

## **Projectsilver ApS**

Havretoften 4  
5550 Langeskov  
CVR No. 36927968

### **Annual report 2022**

The Annual General Meeting adopted the  
annual report on 30.06.2023

---

**Mads Bonne Alkærsig**  
Conductor

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Notes	12
Accounting policies	14

# Entity details

## Entity

Projectsilver ApS

Havretoften 4

5550 Langeskov

Business Registration No.: 36927968

Date of foundation: 18.06.2015

Registered office: Kerteminde

Financial year: 01.01.2022 - 31.12.2022

Phone number: 72141511

## Board of Directors

Graham Rhodes, Chairman

Tino Bendix

Mads Bonne Alkærsig

## Executive Board

Mads Bonne Alkærsig

## Bank

Bank Mendes Gans

Herengracht 619

1017 CE Amsterdam, Holland

## Auditors

BDO Statsautoriseret Revisionsaktieselskab

Fælledvej 1

5000 Odense C

CVR No.: 20222670

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Projectsilver ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Langeskov, 30.06.2023

## Executive Board

**Mads Bonne Alkærsig**

## Board of Directors

**Graham Rhodes**  
Chairman

**Tino Bendix**

**Mads Bonne Alkærsig**

# Independent auditor's report

## To the shareholders of Projectsilver ApS

### Opinion

We have audited the financial statements of Projectsilver ApS for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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, 30.06.2023

**BDO Statsautoriseret Revisionsaktieselskab**

CVR No. 20222670

**Jesper Bechsgaard Jørgensen**

State Authorised Public Accountant

Identification No (MNE) mne31412

# Management commentary

## Primary activities

The company's principal activities comprise investment in and ownership of subsidiary enterprises.

## Development in activities and finances

The financial year did not bring any unexpected circumstances.

## 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 2022

	Notes	2022 DKK'000	2021 DKK'000
<b>Gross profit/loss</b>	1	(136)	(36)
Income from investments in group enterprises		15,831	68,479
<b>Profit/loss before tax</b>		<b>15,695</b>	<b>68,443</b>
Tax on profit/loss for the year	2	30	8
<b>Profit/loss for the year</b>		<b>15,725</b>	<b>68,451</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		15,725	68,451
<b>Proposed distribution of profit and loss</b>		<b>15,725</b>	<b>68,451</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		363,931	426,971
<b>Financial assets</b>	3	<b>363,931</b>	<b>426,971</b>
<b>Fixed assets</b>		<b>363,931</b>	<b>426,971</b>
Receivables from group enterprises		459	0
Income tax receivable		30	8
<b>Receivables</b>		<b>489</b>	<b>8</b>
<b>Current assets</b>		<b>489</b>	<b>8</b>
<b>Assets</b>		<b>364,420</b>	<b>426,979</b>

## Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		415	415
Retained earnings		363,407	351,553
<b>Equity</b>		<b>363,822</b>	<b>351,968</b>
Payables to group enterprises		564	74,979
Other payables		34	32
<b>Current liabilities other than provisions</b>		<b>598</b>	<b>75,011</b>
<b>Liabilities other than provisions</b>		<b>598</b>	<b>75,011</b>
<b>Equity and liabilities</b>		<b>364,420</b>	<b>426,979</b>
Contingent liabilities	4		
Assets charged and collateral	5		
Related parties with controlling interest	6		
Non-arm's length-related party transactions	7		
Group relations	8		

# Statement of changes in equity for 2022

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	415	351,553	351,968
Exchange rate adjustments	0	(4,565)	(4,565)
Other entries on equity	0	694	694
Profit/loss for the year	0	15,725	15,725
<b>Equity end of year</b>	<b>415</b>	<b>363,407</b>	<b>363,822</b>

# Notes

## 1 Gross profit/loss

The average number of employees in the financial year of 2022 is 0.

