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Fælledvej 1
DK-5000 Odense C
CVR no. 20 22 26 70

JØRGEN KRUUSE A/S

HAVRETOFTEN 4, LANGESKOV, 5550 LANGESKOV

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 20 June 2024

Mads Bonne Alkærsig

CVR NO. 35 24 32 16

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COMPANY DETAILS

Company	Jørgen Kruuse A/S Havretoften 4 Langeskov 5550 Langeskov	
	Telephone:	+45 72 14 15 11
	Website:	www.kruuse.com
	E-mail:	info@kruuse.com
	CVR No.:	35 24 32 16
	Established:	2 May 1939
	Municipality:	Kerteminde
	Financial Year:	1 January - 31 December
Board of Directors	Graham Michael Rhodes, chairman Tino Bendix Gitte Rene Uhrenholt	
Executive Board	Tino Bendix Mads Bonne Alkærsig	
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C	
Bank	Nordea Bank Danmark A/S Vestre Stationsvej 7 5000 Odense C Bank Mendes Gans Herengracht 619 1017 CE Amsterdam, Holland	
Law Firm	Gorissen Federspiel H. C. Andersens Boulevard 12 1553 Copenhagen V	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Jørgen Kruuse A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Langeskov, 20 June 2024

Executive Board

Tino Bendix	Mads Bonne Alkærsig

Board of Directors

Graham Michael Rhodes Chairman	Tino Bendix	Gitte Rene Uhrenholt

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Jørgen Kruuse A/S

Opinion
We have audited the Financial Statements of Jørgen Kruuse A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and hias been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Odense, 20 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Bechsgaard Jørgensen
State Authorised Public Accountant
MNE no. mne31412

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue	620,764	512,500	617,608	530,476	519,312
Gross profit/loss	162,946	143,880	208,458	177,031	137,938
Operating profit/loss of main activities	67,048	30,651	91,585	62,712	25,869
Financial income and expenses, net	2,412	738	197	680	8,866
Profit/loss for the year	67,698	38,545	91,281	63,857	35,379
Balance sheet					
Total assets	445,338	376,561	457,219	438,408	549,140
Equity	306,794	249,306	289,632	287,933	225,689
Cash flows					
Investment in property, plant and equipment	-3,033	-2,150	-3,213	-1,939	-3,490
Average number of full-time employees	**155**	**172**	**175**	**176**	**178**
Key ratios					
Gross margin	26.2	28.1	33.8	33.4	26.6
Operating margin	10.8	6.0	14.8	11.8	5.0
Equity ratio	68.9	66.2	63.3	65.7	41.1
Return on equity	24.3	14.3	31.6	24.9	17.3
Index for net revenue	120	99	119	102	100
Net revenue per employee	4,005	2,980	3,529	3,014	2,917

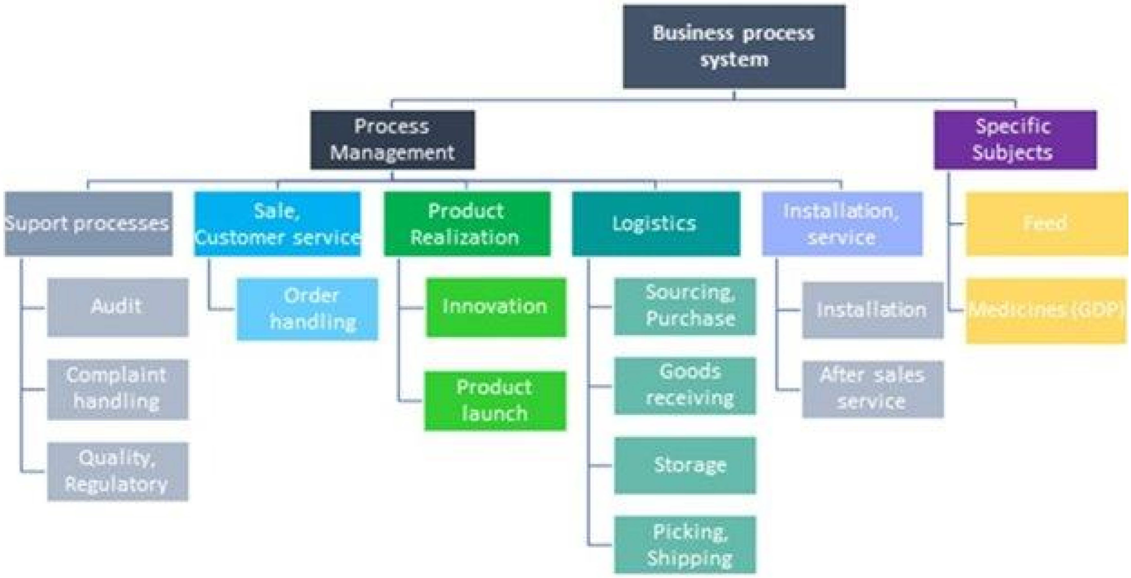
The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\dfrac{\textit{Gross profit x 100}}{\textit{Net revenue}}$
Operating margin:	$\dfrac{\textit{Operating profit/loss x 100}}{\textit{Net revenue}}$
Equity ratio:	$\dfrac{\textit{Equity, at year-end x 100}}{\textit{Total assets, at year-end}}$
Return on equity:	$\dfrac{\textit{Profit/loss after tax x 100}}{\textit{Average equity}}$
Net revenue per employee DKK ('000)	$\dfrac{\textit{Net revenue DKK('000)}}{\textit{Average number of full-time employees}}$

