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## **EVIDENSIA DANMARK ApS**

Enggårdsvej 2

4700 Næstved

Business Registration No

35037845

### **Annual report 01.10.2017 - 30.09.2018**

The Annual General Meeting adopted the annual report on 31.03.2019

#### **Chairman of the General Meeting**

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Name: Ulla Pless

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## Entity details

### Entity

EVIDENSIA DANMARK ApS  
Enggårdsvej 2  
4700 Næstved

Central Business Registration No (CVR): 35037845

Registered in: Næstved

Financial year: 01.10.2017 - 30.09.2018

### Board of Directors

Ulla Pless, Chairman  
David Robert Geoffrey Hillier  
Amanda Jane Davis

### Executive Board

Ulla Pless, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of EVIDENSIA DANMARK ApS for the financial year 01.10.2017 - 30.09.2018.

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 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018.

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.

Næstved, 31.03.2019

### Executive Board

Ulla Pless  
CEO

### Board of Directors

Ulla Pless  
Chairman

David Robert Geoffrey Hillier

Amanda Jane Davis

# Independent auditor's report

## To the shareholder of EVIDENSIA DANMARK ApS

### Opinion

We have audited the financial statements of EVIDENSIA DANMARK ApS for the financial year 01.10.2017 - 30.09.2018, 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 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the 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:

## Independent auditor's report

- 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 under the Danish Financial Statements Act.

## Independent auditor's report

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

### **Emphasis of matter regarding other issues**

Without qualifying our opinion, we inform you that the financial statements are filed late. Consequently the board of directors can be held liable.

Copenhagen, 31.03.2019

## **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Flemming Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne27790

## Management commentary

### Primary activities

The company's main activity is to be a holding company for companies operating within the veterinary industry and related activities.

### Development in activities and finances

The company's result shows a deficit of DKK 16,068 thousand compared to DKK 2,547 thousand in 2017 (1 January 2017 to 30 September 2017 - 9 months ). The company's balance sheet 30.09.2018 reports a negative equity of DKK 15,128 thousand.

In connection with preparation of the 2017/2018 financial state-ments, management has revaluated the goodwill. Consequently goodwill is now ammortized over 10 years (previously 20 years). The change is incorporated restroactively and the comparative figures are restated. This has impacted the equity beginning of the year with DKK 15,673 thousand. The net book value of investment in group companies was reduced by 15,673 thousand.

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

### Essential assumptions and uncertain factors

The company has lost the entire share capital and has a negative equity. Management believes that the company can generate a profit in the coming financial years and re-establish its equity by its own earnings.

The company's parent company has undertaken to supply the company with liquidity, if the company cannot meet its own obligations for its own funds. The commitment is valid until 01.10.2019.

The management accordingly submits the annual accounts on the assumption of the company's

### 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 2017/18

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2017 DKK'000</u>
<b>Gross profit</b>		<b>5,433,806</b>	<b>4,070</b>
Staff costs	2	(6,512,440)	(4,468)
Depreciation, amortisation and impairment losses	3	<u>(12,254)</u>	<u>(3)</u>
<b>Operating profit/loss</b>		<b>(1,090,888)</b>	<b>(401)</b>
Income from investments in group enterprises		(13,480,535)	706
Other financial income	4	0	3
Other financial expenses	5	<u>(1,499,010)</u>	<u>(1,749)</u>
<b>Profit/loss before tax</b>		<b>(16,070,433)</b>	<b>(1,441)</b>
Tax on profit/loss for the year	6	<u>2,584</u>	<u>(1,106)</u>
<b>Profit/loss for the year</b>		<b><u>(16,067,849)</u></b>	<b><u>(2,547)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(16,067,849)</u>	<u>(2,547)</u>
		<b><u>(16,067,849)</u></b>	<b><u>(2,547)</u></b>

## Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2017 DKK'000</u>
Other fixtures and fittings, tools and equipment		78,210	58
<b>Property, plant and equipment</b>	7	<b>78,210</b>	<b>58</b>
Investments in group enterprises		37,110,281	49,682
<b>Fixed asset investments</b>	8	<b>37,110,281</b>	<b>49,682</b>
<b>Fixed assets</b>		<b>37,188,491</b>	<b>49,740</b>
Receivables from group enterprises		6,224,307	0
Other receivables		0	117
Income tax receivable		47,000	0
Prepayments		27,068	31
<b>Receivables</b>		<b>6,298,375</b>	<b>148</b>
<b>Cash</b>		<b>1,341,450</b>	<b>310</b>
<b>Current assets</b>		<b>7,639,825</b>	<b>458</b>
<b>Assets</b>		<b>44,828,316</b>	<b>50,198</b>

## Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2017</u> <u>DKK'000</u>
Contributed capital		300,000	300
Retained earnings		<u>(15,427,920)</u>	<u>641</u>
<b>Equity</b>		<b><u>(15,127,920)</u></b>	<b><u>941</u></b>
Deferred tax		0	3
Provisions for investments in group enterprises		<u>4,431,878</u>	<u>3,504</u>
<b>Provisions</b>		<b><u>4,431,878</u></b>	<b><u>3,507</u></b>
Payables to group enterprises	9	<u>33,939,793</u>	<u>0</u>
<b>Non-current liabilities other than provisions</b>		<b><u>33,939,793</u></b>	<b><u>0</u></b>
Trade payables		354,249	111
Payables to group enterprises		20,497,724	44,346
Other payables		<u>732,592</u>	<u>1,293</u>
<b>Current liabilities other than provisions</b>		<b><u>21,584,565</u></b>	<b><u>45,750</u></b>
<b>Liabilities other than provisions</b>		<b><u>55,524,358</u></b>	<b><u>45,750</u></b>
<b>Equity and liabilities</b>		<b><u>44,828,316</u></b>	<b><u>50,198</u></b>
Going concern	1		
Contingent liabilities	10		

## Statement of changes in equity for 2017/18

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Equity beginning of year	300,000	639,929	939,929
Profit/loss for the year	<u>0</u>	<u>(16,067,849)</u>	<u>(16,067,849)</u>
<b>Equity end of year</b>	<b><u>300,000</u></b>	<b><u>(15,427,920)</u></b>	<b><u>(15,127,920)</u></b>

## Notes

### 1. Going concern

The company's parent company has undertaken to provide the necessary liquidity for the company's operations in the coming financial year. On the basis of this letter of support management determined that the financial statements can be presented in accordance with the going concern principle.

	<b>2017/18</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	5,658,361	3,595
Pension costs	635,840	539
Other social security costs	31,997	25
Other staff costs	186,242	309
	<b>6,512,440</b>	<b>4,468</b>
Average number of employees	<b>9</b>	

	<b>2017/18</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	12,254	3
	<b>12,254</b>	<b>3</b>

	<b>2017/18</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Other financial income</b>		
Other interest income	0	3
	<b>0</b>	<b>3</b>

	<b>2017/18</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>5. Other financial expenses</b>		
Financial expenses from group enterprises	1,328,570	1,089
Other interest expenses	5,205	660
Exchange rate adjustments	165,235	0
	<b>1,499,010</b>	<b>1,749</b>

## Notes

	<b>2017/18</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>6. Tax on profit/loss for the year</b>		
Change in deferred tax	(2,584)	1,106
	<b>(2,584)</b>	<b>1,106</b>
		<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>7. Property, plant and equipment</b>		
Cost beginning of year		60,795
Additions		33,120
<b>Cost end of year</b>		<b>93,915</b>
Depreciation and impairment losses beginning of year		(3,451)
Depreciation for the year		(12,254)
<b>Depreciation and impairment losses end of year</b>		<b>(15,705)</b>
<b>Carrying amount end of year</b>		<b>78,210</b>
		<b>Invest- ments in group enterprises DKK</b>
<b>8. Fixed asset investments</b>		
Cost beginning of year		55,956,795
<b>Cost end of year</b>		<b>55,956,795</b>
Revaluations beginning of year		(9,780,007)
Amortisation of goodwill		(3,342,153)
Share of profit/loss for the year		(10,138,382)
Investments with negative equity value transferred to provisions		4,414,028
<b>Revaluations end of year</b>		<b>(18,846,514)</b>
<b>Carrying amount end of year</b>		<b>37,110,281</b>

## Notes

	<u>Domiciled</u>	<u>Company type</u>	<u>Owner ship percentage</u>	<u>Equity DKK kr.</u>	<u>Result DKK kr.</u>
Fixed asset investment comprises:					
Evidensia Dyrehospital A/S	Næstved	A/S	100,0	22,073,832	(9,228,596)
Evidensia Academy ApS	Greve	ApS	100,0	(4,543,059)	(1,038,817)

### 9. Long-term debt to group enterprises

The debt to Evidensia Djursjukvård AB is due at the written request of the Swedish parent company. Such a request assumes that Evidensia Danmark ApS has sufficient cash flow to pay, this. An agreement has been reached that no debt must be redeemed in the coming year.

### 10. Contingent liabilities

The company has issued a warrenty statement towards the subsidiary company Evidensia Academy ApS. The warrenty is valid until 1 October 2019.

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

With the exception of the below, the accounting policies applied to these financial statements are consistent with those applied last year.

In connection with preparation of the 2017/2018 financial statements, management has revaluated the goodwill. Consequently goodwill is now amortized over 10 years (previously 20 years). The change is incorporated retroactively and the comparative figures are restated. This has impacted the equity beginning of the year with DKK 15,673 thousand. The net book value of investment in group companies was reduced by 15,673 thousand.

### Consolidated financial statements

Referring to § 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### 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.

### Income statement

#### Gross profit or loss

With reference to the Danish financial statement presentation act §32 management has decided not to disclose revenue. Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Gross profit or loss comprises revenue and external expenses.



## Accounting policies

### 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.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies.

### Staff costs

Staff costs comprise salaries and wages as well as 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 comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Other financial income

Other financial income comprises interest income

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and bank.

### 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.

### Balance sheet

#### Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

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.

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:

Other fixtures and fittings, tools and equipment	3-5 years
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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.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Goodwill is amortised over 10 years.

### Receivables

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

### Income 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.

## Accounting policies

### Cash

Cash comprises cash in hand and bank deposits.

### 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 or the planned settlement of each liability.

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 provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

### Other financial liabilities

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