AniCura ApS

Marielundvej 46 E, 1. th., DK-2730 Herlev

Annual Report for 2023

CVR No. 34 89 77 78

The Annual Report was presented and adopted at the Annual General Meeting of the company on 14/6 2024

Morten Gerner
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of AniCura ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Herlev, 14 June 2024

Executive Board

Fabrice Charles Louis Ribourg
CEO

Board of Directors

Fabrice Charles Louis Ribourg Chairman	Morten Gerner Vice chairman

Independent Auditor's report

To the shareholder of AniCura ApS

Report on the audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AniCura ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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.

Independent Auditor's report

In preparing the Financial Statements, Management is responsible for assessing the Group´s and the Parent 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 Group or the Parent 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 Group´s and the Parent Company´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 Group´s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Other matters

During the financial year, the Parent Company has received cash payments which exceed the thresholds laid down by the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism, by which Management may incur liability.

Hellerup, 14 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Lunden	Gösta Gauffin
State Authorised Public Accountant	State Authorised Public Accountant
mne32209	mne45821

Company information

The Company	AniCura ApS Marielundvej 46 E, 1. th. 2730 Herlev CVR No: 34 89 77 78 Financial period: 1 January - 31 December Municipality of reg. office: Herlev, Denmark
Board of Directors	Fabrice Charles Louis Ribourg, chairman Morten Gerner, vice chairman
Executive Board	Fabrice Charles Louis Ribourg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2023	2022
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	477,662	462,122
Gross profit	259,181	262,791
Profit/loss of primary operations	-22,431	-41,371
Profit/loss of financial income and expenses	-1,075	15,137
Net profit/loss for the year	-25,496	-28,315
Balance sheet		
Balance sheet total	304,001	358,191
Investment in property, plant and equipment	35,200	10,135
Equity	229,784	252,859
Cash flows		
Cash flows from:		
- operating activities	22,613	2,435
- investing activities	-37,081	-21,658
- financing activities	12,672	11,133
Change in cash and cash equivalents for the year	-1,796	-8,090
Number of employees	450	440
Ratios		
Gross margin	54.3%	56.9%
Profit margin	-4.7%	-9.0%
Return on assets	-7.4%	-11.5%
Solvency ratio	75.6%	70.6%
Return on equity	-10.6%	-21.4%

The Group has previously applied the exception rule in section 112 of the Danish Financial Statements Act whereby 2023 is the first year in which the Group has prepared consolidated accounts. It has not been practically possible to prepare reliable key figures for the period 2019 to 2021. As a consequence hereof, the Group has only disclosed key figures for the years 2022 and 2023, as these have been possible to prepare reliably.

Management's review

Key activities

The Group's primary activity is, directly or indirectly, to operate a business providing qualified animal care, to sell products and services related to animal care, to provide services to other companies within the AniCura Group primarily concerning administration, management, and marketing, as well as to engage in other business activities related thereto.

Developments in operations and financial position

The Group's income statement for 2023 shows a loss of TDKK 25,496, and the Group's balance sheet as of December 31, 2023, shows equity of TDKK 229,784.

This year has not been in line with expectations as we anticipated revenue growth which did not materialize at the expected level. Due to fluctuations in the market which have changed the behavior of the costumers. The lower revenue has been offset by cost management across the profit and loss.

We still believe in investing in our associates and increase the level of competences to increase the level of veterinary care for pets and the people who loves them, will generate a reliable organic growth.

AniCura ApS merged with its subsidiaries AniCura Københavns Dyrehospital ApS and AniCura KBH Dyrehospital Komplementarselskab ApS on 4 and 5 December 2023, with AniCura ApS as the continuing company.

The mergers were conducted to simplify the Group’s administration and improve the efficiency of our processes.

The mergers had no impact on the daily operations or employees, and the number of employees remained unchanged after the merger.

The accounting treatment of the mergers is described in note 1.

Special risks - operating risks and financial risks

The Group is exposed to financial risk relating to foreign currency. The risk is relating to the increase collaboration between Denmark and Norway and sales and purchases in EUR and SEK in addition. The risk is there for limited and is not hedged; However, Management assesses the exposure on a continuous basis.

The Group is not exposed from other financial or commercial risks, which is uncommon for the industry.

Intangible key resources

The employees constitute a very important asset for the Group. The Group operates in a very competitive market and great emphasis is placed on recruiting and retaining the best employees.

