

# Evidensia Dyrehospital A/S

Enggårdsvvej 2, 4700 Næstved

CVR no. 28 85 55 91

## Annual report

for the year 1 October 2022 - 30 September 2023

Approved at the Company's annual general meeting on 27 March 2024

Chairman of the meeting:

DocuSigned by:

*Mattias Lundström*

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Eric Mattias Lundström

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Evidensia Dyrehospital A/S for the financial year 1 October 2022 - 30 September 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023.


Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Næstved, 27 March 2024  
Executive Board:

DocuSigned by:  
  
.....3EEAFF337090455.....  
Evelina Karin Ögren  
Director

Board of Directors:

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Eric Mattias Lundström  
Chairman

DocuSigned by:  
  
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Mark Andrew Gillings

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.....3EEAFF337090455.....  
Evelina Karin Ögren

## Independent auditor's report

To the shareholder of Evidensia Dyrehospital A/S

### Opinion

We have audited the financial statements of Evidensia Dyrehospital A/S for the financial year 1 October 2022 - 30 September 2023, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 September 2023, and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company 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.

### 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 as to 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 the 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 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

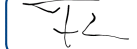
Copenhagen, 27 March 2024

DELOITTE

STATSAUTORISERET REVISIONSPARTNERSELSKAB

CVR no. 33 96 35 56

DocuSigned by:



Flemming Larsen

State Authorised Public Accountant

mne27790

DocuSigned by:



Ulrik Winkler Jakobsen

State Authorised Public Accountant

mne47242

## Management's review

### Company details

Name	Evidensia Dyrehospital A/S
Address, Postal code, City	Enggårdsvvej 2, 4700 Næstved
CVR no.	28 85 55 91
Established	1 January 2005
Registered office	Næstved
Financial year	1 October 2022 - 30 September 2023
Board of Directors	Eric Mattias Lundström, Chairman Mark Andrew Gillings Evelina Karin Ögren
Executive Board	Evelina Karin Ögren, Director
Auditors	DELOITTE STATSAUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6, 2300 København S

## Management's review

### Financial highlights

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
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#### Key figures

Gross profit	64,187	77,186	80,941	72,972	72,214
Operating profit/loss	-3,886	6,302	16,288	6,009	3,772
Net financials	1,319	2,090	689	-5,562	-10,343
Profit/loss for the year	-2,044	6,654	12,310	-1,147	-4,610

Total assets	147,089	138,708	138,864	127,414	116,203
Investments in property, plant and equipment	11,375	2,844	2,450	1,448	6,116
Equity	120,339	122,384	115,730	103,420	-21,119

#### Financial ratios

Equity ratio	81.8%	88.2%	83.3%	81.2%	-18.2%
Return on equity	-1.7%	5.6%	11.2%	-2.8%	-965.4%

Average number of full-time employees	121	130	122	113	115
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The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	$\frac{\text{Profit/loss before net financials +/- Other operating income and other operating expenses}}{\text{Average equity}} \times 100$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Management's review

### Business review

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

### Unusual matters having affected the financial statements

During the reporting period the Company has identified a material mistake that were wrongly reported in the prior reporting period and those were corrected accordingly.

More information can be found under the accounting policies section.

### Financial review

The income statement for 2022/23 shows a loss of DKK 2,044,275 against a profit of DKK 6,653,519 last year, and the balance sheet at 30 September 2023 shows equity of DKK 120,339,464.

The year has not been as expected last year, where we anticipated an approximate profit of DKK 2,0 to 5,0 million. Despite the optimistic projections in FY22, the economic landscape proved to be more volatile than anticipated. The fluctuations in market conditions have changed the customer behavior which have directly impacted our revenue streams. These decreases have partly been offset by lower staff costs. We will continue to create long-term value by investing in our staff, practices and state-of-the-art equipment to deliver exceptional veterinary care and sustainable organic growth.

### Knowledge 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.

### Financial risks and use of financial instruments

The company is exposed to financial risks in the form of credit risk. Credit risk is managed through credit checks for new customers and ongoing follow-up of outstanding claims.

