



## **PW Estournel Holding III ApS**

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

## **Annual report 2024**

The Annual General Meeting adopted the  
annual report on 26.06.2025

---

**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 2024	10
Consolidated balance sheet at 31.12.2024	11
Consolidated statement of changes in equity for 2024	13
Consolidated cash flow statement for 2024	14
Notes to consolidated financial statements	16
Parent income statement for 2024	24
Parent balance sheet at 31.12.2024	25
Parent statement of changes in equity for 2024	27
Notes to parent financial statements	28
Accounting policies	31

# Entity details

## Entity

PW Estournel Holding III ApS

Struenseegade 9, 2.

2200 København N

Business Registration No.: 43301055

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

## Executive Board

Martin Guy Le Huray

Katrine Kofoed Hansen

Christian Sonne Westerberg

## 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 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of their operations and the consolidated cash flows 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**

**Katrine Kofoed Hansen**

**Christian Sonne Westerberg**

# 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 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2024 and of the results of their operations and the consolidated cash flows 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, 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

## Financial highlights

	2024	2023	2022
	DKK'000	DKK'000	DKK'000
<b>Key figures</b>			
Gross profit/loss	64,678	99,211	(88,145)
Operating profit/loss	(939,466)	(121,968)	(155,368)
Net financials	(107,700)	(97,834)	(29,124)
Profit/loss for the year	(1,024,975)	(212,848)	(170,878)
Profit for the year excl. minority interests	(1,024,975)	(212,848)	(128,816)
Balance sheet total	1,705,008	2,676,084	2,909,107
Investments in property, plant and equipment	5,598	4,453	24,463
Equity	544,630	1,570,840	1,778,185
Cash flows from operating activities	(42,778)	(111,729)	(82,672)
Cash flows from investing activities	(20,269)	(21,318)	(2,255,957)
Cash flows from financing activities	64,876	49,556	2,437,864
<b>Ratios</b>			
Equity ratio (%)	31.94	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. European Sperm Bank changed its name in April 2025 to Fertio, while retaining the original name as a secondary name.

The purpose is with Fertio to enable establishment of activities beyond sperm donor services. The legacy European Sperm Bank brand will be retained and will be rebranded to "European Sperm Bank by Fertio" to clarify the differences and relationship between the two brands.

In the following text the two brands will, for simplicity, be defined as Fertio/ESB.

Founded in 2004, Fertio/ESB is one of the leading sperm banks in the world, providing fertility clinics and clients 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 +120 countries creating families.

Fertio/ESB is headquartered in Copenhagen, Denmark with approximately 170 employees and currently operates out of donor and office locations in Copenhagen, Aarhus, and Aalborg in Denmark, as well as Amsterdam (NL) and 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 1,024,975 tDKK. Equity amounts to 544,630 tDKK at 31 December 2024.

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

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.

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

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

The core business activities 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 impairment of goodwill and an inventory write-down. Including the one-off adjustments, the result 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.

### Uncertainty relating to recognition and measurement

Measurement of certain assets and liabilities is based on accounting estimates made by Management in accordance with the company's accounting policies, supported by experience and expectations for future developments. These estimates are considered realistic and prudent. Significant areas of judgment include intangible assets, goodwill, inventories, investments in group enterprises, and other provisions.

Uncertainty is particularly associated with the valuation of goodwill and intangible assets arising from the acquisition of ESB in 2022. These assets are tested annually for impairment based on assumptions about future cash flows and discount rates.

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

Inventories are also subject to estimation uncertainty, as their valuation depends on biological factors, operational parameters, and market demand for specific donor profiles. Inventory is measured at cost, including both direct and indirect production costs, with cost allocation models reviewed regularly to ensure consistency. The company has continued to prioritise its portfolio of open-ID donors where possible, in accordance with our commitment and supporting our core belief "Openness fosters healthy children", and customer demand. As a result, an adjustment to the inventory valuation was made.

#### **Unusual circumstances affecting recognition and measurement**

Please refer to impairment and inventory provision. Beyond these, no significant unusual circumstances affecting recognition and measurement have occurred.

#### **Outlook**

For 2025 Management expects consolidated operating profit between -50 and -60 mDKK and net result between -170 and -180 mDKK.

#### **Research and development activities**

Developments projects in progress relates to the development of new IT infrastructure.

The new ERP system with integrated inventory and accounting modules have generated an optimization of the sales and shipping process.

Completed development projects primarily relate to specific subsystems in the IT infrastructure. The systems are showing the full expected benefits after the implementation, and therefore no indication of impairment has been identified.

