



## **INFORMATION DOCUMENT**

### **JULY 2023**

# **ADMISSION TO TRADING OF SHARES ON EURONEXT ACCESS + PARIS**

Euronext Access+ Paris is a market operated by Euronext Paris S.A. Companies on Euronext Access+ Paris are not subject to the same rules as companies on a Regulated Market (a main market). Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. The risk in investing in a company on Euronext Access+ Paris may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

The present Information Document has been drawn up under the responsibility of the Issuer. It has been reviewed by the Listing Sponsor and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext

Copies of this document, hereinafter referred to as the "Information Document", are available free of charge at the registered office of PET SERVICE HOLDING, hereinafter referred to as the "Company", and from ALDEBARAN GLOBAL ADVISORS. This document can also be consulted on the website of PET SERVICE HOLDING: (<https://petserviceholding.com/>).

The proposed transaction does not require the approval of the Autoriteit Financiële Markten (AFM) nor the one of the Autorité des Marchés Financiers (AMF). This document has therefore not been approved by a European Regulator.



**Listing Sponsor**

## TABLE OF CONTENT

|      |                                                                             |    |
|------|-----------------------------------------------------------------------------|----|
| I.   | PERSONS RESPONSIBLE FOR THE INFORMATION DOCUMENT .....                      | 4  |
| 1.1  | IDENTITY OF THE PERSON RESPONSIBLE.....                                     | 4  |
| 1.2  | DECLARATION OF THE PERSON RESPONSIBLE.....                                  | 4  |
| 1.3  | EXPERT REPORTS .....                                                        | 4  |
| 1.4  | LISTING SPONSOR.....                                                        | 4  |
| 1.5  | STATUTORY AUDITORS.....                                                     | 5  |
| II.  | BUSINESS OVERVIEW.....                                                      | 6  |
| III. | PRESENTATION OF PET SERVICE HOLDING N.V. ....                               | 9  |
| 3.1  | PRINCIPAL ACTIVITIES.....                                                   | 9  |
| 3.2  | VISION AND STRATEGY .....                                                   | 17 |
| IV.  | MARKET AND COMPETITION.....                                                 | 20 |
| 4.1  | INTRODUCTION .....                                                          | 20 |
| 4.2  | OVERVIEW OF THE MARKET.....                                                 | 21 |
| 4.3  | MARKET SEGMENTS .....                                                       | 22 |
| 4.4  | PET SERVICE MARKET GROWTH .....                                             | 23 |
| 4.5  | PET CARE AVERAGE EXPENSES .....                                             | 25 |
| 4.6  | PET CARE & SERVICES IS A FRAGMENTED MARKET .....                            | 26 |
| 4.7  | DIFFERENCE BETWEEN PET CARE AND HUMAN CARE.....                             | 28 |
| 4.8  | REGULATION .....                                                            | 29 |
| V.   | RISK FACTORS .....                                                          | 31 |
| 5.1  | RISKS RELATED TO THE BUSINESS AND INDUSTRY IN WHICH THE GROUP OPERATES..... | 32 |
| 5.2  | RISKS RELATED TO LAWS, REGULATIONS AND LITIGATION .....                     | 39 |
| 5.3  | RISK RELATED TO THE GROUP'S FINANCIAL SITUATION.....                        | 41 |
| 5.4  | RISKS RELATED TO THE SHARES AND THE LISTING .....                           | 43 |
| VI.  | SELECTED FINANCIAL INFORMATION AND REVIEW OF THE FINANCIAL SITUATION .....  | 46 |
| 6.1  | OVERVIEW .....                                                              | 46 |
| 6.2  | RECENT DEVELOPMENTS.....                                                    | 47 |
| 6.3  | RESULTS OF OPERATIONS .....                                                 | 47 |
| 6.4  | LIQUIDITY AND CAPITAL RESOURCES .....                                       | 48 |
| VII. | GENERAL INFORMATION ABOUT PET SERVICE HOLDING .....                         | 50 |
| 7.1  | LEGAL FORM, NAME AND SEAT .....                                             | 50 |



|       |                                                                                                                                                             |     |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 7.2   | DIVIDENDS .....                                                                                                                                             | 50  |
| 7.3   | SUPERVISORY BOARD, MANAGEMENT BOARD, MANAGEMENT, EMPLOYEES AND<br>CORPORATE GOVERNANCE (article 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 of the bylaws) ..... | 51  |
| 7.4   | GENERAL MEETING (article 26, 27, 28 and 29 of the bylaws) .....                                                                                             | 56  |
| 7.5   | LEGAL STRUCTURE .....                                                                                                                                       | 59  |
| VIII. | INFORMATION ABOUT THE LISTING .....                                                                                                                         | 60  |
| 8.1   | OPERATION DETAILS .....                                                                                                                                     | 60  |
| 8.2   | LISTING RATIONALE AND PAYING AGENT .....                                                                                                                    | 61  |
| 8.3   | SHARE CAPITAL AND SHARE CAPITAL HISTORY (article 4 of the bylaws) .....                                                                                     | 61  |
| 8.4   | THE LISTING ON NXCHANGE AND THE DEPOSITARY RECEIPTS .....                                                                                                   | 63  |
| 8.5   | LOCK-UP AGREEMENTS .....                                                                                                                                    | 64  |
| IX.   | ELEMENTS FOR THE VALUATION OF THE GROUP .....                                                                                                               | 65  |
| 9.1   | DISCARDED VALUATION METHODS .....                                                                                                                           | 65  |
| 9.2   | VALUATION METHODS USED .....                                                                                                                                | 66  |
| X.    | FINANCIAL INFORMATION .....                                                                                                                                 | 68  |
| 10.1  | 2022 AUDITED FINANCIAL STATEMENTS .....                                                                                                                     | 68  |
| 10.2  | 2021 AUDITED FINANCIAL STATEMENTS .....                                                                                                                     | 121 |

## **I. PERSONS RESPONSIBLE FOR THE INFORMATION DOCUMENT**

### **1.1 IDENTITY OF THE PERSON RESPONSIBLE**

Mr Ron van VELDHOVEN

CEO and member of the Management Board

### **1.2 DECLARATION OF THE PERSON RESPONSIBLE**

I declare that, to the best of my knowledge, the information provided in the Information Document is fair and accurate and that, to the best of my knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

27 June 2023

Ron van Veldhoven

CEO and member of the Management Board

Pet Service Holding N.V.