MANAGEMENT COMMENTARY

Principal activities
The company's main activities comprises production and sales of veterinary articles. The company is a leading provider of solutions to the veterinary industry, and it has its own companies in Denmark, Sweden, Norway, United Kingdom and China. The rest of the world is serviced through selected veterinary distributors in over 100 countries.

The company's business model



Particular risks
The company’s most significant operating risk is attached to the ability to be strongly positioned in the markets where its products are sold and to currently ensure high service and quality at competitive prices. To maintain and strengthen the continued strong market position, service, quality and competitive prices, processes are in place in all areas to proactively prevent and minimize risks.
Policies are in place to ensure existing and potential material risks that could impact the achievement of strategic objectives are identified, managed and/or mitigated.

Development in activities and financial and economic position
The company's income statement shows a profit before tax of DKK '000 82,929, an increase of DKK '000 37,453 / 82.36% against 2022. The balance sheet on 31 December 2023 shows an equity amount of DKK '000 306,794 and a balance sheet total of DKK '000 445,338.

Foreign exchange risks:
The company's revenue and earnings are tied to the performance of SEK, NOK, GBP, and USD. It refrains from engaging in speculative foreign currency trading. To mitigate unnecessary currency risk, all bank account balances are converted to the local currency monthly.

Development in activities and financial and economic position (continued)
Exchange adjustments of investments in subsidiary enterprises, which are independent entities, are recognized directly in the equity. Related exchange risks are generally not hedged because it is the company's opinion that a current hedging of such long-term investments will not be optimal from an overall risk and cost viewpoint.

Interest rate risk:
The short-term debt is subject to a variable interest rate. Changes in interest rates will impact earnings.

Profit/loss for the year compared to the expected development
Outlook and expectations for 2023 were compared to the targets set in last year's Management Commentary met.
As Norway and Sweden are two significant sales markets the company was challenged by the weakness of the foreign exchange rates in NOK and SEK during 2023 but overall, the sales in Denmark and in other global markets reached a satisfactory level. Furthermore, the company also increased its revenue significantly as it started to sell Hills products through its sales channels in Denmark, Norway and Sweden which had a positive impact on the result.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Environmental situation
The company is continuously working on minimizing adverse environmental conditions. This is ensured by continuously carrying out measures in the environmental area, including an agreement on energy reduction at the location in Langeskov with an external supplier.

Furthermore, an agreement has been established concerning the reuse and recycling of products containing batteries.

Previously, actions have been taking to conserve energy. Heating has been set to a minimum to ensure low cost and a low carbon footprint. Electricity costs have been heavily reduced due to replacement of lightbulbs to new LED lights throughout the headquarter facilities.

Travel has also been reduced significantly and restricted to necessary trips only for most of the year resulting in a low carbon footprint. Video conferencing equipment allows colleagues, customers, and vendors to connect without the need of physical travel.

Research and development activities
The Group's headquarters are situated in Langeskov, Denmark, and the development activities are primarily controlled and performed there. Development activities includes small projects in the form of new products.