#### **Events after the balance sheet date**

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

# Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
<b>Gross profit/loss</b>		<b>64,678</b>	<b>99,211</b>
Staff costs	3	(71,815)	(66,149)
Depreciation, amortisation and impairment losses	4	(931,582)	(155,030)
Other operating expenses		(747)	0
<b>Operating profit/loss</b>		<b>(939,466)</b>	<b>(121,968)</b>
Other financial income	5	2,032	1,150
Other financial expenses	6	(109,732)	(98,984)
<b>Profit/loss before tax</b>		<b>(1,047,166)</b>	<b>(219,802)</b>
Tax on profit/loss for the year	7	22,191	6,954
<b>Profit/loss for the year</b>	8	<b>(1,024,975)</b>	<b>(212,848)</b>

# Consolidated balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	10	39,201	22,356
Acquired intangible assets		134,147	157,863
Acquired trademarks		165,805	175,190
Acquired rights		139,944	147,857
Goodwill		1,084,692	1,957,693
Development projects in progress	10	1,099	13,907
<b>Intangible assets</b>	9	<b>1,564,888</b>	<b>2,474,866</b>
Other fixtures and fittings, tools and equipment		3,613	4,444
Leasehold improvements		5,183	6,602
<b>Property, plant and equipment</b>	11	<b>8,796</b>	<b>11,046</b>
Receivables from owners and management	13	2,103	0
Deposits		2,010	2,417
<b>Financial assets</b>	12	<b>4,113</b>	<b>2,417</b>
<b>Fixed assets</b>		<b>1,577,797</b>	<b>2,488,329</b>
Manufactured goods and goods for resale		92,586	154,382
<b>Inventories</b>		<b>92,586</b>	<b>154,382</b>
Trade receivables		7,183	7,848
Other receivables		5,025	6,952
Tax receivable		2,019	497
Prepayments	14	2,825	2,332
<b>Receivables</b>		<b>17,052</b>	<b>17,629</b>
<b>Cash</b>		<b>17,573</b>	<b>15,744</b>
<b>Current assets</b>		<b>127,211</b>	<b>187,755</b>
<b>Assets</b>		<b>1,705,008</b>	<b>2,676,084</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2024</b> <b>DKK'000</b>	<b>2023</b> <b>DKK'000</b>
Contributed capital	15	1,462	1,460
Translation reserve		240	(242)
Retained earnings		542,928	1,569,622
<b>Equity</b>		<b>544,630</b>	<b>1,570,840</b>
Deferred tax	16	103,200	125,564
Other provisions	17	21,768	16,329
<b>Provisions</b>		<b>124,968</b>	<b>141,893</b>
Bank loans		997,061	931,444
Other payables	18	3,072	2,990
<b>Non-current liabilities other than provisions</b>	19	<b>1,000,133</b>	<b>934,434</b>
Current portion of non-current liabilities other than provisions	19	6,257	5,281
Prepayments received from customers		0	1,380
Trade payables		10,729	13,871
Other payables		18,291	8,385
<b>Current liabilities other than provisions</b>		<b>35,277</b>	<b>28,917</b>
<b>Liabilities other than provisions</b>		<b>1,035,410</b>	<b>963,351</b>
<b>Equity and liabilities</b>		<b>1,705,008</b>	<b>2,676,084</b>
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	21		
Contingent liabilities	22		
Assets charged and collateral	23		
Non-arm's length related party transactions	24		
Group relations	25		
Subsidiaries	26		

# Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,460	0	(242)	1,569,622	1,570,840
Increase of capital	2	2,073	0	0	2,075
Purchase of treasury shares	0	0	0	(3,792)	(3,792)
Exchange rate adjustments	0	0	193	0	193
Other entries on equity	0	0	289	0	289
Transfer to reserves	0	(2,073)	0	2,073	0
Profit/loss for the year	0	0	0	(1,024,975)	(1,024,975)
<b>Equity end of year</b>	<b>1,462</b>	<b>0</b>	<b>240</b>	<b>542,928</b>	<b>544,630</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 2024, 2,549,026 warrants (of which 520,354 for management categories) have been issued corresponding to 1.15% of the outstanding share capital on a fully diluted basis. Of these, 1,654,926 warrants have vested.

# Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		(939,466)	(121,968)
Amortisation, depreciation and impairment losses		931,582	155,809
Other provisions		5,439	0
Working capital changes	20	28,109	(42,517)
Adjustment of inventory valuation with no cash effect		39,727	0
Unrealised exchange rate adjustments		482	0
Other adjustments		744	4,271
<b>Cash flow from ordinary operating activities</b>		<b>66,617</b>	<b>(4,405)</b>
Financial income received		2,032	1,150
Financial expenses paid		(109,732)	(98,984)
Taxes refunded/(paid)		(1,695)	(9,490)
<b>Cash flows from operating activities</b>		<b>(42,778)</b>	<b>(111,729)</b>
Acquisition etc. of intangible assets		(14,500)	(16,140)
Acquisition etc. of property, plant and equipment		(5,598)	(4,453)
Acquisition of fixed asset investments		(68)	(725)
Loans		(103)	0
<b>Cash flows from investing activities</b>		<b>(20,269)</b>	<b>(21,318)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(63,047)</b>	<b>(133,047)</b>
Loans raised		71,874	49,289
Acquisition of treasury shares		(5,281)	(3,256)
Sale of treasury shares		(3,792)	2,500
Cash capital increase		2,075	1,023
<b>Cash flows from financing activities</b>		<b>64,876</b>	<b>49,556</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>1,829</b>	<b>(83,491)</b>
Cash and cash equivalents beginning of year		15,744	99,235
<b>Cash and cash equivalents end of year</b>		<b>17,573</b>	<b>15,744</b>

Cash and cash equivalents at year-end are composed of:

Cash	17,573	15,744
<b>Cash and cash equivalents end of year</b>	<b>17,573</b>	<b>15,744</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 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, inventories and other provisions.

Specifically inventories are subject to assumptions and estimates as saleable straws depends on many 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.

Changes in assumptions, estimates and assessment of indirect production costs may have an impact on the gross margin and the overall valuation of inventory.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements; goodwill and other intangible (impairment) and inventories (impairment).

### Goodwill and other intangible assets

The Group has identified one cash-generating unit (CGU) for the purpose of impairment testing: Fertio ApS. In 2024 the company posted an impairment of DKK 768 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 goodwill and other intangible assets 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.

The assumptions used in the valuation are based on Management's best estimates, reflecting both historical performance and updated expectations for future market conditions. Changes in these assumptions could significantly impact the carrying value of goodwill and other intangible assets, as illustrated in 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 Staff costs

	2024	2023
	DKK'000	DKK'000
Wages and salaries	66,638	61,954
Pension costs	4,011	3,852
Other social security costs	1,166	343
	<b>71,815</b>	<b>66,149</b>
Average number of full-time employees	122	124

### 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 2024, 2,549,026 warrants (of which 520,354 for management categories) have been issued corresponding to 1.15% of the outstanding share capital on a fully diluted basis. Of these, 1,654,926 warrants have vested.

The management receives no remuneration.

### 4 Depreciation, amortisation and impairment losses

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	156,353	152,171
Impairment losses on intangible assets	768,125	0
Depreciation on property, plant and equipment	3,276	2,859
Impairment losses on property, plant and equipment	3,828	0
	<b>931,582</b>	<b>155,030</b>

### 5 Other financial income

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial income from group enterprises	0	17
Other interest income	832	1,119
Exchange rate adjustments	1,195	0
Other financial income	5	14
	<b>2,032</b>	<b>1,150</b>

### 6 Other financial expenses

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest expenses	420	195
Exchange rate adjustments	1,360	2,142
Other financial expenses	107,952	96,647
	<b>109,732</b>	<b>98,984</b>

Other financial expenses primarily comprise of interest expenses on bank debt.

**7 Tax on profit/loss for the year**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	449	2,513
Change in deferred tax	(22,640)	(9,764)
Adjustment concerning previous years	0	297
	<b>(22,191)</b>	<b>(6,954)</b>

**8 Proposed distribution of profit/loss**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	(1,024,975)	(212,848)
	<b>(1,024,975)</b>	<b>(212,848)</b>

**9 Intangible assets**

	<b>Completed development projects DKK'000</b>	<b>Acquired intangible assets DKK'000</b>	<b>Acquired trademarks DKK'000</b>	<b>Acquired rights DKK'000</b>	<b>Goodwill DKK'000</b>
Cost beginning of year	38,424	189,490	187,703	158,408	2,097,953
Transfers	16,466	0	0	0	0
Additions	10,842	0	0	0	0
<b>Cost end of year</b>	<b>65,732</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	(16,068)	(31,627)	(12,513)	(10,551)	(140,260)
Impairment losses for the year	0	0	0	0	(768,125)
Amortisation for the year	(10,463)	(23,716)	(9,385)	(7,913)	(104,876)
<b>Amortisation and impairment losses end of year</b>	<b>(26,531)</b>	<b>(55,343)</b>	<b>(21,898)</b>	<b>(18,464)</b>	<b>(1,013,261)</b>
<b>Carrying amount end of year</b>	<b>39,201</b>	<b>134,147</b>	<b>165,805</b>	<b>139,944</b>	<b>1,084,692</b>