### **1.3 EXPERT REPORTS**

Not applicable

### **1.4 LISTING SPONSOR**

ALDEBARAN GLOBAL ADVISORS

141, rue La Fayette

75010 Paris

## 1.5 STATUTORY AUDITORS

The Company's independent auditor is The Audit Company B.V. with business register number 62279335, and registered business address at Oude Middenweg 17, 2491 AC Den Haag. The partners of The Audit Company B.V. are members of the Royal Netherlands Institute of Chartered Accountants (Dutch: Koninklijke Nederlandse Beroepsorganisatie van Accountants) and the SRA. The Audit Company has been the Group's independent auditor since 15 February 2022 and the Group's independent auditor for the period covered by the Financial Information.

Except for the Financial Statements, The Audit Company B.V. has not audited, reviewed or produced any report on any information in this Information Document.

## II. BUSINESS OVERVIEW

The Group is a European provider of products and services for pets and pet owners. The Group's business is focused on three main pillars:

- (i) online sales of pet supplies and medicines,
- (ii) the PetApp and
- (iii) the PetTracker.

Through the online sales pillar, the Group sells pet supplies and medicines to pet owners from its various online shops. The Group operates the following online shops: Dierenapotheek.nl and Drpetcare and is selling primarily OTC Medicines for pets thanks to the licence of the Group's veterinary.

The PetApp is a smartphone application which provides users with access to an online pet supply store, storage solutions for data relating to pets and the option to receive news and information about pet events (provided by the Group's subsidiary Vitaux). During the fourth quarter of 2023 the Group intends to make available the functionality which gives users direct online access to veterinarians through the PetApp.

The Group is also actively developing a tracker for pets (the PetTracker), and intends to integrate the tracking option into the PetApp.

The Group's initial business idea arose from a vision to streamline certain aspects of horse registration in the Netherlands. The founders of the Company came to understand the fragmented nature of the pet products market and the pet services market in the Netherlands. The focus of the Company was then shifted to also encompass further research into such markets. The initial business idea was subsequently revised, with a new vision for the Company to become a driving force in combining the offering of various pet products and services into one single platform – a one-stop-shop for such products and services.

The Group has its headquarters in the Netherlands, but supplies products and services also to Germany and Belgium at the date of this Information Document.

### History and important events

The table below shows the key milestones for the Group's business:

| Year | Event                                                                                                                                                                                                                                                                                                                                                        |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2018 | <b>April:</b> The Company was incorporated. <sup>1</sup>                                                                                                                                                                                                                                                                                                     |
| 2020 | <p><b>February:</b> The Company entered into an agreement for the acquisition from SBD of a 66% stake in Vitaux, a veterinary management agency that carries out marketing, communication and PR activities in the animal health and agricultural sectors.</p> <p><b>November:</b> The Company acquired the Dutch premium pet food brand, Jachtinstinct.</p> |
| 2021 | <p><b>May:</b> The Company completed an equity raise and the depositary receipts were admitted to trading on the Dutch trading platform Nxchange.</p> <p><b>October:</b> The Company acquired two online shops; "Dierenapotheek.nl" for the Dutch and Belgian market and "drpetcare.de" for the German market.</p>                                           |

<sup>1</sup> Previously named Nederlandse Paarden Registratie Maatschappij N.V.



- 2022 Both online shops were further optimized and integrated.
- PetTracker is developed further up to functioning model. PetApp extended with new services.
- 2023 Euronext Paris approved the Company for listing to Euronext Access +

### Selected financial data

The table below sets out selected data from the Company's consolidated statement for the year ended 31 December 2022, from the Company's audited financial statement for the year ended 31 December 2021, with comparable figures for the year ended 31 December 2020, as derived from the financial statements.

| <i>In EUR</i>                                  | <b>FY 2022</b><br><i>(audited)</i> | <b>FY 2021</b><br><i>(audited)</i> | <b>FY 2020</b><br><i>(audited)</i> |
|------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Net turnover .....                             | 1,846,298                          | 604,639                            | 391,978                            |
| Cost of sales .....                            | 1,050,715                          | 361,822                            | 173,153                            |
| Gross margin .....                             | 814,410                            | 318,710                            | 220,610                            |
| Expenses .....                                 | 1,692,032                          | 1,031,325                          | 395,536                            |
| Operating result .....                         | (877,622)                          | (712,615)                          | (174,462)                          |
| Result from normal operations before tax ..... | (884,865)                          | (721,239)                          | (176,470)                          |
| Result from normal operations after tax .....  | (753,426)                          | (617,207)                          | (159,679)                          |
| Result after tax .....                         | (1,193,946)                        | (617,207)                          | (159,679)                          |

The table below sets out selected data from the Company's consolidated balance sheet as at 31 December 2022 as derived from the audited financial statements 2022, and from the Company's consolidated balance sheet as at 31 December 2021, with comparable figures as at 31 December 2020, as derived from the audited financial statements 2021

| <i>In EUR</i>                               | <b>2022</b><br><i>(audited)</i> | <b>2021</b><br><i>(audited)</i> | <b>2020</b><br><i>(audited)</i> |
|---------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b><i>Fixed assets</i></b>                  |                                 |                                 |                                 |
| Intangible fixed assets .....               | 901,952                         | 859,955                         | 726,324                         |
| Tangible fixed assets .....                 | 58,269                          | 209,751                         | 163,705                         |
| Financial fixed assets .....                | 54,270                          | 65,261                          | 15,924                          |
| Total fixed assets .....                    | 1,014,491                       | 1,134,967                       | 905,953                         |
| <b><i>Current assets</i></b>                |                                 |                                 |                                 |
| Inventories                                 | 182,360                         | 162,564                         | -                               |
| Receivables, prepayments and accrued income | 431,885                         | 272,696                         | 63,240                          |