## 2 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	(30)	(8)
	<b>(30)</b>	<b>(8)</b>

## 3 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	423,586
<b>Cost end of year</b>	<b>423,586</b>
Revaluations beginning of year	175,451
Exchange rate adjustments	(4,565)
Share of profit/loss for the year	40,988
Dividend	(75,000)
Other adjustments	694
<b>Revaluations end of year</b>	<b>137,568</b>
Impairment losses beginning of year	(172,066)
Amortisation of goodwill	(25,157)
<b>Impairment losses end of year</b>	<b>(197,223)</b>
<b>Carrying amount end of year</b>	<b>363,931</b>

Investments in subsidiaries	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Jørgen Kruuse A/S, Langeskov, Denmark	100.00	249,305	38,545
Kruuse UK Ltd., Sheffield, UK	100.00	11,354	1,410
Kruuse Svenska AB, Huddinge, Sweden	100.00	42,709	1,563
Next2Vet AB, Ystad, Sweden	100.00	10,497	4,077
Kruuse Norge AS, Drøbak, Norway	100.00	7,350	1,347
Kruuse Hong Kong Ltd., Hong Kong	100.00	13,582	5,056
Kruuse Shanghai Co. Ltd., China	100.00	9,974	1,828
Kruuse Polska SP z.o.o., Srem, Poland	100.00	(20,644)	(1,073)
E-Vet A/S, Haderslev, Denmark	100.00	31,080	5,198

#### 4 Contingent liabilities

The company is jointly and severally liable together with the other Danish group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax.

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

#### 5 Assets charged and collateral

None.

#### 6 Related parties with controlling interest

Controlling interest

- 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

#### 7 Non-arm's length related party transactions

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

#### 8 Group relations

The company is included in the consolidated financial statements of Projectgold ApS, Havretoften 4, 5550 Langeskov and in the consolidated financial statement of the ultimate parent, Covetrus Inc., Dublin, Ohio, USA.

# 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.

## 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, Havretoften 4, DK-5550 Langeskov, Central Business Registration number 36 90 94 12.

## 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.

Accounts receivable, payable 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 time of occurrence of the receivable or payable is recognised in the income statement as financial income or expense.

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

The income statements of foreign subsidiary enterprises fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of the 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 are recognised directly in the equity.

## Income statement

### Gross profit or loss

Gross profit or loss comprises other external costs.

### Other external costs

Other external costs include administration costs.

## Investments in subsidiaries

The proportional share of results of subsidiaries after full elimination of intercompany profits/losses and deduction of amortised goodwill and other values are recognised in the company's income statement.

**Tax on profit/loss for the year**

The 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 is recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Fixed asset investments**

Investment in subsidiaries are measured in the parent company balance sheet under the equity method.

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 or deduction of the residual value of positive or negative goodwill and other values calculated in accordance with the acquisition method.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods.

Consolidated goodwill is amortized over the expected useful life determined on the basis of management's experience within the individual lines of business. Added values related to intangible assets are amortized as follows:

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

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

Acquired noncompetition agreements, trade names and other rights are measured at cost less accumulated amortization. Noncompetition agreements, trade names and other rights are amortized on a straight-line basis over the expected useful life which is estimated to 1-5 years.

Amortization of noncompetition agreements, trade names and other rights over 1-5 years reflects in management's opinion the useful life of noncompetition agreements, trade names and other rights with due regard to the expected future net income arising from the activity to which noncompetition agreements, trade names and other rights are related.

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

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under the provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's deficit.



**Impairment of fixed assets**

The carrying amount of investments, which are not measured at fair value, are valued on an annual basis 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 net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

The accounting policies applied to material financial statement items of group enterprises are:

**Net revenue:**

The net revenue from 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. Net revenues is recognised exclusive of VAT, duties and less 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 external costs:**

Other external costs include logistics, maintenance, operations, rent of premises, packing, marketing, seminars, administration, office supplies, IT, and telecommunication as well as loss on bad debts.

**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. Repayments from public authorities are deducted from staff costs.

**Inventories:**

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

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 cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of management, and capitalised development costs relating to the products.

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

**Receivables:**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

**Cash:**

Cash comprises cash in hand and bank deposits.

**Liabilities:**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing 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 term of loan.

Other liabilities, which include debt to suppliers, subsidiaries and associates and other debt, are measured at amortised cost which usually corresponds to the nominal value.

**Receivables**

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

**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 on account tax 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 of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off againsts deferred tax liabilities within the same legal tax unit.

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 would be applicable when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rate are recognised in the income statement, except for items that are taken directly to equity.

**Liabilities**

Other liabilities, which include debt to suppliers, subsidiaries and associates and other debt, are measured at amortised cost, which usually corresponds to nominal value.