### Impact on the external environment

We constantly focus on sustainability for the entire IVC Evidensia Group, including for Denmark and all Danish hospitals and clinics. We focus on 3 areas, Caring for People, Caring for Planet and Caring for Patients.

#### Caring for people:

Protect and promote the health and well-being of our teams. Offer the highest standards of client care and communication. Create welcoming, diverse and inclusive workplaces. Empower clinics to contribute to their local communities. Ensure human rights are respected across our value chain.

#### Caring for the planet:

Transition our company towards net-zero climate impact. Minimise our waste footprint through optimal management. Train all clinicians on applied sustainability in veterinary care. Evolve industry-leading sustainable procurement practices. Practise leading standards of chemical and pharma management.

#### Caring for patients:

Deliver the highest possible standards of care quality and safety. Promote and innovate integrated animal health solutions. Continually grow our clinical knowledge and skills. Continually share knowledge, incidents and best practice. Collaborate with peers to innovate best practice on Antimicrobial Resistance.

Collaborate with peers to innovate best practice on Antimicrobial Resistance.



## **Management's review**

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

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

### **Outlook**

As for the coming Year, we expect our activity to perform in line with the Danish Vet market development. As selective acquisitions of high-quality units may occur in 2023/2024, we also see development of existing clinics. For the year 2023/2024 we expect a profit between 3,0 - 7,0 mio. DKK.

**Financial statements 1 October 2022 - 30 September 2023****Income statement**

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	<b>Gross profit</b>	64,187,091	77,185,572
2	Staff costs	-53,421,373	-56,577,203
3	Amortisation/depreciation of intangible assets and property, plant and equipment	-14,639,461	-14,159,191
	<b>Profit/loss before net financials</b>	-3,873,743	6,449,178
4	Financial income	2,663,217	2,424,163
	Financial expenses	-1,343,900	-334,006
	<b>Profit/loss before tax</b>	-2,554,426	8,539,335
5	Tax for the year	510,151	-1,885,816
	<b>Profit/loss for the year</b>	<u>-2,044,275</u>	<u>6,653,519</u>

## Financial statements 1 October 2022 - 30 September 2023

## Balance sheet

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
7	<b>Intangible assets</b>		
	Goodwill	20,746,049	31,806,096
		<u>20,746,049</u>	<u>31,806,096</u>
8	<b>Property, plant and equipment</b>		
	Land and buildings	19,626,635	20,029,658
	Fixtures and fittings, other plant and equipment	14,440,285	6,230,781
	Leasehold improvements	11,853	90,080
		<u>34,078,773</u>	<u>26,350,519</u>
9	<b>Investments</b>		
	Deposits, investments	5,893,458	149,663
		<u>5,893,458</u>	<u>149,663</u>
	<b>Total fixed assets</b>	<u>60,718,280</u>	<u>58,306,278</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	4,980,756	4,974,033
		<u>4,980,756</u>	<u>4,974,033</u>
	<b>Receivables</b>		
	Trade receivables	769,482	855,907
	Receivables from group enterprises	62,569,321	52,800,308
	Other receivables	1,445,254	1,787,708
10	<b>Prepayments</b>	2,014,069	700,915
		<u>66,798,126</u>	<u>56,144,838</u>
	<b>Cash</b>	<u>14,591,796</u>	<u>19,283,285</u>
	<b>Total non-fixed assets</b>	<u>86,370,678</u>	<u>80,402,156</u>
	<b>TOTAL ASSETS</b>	<u><u>147,088,958</u></u>	<u><u>138,708,434</u></u>