| <i>In EUR</i>                        | <b>2022</b><br><i>(audited)</i> | <b>2021</b><br><i>(audited)</i> | <b>2020</b><br><i>(audited)</i> |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Cash and cash equivalents            | 694,784                         | 1,967,551                       | 50,449                          |
| <i>Total assets</i>                  | 1,309,029                       | 2,402,811                       | 1,019,642                       |
| <b><i>Equity and liabilities</i></b> |                                 |                                 |                                 |
| Total equity.....                    | 1,977,481                       | 3,188,808                       | (66,177)                        |
| Total non-current liabilities.....   | -                               | -                               | 900,000                         |
| Total current liabilities.....       | 346,039                         | 348,970                         | 185,819                         |
| Total equity and liabilities.....    | 2,323,520                       | 3,537,778                       | 1,019,642                       |

### III. PRESENTATION OF PET SERVICE HOLDING N.V.

#### 3.1 PRINCIPAL ACTIVITIES

##### 3.1.1 Overview

The Company's future growth is relying on the three following pillars

- Online sales of pet supplies and medicines
- The PetApp
- The PetTracker

With three online shops in operation, the online sales pillar is the most advanced pillar and is the only revenue-generating activity. The two other pillars are still in a development phase.

The acquisitions of "Dierenapotheek.nl" and "Drpetcare.de" and the learning points from the integration of these businesses into the Group, as well as a positive sales development in "Dierenapotheek.nl" have driven this strategy.

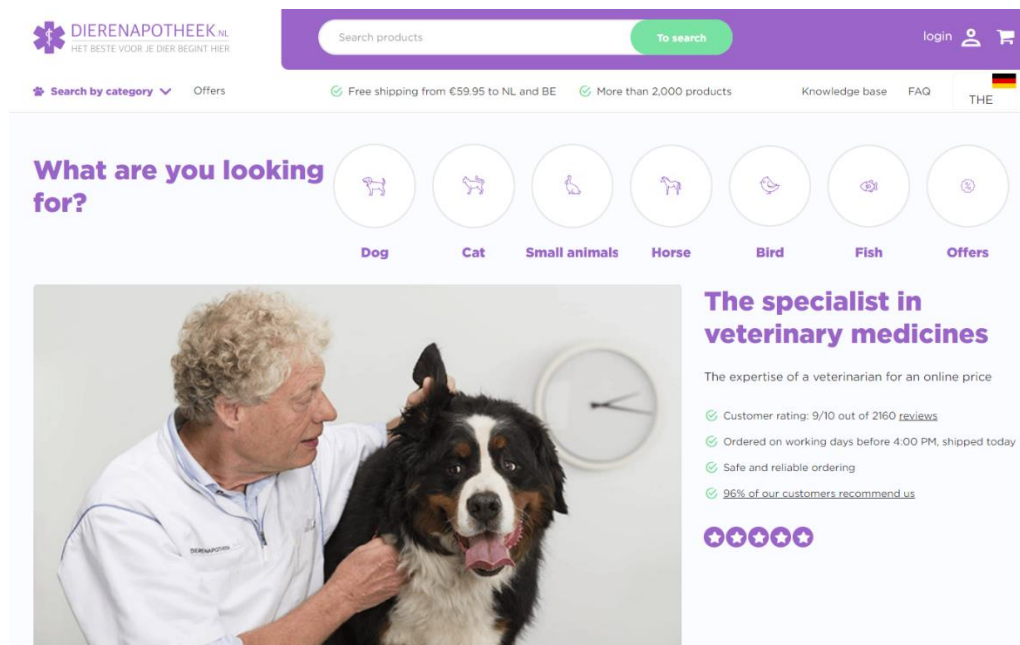
##### 3.1.2 Online sales of pet supplies and medicines

The Group supplies a variety of products in the pet segment, such as animal accessories, books, posters, medical tools, pet food, pet care products and veterinary medicinal products ("VMPs") sold over-the-counter (i.e. without prescription). The veterinary medicinal products represent a significant share of the Group's turnover today.

The online sales pillar includes the Group's two online shops "Dierenapotheek.nl", which operates in the Dutch and Belgian market, and "Drpetcare.de", which operates in the German market.

There are over 75 000 visitors per month on the Group's online shops. The average basket is around €45 year-to-date, as compared to €35 in 2022. The low level of returns at 1,6% indicates a good quality of product and customer satisfaction. The Group is measuring its product satisfaction with a star-rating from The Feedback Company. "Dierenapotheek.nl" rates at 9.1 out of 10 and "Drpetcare.de" rates at 8.1 out of 10, highlighting the focus of the Group on customer satisfaction.

The acquisition of the two online shops in October 2021 marked a substantial step forward in the Group's development of the online sales of pet supplies, and the Group's turnover of EUR 1.8 million in FY2022 mainly related to the online sales activities as operated through these online shops.



The screenshot shows the Dierenapotheek.nl website. The header includes the logo, a search bar, and navigation links. Below the header, there are category icons for Dog, Cat, Small animals, Horse, Bird, Fish, and Offers. A large image of a veterinarian examining a dog is featured, along with a section titled "The specialist in veterinary medicines" which highlights customer ratings and service guarantees.



The online sales pillar further also includes the previously acquired high-quality pet food brand Jachtinstinct.

In line with our commitment to continuous improvement, we are in the process of updating our current website, "[www.jachtinstinctdierenvoeding.nl](http://www.jachtinstinctdierenvoeding.nl)." The updated website will feature enhanced functionalities, improved user experience, and a more intuitive interface. By incorporating the latest web design practices, we aim to create a visually appealing and user-friendly platform that meets the expectations of our valued customers.

As part of our growth strategy, we are expanding our international presence in Europe. To cater to our diverse customer base, we have introduced language versions of our website in Dutch, German, and English. These language options aim to provide a seamless shopping experience and improved accessibility for our customers across different regions. As we continue to expand, we will introduce additional language options to accommodate the needs of more customers.