Focus is on the continued development and training of the employees via ongoing feedback on performance and by offering relevant education to the employees.

Targets and expectations for the year ahead

In 2024 net sales are expected to grow as planned with 6.0%. Obviously, the business context remains volatile, especially when it comes to our inflation and the aim is to remain in good control of expenses. The expectation for 2024 is to improve net profit/loss in the range of DKK 0 to 25 million compared to 2023.

Subsequent events

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

Corporate social responsibility report in accordance with section 99a of the Danish Financial Statements Act

Business model

The Group's principal activities are to, directly or indirectly, carry on business related to qualified animal care, the sale of products and services related to animal care, provision of services to other companies in the AniCura Group, mostly in terms of administration, management, legal advice and marketing, as well as other activities related thereto.

Material risks relating to corporate social responsibility

AniCura has identified and gives priority to the following significant matters: Employee conditions, the environment and climate as well as animal welfare.

Risks related to employee conditions, including employee satisfaction, possibility of training as well as attraction and retention of qualified staff.

Climate risks where AniCura may contribute to reducing the negative impact of the Group's activities on the environment: AniCura's business is not assessed to have significant environmental impact. As the most significant impact is assessed to be related to energy consumption, the Group purchases green energy whenever possible.

Risks related to animal ethics and animal welfare for pets, specifically how we ensure that our pets have as healthy lives as possible.

No significant risks have been identified in respect of human rights or anti-corruption. This is primarily because AniCura operates in a thoroughly regulated market supervised by the Danish authorities with respect to the corporate sector's compliance with legislation, and where collective bargaining agreements are made covering human rights. In Management's opinion, the absence of significant risks has rendered policies superfluous. Management considers the need for policies annually.

AniCura's employees regularly participate in e-learning sessions on these topics, just as suppliers are introduced to AniCura's code of conduct before entering into agreements.

Employees

Policy

AniCura intends to have a work culture where employees thrive; both professionally and on a personal level. AniCura encourages employees to use and develop their skills to achieve personal satisfaction.

Initiatives during the year

Personal and professional development is a natural part of working for AniCura. AniCura offers a wide range of courses, both in medical topics and other development aspects. In this connection, supplementary training and the employment of trainees are important elements. Both in terms of providing the market with the best programmes, but also to ensure a natural influx of well-trained employees. Of AniCura's 579 employees, 84 were trainees at 31 December 2023.

Management's review

In 2023, the first global Mars employee satisfaction survey was conducted. More than 60% of employees responded to the survey, which gave rise to four essential topics: Engaged – Energized – Included – Empowered. These four areas constitute the Group's focal areas within staff development.

Based on the survey, all departments have prepared their own action plans for maintaining or improving well-being, and at the end of 2023, it was decided to roll out the Performance Development Process, which is the Group's employee development programme and employee appraisal programme.

Outlook

With the employee satisfaction survey and the preparation of action plans, it is expected that, as a minimum, the current level of job satisfaction and commitment will be maintained.

Climate

Policy

AniCura strives to provide veterinary care that takes responsibility for the environment, while never compromising on patient safety. Our mission is to be a leading firm in the industry when it comes to taking responsibility for the environment.

Initiatives during the year

In 2023, we chose green energy to the extent possible, and we required all our suppliers to follow our guidelines for ethical business. In 2023, AniCura Group collected documentation from the Group in the form of invoices from all energy suppliers to analyse these and check whether suppliers exist who could meet our energy needs in a more environmentally friendly way.

We identified several areas in 2023 in which we can make a big difference. One area is to analyse how we order goods and equipment to reduce the number of transports to each clinic. In 2023, a project was initiated in which stock management was outsourced to an external party to optimise procurement and, thus, purchase according to requirement rather than by habit for the purpose of reducing waste and transport.

Outlook

It is expected that, in 2024, better stock management will decrease the number of deliveries to clinics and reduce the amount of medical waste arising from the purchase of too large quantities for it to be used before the expiry date.

The result of AniCura Group's supplier analysis is expected in 2024. If, according to the analysis, a change of supplier would provide an environmental gain, the required initiatives to bring about such change will be undertaken.

Animal ethics and animal welfare

Policy

In terms of animal ethics and animal welfare, our most important contribution to society is to maintain patient safety and high medical quality.

Management's review

Initiatives during the year

Antibiotic-resistant bacteria are one of the greatest threats to human and animal health worldwide, and overuse of antibiotics increases the spreading of resistant bacteria and poses a great risk to both humans and animals. Therefore, we monitored our consumption of antibiotics again in 2023 and are working to reduce the use of these.

