

**EVIDENSIA DYREHOSPITAL A/S**  
**ENGGÅRDSVEJ 2, 4700 NÆSTVED**  
**ANNUAL REPORT**  
**1 OCTOBER 2019 - 30 SEPTEMBER 2020**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 24 February 2021**

---

**Ulla Pless**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 28 85 55 91**

**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Board of Directors Statement and Management's Statement.....	4
Independent Auditor's Report.....	5-6
<b>Management Commentary</b>	
Financial Highlights.....	7
Management Commentary.....	8
<b>Financial Statements 1 October 2019 - 30 September 2020</b>	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Notes.....	13-15
Accounting Policies.....	16-18

**COMPANY DETAILS**

<b>Company</b>	Evidensia Dyrehospital A/S Enggårdsvej 2 4700 Næstved  CVR No.: 28 85 55 91 Established: 1 January 2005 Registered Office: Næstved Financial Year: 1 October 2019 - 30 September 2020
<b>Board of Directors</b>	Russell Patrick Trenter, chairman Ulla Pless Mark Andrew Gillings
<b>Executive Board</b>	Ulla Pless
<b>Auditor</b>	Deloitte Statsautoriseret Revisionspartnerselskab Postboks 1600 Weidekampsgade 6 0900 Copenhagen

## BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Evidensia Dyrehospital A/S for the financial year 1 October 2019 - 30 September 2020.

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 Company's assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Næstved, 22 February 2021

Executive Board

---

Ulla Pless

Board of Directors

---

Russell Patrick Trenter  
Chairman

---

Ulla Pless

---

Mark Andrew Gillings

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Evidensia Dyrehospital A/S

#### Opinion

We have audited the Financial Statements of Evidensia Dyrehospital A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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 judgment and maintain professional skepticism 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 Company's internal control.

## INDEPENDENT AUDITOR'S REPORT

- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Copenhagen, 22 February 2021

Deloitte Statsautoriseret Revisionspartnerselskab  
Postboks 1600  
CVR no. 33963556

Flemming Larsen  
State Authorised Public Accountant  
MNE no. mne27790

## FINANCIAL HIGHLIGHTS

	2019/20	2018/19	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Gross profit.....	72.972	72.214	59.021	51.009	65.464
Operating profit/loss of main activities...	-1.240	3.562	-4.500	4.143	6.461
Financial income and expenses, net.....	-5.562	-10.343	-4.727	-2.639	-3.156
Profit/loss for the year.....	-6.801	-4.774	-9.227	1.504	2.696
<b>Balance sheet</b>					
Total assets.....	119.955	115.993	140.345	134.714	138.799
Equity.....	97.602	-21.283	22.074	31.301	34.554
<b>Key ratios</b>					
Equity ratio.....	81,4	Neg.	15,7	23,2	24,9
Return on equity.....	-17,8	-1.205,6	-34,6	13,1	9,1

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: 
$$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity: 
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

## MANAGEMENT COMMENTARY

### Principal activities

The purpose of the company is the operation of veterinary practice from animal hospitals and animal clinics in Denmark.

### Development in activities and financial and economic position

Evidensia Danmark ApS, Evidensia Academy ApS og Evidensia Dyrehospital A/S have merged with Evidensia Dyrehospital A/S as the continuing entity. The comparative figures for 2019 have been adjusted accordingly.

The company's result shows a loss of DKK 6.801 thousand compared to a loss of DKK 6.781 thousand in 2019 after the merger. The company's balance sheet 30.09.2020 reports an equity of DKK 97.602 thousand.

The company's earnings and financial position are as expected.

### Profit/loss for the year compared to the expected development

The year has been as expected. We continue to create long-term value by investing in our staff, practice and state-of-the art equipment to deliver exceptional veterinary care and sustainable organic growth. We expect our organic growth to continue and will continue to look at further potential veterinary clinics that share our values and want to build their future with us.

### Intellectual capital resources

The company invests continuously in the training of employees in all relevant subject areas in order to develop the employees' competencies and to be able to meet the need for advanced treatment as well as attract and maintain skilled employees.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.



## INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER

	Note	2019/20 DKK	2018/19 DKK
<b>GROSS PROFIT</b> .....		<b>72.971.662</b>	<b>72.214.452</b>
Staff costs.....	1	-53.035.315	-53.197.313
Depreciation, amortisation and impairment losses.....		-21.176.250	-15.454.911
<b>OPERATING LOSS</b> .....		<b>-1.239.903</b>	<b>3.562.228</b>
Other financial income.....	2	462.038	396.554
Other financial expenses.....	3	-6.023.614	-10.739.910
<b>LOSS BEFORE TAX</b> .....		<b>-6.801.479</b>	<b>-6.781.128</b>
Tax on profit/loss for the year.....		0	0
<b>LOSS FOR THE YEAR</b> .....	4	<b>-6.801.479</b>	<b>-6.781.128</b>

## BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2020 DKK	2019 DKK
Goodwill.....		46.467.207	64.915.237
<b>Intangible assets.....</b>	<b>5</b>	<b>46.467.207</b>	<b>64.915.237</b>
Land and buildings.....		20.835.704	21.238.727
Other plant, machinery, tools and equipment.....		6.124.853	7.093.977
Leasehold improvements.....		93.874	154.260
<b>Property, plant and equipment.....</b>	<b>6</b>	<b>27.054.431</b>	<b>28.486.964</b>
Rent deposit and other receivables.....		149.663	149.663
<b>Financial non-current assets.....</b>	<b>7</b>	<b>149.663</b>	<b>149.663</b>
<b>NON-CURRENT ASSETS.....</b>		<b>73.671.301</b>	<b>93.551.864</b>
Raw materials and consumables.....		4.145.325	4.184.967
<b>Inventories.....</b>		<b>4.145.325</b>	<b>4.184.967</b>
Trade receivables.....		614.125	1.184.561
Receivables from group enterprises.....		9.930.720	9.841.408
Other receivables.....		661.668	47.400
Prepayments and accrued income.....	8	676.438	663.427
<b>Receivables.....</b>		<b>11.882.951</b>	<b>11.736.796</b>
<b>Cash and cash equivalents.....</b>		<b>30.255.050</b>	<b>6.519.302</b>
<b>CURRENT ASSETS.....</b>		<b>46.283.326</b>	<b>22.441.065</b>
<b>ASSETS.....</b>		<b>119.954.627</b>	<b>115.992.929</b>

## BALANCE SHEET AT 30 SEPTEMBER

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Share capital.....	9	652.000	652.000
Retained profit.....		96.949.628	-21.935.166
<b>EQUITY.....</b>		<b>97.601.628</b>	<b>-21.283.166</b>
Provisions.....		0	245.377
<b>PROVISIONS.....</b>		<b>0</b>	<b>245.377</b>
Payables to group enterprises.....		0	125.686.271
Other liabilities.....		4.639.440	438.948
<b>Non-current liabilities.....</b>	<b>10</b>	<b>4.639.440</b>	<b>126.125.219</b>
Trade payables.....		4.128.476	1.010.340
Payables to group enterprises.....		580.029	1.079.381
Other liabilities.....		12.836.693	8.647.417
Accruals and deferred income.....		168.361	168.361
<b>Current liabilities.....</b>		<b>17.713.559</b>	<b>10.905.499</b>
<b>LIABILITIES.....</b>		<b>22.352.999</b>	<b>137.030.718</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>119.954.627</b>	<b>115.992.929</b>
Contingencies etc.	11		
Related parties	12		
Consolidated Financial Statements	13		

## EQUITY

	Share capital	Retained profit	Total
Equity at 1 October 2019.....	652.000	-21.935.164	-21.283.164
Proposed profit allocation, Note 4.....		-6.801.479	-6.801.479
Group contribution from parent company June 2020.....		125.686.271	125.686.271
<b>Equity at 30 September 2020.....</b>	<b>652.000</b>	<b>96.949.628</b>	<b>97.601.628</b>

## NOTES

	2019/20 DKK	2018/19 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	113	115	
Wages and salaries.....	39.828.276	41.907.958	
Pensions.....	4.061.899	4.189.050	
Social security costs.....	796.754	384.915	
Other staff costs.....	8.348.386	6.715.390	
	<b>53.035.315</b>	<b>53.197.313</b>	
Information on management remuneration is omitted in accordance with the exemption provision in the Danish Financial Statements Act § 98 b, stk. 3 nr. 2.			
<b>Other financial income</b>			<b>2</b>
Group enterprises.....	451.065	334.308	
Other interest income.....	10.973	62.246	
	<b>462.038</b>	<b>396.554</b>	
<b>Other financial expenses</b>			<b>3</b>
Group enterprises.....	3.938.168	6.318.690	
Foreign exchange.....	2.085.446	4.421.220	
	<b>6.023.614</b>	<b>10.739.910</b>	
<b>Proposed distribution of loss</b>			<b>4</b>
Retained earnings.....	-6.801.479	-6.781.128	
	<b>-6.801.479</b>	<b>-6.781.128</b>	
<b>Intangible assets</b>			<b>5</b>
		Goodwill	
Cost at 1 October 2019.....		112.717.148	
Cost at 30 September 2020.....		<b>112.717.148</b>	
Amortisation at 1 October 2019.....		47.801.910	
Amortisation for the year.....		18.448.031	
Amortisation at 30 September 2020.....		<b>66.249.941</b>	
Carrying amount at 30 September 2020.....		<b>46.467.207</b>	

## NOTES

				Note
<b>Property, plant and equipment</b>				<b>6</b>
	Land and buildings	Other plant, machinery, tools and equipment	Leasehold improvements	
Cost at 1 October 2019.....	24.860.717	27.484.555	1.717.264	
Additions.....	0	1.428.841	18.965	
Disposals.....	0	-630.323	-719.833	
<b>Cost at 30 September 2020.....</b>	<b>24.860.717</b>	<b>28.283.073</b>	<b>1.016.396</b>	
Depreciation and impairment losses at 1 October 2019.....	3.621.990	20.392.169	1.563.004	
Reversal of depreciation of assets disposed of..	0	-556.133	-641.904	
Depreciation for the year.....	403.023	2.322.184	1.422	
<b>Depreciation and impairment losses at 30 September 2020.....</b>	<b>4.025.013</b>	<b>22.158.220</b>	<b>922.522</b>	
<b>Carrying amount at 30 September 2020.....</b>	<b>20.835.704</b>	<b>6.124.853</b>	<b>93.874</b>	
<b>Financial non-current assets</b>				<b>7</b>
			Rent deposit and other receivables	
Cost at 1 October 2019.....			149.663	
<b>Cost at 30 September 2020.....</b>			<b>149.663</b>	
<b>Carrying amount at 30 September 2020.....</b>			<b>149.663</b>	
<b>Prepayments</b>				<b>8</b>
Prepayments.....		676.438	663.427	
		<b>676.438</b>	<b>663.427</b>	
Prepayments comprise incurred costs relating to subsequent financial years.				
<b>Share capital</b>				<b>9</b>
Allocation of share capital:				
Shares, 100 unit in the denomination of 6.520 DKK.....		652.000	652.000	
		<b>652.000</b>	<b>652.000</b>	

## NOTES

					Note
<b>Long-term liabilities</b>					<b>10</b>
	30/9 2020	Repayment	Debt	30/9 2019	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Payables to group enterprises.....	0	0	21.328.917	125.686.271	
Other liabilities.....	4.639.440	0	0	438.948	
	<b>4.639.440</b>	<b>0</b>	<b>21.328.917</b>	<b>26.125.219</b>	

The other liabilities is related to the holiday accruals related to the Holiday Payment Fund.

The debt to Evidensia Djursjukvård AB was due at the written request of the Swedish parent company. Such a request assumes that Evidensia Dyrehospital A/S has sufficient cash flow to pay this as at 30.09.2019. An agreement was reached, whereby no debt must be redeemed in 2019/2020 year. In June 2020 the parent company waived its right to payment. The debtwaiver is recognised as a group contribution directly on equity in 2019/2020.

**Contingencies etc.**

11

**Contingent assets**

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. The total unrecognized deferred tax assets amounts to DKK (000) 5,961.

**Contingent liabilities**

The company has a lease obligation which is measured to DKK 1.697.044 as 30th september 2020.

Furthermore the company have a rent obligation which is recognised to DKK 36.508.279 as of 30th september 2020.

The company do not have any rental or lease commitments.

**Related parties**

12

The Company is a fully owned subsidiary of:

Evidensia Djursjukvård AB, Djursjukhusvägen 11, 734 94 stockholm  
IVC Acquisition Midco Limited (UK), Station House East, Ashley Avenue, Bath, BA1 3DS

**Controlling interest**

IVC Acquisition Midco Limited (UK), Station House East, Ashley Avenue, Bath, BA1 3DS

**Consolidated Financial Statements**

13

The company is a part of the consolidated financial statement of IVC Acquisition Midco Limited (UK), Station House East, Ashley Avenue, Bath, BA1 3DS.

## ACCOUNTING POLICIES

The Annual Report of Evidensia Dyrehospital A/S for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The Annual Report is prepared consistently with the accounting principles applied last year.

### Comparative figures

The company have merged in the year with two group companies. The merger have followed the rules under til rules of consolidated method and therefore the comparative figures have been adjusted to be comparable.

## INCOME STATEMENT

### Gross profit or loss

With reference to the Danish financial statement presentation act §32 management has decided not to disclose revenue. Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### Net revenue

Net revenue from sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to buyer. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from debt and transactions in foreign currency as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.



## ACCOUNTING POLICIES

### BALANCE SHEET

#### Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

#### Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	25 years	0 %
Other plant, fixtures and equipment.....	5 years	0 %
Leasehold improvements.....	10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

#### Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

#### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

## ACCOUNTING POLICIES

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

### Prepayments

Prepayments recognised as assets include costs incurred relating to the subsequent financial year.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.