Furthermore, we are pleased to announce the integration of our logistical processes and automation with "[Dierenapotheek.nl](http://Dierenapotheek.nl)." This integration has resulted in several benefits for our business. Firstly, it has led to an increased gross margin, as the streamlined logistics process allows for more efficient handling and distribution of relevant products. This, in turn, contributes to our overall profitability.

Additionally, the integration has yielded lower logistical costs. By combining our operations with "[Dierenapotheek.nl](http://Dierenapotheek.nl)," we have optimized our supply chain and achieved cost savings through economies of scale. This reduction in logistical costs translates into improved operational efficiency and ultimately benefits our customers through competitive pricing and value for money.

As we move forward, we remain dedicated to expanding our reach and providing exceptional service to our customers. We will continue to invest in technology, infrastructure, and partnerships to support our growth initiatives. Our aim is to establish a strong presence in the European market, and we are confident that our efforts will contribute to the success and sustainability of our company.

The Group sources the pet supplies and medicines sold through its online shops from various third-party suppliers. The products are purchased in bulk and stored in the Group's warehouse in Wormerveer in the Netherlands. When products are purchased by customers through the online shops, employees of the Group retrieve and package the products before they are shipped to the customers through the use of postal service providers.

The market for veterinary medicinal products ("VMPs") in the Netherlands is largely operated via veterinarians for prescription drugs and via pet shops for over-the-counter drugs.

Currently, it is not possible to order animal prescription medicine via the Internet and get them delivered by post in the markets in which the Group operates. Consequently, the Group only sells over-the-counter medicine. Going forward, the Company would like to be able to offer prescription drugs for pets through its online shops. This would be a game changer in the market, but is subject to various EU and local law requirements. The Company is inter alia looking into the possibility of acquiring companies or veterinary practices that would meet applicable requirements of EU and local law, so as to facilitate the supply of prescription medicine through its online shops.

### Sample of the best-selling products

| Nr. | Product name           | Description                                                                                   | Picture                                                                               |
|-----|------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1   | Milpro Dogs            | Deworming for dogs                                                                            |    |
| 2   | Frontpro               | A flea and tick remedy for dogs                                                               |    |
| 3   | Otoclean               | Care and cleaning of the external ear canal of dogs and cats                                  |    |
| 4   | Zitac Vet              | Symptomatic treatment to reduce vomiting associated with chronic gastritis in dogs.           |   |
| 5   | Panacur Pet Paste      | A broad-spectrum anthelmintic for dogs and cats up to 6 kg and to treat Giardia.              |  |
| 6   | Easypill Cat           | Facilitates the administration of pills to your cat                                           |  |
| 7   | AA Diarstop Large Dog  | To support acute diarrhoea in dogs                                                            |  |
| 8   | Optixcare Eye lub Plus | Eye gel specially developed for dry, irritated and/or irritated eyes of dogs, cats or horses. |  |

The focus on OTC medicals is a logical effect of the naming of de shops: 'Dierenapotheek.nl' and 'DrPetCare.de', with an emphasis on medicines. It also helps to establish high authority for these websites. It will be easier to expand the portfolio from medicines to food and other day-to-day products than the other way around.

The PetApp is intended to play an important role in the online sales pillar as a medium to reach pet owners in a targeted way. Although such functions are not yet operational, the PetApp may potentially be able to provide suggestions for over-the-counter medication based on the information about animal species and breed that the owner has entered into the PetApp, and fulfil requirements for prescription medications via the online video consultation service.

The successful acquisition and subsequent integration of "Dierenapotheek.nl" and "Drpetcare.de" have been a significant focus for our management team. This concerted effort has yielded positive outcomes both operationally and financially. We have achieved synergies, optimized processes, and expanded our market presence, which has had a favorable impact on our overall performance.

However, it is important to note that the dedicated attention to the integration process has affected the development progress of two of our key projects: the PetApp and the PetTracker. These innovative initiatives, initially anticipated to progress at a faster pace, have experienced slower advancement due to the allocation of resources toward the integration efforts.

Moving forward, our goal is to rebalance our focus across all three pillars of our business. We recognize the importance of the PetApp and the PetTracker as integral components of our overall strategy. We will now shift our attention to scaling up and accelerating the development of these projects, ensuring they reach their full potential.

By refocusing on all three business pillars, including the successful integration of "Dierenapotheek.nl" and "Drpetcare.de" as well as the advancement of the PetApp and the PetTracker, our aim is to create sustainable and profitable growth. We remain committed to delivering innovative solutions and exceptional service to our customers.

### **3.1.3 The PetApp**

We are excited to introduce the PetApp, a smartphone application designed to provide pet owners with convenient access to a range of pet-related products and services. The PetApp serves as the Group's central hub, offering a comprehensive platform for pet owners to meet their various needs.

One of the key features of the PetApp is its online pet supply store, which allows users to browse and purchase a wide range of pet products from the convenience of their smartphones. Whether it's pet food, toys, or accessories, users can easily find and order what they need through the app.

Additionally, the PetApp provides direct online access to veterinarians, allowing users to seek professional advice and guidance for their pets. This feature aims to provide a convenient and reliable resource for pet owners, ensuring their furry companions receive the best care possible.

The app goes beyond just e-commerce and veterinary consultations. It also offers users the ability to keep track of photos and important data about their pets. This feature enables pet owners to store vital information, such as medical records, vaccination schedules, and dietary preferences, all in one place.

Furthermore, the PetApp provides users with the option to receive news and information about events for and with animals. This keeps pet owners informed about relevant happenings and allows them to

stay engaged in the pet community. It includes content and services provided by Vitaux, the Group's subsidiary.