A major focal point is our physical environment to reduce the need for antibiotics. Extra careful hygiene measures before, during and after surgery reduce the need for antibiotics.

AniPlan is a proprietary health programme providing pet owners with a customised plan which informs owners of the necessary preventive examinations a pet needs throughout life.

Preventive care and treatment throughout the animal's life help detect diseases and health problems early in the process. The earlier we detect a disease, the better the prognosis typically is for the animal.

Outlook

The outlook for 2024 includes increased quality of life and longer life expectancy for pets, and that AniCura’s customers will be loyal.

Management's review

Report on gender representation in Management in accordance with section 99b of the Danish Financial Statements Act

In 2023, AniCura achieved equal representation on the Board of Directors and at the remaining management levels. Consequently, no target figures or policy are required to be prepared.

Annual list of target figures:

	2023
Supreme governing body	
Total number of members	2
Underrepresented as a percentage	50%
Target figures as a percentage	n/a
Year of achievement of target figures	n/a
The Group's other management levels	
Total number of members	7
Underrepresented as a percentage	43%
Target figures as a percentage	n/a
Year of achievement of target figures	n/a

Management's review

Report on data ethics policy in accordance with section 99d of the Danish Financial Statements Act

As any personal data stored by AniCura is covered by the Danish Act on Processing of Personal Data or the GDPR, no specific data ethics policy has been established.

Income statement 1 January - 31 December

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	2	477,662	462,122	434,846	421,671
Other operating income	3	13,637	9,502	13,722	12,211
Expenses for raw materials and consumables		-113,853	-107,753	-105,662	-99,270
Other external expenses		-118,265	-101,080	-113,590	-99,950
Gross profit		**259,181**	**262,791**	**229,316**	**234,662**
Staff expenses	4	-242,153	-241,070	-227,073	-225,290
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-39,459	-63,092	-29,881	-31,007
Profit/loss before financial income and expenses		**-22,431**	**-41,371**	**-27,638**	**-21,635**
Income from investments in subsidiaries	5	0	0	28,124	-3,124
Financial income	6	5,246	18,888	3,585	1,350
Financial expenses	7	-6,321	-3,751	-1,299	-3,581
Profit/loss before tax		**-23,506**	**-26,234**	**2,772**	**-26,990**
Tax on profit/loss for the year	8	-1,990	-2,081	1,062	461
Net profit/loss for the year	9	**-25,496**	**-28,315**	**3,834**	**-26,529**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		1,781	3,227	1,781	3,227
Acquired other similar rights		88	2,265	88	2,265
Goodwill		100,824	126,614	59,744	77,807
Intangible assets	10	**102,693**	**132,106**	**61,613**	**83,299**
Land and buildings		34,219	36,505	17,021	18,002
Other fixtures and fittings, tools and equipment		19,544	22,635	18,073	20,646
Leasehold improvements		9,648	9,779	9,509	9,661
Property, plant and equipment in progress		27,719	616	27,719	616
Property, plant and equipment	11	**91,130**	**69,535**	**72,322**	**48,925**
Investments in subsidiaries	12	0	0	132,061	123,937
Deposits	13	3,319	1,438	2,710	924
Fixed asset investments		**3,319**	**1,438**	**134,771**	**124,861**
Fixed assets		**197,142**	**203,079**	**268,706**	**257,085**
Inventories	14	**15,958**	**17,447**	**14,305**	**15,174**
Trade receivables		12,170	11,437	9,048	9,248
Receivables from group enterprises		74,641	118,129	44,672	73,897
Other receivables		1,891	3,932	1,811	3,719
Corporation tax receivable from group enterprises		0	0	1,432	508
Prepayments	15	646	818	569	818
Receivables		**89,348**	**134,316**	**57,532**	**88,190**
Cash at bank and in hand		**1,553**	**3,349**	**923**	**2,050**
Current assets		**106,859**	**155,112**	**72,760**	**105,414**
Assets		**304,001**	**358,191**	**341,466**	**362,499**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		80	80	80	80
Reserve for development costs		0	0	1,389	2,517
Retained earnings		229,704	251,877	269,649	262,266
Equity attributable to shareholders of the Parent Company		**229,784**	**251,957**	**271,118**	**264,863**
Minority interests		0	902	0	0
Equity		**229,784**	**252,859**	**271,118**	**264,863**
Provision for deferred tax	16	6,391	5,962	6,028	5,722
Other provisions	17	5,000	2,934	5,000	2,907
Provisions		**11,391**	**8,896**	**11,028**	**8,629**
Prepayments received from customers		0	484	0	436
Trade payables		27,410	14,029	26,579	13,421
Payables to group enterprises		11,197	48,370	11,450	49,057
Payables to group enterprises relating to corporation tax		1,804	4,907	0	0
Other payables		22,415	28,646	21,291	26,093
Short-term debt		**62,826**	**96,436**	**59,320**	**89,007**
Debt		**62,826**	**96,436**	**59,320**	**89,007**
Liabilities and equity		**304,001**	**358,191**	**341,466**	**362,499**