Future expectations
The management still expects the long-term prospects for the veterinary industry will remain positive.

By adopting to the current foreign exchange rate situation in Norway and Sweden and by continuing the sales growth in the global markets the management expects 2024 to be somewhat better than 2023. Profit before tax is expected to reach between DKK 85 m – 95 m.

Corporate social responsibility (CSR) report
The company has a historical tradition of assuming corporate social responsibility within areas in which the company believes it can contribute. For this purpose, the company is focused on several potential CSR risks in relation to our activities.
We will in the following describe the CSR risks in more detail and how we manage those risks through our policies and actions in relation to employees, human rights, environment and climate, and anticorruption. The company has been a member of SEDEX (Supplier Ethical Data Exchange) since 2020

Corporate social responsibility (CSR) report (continued)
to secure responsibility, sustainability, protect workers and to source ethically. We have policies within corruption, ethics & compliance and the company has a strong focus on diversity and inclusion in the form of targeted training.

Employees
We assess that the most significant risks relating to our employees could origin from work-related accidents and an impairment of the work environment, including an impact on the employees' motivation and health. Neglecting to effectively address these risks could result in harm to our employees, hinder our capacity to attract suitable talent, and tarnish our overall business reputation. To mitigate those risks, the company is focused on work-life balance. For this purpose, the company has drawn up a stress and job satisfaction policy and set up a job satisfaction committee. As part of the company's health policy, it offers regular health checks and smoking cessation courses, a healthy canteen scheme, which is evaluated regularly. The company's goal is to maintain absence due to sickness at a continued low level.

In 2023, KRUUSE experienced several safety incidents, primarily concentrated in warehouse and production areas, prompting a thorough review and analysis of our safety practices.

Number of safety incidents occurred in 2023 compared to 2022.

2023 (2022)	Lost Time Injuries (LTI)	Accidents without absence	Nearby accidents*
Warehouse/Production	4 (4)	20 (20)	76 (55)
Administration	1 (0)	3 (3)	3 (13)

*reported

The total count of LTIs (Lost Time Injuries) in KRUUSE for 2023 stands at five. While progress has been made in some areas, challenges persist in achieving our safety and operational goals. The development, especially for our warehouse/production-area, indicates a focused effort on root cause analysis and corrective actions in 2024 in order to decrease these numbers. Provided recommendations serve as a roadmap for improvement in 2024, ensuring a safer and healthier work environment for our employees at KRUUSE.

Overall, we evaluate that our activities in 2023 have contributed positively to maintaining good conditions for our employees. The focus on employee-related social responsibilities continues to be of big importance for the company. The work towards this responsibility is expected to remain at this level or even increase in the future.

Human rights
The most significant risk in relation to human rights might be that suppliers violate internationally accepted principles on human rights or work environment provisions, including the use of child- or forced labor.

Failure to manage this risk may result in adverse publicity and criticism as well as interruption of deliveries to our operation.

The company's focus on ensuring maintenance of corporate social responsibility, including human rights and work environment conditions, is primarily aimed at the company's foreign suppliers of which a major share is in Asia.

The company integrates the consideration for corporate social responsibility by imposing requirements on both current and prospective suppliers. We are screening our existing supplier base, and audit selected suppliers where we will deselect suppliers who do not meet our demands for corporate social responsibility and fair treatment of workers throughout our supply chain.

As of 2023, we are pleased to report that a total of 61 audits were conducted at our brand suppliers, providing us with firsthand insights into operational processes and working conditions. 51 of these audits were performed onsite and additionally 10 audits were executed as desktop assessments, rigorously reviewing documentation and procedures to confirm adherence to, among others, our

Corporate social responsibility (CSR) report (continued)
ethical guidelines.

Focus on human rights continues to be of big importance for the company. The work towards this responsibility is expected to remain at this level or even increase in the future.

Impact on environment and climate
Facing the risk that an unnecessary amount of plastic or chemicals is used for manufacture of/input to a product and in the wrapping/packaging of our products, we have committed to Extended Producer Responsibility (EPR).

In alignment with that, we have successfully developed a comprehensive tool designed for the collection of master data pertaining to packaging across our own brands. Commencing the testing phase at the end of 2023, this initiative is set to conclude in 2024.

