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# ***Nordhealth Denmark A/S***

Samsøvej 29, DK-8382 Hinnerup

## **Annual Report for 1 January - 31 December 2021**

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CVR No 29 14 51 80

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
28/2 2022

Charles William MacBain  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordhealth Denmark A/S for the financial year 1 January - 31 December 2021.

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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Favrskov, 28 February 2022

## Executive Board

John Pedersen

## Board of Directors

Charles William MacBain  
Chairman

John Pedersen

Jørgen Peter Fendrich  
Svendsen

# Independent Auditor's Report

To the Shareholder of Nordhealth Denmark A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordhealth Denmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

# Independent Auditor's Report

## 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- 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.

Hillerød, 28 February 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Aslund Pedersen

statsautoriseret revisor

mne17120

## **Company Information**

### **The Company**

Nordhealth Denmark A/S  
Samsøvej 29  
DK-8382 Hinnerup

CVR No: 29 14 51 80  
Financial period: 1 January - 31 December  
Municipality of reg. office: Favrskov

### **Board of Directors**

Charles William MacBain, Chairman  
John Pedersen  
Jørgen Peter Fendrich Svendsen

### **Executive Board**

John Pedersen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Milnersvej 43  
DK-3400 Hillerød

# Management's Review

## Key activities

The key activities of the Company include marketing and service of IT-software for veterinarians in Denmark. The Company's former server-based systems, Vetvision and Sanimalis will over the next few years be replaced by the Group's new SaaS system for veterinarians; Provet Cloud.

## Development in the year

The income statement of the Company for 2021 shows a loss of DKK 477,253, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 6,144,535.

The 1st of April 2021 Sanimalis Denmark ApS (CVR 37 81 17 85) acquired Novasoft A/S (CVR 29 14 51 80). The 1st of July 2021 the two companies merged with Novasoft A/S (CVR 29 14 51 80) as continuing company. At the same time the company changed its name to Nordhealth Denmark A/S. The merger takes effect for accounting purposes as per 1st of January 2021.

The company is a part of the Nordhealth Group which are listed. The group delivers IT-software solutions to Veterinarians and Human therapists all over the world, with a Nordic starting point. The group had at year end almost 250 employees and serviced 4.750 clinics.

The Company's operations have only been affected to a limited extent by COVID-19.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>6.780.259</b>	<b>3.786.761</b>
Staff expenses	1	-6.428.289	-3.267.725
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-611.945	-5.567
<b>Profit/loss before financial income and expenses</b>		<b>-259.975</b>	<b>513.469</b>
Financial income	3	118	0
Financial expenses	4	-75.406	-12.470
<b>Profit/loss before tax</b>		<b>-335.263</b>	<b>500.999</b>
Tax on profit/loss for the year	5	-141.990	-109.383
<b>Net profit/loss for the year</b>		<b>-477.253</b>	<b>391.616</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	-477.253	391.616
	<b>-477.253</b>	<b>391.616</b>

