



Højgård Hestehospital Group A/S

Rugårdsvej 696
5462 Morud
CVR No. 33783116

Annual report 2023

The Annual General Meeting adopted the annual report on 21.03.2024

Pernille Vestergaard Roslev
Chairman of the General Meeting

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Entity details

Entity

Højgård Hestehospital Group A/S
Rugårdsvej 696
5462 Morud

Business Registration No.: 33783116
Registered office: Morud
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Jonas Koch Nørgaard
Guinevere Holmes Hørning
Pernille Vestergaard Roslev
Martin Hjorth Jensen
Kristian Baden
Lars Rask Bak

Executive Board

Pernille Vestergaard Roslev
Kristian Baden

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Højgård Hestehospital Group A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Morud, 21.03.2024

Executive Board

Pernille Vestergaard Roslev

Kristian Baden

Board of Directors

Jonas Koch Nørgaard

Guinevere Holmes Høring

Pernille Vestergaard Roslev

Martin Hjorth Jensen

Kristian Baden

Lars Rask Bak

Independent auditor's report

To the shareholders of Højgård Hestehospital Group A/S

Opinion

We have audited the financial statements of Højgård Hestehospital Group A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 21.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Abdul Wahab Ashraf

State Authorised Public Accountant

Identification No (MNE) mne46664

Michael Bach

State Authorised Public Accountant

Identification No (MNE) mne19691

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	49,085	48,134	24,388	26,773	18,818
Operating profit/loss	(2,406)	2,376	5,510	1,081	4100
Net financials	469	72	(97)	(88)	48
Profit/loss for the year	(1,457)	2,385	26,203	1,843	4,127
Total assets	78,856	85,407	75,691	26,784	30,017
Investments in property, plant and equipment	3,312	11,632	2,031	3,095	3,298
Equity	65,863	68,320	65,935	12,298	14,575
Average number of employees	87	83	46	40	36
Ratios					
Return on equity (%)	(2.17)	3.55	66.99	13.72	15.36
Equity ratio (%)	83.52	79.99	87.11	45.92	48.56

The financial highlights above lacks comparison, as the company merged in 2022, hence the comparison years before 2022 only contains unmerged numbers.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

Højgaard Hestehospital Group A/S is part of the Altano Group and the main activities consist of operating equine clinics. Højgaard Hestehospital Group A/S is the largest equine practice in Denmark within Altano with the purpose of operating veterinary and hospital activities as well as agriculture and related activities. Højgaard Hestehospital Group A/S is located in the middle of Denmark on the island of Fuenen. In addition, the Company have equine clinics located in Aarhus and Zealand.

Højgaard Hestehospital Group A/S cover a holistic veterinary service reaching from orthopaedics to internal medicine, dentistry, ophthalmology, urogynaecology and routine.

Development in activities and finances

The company's income statement for the financial year 1 January 2023 - 31 December 2023 shows a result of DKK - 1.937k, and the company's balance as of 31 December 2023 shows an equity of DKK 65,863k.

Profit/loss for the year in relation to expected developments

The revenue for the Højgaard Hestehospital Group A/S has increased from 78,350 kDKK to 83,264 kDKK which is in line with expectations. Also the result is in line with the expectations.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement.

Outlook

Højgaard Hestehospital Group A/S is expecting to continue growing in 2024. The growth is expected to come from new patients as well as recurring patients. Focus is also to increase cooperation with other clinics within the Altano Group to offer the best treatments to our clients. The net sales are expected to increase by 4-7% during 2024 and net result to go from a loss of 1,9 mDKK in 2023 to positive results of 0-2 m DKK.

Use of financial instruments

Operational and market risks:

The company can potentially be affected by developments in society in terms of consumer spending, the impact of inflation, etc.

Currency risks:

The company has limited trade with foreign countries which means that profit and cash flows can potentially be affected by changes in exchange rates. The company's transactions are mainly in DKK, but also to a lesser extent in GBP, EUR and USD. No speculative currency transactions are entered into. Any additional costs resulting from changes in exchange rates are mitigated as far as possible by adjusting sales prices.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		49,085,267	48,134,038
Staff costs	2	(43,464,356)	(38,120,716)
Depreciation, amortisation and impairment losses	3	(8,026,624)	(7,637,300)
Operating profit/loss		(2,405,713)	2,376,022
Other financial income		485,466	177,714
Other financial expenses		(16,317)	(105,906)
Profit/loss before tax		(1,936,564)	2,447,830
Tax on profit/loss for the year	4	479,478	(63,153)
Profit/loss for the year	5	(1,457,086)	2,384,677