Mergers between AniCura ApS and subsidiaries	1
Contingent assets, liabilities and other financial obligations	21
Related parties	22
Fee to auditors appointed at the general meeting	23
Accounting Policies	24

Statement of changes in equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	80	251,877	251,957	902	252,859
Contribution from group	0	2,571	2,571	0	2,571
Acquisition of minority interests	0	0	0	-150	-150
Share premium, acquisition of minority interests	0	752	752	-752	0
Net profit/loss for the year	0	-25,496	-25,496	0	-25,496
Equity at 31 December	**80**	**229,704**	**229,784**	**0**	**229,784**

Parent company

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	80	2,517	262,266	264,863
Contribution from group	0	0	2,571	2,571
Other equity movements	0	0	-150	-150
Development costs for the year	0	-1,128	1,128	0
Net profit/loss for the year	0	0	3,834	3,834
Equity at 31 December	**80**	**1,389**	**269,649**	**271,118**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		-25,496	-28,315
Adjustments	19	41,533	49,201
Change in working capital	20	9,636	-14,498
Cash flow from operations before financial items		**25,673**	**6,388**
Financial income		93	1,879
Financial expenses		-109	-3,751
Cash flows from ordinary activities		**25,657**	**4,516**
Corporation tax paid		-3,044	-2,081
Cash flows from operating activities		**22,613**	**2,435**
Purchase of intangible assets		0	-11,501
Purchase of property, plant and equipment		-35,200	-10,135
Fixed asset investments made etc		-1,881	-22
Cash flows from investing activities		**-37,081**	**-21,658**
Repayment of payables to group enterprises		10,251	-391,023
Cash capital increase		2,571	402,156
Other equity entries		-150	0
Cash flows from financing activities		**12,672**	**11,133**
Change in cash and cash equivalents		**-1,796**	**-8,090**
Cash and cash equivalents at 1 January		3,349	11,439
Cash and cash equivalents at 31 December		**1,553**	**3,349**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1,553	3,349
Cash and cash equivalents at 31 December		**1,553**	**3,349**

Notes to the Financial Statements

1. Mergers between AniCura ApS and subsidiaries

On 4 and 5 December 2023, the Group underwent a restructuring process through two mergers with the Parent Company, AniCura ApS. The mergers were as follows:

1. A vertical merger between AniCura ApS and AniCura Københavns Dyrehospital ApS with AniCura ApS as the continuing entity.

2. A vertical merger between AniCura ApS and AniCura KBH Dyrehospital Komplementarselskab ApS with AniCura ApS as the continuing entity.

As a result of the mergers, AniCura ApS, the Parent Company, remains the continuing company. The mergers are accounted for using the group method, given that the continuing company had control over the discontinuing companies prior to the mergers.

The impact of the mergers on the Parent Company's equity at the start of the comparative year (1 January 2022) is as follows:

Equity at 1 January 2022: -98.384 TDKK

Effect of merger: -12.381 TDKK

Adjusted equity at 1 January 2022: -110.765 TDKK

The mergers resulted in a net profit/loss for the year of 4,128 TDKK for the Parent Company.

The mergers were completed using the group method, which means the continuing company mirrors the mergers based on the consolidated accounts. Prior to the fiscal year 2023, the Parent Company had not prepared consolidated financial statements. Therefore, a detailed analysis was conducted to determine the values if consolidated accounts had been prepared. For one of the merged companies, a Purchase Price Allocation (PPA) was not available. As a result, goodwill was calculated based on the purchase price and the book value of net assets in the discontinuing company.