## Financial statements 1 October 2022 - 30 September 2023

## Balance sheet

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	652,000	652,000
	Retained earnings	<u>119,687,464</u>	<u>121,731,739</u>
	<b>Total equity</b>	<u>120,339,464</u>	<u>122,383,739</u>
	<b>Provisions</b>		
12	Deferred tax	<u>5,422,016</u>	<u>6,796,376</u>
	<b>Total provisions</b>	<u>5,422,016</u>	<u>6,796,376</u>
	<b>Liabilities other than provisions</b>		
13	<b>Non-current liabilities other than provisions</b>		
	Lease liabilities	3,979,939	0
	Corporate income tax payable	<u>751,526</u>	<u>523,261</u>
		<u>4,731,465</u>	<u>523,261</u>
	<b>Current liabilities other than provisions</b>		
13	Short-term part of long-term liabilities other than provisions	1,606,952	1,454,756
	Trade payables	8,577,375	3,608,129
	Payables to group enterprises	799,945	668,395
	Other payables	<u>5,611,741</u>	<u>3,273,778</u>
		<u>16,596,013</u>	<u>9,005,058</u>
	<b>Total liabilities other than provisions</b>	<u>21,327,478</u>	<u>9,528,319</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>147,088,958</u></u>	<u><u>138,708,434</u></u>

- 1 Accounting policies
- 6 Appropriation of profit/loss
- 14 Contractual obligations and contingencies, etc.
- 15 Security and collateral
- 16 Related parties

## Financial statements 1 October 2022 - 30 September 2023

## Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 October 2021	652,000	106,060,050	106,712,050
	Adjustment of equity through corrections of errors	0	9,018,170	9,018,170
	Adjusted equity at 1 October 2021	652,000	115,078,220	115,730,220
6	Transfer, see "Appropriation of profit/loss"	0	6,653,519	6,653,519
	<b>Equity at 1 October 2022</b>	<b>652,000</b>	<b>121,731,739</b>	<b>122,383,739</b>
	Adjusted equity at 1 October 2022	652,000	121,731,739	122,383,739
6	Transfer, see "Appropriation of profit/loss"	0	-2,044,275	-2,044,275
	<b>Equity at 30 September 2023</b>	<b>652,000</b>	<b>119,687,464</b>	<b>120,339,464</b>

## Financial statements 1 October 2022 - 30 September 2023

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Evidensia Dyrehospital A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

#### Changes in accounting policies

Reclassification in comparison figures have been performed and the reclassification has not had any impact on Profit of the year and Equity.

The accounting policies used in the preparation of the financial statements are otherwise consistent with those of last year. Comparative figures have been restated to reflect the policy changes.

#### Material misstatements

During fiscal year 2022/23, the Company has detected an error in last year's financial statements due to erroneous amortization rate applied. The Goodwill amortization was overstated in the following fiscal years 2021/22, (DKK 4,102,775), 2020/21 (DKK 4,102,775) 2019/20 (DKK 7,248,965) and 2018/19 (DKK 210,017) and the deferred tax effect of the overstated amortization was 2021/22, (DKK -902,611) 2020/21 (DKK -902,611), 2019/20 (DKK -1,594,772) and 2018/19 (DKK -46,204) . A total overstatement of DKK 12,218,335.

The overstatement has been reversed in the comparison year 2021/22, resulting in an increase of profit for the year(2021/22) of DKK 3,200,165, Goodwill of DKK 15,664,532, Deferred Tax of DKK 3,446,197 and an increase of Equity of DKK 12,218,335 in the comparison year 2021/22.

Management has assessed that the above changes has been necessary to ensure a true and fair view of the financial statement.

Reference to the adjustments is also mentioned in the Management's review.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company IVC Acquisition Midco Limited.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

### Income statement

#### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Net revenue from sale of 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.

#### Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

## Financial statements 1 October 2022 - 30 September 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	10 years
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The residual value of Goodwill is 0%.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	50 years
Fixtures and fittings, other plant and equipment	4-5 years
Leasehold improvements	10 years

The residual value of Buildings is 0%, Fixtures and fittings, other plant and Equipment is 0-10% and Leasehold improvements is 0%.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

## Financial statements 1 October 2022 - 30 September 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

Land is not depreciated.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

#### Balance sheet

##### Intangible 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.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.