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Goodwill		42,050,219	47,492,435
Intangible assets	6	42,050,219	47,492,435
Other fixtures and fittings, tools and equipment		6,743,847	5,797,367
Leasehold improvements		2,042,220	2,272,483
Property, plant and equipment	7	8,786,067	8,069,850
Deposits		663,376	663,376
Financial assets	8	663,376	663,376
Fixed assets		51,499,662	56,225,661
Raw materials and consumables		4,088,438	3,580,621
Inventories		4,088,438	3,580,621
Trade receivables		10,280,514	9,025,646
Receivables from group enterprises		3,513,666	2,212,400
Other receivables		517,089	2,098,044
Tax receivable		833,880	1,034,000
Prepayments	9	217,422	0
Receivables		15,362,571	14,370,090
Cash		7,905,302	11,230,605
Current assets		27,356,311	29,181,316
Assets		78,855,973	85,406,977

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		805,000	805,000
Retained earnings		59,657,738	66,514,824
Proposed dividend		5,400,000	1,000,000
Equity		65,862,738	68,319,824
Deferred tax	10	1,578,561	803,887
Provisions		1,578,561	803,887
Bank loans		0	350,000
Non-current liabilities other than provisions		0	350,000
Bank loans		0	200,000
Trade payables		4,627,341	2,904,525
Payables to group enterprises		168,037	6,026
Tax payable		0	420,005
Other payables	11	6,619,296	12,402,710
Current liabilities other than provisions		11,414,674	15,933,266
Liabilities other than provisions		11,414,674	16,283,266
Equity and liabilities		78,855,973	85,406,977
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Non-arm's length related party transactions	15		
Group relations	16		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	805,000	66,514,824	1,000,000	68,319,824
Ordinary dividend paid	0	0	(1,000,000)	(1,000,000)
Profit/loss for the year	0	(6,857,086)	5,400,000	(1,457,086)
Equity end of year	805,000	59,657,738	5,400,000	65,862,738

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	36,731,646	33,402,939
Pension costs	3,581,981	3,182,602
Other social security costs	2,225,395	1,535,175
Other staff costs	925,334	0
	43,464,356	38,120,716
Average number of full-time employees	87	83

	Remuneration of Management 2023 DKK	Remuneration of Management 2022 DKK
Executive Board	1,995,245	3,465,479
	1,995,245	3,465,479

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	5,442,216	5,442,215
Depreciation of property, plant and equipment	2,584,408	2,195,085
	8,026,624	7,637,300

4 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Change in deferred tax	416,008	63,153
Adjustment concerning previous years	(61,606)	0
Refund in joint taxation arrangement	(833,880)	0
	(479,478)	63,153

5 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	5,400,000	1,000,000
Retained earnings	(6,857,086)	1,384,677
	(1,457,086)	2,384,677

6 Intangible assets

	Goodwill
	DKK
Cost beginning of year	54,422,150
Cost end of year	54,422,150
Amortisation and impairment losses beginning of year	(6,929,715)
Amortisation for the year	(5,442,216)
Amortisation and impairment losses end of year	(12,371,931)
Carrying amount end of year	42,050,219

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost beginning of year	18,567,148	2,522,604
Additions	3,270,323	41,500
Disposals	(222,046)	0
Cost end of year	21,615,425	2,564,104
Depreciation and impairment losses beginning of year	(12,769,781)	(250,121)
Depreciation for the year	(2,312,645)	(271,763)
Reversal regarding disposals	210,848	0
Depreciation and impairment losses end of year	(14,871,578)	(521,884)
Carrying amount end of year	6,743,847	2,042,220

8 Financial assets

	Deposits
	DKK
Cost beginning of year	663,376
Cost end of year	663,376
Carrying amount end of year	663,376

9 Prepayments

Prepayments consist of expenses for IT and insurance.

10 Deferred tax

	2023	2022
	DKK	DKK
Intangible assets	1,534,768	1,021,645
Property, plant and equipment	307,793	303,708
Receivables	(264,000)	(162,800)
Tax losses carried forward	0	(358,666)
Deferred tax	1,578,561	803,887

	2023	2022
	DKK	DKK
Changes during the year		
Beginning of year	803,887	(48,044)
Recognised in the income statement	416,008	63,153
Tax losses used in the joint taxation previous year	358,666	0
Additions through business combinations etc	0	788,778
End of year	1,578,561	803,887

11 Other payables

Other payables consists VAT and duties, wages and salaries, personal income taxes, social security costs and other payables.

12 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	21,196	18,504

13 Contingent liabilities

After the balance sheet date, the company has received a claim for payment of a significant amount regarding an examination of a horse. The case is in its initial phase and is handled by the insurance company, according to the company's normal procedure. As it is early in the investigation, the potential financial impact is not known but it's the managements statement that it is not expected to have any financial impact.

The Entity participates in a Danish joint taxation arrangement where Altano Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

14 Related parties with controlling interest

Altano Denmark A/S, Morud, Denmark owns all shares in the Entity, thus exercising control.

15 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Altano Denmark A/S

Rugårdsvej 696,

5462 Morud

Denmark

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of consumables, own work capitalised, other operating income, cost of consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of property, plant and equipment, and salary subsidies.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is calculated as the difference between cost of investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

#However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Altano Denmark A/S, Business Reg. No. 42263095.