	<b>Development projects in progress DKK'000</b>
Cost beginning of year	13,907
Transfers	(16,466)
Additions	3,658
<b>Cost end of year</b>	<b>1,099</b>
Amortisation and impairment losses beginning of year	0
Impairment losses for the 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>1,099</b>

### 10 Development projects

Developments projects in progress relates to the development of new IT infrastructure.

The new ERP system with integrated inventory and accounting modules have generated an optimization of the sales and shipping process.

Completed development projects primarily relate to specific subsystems in the IT infrastructure. The systems are showing the full expected benefits after the implementation, and therefore no indication of impairment has been identified.

### 11 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improvements DKK'000</b>
Cost beginning of year	12,961	15,955
Additions	433	5,165
Disposals	(1,082)	(747)
<b>Cost end of year</b>	<b>12,312</b>	<b>20,373</b>
Depreciation and impairment losses beginning of year	(8,517)	(9,353)
Impairment losses for the year	0	(3,828)
Depreciation for the year	(1,267)	(2,009)
Reversal regarding disposals	1,085	0
<b>Depreciation and impairment losses end of year</b>	<b>(8,699)</b>	<b>(15,190)</b>
<b>Carrying amount end of year</b>	<b>3,613</b>	<b>5,183</b>

## 12 Financial assets

	<b>Receivables from owners and management DKK'000</b>	<b>Deposits DKK'000</b>
Cost beginning of year	2,000	2,417
Additions	103	68
Disposals	0	(475)
<b>Cost end of year</b>	<b>2,103</b>	<b>2,010</b>
<b>Carrying amount end of year</b>	<b>2,103</b>	<b>2,010</b>

## 13 Receivables from owners and management

The entity has as of December 27 2023 provided a loan of DKK 2,000 thousand to an owner of the entity. The interest rate of the loan amounts to 5%. The loan was presented as other receivables in the comparative figures.

## 14 Prepayments

Prepayments consists of prepaid expenses and insurance premiums.

## 15 Contributed capital

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal value DKK'000</b>	<b>Recorded par value DKK'000</b>
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>

## 16 Deferred tax

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	125,564	136,029
Recognised in the income statement	(22,364)	(9,764)
Deferred tax classified as Joint taxation contribution receivable in 2022	0	(701)
<b>End of year</b>	<b>103,200</b>	<b>125,564</b>

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

## 17 Other provisions

Other provisions consist of provisions to repurchase straws in storage. It is expected, that straws amounting to DKK 3,197 thousand will be purchased in 2025.

## 18 Other payables

	2024	2023
	DKK'000	DKK'000
Holiday pay obligation	3,072	2,990
	<b>3,072</b>	<b>2,990</b>

## 19 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Bank loans	6,257	5,281	997,061	267,811
Other payables	0	0	3,072	3,072
	<b>6,257</b>	<b>5,281</b>	<b>1,000,133</b>	<b>270,883</b>

## 20 Changes in working capital

	2024	2023
	DKK'000	DKK'000
Increase/decrease in inventories	61,796	11,874
Increase/decrease in receivables	574	2,418
Increase/decrease in trade payables etc.	5,466	(56,809)
Other changes	(39,727)	0
	<b>28,109</b>	<b>(42,517)</b>

## 21 Unrecognised rental and lease commitments

	2024	2023
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	34,466	21,707

## 22 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.

## 23 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.

## 24 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.

## 25 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

## 26 Subsidiaries

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



# Parent income statement for 2024

		2024	2023
	Notes	DKK'000	DKK'000
<b>Gross profit/loss</b>		<b>(536)</b>	<b>(997)</b>
Other financial income	3	53	44
Impairment losses on financial assets	4	(1,295,413)	0
Other financial expenses	5	(139)	(12)
<b>Profit/loss before tax</b>		<b>(1,296,035)</b>	<b>(965)</b>
Tax on profit/loss for the year	6	754	1,142
<b>Profit/loss for the year</b>	7	<b>(1,295,281)</b>	<b>177</b>

