



EVIDENSIA DYREHOSPITAL A/S

ENGGÅRDSVEJ 2, 4700 NÆSTVED

ANNUAL REPORT

1 OCTOBER 2018 - 30 SEPTEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 February 2020**

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

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Directors and Board of Executives.....	4
Independent Auditor's Report.....	5-6
Management's Review	
Financial Highlights.....	7
Management's Review.....	8
Financial Statements 1 October 2018 - 30 September 2019	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Notes.....	13-15
Accounting Policies.....	16-18

COMPANY DETAILS

Company	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 2018 - 30 September 2019
Board of Directors	David Robert Geoffrey Hillier, chairman Mark Andrew Gillings Ulla Pless
Board of Executives	Ulla Pless
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Postboks 1600 Weidekampsgade 6 0900 Copenhagen

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Evidensia Dyrehospital A/S for the financial year 1 October 2018 - 30 September 2019.

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 financial position at 30 September 2019 and of the results of the Company's operations for the financial year 1 October 2018 - 30 September 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

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

Næstved, 25 February 2020

Board of Executives

Ulla Pless

Board of Directors

David Robert Geoffrey Hillier
Chairman

Mark Andrew Gillings

Ulla Pless

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 2018 - 30 September 2019, 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 2019 and of the results of the Company's operations for the financial year 1 October 2018 - 30 September 2019 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, 25 February 2020

Deloitte Statsautoriseret Revisionspartnerselskab
CVR no. 33963556

Flemming Larsen
State Authorised Public Accountant
MNE no. mne27790

FINANCIAL HIGHLIGHTS

	2018/19 DKK '000	2017/18 DKK '000	2017 DKK '000	2016 DKK '000	2015 DKK '000
Income statement					
Gross profit.....	65.725	59.021	51.009	65.464	43.155
Operating profit/loss.....	6.288	-4.500	4.143	6.461	4.187
Financial income and expenses, net.....	-3.440	-4.727	-2.639	-3.156	-2.510
Profit/loss for the year.....	2.848	-9.227	1.504	2.696	1.305
Balance sheet					
Balance sheet total.....	127.282	140.345	134.714	138.799	126.997
Equity.....	24.922	22.074	31.301	34.554	24.524
Investment in tangible fixed assets.....	-5.490	-3.233	-1.954	-2.482	0
Ratios					
Solvency ratio.....	19,6	15,7	23,2	24,9	19,3
Return on equity.....	12,1	-34,6	13,1	9,1	5,5

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

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

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

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

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 position

The company's result shows a profit of DKK 2,848 thousand compared to a loss of DKK 9,228 thousand in 2018. The company's balance sheet 30.09.2019 reports an equity of DKK 24,922 thousand.

The company's earnings and financial position are considered satisfactory.

The board is currently considering how to consolidate the 3 Danish Evidensia entities. It has been considered to merge the companies within Evidensia Dyrehospital A/S as the continuing company.

Profit/loss for the year compared to future expectations

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	2018/19 DKK	2017/18 DKK
GROSS PROFIT		65.725.229	59.020.958
Staff costs.....	1	-46.350.145	-48.385.993
Depreciation, amortisation and impairment losses.....		-13.086.988	-15.135.257
OPERATING PROFIT		6.288.096	-4.500.292
Other financial income.....	2	1.652.431	31.180
Other financial expenses.....	3	-5.092.092	-4.758.227
PROFIT BEFORE TAX		2.848.435	-9.227.339
Tax on profit/loss for the year.....		0	0
PROFIT FOR THE YEAR	4	2.848.435	-9.227.339

BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2019 DKK	2018 DKK
Goodwill.....		53.161.725	62.952.658
Intangible fixed assets.....	5	53.161.725	62.952.658
Land and buildings.....		21.238.727	21.641.700
Other plant, machinery, tools and equipment.....		7.029.898	4.932.128
Leasehold improvements.....		76.331	284.264
Tangible fixed assets.....	6	28.344.956	26.858.092
FIXED ASSETS.....		81.506.681	89.810.750
Raw materials and consumables.....		4.184.967	3.888.198
Inventories.....		4.184.967	3.888.198
Trade receivables.....		1.103.097	1.520.399
Receivables from group enterprises.....		34.899.008	20.480.579
Other receivables.....		47.400	421.529
Prepayments and accrued income.....	7	558.986	868.034
Receivables.....		36.608.491	23.290.541
Cash and cash equivalents.....		4.982.134	23.355.451
CURRENT ASSETS.....		45.775.592	50.534.190
ASSETS.....		127.282.273	140.344.940

