Hestedoktoren, Højgård Sjælland ApS

Hvalsøvej 298
4360 Kirke Eskilstrup
CVR No. 36203188

Annual report 2021

The Annual General Meeting adopted the annual report on 15.03.2022

Guinevere Holmes Hørning
Chairman of the General Meeting

Contents

Entity details

Entity

Hestedoktoren, Højgård Sjælland ApS

Hvalsøvej 298

4360 Kirke Eskilstrup

Business Registration No.: 36203188

Registered office: Holbæk

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Guinevere Holmes Hørning

Nanna Lúthersson

Martin Hjorth Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
P. O. Box 10
5100 Odense

Statement by Management

The Executive Board has today considered and approved the annual report of Hestedoktoren, Højgård Sjælland ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Kirke Eskilstrup, 15.03.2022

Executive Board

Guinevere Holmes Hørning

Nanna Lúthersson

Martin Hjorth Jensen

Independent auditor's report

To the shareholders of Hestedoktoren, Højgård Sjælland ApS

Opinion

We have audited the financial statements of Hestedoktoren, Højgård Sjælland ApS for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 under the Danish Financial Statements Act.

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.

Odense, 15.03.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach
State Authorised Public Accountant
Identification No (MNE) mne19691

Abdul Wahab Ashraf
State Authorised Public Accountant
Identification No (MNE) mne46664

Management commentary

Primary activities

The purpose of the company is operation of veterinary and hospital activities as well as agriculture and related activities.

Description of material changes in activities and finances

In December 2021, the company aquired the rest of the shares in Hestedoktoren I/S and merged with company. The financial results are effected by the acquisition.

The result for the year shows a profit of TDKK 6,689.

The result for the year is considered satisfactory.

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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		**(765,242)**	**(36,152)**
Staff costs	1	0	(197,588)
Operating profit/loss		**(765,242)**	**(233,740)**
Income from investments in associates		7,474,116	899,682
Other financial expenses	2	(30,686)	(441)
Profit/loss before tax		**6,678,188**	**665,501**
Tax on profit/loss for the year	3	10,821	(146,391)
Profit/loss for the year		**6,689,009**	**519,110**
Proposed distribution of profit and loss			
Retained earnings		6,689,009	519,110
Proposed distribution of profit and loss		**6,689,009**	**519,110**

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Goodwill		21,103,766	0
Intangible assets	4	**21,103,766**	**0**
Other fixtures and fittings, tools and equipment		435,000	0
Leasehold improvements		1,450,000	0
Property, plant and equipment	5	**1,885,000**	**0**
Investments in associates		0	920,338
Other receivables		48,376	0
Financial assets	6	**48,376**	**920,338**
Fixed assets		**23,037,142**	**920,338**
Raw materials and consumables		328,661	0
Inventories		**328,661**	**0**
Trade receivables		508,478	0
Income tax receivable		441,220	0
Receivables		**949,698**	**0**
Cash		**2,533,008**	**579,319**
Current assets		**3,811,367**	**579,319**
Assets		**26,848,509**	**1,499,657**

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		51,000	50,000
Share premium		0	315,000
Retained earnings		21,078,417	0
Proposed dividend		0	519,110
Equity		**21,129,417**	**884,110**
Deferred tax		443,378	12,979
Other provisions	7	2,713,500	0
Provisions		**3,156,878**	**12,979**
Payables to group enterprises		1,842,190	455,897
Income tax payable		0	103,070
Other payables		720,024	43,601
Current liabilities other than provisions		**2,562,214**	**602,568**
Liabilities other than provisions		**2,562,214**	**602,568**
Equity and liabilities		**26,848,509**	**1,499,657**
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Statement of changes in equity for 2021

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	50,000	315,000	0	519,110	884,110
Increase of capital	1,000	14,074,408	0	0	14,075,408
Transferred from share premium	0	(14,389,408)	14,389,408	0	0
Ordinary dividend paid	0	0	0	(519,110)	(519,110)
Profit/loss for the year	0	0	6,689,009	0	6,689,009
Equity end of year	**51,000**	**0**	**21,078,417**	**0**	**21,129,417**

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	0	194,862
Other social security costs	0	2,726
	0	**197,588**

Average number of full-time employees	**0**	**1**

2 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	9,564	0
Other interest expenses	21,122	441
	30,686	**441**

3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(441,220)	103,070
Change in deferred tax	430,399	43,321
	(10,821)	**146,391**

4 Intangible assets

	Goodwill DKK
Additions	21,103,766
Cost end of year	**21,103,766**
Carrying amount end of year	**21,103,766**

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Addition through business combinations etc	435,000	1,450,000
Cost end of year	**435,000**	**1,450,000**
Carrying amount end of year	**435,000**	**1,450,000**

6 Financial assets

	Investments in associates DKK	Other receivables DKK
Cost beginning of year	363,668	0
Addition through business combinations etc	0	48,376
Disposals	(363,668)	0
Cost end of year	**0**	**48,376**
Revaluations beginning of year	556,670	0
Share of profit/loss for the year	1,091,772	0
Reversal of revaluations	(1,648,442)	0
Revaluations end of year	**0**	**0**
Carrying amount end of year	**0**	**48,376**

7 Other provisions

Other provision have been recognized for DKK 2,174k related to contingent earn-outs. The acquisition agreement states that a contingent earn-out is to be paid to the former owner based on the fulfilment of certain terms and conditions, such as profitability targets for 2022.

8 Unrecognised rental and lease commitments

Liabilities under rental or lease agreements until maturity in total DKK 406k (2020: DKK 0)

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where 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.

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.

10 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

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.

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.

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.

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

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 amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

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

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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	5-10 years
Leasehold improvements	5-10 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.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in associates.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

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

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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.

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions
Provisions are recognized when the company has a legal or constructive obligation as a result of an event that occurred no later than the balance sheet date, and it is probable that financial benefits will have to be provided to settle the obligation.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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