# Parent balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in group enterprises		637,756	1,933,169
<b>Financial assets</b>	8	<b>637,756</b>	<b>1,933,169</b>
<b>Fixed assets</b>		<b>637,756</b>	<b>1,933,169</b>
Receivables from group enterprises	9	0	937
Deferred tax	10	59	0
Joint taxation contribution receivable		3,654	2,961
Prepayments	11	81	106
<b>Receivables</b>		<b>3,794</b>	<b>4,004</b>
<b>Cash</b>		<b>189</b>	<b>2,633</b>
<b>Current assets</b>		<b>3,983</b>	<b>6,637</b>
<b>Assets</b>		<b>641,739</b>	<b>1,939,806</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2024</b> <b>DKK'000</b>	<b>2023</b> <b>DKK'000</b>
Contributed capital	12	1,938	1,936
Retained earnings		636,441	1,933,441
<b>Equity</b>		<b>638,379</b>	<b>1,935,377</b>
Deferred tax	10	0	2
<b>Provisions</b>		<b>0</b>	<b>2</b>
Trade payables		251	242
Payables to group enterprises		2,539	2,411
Tax payable		0	1,772
Other payables		570	2
<b>Current liabilities other than provisions</b>		<b>3,360</b>	<b>4,427</b>
<b>Liabilities other than provisions</b>		<b>3,360</b>	<b>4,427</b>
<b>Equity and liabilities</b>		<b>641,739</b>	<b>1,939,806</b>
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Employees	13		
Claims of creditor subordinated to other creditors	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		

# Parent statement of changes in equity for 2024

	<b>Contributed capital DKK'000</b>	<b>Share premium DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1,936	0	1,933,441	1,935,377
Increase of capital	2	2,073	0	2,075
Purchase of treasury shares	0	0	(3,792)	(3,792)
Transfer to reserves	0	(2,073)	2,073	0
Profit/loss for the year	0	0	(1,295,281)	(1,295,281)
<b>Equity end of year</b>	<b>1,938</b>	<b>0</b>	<b>636,441</b>	<b>638,379</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 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). Refer to note 2 in the consolidated financial statements.

## 3 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	0	37
Other financial income	53	7
	<b>53</b>	<b>44</b>

## 4 Impairment losses on financial assets

Management has revised earnings expectations for parts of the group. Hence, an impairment of 1,295,413 tDKK in investments in subsidiaries has been recognized.

## 5 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	128	11
Other financial expenses	11	1
	<b>139</b>	<b>12</b>

## 6 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Change in deferred tax	(61)	46
Refund in joint taxation arrangement	(693)	(1,188)
	<b>(754)</b>	<b>(1,142)</b>

## 7 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(1,295,281)	177
	<b>(1,295,281)</b>	<b>177</b>

## 8 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>
Impairment losses for the year	(1,295,413)
<b>Impairment losses end of year</b>	<b>(1,295,413)</b>
<b>Carrying amount end of year</b>	<b>637,756</b>

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

Management has revised earnings expectations for parts of the group. Hence, an impairment of 1,295,413 tDKK in investments in subsidiaries has been recognized.

## 9 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.

## 10 Deferred tax

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	(2)	43
Recognised in the income statement	61	(45)
<b>End of year</b>	<b>59</b>	<b>(2)</b>

### Deferred tax assets

Deferred tax relates to tax loss carry forwards and prepayments.

## 11 Prepayments

Prepayments consists of prepaid expenses.

## 12 Treasury shares

	Number	Nominal value DKK'000	Recorded par value DKK'000	Share of contributed capital %	Purchase/ (selling) price DKK'000
A-shares	35,193	10	351,930	0.18	351,930
B-shares	316,755	10	3,167,550	0.18	3,167,550
<b>Investments acquired</b>	<b>351,948</b>	<b>20</b>	<b>3,519,480</b>	<b>0.36</b>	
A-shares	69,408	10	694,080	0.36	
B-shares	387,740	10	3,877,400	0.22	
<b>Holding of treasury shares</b>	<b>457,148</b>	<b>20</b>	<b>4,571,480</b>	<b>0.58</b>	

Treasury shares pertains to repurchase of shares from resigned employees.

## 13 Employees

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

## 14 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 2026.

## 15 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.

## 16 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.

## 17 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.

## 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 operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities including loss 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.

**Impairment losses on financial assets**

Impairment losses on financial assets comprises 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 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, sub-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.

**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.