## Financial statements 1 October 2022 - 30 September 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

#### Deposits, 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 assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

#### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

## Financial statements 1 October 2022 - 30 September 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

#### Cash

Cash comprises deposits held with banks.

#### Income taxes and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

**Financial statements 1 October 2022 - 30 September 2023****Notes to the financial statements**

DKK	<u>2022/23</u>	<u>2021/22</u>
<b>2 Staff costs and incentive programmes</b>		
Wages/salaries	47,721,332	50,945,400
Pensions	4,059,523	3,609,741
Other social security costs	745,404	578,993
Other staff costs	895,114	1,443,069
	<u>53,421,373</u>	<u>56,577,203</u>
Average number of full-time employees	<u>121</u>	<u>130</u>
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
<b>Incentive programmes</b>		
There is no special incentive programmes for the management.		
<b>3 Amortisation/depreciation of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	11,060,047	11,060,047
Depreciation of property, plant and equipment	3,579,414	3,099,144
	<u>14,639,461</u>	<u>14,159,191</u>
<b>4 Financial income</b>		
Interest receivable, group entities	2,655,558	2,424,163
Other financial income	7,659	0
	<u>2,663,217</u>	<u>2,424,163</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	823,526	816,926
Deferred tax adjustments in the year	-1,374,359	1,068,890
Tax adjustments, prior years	40,682	0
	<u>-510,151</u>	<u>1,885,816</u>
<b>6 Appropriation of profit/loss</b>		
<b>Recommended appropriation of profit/loss</b>		
Retained earnings/accumulated loss	<u>-2,044,275</u>	<u>6,653,519</u>
	<u>-2,044,275</u>	<u>6,653,519</u>

## Financial statements 1 October 2022 - 30 September 2023

## Notes to the financial statements

## 7 Intangible assets

DKK	<u>Goodwill</u>
Cost at 1 October 2022	112,717,148
Cost at 30 September 2023	<u>112,717,148</u>
Impairment losses and amortisation at 1 October 2022	96,575,584
Adjustment regarding prior years	<u>-15,664,532</u>
Adjusted impairment losses and depreciation at 1 October 2022	80,911,052
Amortisation for the year	<u>11,060,047</u>
Impairment losses and amortisation at 30 September 2023	<u>91,971,099</u>
<b>Carrying amount at 30 September 2023</b>	<b><u>20,746,049</u></b>
Amortised over	<u>10 years</u>

## 8 Property, plant and equipment

DKK	<u>Land and buildings</u>	<u>Fixtures and fittings, other plant and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 October 2022	24,860,717	32,877,863	1,016,396	58,754,976
Additions	0	11,374,721	0	11,374,721
Disposals	0	-104,151	0	-104,151
Transferred	0	686,068	-997,431	-311,363
Cost at 30 September 2023	<u>24,860,717</u>	<u>44,834,501</u>	<u>18,965</u>	<u>69,714,183</u>
Impairment losses and depreciation at 1 October 2022	4,831,059	26,647,082	926,316	32,404,457
Depreciation	403,023	3,174,495	1,896	3,579,414
Reversal of accumulated depreciation and impairment of assets disposed	0	-37,098	0	-37,098
Transferred	0	609,737	-921,100	-311,363
Impairment losses and depreciation at 30 September 2023	<u>5,234,082</u>	<u>30,394,216</u>	<u>7,112</u>	<u>35,635,410</u>
<b>Carrying amount at 30 September 2023</b>	<b><u>19,626,635</u></b>	<b><u>14,440,285</u></b>	<b><u>11,853</u></b>	<b><u>34,078,773</u></b>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>0</u>	<u>7,144,688</u>	<u>0</u>	<u>7,144,688</u>
Depreciated over	<u>50 years</u>	<u>4-5 years</u>	<u>10 years</u>	

## Financial statements 1 October 2022 - 30 September 2023

## Notes to the financial statements

## 9 Investments

DKK	<u>Deposits, investments</u>
Cost at 1 October 2022	149,663
Additions	5,893,458
Disposals	-149,663
Cost at 30 September 2023	<u>5,893,458</u>
Carrying amount at 30 September 2023	<u>5,893,458</u>

## 10 Prepayments

For the year 2022/23, the amount for prepayments include accrual of expenses relating to subsequent financial years, including repairs and maintenance, DKK 707,104, lease control account, DKK 648,867, and a variety of other prepayments, DKK 658,098.