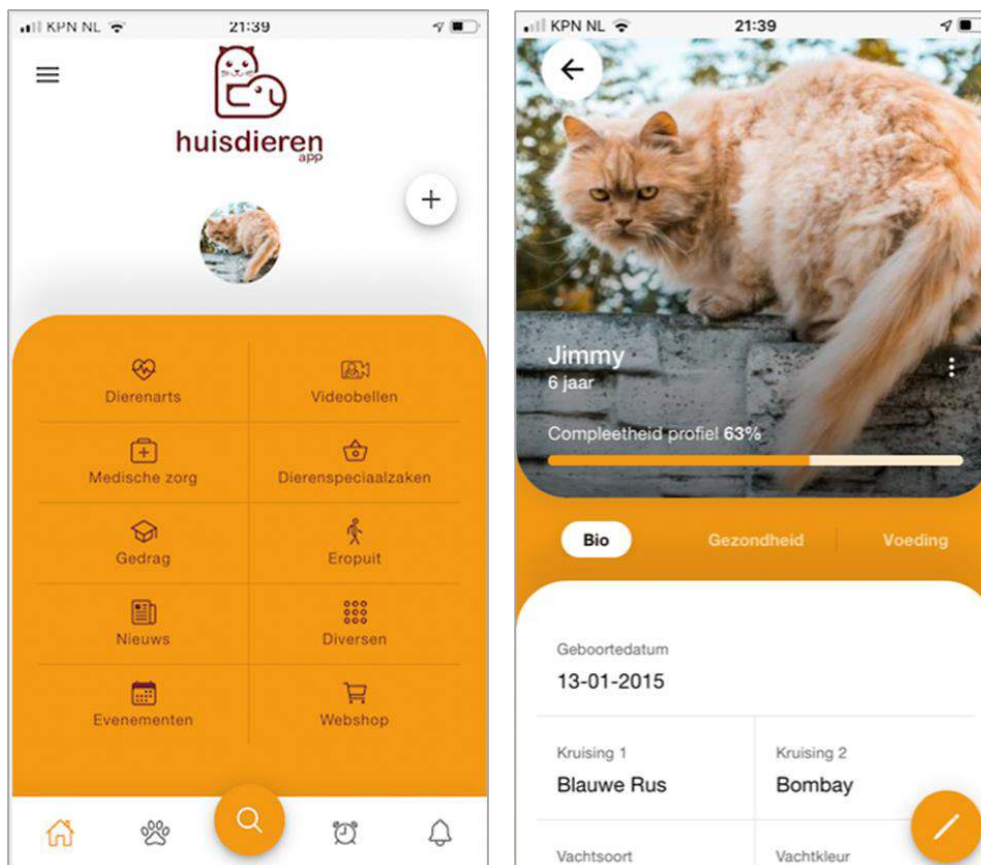
The PetApp has undergone extensive testing and is currently being utilized by our first base of regular users. We have received positive feedback and are continuously working to enhance the user experience and functionality based on user suggestions.

Currently available only in Dutch, the Group is considering expanding the PetApp's language options to accommodate a broader user base in the future. This will ensure that more pet owners can benefit from the app's features and services.

The PetApp can be downloaded free of charge, and it offers ample free functionality to users. In the second half of 2023, the Group plans to introduce additional functionality, such as the ability to have direct online access to veterinarians through the app. This service can be paid for conveniently within the app, providing users with seamless access to professional veterinary advice.

Looking ahead, the Group has plans to incorporate other services and subscriptions that can be paid for through the app. One such example is the PetTracker, which will enable pet owners to track and locate their pets using advanced GPS technology.

We are committed to continuously improving the PetApp and expanding its capabilities to better serve the needs of pet owners.



The content of the PetApp is currently as follows:

- My Pet (master data)
- Nearest veterinarian
- Nearest pet shop

- Nearest walking and release areas (currently there are 500 walking and release areas referenced in the app)
- Online video calls with veterinarians (through the Group's subsidiary Vitaux)
- News
- Events
- Miscellaneous
  - Advice when buying a new pet
  - Insurance
  - Farewell guide
  - Behaviour
  - Holiday checklist for the pet
  - Pet found / missing
  - Medical care (complimentary medicine, animal physiotherapists, etc.)

The PetApp aims at making pet ownership easier through the bundling of relevant data (including medical data) for an individual pet in one app and through granting access to numerous pet-related products and services, including veterinary services and medicinal products. The information which can be stored in the app about a pet includes the pet's characteristics, vaccinations, other medical treatments and what food the pet is given. Specifically for horses, the PetApp is also able to store all categories of data required for a horse passport.

Through such storage solutions, the PetApp seeks to provide the pet owner with greater oversight of the pet's general wellbeing, which the Company hopes will contribute to more responsible pet ownership.

The main target group of the PetApp is cat and dog owners, which constitute a substantial portion of pet owners. The Group's initial focus on horse registration has been phased out because the government requirements for such registration turned out to be very technical and hence not compatible with the PetApp's features. However, general data on horses can as mentioned above be stored in the PetApp, and focus on further development in this regard may materialize at a later stage.

The functionality which gives users direct online access to veterinarians through the PetApp, which also can be paid for through the app is currently being launched

The Group is currently cooperating with a group of five veterinarians, and will therefore, once the functionality is made available, be able to offer short remote consultations through the PetApp which can be set up on short notice. The fee for these consultations will be fixed in advance, and is intended to be approximately EUR 20 per consultation. The fee can be paid via the PetApp. Depending on the agreement with the relevant veterinarian, the Group will as a starting point charge approximately EUR 3 in commission for access to the PetApp for each consultation.

Vitaux, in which the Company owns a 66% share interest, also falls within the PetApp pillar. Vitaux is a veterinary management agency that carries out marketing, communication and PR activities in the animal health and agricultural sector. Another important activity of Vitaux is the recruitment service of veterinarians and para-veterinary personnel. Furthermore, Vitaux plays a vital role in the Group's offer of veterinary consultation services through the PetApp, as the company through its large network has access to a range of veterinary practices. The remaining 34% share interest in Vitaux is held by its founder, Pascale Fuchs through her holding company, Zomervos B.V. Pascale Fuchs has a longstanding background in the veterinary practice and has over 25 years' experience from animal-related business. Fuchs is specialised in PR and marketing communication.

