



PW Estournel Holding II ApS

Struenseegade 9, 2.
2200 København N
CVR No. 43302051

Annual report 2024

The Annual General Meeting adopted the
annual report on 26.06.2025

Jesper Ahlmann Funding Andersen
Chairman of the General Meeting

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Entity details

Entity

PW Estournel Holding II ApS

Struenseegade 9, 2.

2200 København N

Business Registration No.: 43302051

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Executive Board

Martin Guy le Huray

Christian Sonne Westerberg

Katrine Kofoed Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of PW Estournel Holding II ApS for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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, 27.05.2025

Executive Board

Martin Guy le Huray

Christian Sonne Westerberg

Katrine Kofoed Hansen

Independent auditor's report

To the shareholders of PW Estournel Holding II ApS

Opinion

We have audited the financial statements of PW Estournel Holding II ApS for the financial year 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 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 by relevant law and regulations.

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, 27.05.2025

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 Company's main activities are to act as a holding company.

Description of material changes in activities and finances

The loss for the year amounts to 1,295,144 tDKK. Equity amounts to 637,802 tDKK at 31 December 2024.

As part of the annual impairment testing of assets, Management has recognised a write-down of investments in group enterprises. The impairment reflects revised expectations for future growth in the sperm donor-conceived fertility market of the investments.

The adjustments are non-cash related and have no impact on liquidity. The Group's strategic direction remains unchanged, with continued focus on long-term growth and profitability.

The core business activities of the subsidiaries performed in line with expectations, and management remains focused on sustainable growth and profitability through continued strategic initiatives and operational efficiencies. The financial result for 2024 reflects one-off accounting adjustments aligned with strategic priorities. Including the one-off adjustments, the profit for the year was lower than expected.

Management remains firmly committed to the company's long-term strategy and continues to drive initiatives that support sustainable growth, operational efficiency, and value creation.

Unusual circumstances affecting recognition and measurement

Management has revised earnings expectations for parts of the group. Hence, an impairment of 1,297,052 tDKK in investments in subsidiaries has been recognized.

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 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		(173)	(185)
Income from investments in group enterprises		2,000	0
Other financial income	3	57	0
Impairment losses on financial assets	4	(1,297,052)	0
Other financial expenses	5	(2)	(10)
Profit/loss before tax		(1,295,170)	(195)
Tax on profit/loss for the year	6	26	42
Profit/loss for the year		(1,295,144)	(153)
Proposed distribution of profit and loss			
Retained earnings		(1,295,144)	(153)
Proposed distribution of profit and loss		(1,295,144)	(153)

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in group enterprises		636,117	1,933,169
Financial assets	7	636,117	1,933,169
Fixed assets		636,117	1,933,169
Receivables from group enterprises	8	1,049	0
Deferred tax		13	0
Joint taxation contribution receivable		75	69
Prepayments		83	74
Receivables		1,220	143
Cash		516	2
Current assets		1,736	145
Assets		637,853	1,933,314

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		46	46
Retained earnings		637,756	1,932,900
Equity		637,802	1,932,946
Deferred tax		0	7
Provisions		0	7
Trade payables		51	152
Payables to group enterprises		0	209
Current liabilities other than provisions		51	361
Liabilities other than provisions		51	361
Equity and liabilities		637,853	1,933,314
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Employees	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	46	1,932,900	1,932,946
Profit/loss for the year	0	(1,295,144)	(1,295,144)
Equity end of year	46	637,756	637,802

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 Uncertainty relating to recognition and measurement

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements; investments in group enterprises (impairment).

Investments in group enterprises

The Group has identified one Cash Generating Units (CGU) for the purpose of impairment testing and performance evaluation. This CGU is Fertio ApS (value of investments in group enterprises before impairment DKK 1,598 million and impairment of DKK 1,297 million)

The recognized impairment in 2024 reflects revised expectations for future growth in the sperm donor-conceived fertility market. These adjustments ensure that asset values are aligned with current strategic priorities and market realities.

The Group continues to monitor and develop the performance of the CGU, and strategic initiatives have been implemented to strengthen performance and strategic positioning of the company. Management remains firmly committed to the company's long-term strategy and continues to drive initiatives that support sustainable growth, operational efficiency, and value creation.

The measurement of investment in group enterprises is based on management estimates and judgments. These estimates are inherently uncertain and depend on a variety of assumptions regarding future performance, which may change over time. The key uncertainties in the measurement of these assets are outlined below:

Valuation assumptions

In relation to the estimation of the recoverable amount, the following key assumptions were used in the valuation model:

- o WACC (Weighted Average Cost of Capital): 12.3% post tax
- o Average EBITDA growth (2025-2035): 14.6%
- o Terminal Growth Rate: 2.5%
- o Cash conversion rate (applied after CAPEX) : 90%

The sensitivity of WACC (pre-tax) - a change of +/-1.0%-point will impact the impairment by +173/-215 mDKK respectively.

The sensitivity of average EBITDA growth - a change of +/-1.0%-point will impact the impairment by -142/+130 mDKK respectively.

The sensitivity of average long term growth rate - a change of +/-1.0%-point will impact the impairment by -100/+82 mDKK respectively.

The sensitivity of cash conversion rate (applied after CAPEX) - a change of +/-1.0%-point will impact the impairment by -21/+21 mDKK respectively.

The sensitivity of all above factors applied together - a combined change of +/- 1.0%-point would impact the impairment by +363/-551 mDKK.

These assumptions are based on Management's best estimates, considering both historical performance and expectations of future market conditions. However, changes in these assumptions could significantly impact the carrying value of goodwill and other intangible assets as showed by the sensitivity analysis.

Revenue and inventory

The recognition of revenue and inventory valuation is influenced by Management's estimates and judgments. Revenue is recognised in accordance with the Group's accounting policies and includes a provision for potential returns of straws in storage. A decrease in revenue of 1.0 percentage point would reduce revenue/gross profit by approximately DKK 2 million.

The company has continued to prioritise its portfolio of open-ID donors where possible, in accordance with our commitment and supporting our core value "Openness fosters healthy children", and customer demand. As a result, an adjustment to the inventory valuation of non-ID donors was made.

The Group continuously reviews and refines its estimates to ensure they reflect the latest market insights and internal performance data. Management applies judgment based on all available information at the reporting date.

3 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	49	0
Other interest income	8	0
	57	0

4 Impairment losses on financial assets

Management has revised earnings expectations for parts of the group. Hence, an impairment of 1,297,052 tDKK in investments in subsidiaries has been recognized.

5 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	0	9
Other interest expenses	1	0
Other financial expenses	1	1
	2	10

6 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Change in deferred tax	(20)	27
Refund in joint taxation arrangement	(6)	(69)
	(26)	(42)

7 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	1,933,169
Cost end of year	1,933,169
Impairment losses for the year	(1,297,052)
Impairment losses end of year	(1,297,052)
Carrying amount end of year	636,117

Management has revised earnings expectations for parts of the group. Hence, an impairment of 1,297,052 tDKK in investments in subsidiaries has been recognized.

Investments in subsidiaries	Registered in	Equity interest %
PW Estournel Holding I ApS	Denmark	100.00

8 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 2026.

9 Employees

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

10 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.

11 Assets charged and collateral

The company is 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.

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 external expenses.

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.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends.

Other financial income

Other financial income comprises interest income.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

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 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.

Prepayments

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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