The primary objective of this tool is to streamline the collection of master data for packaging materials. By leveraging this innovative solution, we aim to optimize our packaging practices with the overarching goal of reducing the overall consumption of packaging materials.

Throughout the testing phase, the tool demonstrated its efficacy by efficiently gathering essential master data related to packaging. This data encompasses critical information that will contribute to in-formed decision-making in our ongoing efforts to minimize our environmental footprint.

As we progress into 2024, the project is on track to be officially closed, marking a significant milestone in our commitment to EPR. The implementation of this tool reinforces our dedication to sustainable practices and aligns with our broader strategy to contribute positively to environmental conservation.

By systematically collecting master data, we empower ourselves to make informed choices that not only align with regulatory requirements but also advance our sustainability goals. This initiative not only reflects our commitment to EPR but positions us as industry leaders in adopting innovative solutions for a more sustainable and responsible future.

The previously mentioned 61 audits - conducted in 2023 - are marking a significant milestone in our ongoing commitment to e.g. sustainability. In addition to our insights into the ethical aspects, we obtained confirmation in adherence to our sustainability requirements as well.

These audits serve as a crucial tool for evaluating the sustainability and ethics of our supply chain practices. By conducting thorough assessments, we not only meet industry standards but also surpass them, fostering an environmentally responsible and ethically sound supply chain.

Our dedication to sustainable sourcing goes beyond mere rhetoric and forms an integral part of our operational ethos. These comprehensive audits not only validate our commitment but also provide valuable insights that drive continuous improvement in our supply chain practices.

Our commitment to responsibility, transparency, and fairness remains steadfast. We are poised to advance our sustainable sourcing initiatives, ensuring that our supply chain not only addresses the challenges of today but also sets the standard for a more sustainable and ethical future.

Furthermore, we understand and recognize that our transport of and disposal of products may inadvertently carry a risk of impacting the environment negatively, which must be dealt with and limited where possible. We work towards mitigating these risk in our daily work and through our business strategy.

Anti-corruption and bribery
The primary risk in relation to corruption and bribery is that our employees or distributors use gifts, payments, or other means to unjustified influence customers or stakeholders or vice versa that can cause inappropriate business decisions or gain an unfair advantage. This may have an impact on our reputation and possibilities of building confidence with a large number of our stakeholders. We work

Corporate social responsibility (CSR) report (continued)
actively on discouraging any form of corruption and bribery in connection with our activities and we have policies to prevent these.

The policy includes, but is not limited to, not offering or accepting anything of value in exchange for improper business advantages among others. Annual training assessments and internal controls are in place to mitigate the risk.

We are not aware of any violations relating to corruption or bribery in 2023.

Focus on anti-corruption and bribery continue to be of big importance for the company. The work towards this responsibility is expected to remain at this level or even increase in the future as our focus as well as the legislative focus on the matter increases.

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023	**2022**
Number of members of the supreme management body.....................	3	2
Under-represented gender, share in % of the supreme management body...	33%	0%
Number of people at other management levels..............................	21	20
Under-represented gender, share in % at other management levels.......	38%	40%

Of the total number of members of the Company's supreme management body, the under-represented gender comprises 33% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure for the gender distribution of the supreme management body.

Of the total number of persons at the other management levels, the under-represented gender comprises 38% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure and preparing a policy for the gender distribution of the other management levels.

Report of data ethics
The company stores data for customers, vendors and employees. The data is kept fulfilling legal obligations and data retention requirements.

The company is subject to data ethic policies from the ultimate parent company CVET Topco, L.P. The company therefore adheres to the following privacy values:

- The company does not sell or share personally identifiable customer data (PII) with third parties without consent.
- The company strives to build a digital ecosystem that improves animal healthcare and respects privacy.
- The company considers personal data to be confidential and we treat it that way.
- The company takes measures to anonymize personal data and restrict access to it whenever possible.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
NET REVENUE	1	**620,764**	**512,500**
Work performed by the entity and capitalised		1,178	0
Other operating income	2	14,440	11,900
Expenses for raw materials and consumables		-418,124	-294,124
Other external expenses	3	-55,312	-86,396
GROSS PROFIT/LOSS		**162,946**	**143,880**
Staff costs	4	-89,749	-107,222
Depreciation, amortisation and impairment losses for tangible and intangible assets		-6,149	-6,007
OPERATING PROFIT		**67,048**	**30,651**
Income from investments in subsidiaries		13,469	14,087
Other financial income	5	4,088	3,081
Other financial expenses	6	-1,676	-2,343
PROFIT BEFORE TAX		**82,929**	**45,476**
Tax on profit/loss for the year	7	-15,231	-6,931
PROFIT FOR THE YEAR	8	**67,698**	**38,545**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Development projects completed, including patents and similar rights originating from development projects		517	589
Acquired concessions, patents, licences, trademarks and similar rights		1,759	5,339
Development projects in progress and prepayments for intangible assets		1,682	32
Intangible assets	9	**3,958**	**5,960**
Other plant, fixtures and equipment		6,659	6,326
Property, plant and equipment	10	**6,659**	**6,326**
Investments in subsidiaries		107,102	106,367
Financial non-current assets	11	**107,102**	**106,367**
NON-CURRENT ASSETS		**117,719**	**118,653**
Finished goods and goods for resale		129,351	148,354
Prepayments		6,508	2,750
Inventories		**135,859**	**151,104**
Trade receivables		47,113	42,327
Receivables from group enterprises		31,330	23,638
Deferred tax assets	12	756	1,705
Other receivables		4,297	5,036
Prepayments	13	1,085	2,909
Receivables		**84,581**	**75,615**
Cash and cash equivalents		**107,179**	**31,189**
CURRENT ASSETS		**327,619**	**257,908**
ASSETS		**445,338**	**376,561**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Share Capital	14	1,000	1,000
Reserve for net revaluation under the equity method		31,240	30,506
Reserve for development costs		1,715	485
Retained earnings		202,839	210,315
Proposed dividend		70,000	7,000
EQUITY		**306,794**	**249,306**
Other provisions	15	3,800	4,345
PROVISIONS		**3,800**	**4,345**
Other payables		7,052	6,908
Non-current liabilities	16	**7,052**	**6,908**
Trade payables		51,079	32,746
Debt to Group companies		48,681	47,083
Corporation tax payable		10,154	9,591
Other payables		17,778	26,582
Current liabilities		**127,692**	**116,002**
LIABILITIES		**134,744**	**122,910**
EQUITY AND LIABILITIES		**445,338**	**376,561**

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EQUITY

DKK '000	Share Capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023	1,000	30,506	485	210,316	7,000	249,307
Proposed profit allocation, see note 8		13,468		-15,770	70,000	67,698
Transactions with owners						
Dividend paid					-7,000	-7,000
Other legal bindings						
Capitalized development costs			1,230	-1,230		0
Foreign exchange adjustments		-2,382				-2,382
Other adjustments to equity value		1,648		-2,477		-829
Transfers						
Receiv./decl. dividend		-12,000		12,000		0
Equity at 31 December 2023	**1,000**	**31,240**	**1,715**	**202,839**	**70,000**	**306,794**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2023 DKK '000	2022 DKK '000
Profit/loss for the year	67,698	38,545
Depreciation and amortisation, reversed	6,149	6,007
Profit/loss from subsidiaries	-13,469	-14,087
Tax on profit/loss, reversed	15,231	6,931
Corporation tax paid	-13,719	-19,815
Change in inventories	15,245	8,425
Change in receivables (ex tax)	-9,915	-3,067
Change in other provisions	-545	-330
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	8,649	-27,651
Other cash flows from operating activities	0	-723
CASH FLOWS FROM OPERATING ACTIVITY	**75,324**	**-5,765**
Purchase of intangible assets	-1,448	-304
Purchase of property, plant and equipment	-3,034	-2,150
Sale of property, plant and equipment	4	46
Acquisition of enterprises	0	-36,206
Dividends received	12,000	22,056
CASH FLOWS FROM INVESTING ACTIVITY	**7,522**	**-16,558**
Other changes in non-current debt	144	0
Dividends paid in the financial year	-7,000	-75,000
CASH FLOWS FROM FINANCING ACTIVITY	**-6,856**	**-75,000**
CHANGE IN CASH AND CASH EQUIVALENTS	**75,990**	**-97,323**
Cash and cash equivalents at 1. januar	31,189	128,512
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**107,179**	**31,189**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	107,179	31,189
CASH AND CASH EQUIVALENTS	**107,179**	**31,189**

NOTES

	2023 DKK '000	2022 DKK '000	Note
Net revenue			1
Segment details (geography)			
Denmark	244,988	131,510	
Europe, Middel East and Africa	255,067	261,452	
Asia-Pacific	34,706	37,479	
Americas	86,003	82,059	
	620,764	**512,500**	

Other operating income 2

Other operating income consist primarily of received management fee from subsidiaries.