Since the launch of the PetApp, downloads have mainly been achieved through organic promotion. The growth has mainly occurred by way of free publicity, and leveraging on the Group's network in the pet care industry. The next step in the Group's strategy will include an enhanced focus on direct marketing,



with a goal to increase awareness among pet owners, as well as encouraging the current users to increase their use of the various tools available in the PetApp.

As of 2023, the PetApp had been downloaded over 65,000 times. Although the Company does not yet generate direct revenue through the PetApp, the app has approximately 40,000 active users. The addition of new functionality and the launch of our 'Snoet' magazine will further enhance the usage of the app, with various cross-media functionalities, using QR-codes in the magazine or from the magazine referring to the app for actual lists or calculators.

As per May 2023, 150,000 pet owners gave the Group permission to use their details for marketing purposes. The Group anticipates that the use of such personalised pool of email addresses will contribute to a more successful marketing strategy for the PetApp going forward.

The medium to long term-goal of Pet Service Holding is to make the PetApp a one-stop-shop for all the services and products Pet Service Holding offers, including the PetTracker and online sales. The technology chosen for the PetTracker is expected to provide an advantage compared to products currently available in the market. The combination of the PetTracker and other services within the PetApp, will also generate data which Pet Service Holding can use for research and the development of new products.

The Company believes Pet Service Holding will be able to leverage on the magnitude of accumulating data on the customers in the PetApp and the online sales channels. By motivating users to enter sufficient data about their pets, the PetApp may grow into a testing and tracking tool for animal feed manufacturers and pharmacists. Such motivational factors may include giving users small advantages based on the completeness of their animals' profiles, and the regularity with which users enter data.

The Company may also be able to create a new customer group through the accumulation of data in the PetApp. Animal feed manufacturers or manufacturers of over-the-counter medicines can use the PetApp to invite specific users to participate in relatively large-scale tests. The users who do not wish to participate can serve as a control group. Specific research questions can also be incorporated into the PetApp.

The intention is to start developing the research methodology and associated software from 2023 onwards, along with relevant internal structures and marketing when a sufficient number of users has been achieved. The expectation is that the first studies will be able to take place from 2024 onwards.

### 3.1.4 The PetTracker

The PetTracker is a geo positioning tracker for pets which has been developed by the Company based on a tracker for trucks that is already available in the market.



The PetTracker uses the long-range network ("LoRa network") in the Netherlands, which is a network designed to wirelessly connect battery operated devices to the internet. Due to this technology, the PetTracker is more compact and lighter than most GPS trackers on the market. The tracker is therefore also suitable for smaller dogs and for cats.

Current tracking equipment for pets normally hang from the collar, are usually heavy and bulky, and the batteries are often exhausted within a few hours of tracking. To increase battery life, most trackers only send location updates once an hour. In addition, a SIM card for access to a mobile network is usually required for the trackers currently available on the market.

The LoRa network gives a rough positioning, that is used to get quicker to an exact positioning with the tracker's built-in GPS. As soon as the dog or cat moves, or at regular intervals, the tracker reconnects with the LoRa network, this time to forward the location of the pet. Most other trackers on the market use 3G, 4G or 5G networks to forward the position, and this requires a lot of battery power. The LoRa interface hardly uses any power so that the tracker can last for a much longer time and the smaller battery makes the tracker lighter and less bulky.

With the PetTracker, the pet can always be followed and, if desired, also guarded. The user can define an area with boundaries in the PetApp on a map. If the pet crosses a boundary, an alarm will be activated. Initial market research shows that there is a great need for a tracking system available to customers at an affordable price. The Group is considering an indicative price for the device around €49, coupled with a monthly subscription and usage fee of €4.95.



The PetTracker technology has been tested, and is proven to work. The development costs have already been covered, except for minor adjustments. The next step is to initiate a larger field test, with the aim to start production of the PetTracker after completion of the field test. This field test will be initiated in the third quarter of 2023. The test is of great importance because consumers are very demanding where it comes to the reliability and user-friendliness of this kind of technology. Once the technology is fully tested and launched in the Netherlands, this product and related service can be rolled out in other countries in Europe.

## **3.2 VISION AND STRATEGY**

### **3.2.1 One-stop-shop for pet owners**

The Group is driven by its vision to improve the quality of life for pets and pet owners. By focusing on its three business pillars, the Group aims to provide convenient and accessible products and services that promote pet wellness and enhance the overall experience for pet owners.

In the Netherlands, the pet products market and pet services market are comprised of various individual businesses, requiring pet owners to engage with multiple providers to meet their pets' needs. These markets are characterized by smaller-scale companies, with no dominant players currently present. In contrast, the Dutch pet food market is populated by larger international companies. Similar patterns can be observed in other European countries as well.

The Company's strategic approach is to penetrate and unify the fragmented European pet care products and services markets through the development of the PetApp see Section 3.1.3 ("The PetApp"). This platform seeks to offer a user-friendly, one-stop-shop solution for pet owners. By bundling online sales of medicinal and food products, the Group aims to attract a larger customer base while achieving logistical cost efficiencies. The Group's intends to leverage the trust it inspires to customers, being the right partner to acquire veterinary medicine products, to further expand its product range in pet food and pet supplies.

Additionally, the Group envisions vertical integration by expanding into other levels of the supply chain. This may involve acquiring veterinarian practices to facilitate the sale of prescription medicine for pets through the Group's online shops and the PetApp.

The Group's medium to long-term goal is to establish the PetApp as a comprehensive one-stop-shop for all its offered services and products, including the PetTracker and online sales. The chosen technology for the PetTracker is expected to provide a competitive advantage over existing market offerings. Furthermore, the integration of the PetTracker and other services within the PetApp will generate valuable data for research and the development of new products.

Looking ahead, the Group anticipates increased collaboration with professionals in the pet industry to extend its reach and unlock additional business opportunities. Direct marketing efforts will be intensified to raise awareness among pet owners about the Group's diverse range of products and services.