BALANCE SHEET AT 30 SEPTEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK
Share capital.....	8	652.000	652.000
Retained profit.....		24.270.266	21.421.832
EQUITY.....		24.922.266	22.073.832
Payables to group enterprises.....		91.746.478	93.000.001
Long-term liabilities.....	9	91.746.478	93.000.001
Trade payables.....		375.451	870.932
Payables to group enterprises.....		2.014.473	17.832.769
Other liabilities.....		8.223.605	6.567.406
Current liabilities.....		10.613.529	25.271.107
LIABILITIES.....		102.360.007	118.271.108
EQUITY AND LIABILITIES.....		127.282.273	140.344.940
 Contingencies etc.	 10		
Related parties	11		
Consolidated financial statements	12		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 October 2018.....	652.000	21.421.831	22.073.831
Proposed distribution of profit.....		2.848.435	2.848.435
Equity at 30 September 2019.....	652.000	24.270.266	24.922.266

NOTES

	2018/19 DKK	2017/18 DKK	Note
Staff costs			1
Average number of employees 115 (2017/18: 115)			
Wages and salaries.....	41.356.179	43.410.640	
Pensions.....	4.145.677	4.276.361	
Social security costs.....	384.915	669.840	
Other staff costs.....	463.374	29.152	
	46.350.145	48.385.993	
Oplysninger om ledelsesvederlag er udeladt i henhold til undtagelsesbestemmelsen i årsregnskabsloven § 98 b, stk. 3 nr. 2.			
Other financial income			2
Group enterprises.....	1.582.590	31.180	
Other interest income.....	69.841	0	
	1.652.431	31.180	
Other financial expenses			3
Group enterprises.....	4.528.826	4.286.314	
Foreign exchange.....	0	19.562	
Other interest expenses.....	563.266	452.351	
	5.092.092	4.758.227	
Proposed distribution of profit			4
Retained earnings.....	2.848.435	-9.227.339	
	2.848.435	-9.227.339	
Intangible fixed assets			5
		Goodwill	
Cost at 1 October 2018.....		97.703.164	
Disposals.....		-24.742	
Cost at 30 September 2019.....		97.678.422	
Amortisation at 1 October 2018.....		34.750.506	
Amortisation for the year.....		9.766.191	
Amortisation at 30 September 2019.....		44.516.697	
Carrying amount at 30 September 2019.....		53.161.725	

NOTES

				Note
Tangible fixed assets				6
		Land and buildings	Other plant, machinery, tools and equipment	Leasehold improvements
Cost at 1 October 2018.....	24.860.717		22.578.021	997.431
Additions.....	0		5.489.542	0
Disposals.....	0		-1.100.576	0
Cost at 30 September 2019.....	24.860.717		26.966.987	997.431
Depreciation and impairment losses at 1 October 2018.....	3.219.017		17.645.894	713.167
Transferred.....	0		-207.933	207.933
Reversal of depreciation of assets disposed of..	0		-418.696	0
Depreciation for the year.....	402.973		2.917.824	0
Depreciation and impairment losses at 30 September 2019.....	3.621.990		19.937.089	921.100
Carrying amount at 30 September 2019.....	21.238.727		7.029.898	76.331
Prepayments				7
Prepayments.....			558.986	868.034
			558.986	868.034
Prepayments comprise incurred costs relating to subsequent financial years.				
Share capital				8
Specification of the share capital:				
Shares, 100 in the denomination of 6.520 DKK.....			652.000	652.000
			652.000	652.000
Long-term liabilities				9
	30/9 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	30/9 2018 total liabilities
				Current portion at the beginning of the year
Payables to group enterprises...	91.746.478	0	0	93.000.001
	91.746.478	0	0	93.000.001

The debt to Evidensia Djursjukvård AB is 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. An agreement has been reached, that no debt must be redeemed in the coming year.

NOTES

	Note
Contingencies etc.	10
Contingent liabilities The company has a lease obligation which is measured to DKK 2.784.648 as 30th september 2019. The company do not have any rental or lease commitments.	
Joint liabilities The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc. Tax payable on the Group's joint taxable income is stated in the annual report of Evidensia Danmark ApS, which serves as management company for the joint taxation.	
Related parties The Company is a fully owned subsidiary of: Evidensia Danmark ApS, Enggardsvej 2, 4700 Næstved Evidensia Djursjukvård AB, Djursjukhusvägen 11, 734 94 stockholm IVC Acquisition Midco Limited (UK), Station House East, Ashley Avenue, Bath, BA1 3DS	11
Controlling interest IVC Acquisition Midco Limited (UK), Station House East, Ashley Avenue, Bath, BA1 3DS	
Consolidated financial statements The company is a part of the consolidated financial statement of IVC Acquisition Midco Limited (UK).	12

ACCOUNTING POLICIES

The Annual Report of Evidensia Dyrehospital A/S for 2018/19 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.

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.

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.

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.

ACCOUNTING POLICIES

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.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets 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.

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.

ACCOUNTING POLICIES

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.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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.

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.