Goodwill related to completed acquisitions in the Group has been calculated retrospectively, and is amortized over 10 years, as it has not been possible to determine a useful life reliably.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Revenue				
Geographical segments				
Denmark	467,532	451,004	424,716	410,553
Sweden	10,130	11,118	10,130	11,118
	477,662	**462,122**	**434,846**	**421,671**
Business segments				
Hospital and clinic services	414,483	401,792	392,592	383,670
Online sale of goods	42,254	38,001	42,254	38,001
Crematorium services	20,925	22,329	0	0
	477,662	**462,122**	**434,846**	**421,671**

3. Other operating income

Other operating income comprises items of a secondary nature to the main activities of the Group, including management fees and distributed costs.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Staff Expenses				
Wages and salaries	213,613	215,105	199,549	204,289
Pensions	23,869	22,109	23,063	17,772
Other social security expenses	4,671	3,856	4,461	3,229
	242,153	**241,070**	**227,073**	**225,290**
Including remuneration to the Executive Board:				
Executive board	1,470		1,470	
	1,470		**1,470**	
Average number of employees	**450**	**440**	**427**	**414**

The board of directors do not receive any remuneration.

In accordance with section 98(b)(3) of the Danish Financial Statements Act remuneration to the executive board has not been disclosed for the comparative year.

	Parent company	
	2023	2022
	TDKK	TDKK
5. Income from investments in subsidiaries		
Net impairment of investments in subsidiaries	3,124	-3,124
Dividend	25,000	0
	28,124	**-3,124**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
6. Financial income				
Interest received from group enterprises	5,152	895	3,497	177
Other financial income	1	17,993	1	1,173
Exchange adjustments	93	0	87	0
	5,246	**18,888**	**3,585**	**1,350**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
7. Financial expenses				
Interest paid to group enterprises	1,212	353	1,212	311
Other financial expenses	5,109	679	87	551
Exchange adjustments, expenses	0	2,719	0	2,719
	6,321	**3,751**	**1,299**	**3,581**

8. Income tax expense

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	1,733	2,197	-1,369	-508
Deferred tax for the year	427	-110	307	53
Adjustment of tax concerning previous years	-170	-6	0	-6
	1,990	**2,081**	**-1,062**	**-461**

9. Profit allocation

	Parent company 2023	Parent company 2022
	TDKK	TDKK
Proposed dividend for the year	0	0
Retained earnings	3,834	-26,529
	3,834	**-26,529**

10. Intangible fixed assets

	Group			Parent company		
	Completed development projects	Acquired other similar rights	Goodwill	Completed development projects	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	7,230	10,543	337,894	7,230	10,543	236,714
Cost at 31 December	7,230	10,543	337,894	7,230	10,543	236,714
Impairment losses and amortisation at 1 January	4,003	8,278	211,281	4,003	8,278	158,907
Amortisation for the year	1,446	2,177	25,789	1,446	2,177	18,063
Impairment losses and amortisation at 31 December	5,449	10,455	237,070	5,449	10,455	176,970
Carrying amount at 31 December	**1,781**	**88**	**100,824**	**1,781**	**88**	**59,744**

The Parent Company's completed development projects relate to upgrades and improvement of the Company's existing software platform completed in 2020. Completed development projects are capitalized according to the Group principles and are ready for use upon completion.

11. Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	48,194	99,999	13,634	616
Additions for the year	0	3,832	4,265	27,103
Cost at 31 December	48,194	103,831	17,899	27,719
Impairment losses and depreciation at 1 January	11,689	77,831	6,947	0
Depreciation for the year	2,286	6,456	1,304	0
Impairment losses and depreciation at 31 December	13,975	84,287	8,251	0
Carrying amount at 31 December	**34,219**	**19,544**	**9,648**	**27,719**

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	22,106	81,570	13,426	616
Additions for the year	0	3,832	4,218	27,103
Cost at 31 December	22,106	85,402	17,644	27,719
Impairment losses and depreciation at 1 January	4,104	61,394	6,857	0
Depreciation for the year	981	5,935	1,278	0
Impairment losses and depreciation at 31 December	5,085	67,329	8,135	0
Carrying amount at 31 December	**17,021**	**18,073**	**9,509**	**27,719**

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

12. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	127,061	144,070
Change to cost as a result of changes in the variable consideration	5,000	-17,009
Cost at 31 December	132,061	127,061
Value adjustments at 1 January	-3,124	0
Revaluations for the year, net	3,124	-3,124
Value adjustments at 31 December	0	-3,124
Carrying amount at 31 December	**132,061**	**123,937**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Ada's Kæledyrskrematorium ApS	Hedehusene, Denmark	200 TDKK	100%
AniCura Køge Dyrehospital ApS	Køge, Denmark	125 TDKK	100%
AniCura Property ApS	Herlev, Denmark	80 TDKK	100%

13. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 January	1,439	924
Additions for the year	1,880	1,786
Cost at 31 December	3,319	2,710
Carrying amount at 31 December	**3,319**	**2,710**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
14. Inventories				
Raw materials and consumables	906	536	0	0
Finished goods and goods for resale	15,052	16,911	14,305	15,174
	15,958	**17,447**	**14,305**	**15,174**

15. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions etc.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
16. Provision for deferred tax				
Deferred tax liabilities at 1 January	5,962	6,055	5,722	5,652
Amounts recognised in the income statement for the year	429	-93	306	70
Deferred tax liabilities at 31 December	**6,391**	**5,962**	**6,028**	**5,722**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

17. Other provisions

The Parent Company has entered earn-out agreements in relation to its completed mergers and acquisitions. Earn-out provisions are recognized when future earn-out payments are probable and can be measured reliably.

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Other provisions at 1 January	2,934	23,819	2,907	23,799
Change in provisions	2,066	-20,885	2,093	-20,892
	5,000	**2,934**	**5,000**	**2,907**
The provisions are expected to mature as follows:				
Within 1 year	0	2,934	0	2,907
Between 1 and 5 years	5,000	0	5,000	0
After 5 years	0	0	0	0
	5,000	**2,934**	**5,000**	**2,907**

18. Received prepayments from customers

Received prepayments consist of prepayments received in respect of income in subsequent years.

19. Cash flow statement - Adjustments

	Group 2023 TDKK	Group 2022 TDKK
Financial income	-5,246	-18,888
Financial expenses	6,321	3,751
Depreciation, amortisation and impairment losses, including losses and gains on sales	39,459	63,092
Tax on profit/loss for the year	1,990	2,081
Other adjustments	-991	-835
	41,533	**49,201**

20. Cash flow statement - Change in working capital

	Group 2023 TDKK	Group 2022 TDKK
Change in inventories	1,489	-1,374
Change in receivables	1,481	-1,402
Change in trade payables, etc	6,666	-11,722
	9,636	**-14,498**

21. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
The Group Companies have entered lease agreements with periods of non-terminability. The total remaining lease obligation as per the balance sheet day is:	61,662	43,981	55,618	39,668

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Mars Danmark A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Group is jointly VAT-registered whereby the Group Companies are severally liable for VAT-payments.

22. Related parties and disclosure of consolidated financial statements

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

All intercompany transactions with entities in the Group have been made at arm's length.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Mars Incorporated	McLean, Virginia, USA
Mars Pet Services UK Limited	Slough, United Kingdom

The Group Annual Report of Mars Incorporated is not published, as the company is privately owned.

The Group Annual Report of Mars Pet Services UK Limited may be obtained at the following address:
3d Dundee Road
Slough
United Kingdom
SL1 4LG

23. Fee to auditors appointed at the general meeting

	Group	
	2023	2022
	TDKK	TDKK
PricewaterhouseCoopers		
Audit fee	1,135	1,708
Other assurance engagements	225	246
Tax advisory services	495	451
Non-audit services	765	930
	2,620	**3,335**

24. Accounting policies

The Annual Report of AniCura ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, AniCura ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Intragroup business combinations in the financial year 2023 are accounted for under the group method, as the continuing company, AniCura ApS, exercised control over the discontinuing companies prior to the business combinations.

Under the group method the continuing company mirrors the business combination based on the consolidated accounts. AniCura ApS has previously not prepared consolidated financial statements and has thus carried out a detailed analysis in order to determine the values had consolidated accounts been prepared.

The group method is applied as if the two enterprises had always been combined by restating comparative figures.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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.

Segment information on revenue

Information on business segments and geographical segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue is recognised when the risks and rewards 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 Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

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 Group, including managements fees and distributed costs.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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 Mars Danmark A/S. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over 10 years, as it has not been possible to determine its useful life.

Costumer relations are measured at cost less accumulated amortisation. Costumer relations are amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Development costs are measured at cost less accumulated amortisation. Development costs are amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20 years
Plant and machinery	3-5 years
Leasehold improvements	3-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

Notes to the Financial Statements

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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 and costs of completion. 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.

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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

Notes to the Financial Statements

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity