b>	<b>1,934,933</b>
Deferred tax	8	2	0
<b>Provisions</b>		<b>2</b>	<b>0</b>
Payables to group enterprises		0	572
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>572</b>
Trade payables		242	107
Payables to group enterprises		2,411	0
Tax payable		1,772	0
Other payables		2	25
<b>Current liabilities other than provisions</b>		<b>4,427</b>	<b>132</b>
<b>Liabilities other than provisions</b>		<b>4,427</b>	<b>704</b>
<b>Equity and liabilities</b>		<b>1,939,806</b>	<b>1,935,637</b>
Events after the balance sheet date	1		
Employees	11		
Claims of creditor subordinated to other creditors	12		
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		



# Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,935	0	1,932,998	1,934,933
Increase of capital	1	1,022	0	1,023
Purchase of treasury shares	0	0	(3,256)	(3,256)
Sale of treasury shares	0	0	2,500	2,500
Transfer to reserves	0	(1,022)	1,022	0
Profit/loss for the year	0	0	177	177
<b>Equity end of year</b>	<b>1,936</b>	<b>0</b>	<b>1,933,441</b>	<b>1,935,377</b>

# Notes to parent financial statements

## 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 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	37	0
Other financial income	7	0
	<b>44</b>	<b>0</b>

## 3 Other financial expenses

	2023 DKK'000	2022 DKK'000
Financial expenses from group enterprises	11	0
Other financial expenses	1	25
	<b>12</b>	<b>25</b>

## 4 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Change in deferred tax	46	(43)
Refund in joint taxation arrangement	(1,188)	0
	<b>(1,142)</b>	<b>(43)</b>

## 5 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	177	(161)
	<b>177</b>	<b>(161)</b>

## 6 Financial assets

	<b>Investments in group enterprises DKK'000</b>
Cost beginning of year	1,933,169
<b>Cost end of year</b>	<b>1,933,169</b>
<b>Carrying amount end of year</b>	<b>1,933,169</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 7 Receivables from group enterprises

The Company has issued a letter of subordination to a group entity, under which the Company declare, that it will abstain from demanding repayment of any intercompany receivable, unless the cash resources of the group entity suffice to make such repayment. The letter of subordination is valid until 2025.

## 8 Deferred tax

	<b>2023 DKK'000</b>	<b>2022 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	43	0
Recognised in the income statement	(45)	43
<b>End of year</b>	<b>(2)</b>	<b>43</b>

## 9 Prepayments

Prepayments consists of prepaid expenses.

## 10 Treasury shares

	Number	Nominal value DKK'000	Recorded par value DKK'000	Share of contributed capital %	Purchase/ (selling) price DKK'000
A-shares	32,556	10	325,560	0.16	325,560
B-shares	293,023	10	2,930,230	0.17	2,930,230
<b>Investments acquired</b>	<b>325,579</b>	<b>20</b>	<b>3,255,790</b>	<b>0.33</b>	
A-shares	25,000	10	250,000	0.13	250,000
B-shares	225,000	10	2,250,000	0.13	2,250,000
<b>Investments disposed of</b>	<b>250,000</b>	<b>20</b>	<b>2,500,000</b>	<b>0.26</b>	
A-shares	34,215	10	342,150	0.17	
B-shares	70,985	10	709,850	0.04	
<b>Holding of treasury shares</b>	<b>105,200</b>	<b>20</b>	<b>1,052,000</b>	<b>0.21</b>	

Treasury shares pertains to repurchase of shares from a resigned employees.

## 11 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

## 12 Claims of creditor subordinated to other creditors

The Company has received a letter of subordination from a group entity, under which the group entity declares, that it will abstain from demanding repayment of any intercompany receivable, unless the cash resources of the Company suffice to make such repayment. The letter of subordination is valid until 2025.

## 13 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 14 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.

## 15 Related parties with controlling interest

PW Estournel Limited, P O Box 472 St Julian's Court, St Julian's Avenue, St Peter Port, Guernsey GY1 6AX, United Kingdom (ultimate parent company)

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

## Material errors in previous years

In the 2022 annual report a minority interest of DKK 437,703 thousand was by mistake recognised on equity. This has been corrected in the opening equity. The correction has no effect on the total equity of the entity, profit/loss for the year or total assets.

## 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.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been

purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises external expenses.

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

### **Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

### **Other external expenses**

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

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises interest income on receivables from group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, 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 Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation period used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights acquired relates to the rights to distribute and sell straws from subsidiaries and are measured at cost less accumulated amortisation. Acquired rights are amortised on a straight-line, which is fixed based on the experience gained by management.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

The following estimated useful lives apply:

Acquired development projects	3-5 years
Acquired intangible assets	8 years
Acquired rights	20 years
Acquired trademarks	20 years

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, suppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

The following estimated useful lives apply:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.



Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**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.

**Inventories**

Inventories are measured at the cost according to the weighted average price method. In the event of cost exceeding net realisable value, write-down is made to this lower value. Cost of goods for resale consists of costs for raw materials, direct salaries with the addition of production overhead costs. Production overhead costs consists of indirect materials and salaries and maintenance of and depreciation on the machines used in the production process and equipment and costs to administration and leadership of the production.

**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.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Treasury shares**

Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement. Capital reduction by

cancellation of treasury shares reduces the contributed capital by an amount corresponding to their nominal value.

**Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Other provisions**

Other provisions comprise anticipated costs to contractual repurchase sold straws in storage.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.