By pursuing its strategic goals, the Group aims to revolutionize the pet care market, providing pet owners with a seamless and comprehensive solution through the PetApp. The Group's commitment to innovation, collaboration, and direct marketing will drive its growth and success in the industry.

### 3.2.2 Marketing focus and advertising

Pet Service holding has a primary focus on Generation X, although not excluding any other segments of the market. However, the Group serves the 35- to 60-year-old group. This is reflected by the type of product offered and the means of communication used (online and offline magazine, events, and role models from that age group).

The Group's product offering mix has been built to attract these customers. The focus of the offering is on the higher end services and supplies:

- Providing specialized and high-quality pet food, so not the mass market
- Focusing on OTC medicals and quality supplies
- Providing easy access to veterinary care, but not supplying this care itself
- Not active in the sale of live animals, but in all kind services, as we expect is the fastest growing segment.

Where it comes to communications, a strong focus will be on community building. Pet Service Holding will nurture a strong community of pet lovers, subdivided per type of pet and/or regionally, and feed this community with useful information, events and economic benefits. A central role is there for the magazine, in the Netherlands introduced under the name 'Snoet Magazine' which will be printed two times a year and distributed online another two times.

#### Extract of the Snoet Magazine



The image shows a page from 'Snoet Magazine'. On the left, there is a large photo of a brown rabbit wearing white sunglasses. Below the photo, the text reads: 'NEEM JE KONIJN NOOIT MEE NAAR zonnige oorden'. To the right of the photo, there is a blue box with white text: 'Wie zijn konijn meeneemt, op vakantie naar zonnige oorden, doet zichzelf maar ook het konijn daar geen plezier mee. Het zou maar zo kunnen zijn dat u die halve vakantie bezig bent uw konijnler het leven te redden.' Below this, there is a list of 'zonnige oorden' (sunny places) with a small table of contents.

On the right side of the page, there is a purple coupon for 'DIERENAPOTHEEK.nl'. The coupon has the text: 'DIERENAPOTHEEK.nl HET BESTE VOOR JE DIER BEGINT HIER'. It features two QR codes and two offers: 'Jaarlijksinstinct Diervoeding - 20% korting' and 'Tiny Friends Farm - 5% korting'. Below the coupon, there is a list of 'zonnige oorden' (sunny places) with a small table of contents.

### 3.2.3 Big data applications

The Company believes the Group will be able to leverage on the magnitude of accumulating data on the customers in the PetApp and the online sales channels. By motivating users to enter sufficient data about their pets, the PetApp may grow into a testing and tracking tool for animal feed manufacturers and pharmacists. Such motivational factors may include giving users small advantages based on the completeness of their animals' profiles, and the regularity with which users enter data.

The Company may also be able to create a new customer group through the accumulation of data in the PetApp. Animal feed manufacturers or manufacturers of over-the-counter medicines can use the PetApp to invite specific users to participate in relatively large-scale tests. The users who do not wish to participate can serve as a control group. Specific research questions can also be incorporated into the PetApp.

The intention is to start developing the research methodology and associated software from 2023 onwards, along with relevant internal structures and marketing when a sufficient number of users has been achieved. The expectation is that the first studies will be able to take place from 2024 onwards.

### 3.2.4 External and geographical expansion

Following the listing, the Group also intends to look at the possibility of growing its business through acquisitions of companies or businesses operating within the industry. Although the Group currently sells products and services in the Netherlands, Belgium and Germany, further international expansion may be relevant once all the three business pillars are fully operational.

The management and owners of Pet Service Holding have extensive experience in the selection, acquisition, financing and integration of mid-sized companies. With a keen eye for opportunities in the market they will be the driving force behind a series of acquisitions to make the company grow. The objective will be to grow market share faster than through organic growth and create value for the Group and its shareholders.

With new financing opportunities additional acquisitions could be done, which, following the clear philosophy and after rapid integration, should lead to economies of scale:

1. **In purchasing power:** as in most European countries the same brands of pet food, medicines and other supplies are sold, having more outlets leads to bigger purchasing quantities and therefore mostly to a better price.
2. **In marketing insights and efficiency:** learnings from one country can mostly be applied to other countries and content (after translation), images, layouts and even event structures can be used multiple times.
3. **In data gathering:** a database on one country or on one type of pet can be useful, but a company that gathers data on multiple countries and pet types can offer data services to all kind of pet service and product manufacturers. Collaboration with universities can enhance the database even further and serve as a great marketing tool as well.

These specific economies of scale will help to increase margins and to develop new services, and thus create additional value.

At this moment, the Group has identified several potential targets that could be pursued, depending on the availability of financing and other factors:



1. **Medicine Wholesaler:** One potential target on the radar is to establish the Group as a medicine wholesaler. This would involve exploring opportunities to distribute pet medications on a larger scale, strengthening the Group's supply chain capabilities and expanding its product offerings. However, the realization of this target would depend on securing the necessary financing and obtaining the required licenses and approvals.
2. **Medicine License Holder:** Another potential target is to become a licensed holder for manufacturing, distributing, or selling specific types of pet medications. By obtaining the relevant licenses, the Group could enhance its market position and diversify its revenue streams. However, this target would require substantial investment and regulatory compliance, which would need to be carefully evaluated.
3. **Online Shops in the Netherlands and Europe:** The Group envisions expanding its online presence beyond the Netherlands, aiming for a broader European reach. This would involve integrating its online shops with other European markets to tap into a larger customer base. However, the successful execution of this target would depend on securing adequate financing, implementing effective marketing strategies, and overcoming potential regulatory and logistical challenges.
4. **Online Shops in France:** As part of its expansion strategy, the Group is considering entering the French market by establishing online shops. France presents an appealing opportunity due to its sizable pet population and consumer demand. However, the actual entry into the French market would depend on the availability of funding and the feasibility of market entry strategies.

The pursuit of these targets is contingent upon securing appropriate financing and evaluating market conditions. The Group will carefully assess the potential risks and rewards associated with each target before making any final decisions. As financial opportunities and market conditions evolve, the Group will adapt its plans and strategies accordingly.