For the year 2021/22, the amount for prepayments consisted of insurance premiums, DKK 417,911, telephone & communication expenses, DKK 67,971, computer equipment, DKK 48,450, and a variety of other prepayments, DKK 166,583.

DKK	<u>2022/23</u>	<u>2021/22</u>
<b>11 Share capital</b>		
Analysis of the share capital:		
100 Ordinary shares of DKK 6,520.00 nominal value each	652,000	652,000
	<u>652,000</u>	<u>652,000</u>

No difference in share rights.

## 12 Deferred tax

Deferred tax at 1 October	6,796,376	3,183,898
Opening adjustment of deferred tax due to material misstatement on amortization of goodwill	0	2,543,588
Deferred tax adjustments in the year	-1,374,359	166,279
Adjustment of deferred tax due to material misstatement on amortization of goodwill	0	902,611
Rounding	-1	0
<b>Deferred tax at 30 September</b>	<u>5,422,016</u>	<u>6,796,376</u>

Deferred tax relates to:

Intangible assets	4,318,198	6,501,211
Property, plant and equipment	2,023,645	295,165
Provisions	-89,100	0
Liabilities	-1,113,999	0
Other non-taxable temporary differences	283,272	0
	<u>5,422,016</u>	<u>6,796,376</u>

**Financial statements 1 October 2022 - 30 September 2023****Notes to the financial statements****13 Non-current liabilities other than provisions**

DKK	Total debt at 30/9 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Lease liabilities	5,063,630	1,083,691	3,979,939	0
Corporate income tax payable	1,274,787	523,261	751,526	0
	<u>6,338,417</u>	<u>1,606,952</u>	<u>4,731,465</u>	<u>0</u>

**14 Contractual obligations and contingencies, etc.****Contingent liabilities****Other financial obligations**

Other rent and lease liabilities:

DKK	2022/23	2021/22
Rent and lease liabilities	<u>40,445,349</u>	<u>40,927,059</u>

The company has liabilities under operating leases for leasehold properties and equipment of fixtures totalling DKK 40,445,349. From this amount DKK 6,815,497 is due within one year from the balance sheet date, DKK 18,729,014 is due in the period between 1 - 5 years from the balance sheet date and DKK 14,900,838 is due after 5 years.

For the year 2021/22, an amount of DKK 6,301,498 was due within 1 year from the balance sheet date, DKK 17,478,650 was due in the period between 1 - 5 years from the balance sheet date and DKK 17,146,911 was due after 5 years.

**15 Security and collateral**

As a security for the First Card credit cards, the Company have issued a security of DKK 200,000.

**16 Related parties**

Evidensia Dyrehospital A/S' related parties comprise the following:

**Parties exercising control**

Related party	Domicile	Basis for control
Evidensia Djursjukvård AB	Stockholm, Sweden	Immediate holding company
IVC Acquisition Midco Ltd	Bristol, United Kingdom	Intermediate company
IVC New TopHolding SARL	Luxembourg, Luxembourg	Intermediate company
Islay New Group Holding SA	Luxembourg, Luxembourg	Ultimate holding company

**Financial statements 1 October 2022 - 30 September 2023****Notes to the financial statements****16 Related parties (continued)****Information about consolidated financial statements**

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
IVC Acquisition Midco Limited	Bristol, United Kingdom	The consolidated financial statements can be requisitioned at The Chocolate Factory, Keynsham, Bristol, BS31 2AU United Kingdom
IVC New TopHolding SARL	Luxembourg, Luxembourg	The consolidated financial statements can be requisitioned at 26A Boulevard Royal, L-2449, Luxembourg

**Related party transactions**

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.