Fee to statutory auditor 3

According to section 96, subsection 3 of the Danish Financial Statements Act audit fee is reported in the consolidated financial statements of the parent company.

	2023	2022	Note
Staff costs			4
Average number of full time employees	155	172	
Wages and salaries	77,360	91,536	
Pensions	11,911	14,979	
Social security costs	478	707	
	89,749	**107,222**	
Remuneration of Executive Board	5,623	6,898	
	5,623	**6,898**	

Special incentive programmes

In 2023 the company has issued a 161.000 options in an phantom share option scheme for executive management and senior executives handled by the ultimate parent company.

The options entitles the holder to receive an equivalent number of options in the ultimate parent company, under certain conditions, including achievement of agreed targets within a period of 4 to 5 years from the date of issue.

The price of the options at the time of issue has been calculated based on the share capital in the ultimate parent using the current intrinsic value and compounded using the risk-free interest rate of 4,09% and regulated for dividend.

The stock is set at a strike price of USD 10 per share.

Half of the restricted stock gives the holder the right to receive the options free of charge under the assumption of continued employment.

The other half of the options are dependend on financial goals and the potential return on the initial investment made by the ultimate parent company during the delisting end 2022.

The perfomance based options has a duration of maximum 10 years.

The return on these options are calculated using the Multiple on invested capital return (MoIC).

The cost of the program is amortized over the vesting periode of 5 years for a total of DKK '000 595 in 2023.

NOTES

	2023 DKK '000	2022 DKK '000	Note
Other financial income			5
Interest income from group enterprises	2,524	2,903	
Other interest income	1,564	178	
	4,088	**3,081**	
Other financial expenses			6
Interest expenses to group enterprises	219	764	
Other interest expenses	1,457	1,579	
	1,676	**2,343**	
Tax on profit/loss for the year			7
Calculated tax on taxable income of the year	14,354	9,591	
Adjustment of tax in previous years	-72	5	
Adjustment of deferred tax	949	-2,665	
	15,231	**6,931**	
Proposed distribution of profit			8
Proposed dividend for the year	70,000	7,000	
Allocation to reserve for net revaluation under the equity method	13,468	0	
Retained earnings	-15,770	31,545	
	67,698	**38,545**	

Intangible assets 9

DKK '000	Development projects completed, including patents and similar rights originating from development projects	Acquired concessions, patents, licences, trademarks and similar rights	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2023	716	17,181	32
Transfer	0	-202	202
Additions	0	0	1,448
Cost at 31 December 2023	**716**	**16,979**	**1,682**
Amortisation at 1 January 2023	127	11,842	0
Amortisation for the year	72	3,378	0
Amortisation at 31 December 2023	**199**	**15,220**	**0**
Carrying amount at 31 December 2023	**517**	**1,759**	**1,682**

NOTES

Note

Intangible fixed assets (continued) 9

Development projects
Development costs consist of projects in progress of new/unique products and development of an international eCommerce platform with expected market launch in 2024 (DKK '000 1,681). Market research shows a demand for these specific unique products. The eCommerce platform shall drive growth and expand proprietary brands within Clinics and Distributors. It also consists of completed development projects that have been launched to markets in 2023 (DKK '000 517).

Property, plant and equipment 10

DKK '000	Other plant, fixtures and equipment
Cost at 1 January 2023	65,988
Additions	3,033
Disposals	-220
Cost at 31 December 2023	**68,801**
Depreciation and impairment losses at 1 January 2023	59,662
Reversal of depreciation of assets disposed of	-220
Depreciation for the year	2,700
Depreciation and impairment losses at 31 December 2023	**62,142**
Carrying amount at 31 December 2023	**6,659**