# Balance Sheet 31 December

## Assets

	Note	2021 DKK	2020 DKK
Goodwill		7.547.327	0
<b>Intangible assets</b>	6	<b>7.547.327</b>	<b>0</b>
Deposits		42.263	43.743
<b>Fixed asset investments</b>	7	<b>42.263</b>	<b>43.743</b>
<b>Fixed assets</b>		<b>7.589.590</b>	<b>43.743</b>
<b>Inventories</b>		<b>0</b>	<b>20.268</b>
Trade receivables		719.324	43.065
Receivables from group enterprises		1.385.880	671.436
Other receivables		17.906	0
Deferred tax asset		5.378	0
Prepayments		281.710	0
<b>Receivables</b>		<b>2.410.198</b>	<b>714.501</b>
<b>Cash at bank and in hand</b>		<b>654.762</b>	<b>2.954.387</b>
<b>Currents assets</b>		<b>3.064.960</b>	<b>3.689.156</b>
<b>Assets</b>		<b>10.654.550</b>	<b>3.732.899</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		500.000	500.000
Retained earnings		5.644.535	1.561.994
<b>Equity</b>		<b>6.144.535</b>	<b>2.061.994</b>
Provision for deferred tax		0	26.654
<b>Provisions</b>		<b>0</b>	<b>26.654</b>
Other payables		2.000.000	0
<b>Long-term debt</b>	8	<b>2.000.000</b>	<b>0</b>
Trade payables		661.512	462.008
Payables to group enterprises		422.935	0
Corporation tax		174.022	86.909
Other payables	8	1.232.911	1.095.334
Deferred income		18.635	0
<b>Short-term debt</b>		<b>2.510.015</b>	<b>1.644.251</b>
<b>Debt</b>		<b>4.510.015</b>	<b>1.644.251</b>
<b>Liabilities and equity</b>		<b>10.654.550</b>	<b>3.732.899</b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	500.000	1.561.994	2.061.994
Contribution from group	0	4.559.794	4.559.794
Net profit/loss for the year	0	-477.253	-477.253
<b>Equity at 31 December</b>	<b>500.000</b>	<b>5.644.535</b>	<b>6.144.535</b>

# Notes to the Financial Statements

	2021 <u>DKK</u>	2020 <u>DKK</u>
<b>1 Staff expenses</b>		
Wages and salaries	6.069.034	3.081.569
Pensions	237.341	173.155
Other social security expenses	53.742	13.001
Other staff expenses	68.172	0
	<u><b>6.428.289</b></u>	<u><b>3.267.725</b></u>
<b>Average number of employees</b>	<u><b>16</b></u>	<u><b>7</b></u>
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	611.945	0
Depreciation of property, plant and equipment	0	5.567
	<u><b>611.945</b></u>	<u><b>5.567</b></u>
<b>3 Financial income</b>		
Exchange gains	118	0
	<u><b>118</b></u>	<u><b>0</b></u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	59.795	0
Other financial expenses	15.168	12.470
Exchange loss	443	0
	<u><b>75.406</b></u>	<u><b>12.470</b></u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	174.022	109.383
Deferred tax for the year	-32.032	0
	<u><b>141.990</b></u>	<u><b>109.383</b></u>

# Notes to the Financial Statements

## 6 Intangible assets

	<u>Goodwill</u> DKK
Cost at 1 January	0
Additions for the year	<u>8.159.272</u>
Cost at 31 December	<u>8.159.272</u>
Impairment losses and amortisation at 1 January	0
Amortisation for the year	<u>611.945</u>
Impairment losses and amortisation at 31 December	<u>611.945</u>
<b>Carrying amount at 31 December</b>	<b><u>7.547.327</u></b>
Amortised over	<u>10 years</u>

## 7 Fixed asset investments

	<u>Deposits</u> DKK
Cost at 1 January	43.743
Disposals for the year	<u>-1.480</u>
Cost at 31 December	<u>42.263</u>
<b>Carrying amount at 31 December</b>	<b><u>42.263</u></b>

# Notes to the Financial Statements

## 8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u> DKK	<u>2020</u> DKK
<b>Other payables</b>		
Between 1 and 5 years	2.000.000	0
Long-term part	<u>2.000.000</u>	<u>0</u>
Other short-term payables	1.232.911	1.095.334
	<u><b>3.232.911</b></u>	<u><b>1.095.334</b></u>

## 9 Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Rental obligations, 6 months notice	134.529	85.000
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# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Nordhealth Denmark A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Business combinations

#### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.



# Notes to the Financial Statements

## 10 Accounting Policies (continued)

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct cost of goods for resale and changes to inventory of goods for resale.

### Other external expenses

Other external expenses comprise distributions costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of sales and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Fixed asset investments

Fixed asset investments consist of deposits regarding rental agreements.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Equity

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.

### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.