Financial non-current assets 11

DKK '000	Investments in subsidiaries
Cost at 1 January 2023	75,861
Cost at 31 December 2023	**75,861**
Revaluation at 1 January 2023	44,105
Exchange adjustment	-2,382
Dividend	-12,000
Profit/loss for the year	13,545
Revaluation and impairment losses for the year	2,512
Equity movements	-76
Other adjustments	-863
Revaluation at 31 December 2023	**44,841**
Impairment losses and amortisation of goodwill at 1 January 2023	13,600
Carrying amount at 31 December 2023	**107,102**

NOTES

Note

Fixed asset investments (continued) 11
Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Kruuse Svenska AB, Huddinge, Sweden	44,671	1,966	100 %
Next2Vet AB, Sweden	12,654	2,161	100 %
Kruuse Norge AS, Drøbak, Norway	10,212	2,774	100 %
Kruuse UK Ltd., Sheffield, UK	12,093	1,602	100 %
Kruuse Polska SP z o.o., Srem, Poland	-21,434	-822	100 %
Kruuse Hong Kong Ltd., Hong Kong	7,541	4,851	100 %
Kruuse Shanghai, Co. Ltd., China	12,505	2,456	100 %
E-Vet A/S, Haderslev, Denmark	20,780	1,700	100 %

Deferred tax assets 12

The recognition of deferred tax assets is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	2023 DKK '000	2022 DKK '000
Defferred tax relates to:		
Intangible assets	-871	-1,311
Property, plant and equipment	580	669
Inventories	61	44
Provisions	1,225	2,943
Other taxable temporary differences	-239	-640
	756	**1,705**
Deferred tax assets, beginning of year	1,705	-960
Deferred tax of the year, income statement	-949	2,665
Deferred tax assets 31 December 2023	**756**	**1,705**

The tax asset is primarily attributable to differences on tangible fixed assets and provisions. The tax asset is recognised on the basis of the expectations to the positive tax profits for the next couple of years, and the tax asset is then expected to be fully utilised.

Prepayments 13

Accruals recognised as assets include costs incurred relating to subsequent financial years. The costs relate to prepaid insurances, licenses and travelling expenses.

NOTES

	2023 DKK '000	2022 DKK '000	Note
Share Capital			14
Allocation of share capital:			
A shares, 1,000 unit in the denomination of 1,000 DKK..........	1,000	1,000	
	1,000	**1,000**	

Other provisions 15

Provisions for liabilities include the expected cost of repair and warranty commitments and employee related obligations.

Warranty liabilities comprise liabilities of ordinary 1 year's warranty on the Company's products and other estimated repairmentliabilities for major plant.

Long-term liabilities 16

DKK '000	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Other payables..................................	7,052	0	6,550	6,908
	7,052	**0**	**6,550**	**6,908**

Contingencies etc. 17

Contingent liabilities

Contracts and agreements

Jørgen Kruuse A/S has signed sales related licence and commission agreements with 9 persons/companies. The agreements are related to specific products and are in force as long as these products are sold. The expense is DKK '000 4,628 in the financial year.

Rental agreements

Jørgen Kruuse A/S has signed a rental agreement with PAK Ejendomsselskab A/S concerning the domicile property at Havretoften 4, Langeskov with a rent for 2023 of DKK '000 7,502 and a maximum liability until expiry of approx. DKK '000 15,004.

Jørgen Kruuse A/S has signed other lease agreements relating to operating equipment etc. at a total annual lease payment of DKK '000 3,112 and a maximum liability until expiry of DKK '000 9,655.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Projectgold ApS, which serves as management Company for the joint taxation.

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Note

Charges and securities 18

Jørgen Kruuse A/S has issued a Letter of Support in relation to the subsidiaries Kruuse UK Ltd. and Kruuse Hong Kong Ltd.

Related parties 19

The Company's related parties include:
- Projectsilver ApS, Havretoften 4, 5550 Langeskov, Denmark
- Projectgold ApS, Havretoften 4, 5550 Langeskov, Denmark
- Covetrus B.V. - Beversestraat 23, Cuijk Netherlands 5431 SL
- Covetrus Holding B.V. - Beversestraat 23 Cuijk, Netherlands 5431 SL
- Covetrus Animal Health Holdings Ltd. - 37 North Wharf Road, Paddington U.K. W2 1AF
- Vet Intermediate Holdco II, LLC – 400 Metro Place, Dublin Oh 43017, USA
- Vet Intermediate Holdco I, LLC– 400 Metro Place, Dublin Oh 43017, USA
- Covetrus, Inc. – 400 Metro Place, Dublin Oh 43017, USA
- Corgi Bidco, Inc– 400 Metro Place, Dublin Oh 43017, USA
- CVET Midco 2, L.P. – 400 Metro Place, Dublin Oh 43017, USA
- CVET Midco 1, L.P. – 400 Metro Place, Dublin Oh 43017, USA
- CVET Holdco, L.P– 400 Metro Place, Dublin Oh 43017, USA
- CVET Topco, L.P. – 400 Metro Place, Dublin Oh 43017, USA

Controlling interest

Projectsilver ApS, Havretoften 4, 5550 Langeskov, CVR no. 36 92 79 68 is the principal shareholder.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Information on unusual circumstances 20

The company has made some organizational restructuring in the second half 2022 resulting in a one of cost. The cost is distributed as follows: Staff cost DKK’000 14,775, other external expenses DKK’000 1,576 assuming af total of DKK’000 16,351.

Significant events after the end of the financial year 21

No other events have occurred after the end of the financial year of material importance for the company's financial position.

NOTES

Note

Consolidated Financial Statements 22

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Covetrus Inc., Dublin, Ohio, USA.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Projectgold ApS, Havretoften 4, 5550 Langeskov.

The Company is included in the consolidated financial statements of Projectgold ApS, Havretoften 4, 5500 Langeskov, CVR no. 36 90 94 12 and in the consolidated financial statements of the parent, Corgi Bidco Inc., Dublin, Ohio, USA.

ACCOUNTING POLICIES

The Annual Report of Jørgen Kruuse A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish large-size enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Comparative figures
In the annual report 2022 expenses were included in other external expenses, which should have been correctly classified as expenses for raw materials and consumables. Also expenses were included in staff costs, which should have been correctly classified as other external expenses.

The change of classification has been incorporated into the comparative figures of the annual report for 2023.

The comparative figures for expenses for raw materials and consumables have been increased by DKK'000 12,501, staff costs have been decreased by DKK'000 10,581 and other external expenses have been reduced by DKK'000 1,920 in the income statement.

The change has no effect on the net profit or loss for 2022. The equity and balance sheet total for 2022 have not been affected.

Consolidated Financial Statements
Consolidated Financial Statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The Company is included in the consolidated Financial Statements of Projectgold ApS, CVR No. 36909412.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

ACCOUNTING POLICIES

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Share-based payments
The Group operates a phantom share option scheme (a cash-settled share-based payment).
The Black-Scholes Model is used to measure the Group's liability at each reporting date, taking into account the terms and conditions on which the bonus is awarded and the extent to which employees have and continuous to rendered service to the company.
Movements in the liablility (other than cash payments) are recognised in the income statement.
The cost of the program is amortized over the vesting period.

Income from investments in subsidiaries
The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Development costs, in progress, comprise costs, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition until the time when the assets are ready to be used.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

ACCOUNTING POLICIES

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Acquired goodwill and customer relations are measured at cost less accumulated amortization. Goodwill and customer relations are amortised on a straight-line basis over the expected useful life which is estimated to 10-12 years.

Amortisation of goodwill and customer relations over 10-12 years reflects in management's opinion the useful life of goodwill and is determined with due to regard to the expected future net income arising from the activity to which goodwill and customer relations are related.

Acquired patents, licences and rights comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Acquired patents, licences and rights are measured at cost. Straight-line depreciation is made on 5-12 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Tangible fixed assets
Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	*Residual value*
Other plant, fixtures and equipment..	3-10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

ACCOUNTING POLICIES

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date, which is the time for obtaining control. The purchase consideration consists of the fair value of the agreed consideration in the form of transferred assets and liabilities. If a part of the purchase consideration is contingent on future events or compliance with agreed terms, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent regulations of the contingent purchase consideration are recognised in the Income Statement.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 10 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Investments in subsidiaries with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

Other investments are measured at cost.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities
Provisions for liabilities include the expected cost of repair and warranty commitments and employee related obligations.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

ACCOUNTING POLICIES

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

The Income Statements of foreign subsidiaries and associates fulfilling the concitions for being independent entities are translated at an average exchange rate for the month and the Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of Income Statements from average rate to the rates of the Balance Sheet date are recognised directly in the equity.

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.