## **IV. MARKET AND COMPETITION**

### **4.1 INTRODUCTION**

The Group is a European provider of products and services for pets and pet owners. Currently the main market focus of the Group is the Netherlands, but the Company also operates in Belgium and Germany. Introduction of new geographical areas will be considered in line with the Company's vision and strategy.

The pet products market and the pet services market in the countries in which the Group operates consist of various distinct businesses with which pet owners must transact to get all the products and services needed for their pets. Companies providing pet services are generally small in scale, and there are at present no dominant players in the pet product and pet services markets in which the Group operates. The pet product and pet services markets can be contrasted with the pet food market, in which a number of larger international companies operate.

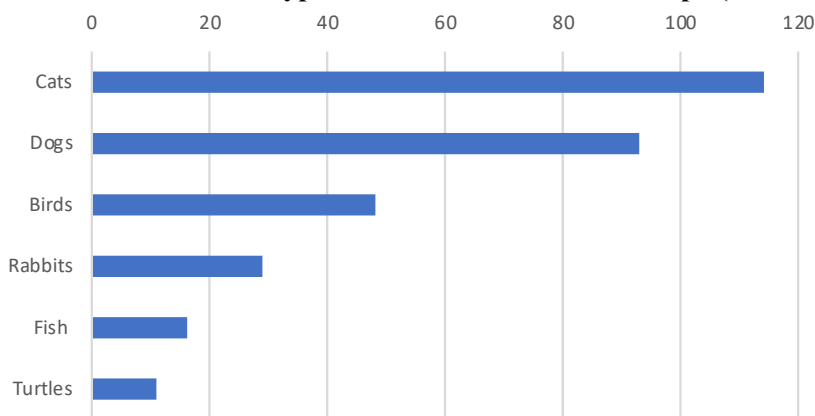
## 4.2 OVERVIEW OF THE MARKET

The market for products and services for pets and pet owners in Europe is significant and continues to experience steady growth.

In the European union, 90 million households have at least one pet in their home. This is 46% of the total number of households and every year between 2 to 3 million households join in.

The European pet care market is substantial, with a large and growing pet population. According to the European Pet Food Industry Federation (FEDIAF), there are around 92 million pet dogs and 113 million pet cats in Europe, along with various other companion animals.

### Most common animal types and their numbers in Europe (in millions)



Source: European Pet Food Industry Federation (FEDIAF) – annual report 2022

The Covid-19 lockdowns have had a significant impact on pet ownership in several countries, including the United Kingdom and Germany. This growth in pet ownership can be attributed to various factors, as highlighted in the Clearwater International Veterinary Market Clearview 2023 and the USDA report on Increased Pet Ownership in Germany due to COVID-19 lockdowns.

One notable trend that emerged during the lockdowns was the increased desire for companionship and emotional support. As people found themselves spending more time at home, often isolated from friends and family, the presence of a pet offered comfort and solace. This led to a surge in pet adoptions and purchases, as individuals and families sought the companionship and unconditional love that pets provide.

The United Kingdom and Germany, among other countries, experienced a notable uptick in pet ownership during this period. The Clearwater International Veterinary Market Clearview 2023 report highlights the strong growth of pet ownership in these countries. The lockdowns created an opportune environment for individuals to bring pets into their homes, as they had more time to devote to their new furry companions and could provide the necessary care and attention.

The USDA report specifically focuses on Germany and highlights the impact of lockdowns on pet ownership in the country. The restrictions and social distancing measures prompted many Germans to consider adding a pet to their households, leading to a substantial increase in pet ownership rates.

This growth in pet ownership has not only brought joy and companionship to individuals and families but has also influenced the pet care industry. Pet-related businesses have experienced increased demand for products and services, ranging from pet food and accessories to veterinary care and grooming.

As the Covid-19 situation evolves, the impact of the pandemic on the pet care landscape remains undeniable, with increased awareness and appreciation for the positive impact that pets can have on mental well-being and overall quality of life.

Pet owners' commitment to providing better care for their beloved animals has resulted in a noticeable shift in the market. Over the past decade, there has been a consistent increase in average spending on pets and pet-related products, with an annual growth rate of approximately 5%. This trend is driven by various factors, including the rising life expectancy of pets.

According to the Global State of Petcare report published in 2022 by [www.healthforanimals.org](http://www.healthforanimals.org), pet owners are increasingly investing in their pets' well-being and overall quality of life. This investment encompasses a wide range of areas, including nutrition, healthcare, grooming, accessories, and entertainment.

The growing life expectancy of pets plays a significant role in driving the increased spending. Advancements in veterinary care, nutrition, and overall pet management have contributed to extended lifespans for many companion animals. As pets live longer, pet owners are more inclined to provide them with a higher level of care, which includes premium products, specialized diets, regular veterinary check-ups, and preventive treatments.

Furthermore, the emotional bond between pet owners and their animals has strengthened over the years. Pets are considered integral members of the family, and pet owners are willing to go the extra mile to ensure their well-being and happiness. This emotional connection translates into increased spending on pet-related products and services, as pet owners seek to provide the best possible care for their furry companions.

The consistent annual growth rate of around 5% in pet-related spending reflects this changing mindset among pet owners. It demonstrates their commitment to enhancing the lives of their pets and their willingness to invest in high-quality products and services that cater to their pets' specific needs.

As the pet care industry continues to evolve and innovate, with advancements in technology, product offerings, and personalized services, it is expected that pet owners' spending will continue to rise. The growing awareness of pet welfare, coupled with the deepening emotional bond between pets and their owners, will likely drive further growth in the market for pet-related products and services in the years to come.

#### 4.3 MARKET SEGMENTS

The Pet Products and Services Market in Europe is a large and growing industry, with a wide range of products and services available to pet owners. The market can be broken down into six main categories.

1. **Pet food:** Pet food is the largest segment of the pet products market in Europe, accounting for the majority of sales. The market is segmented by product type, including dry food, wet food, treats, and other pet food products.
2. **Veterinary care:** Provided by licensed veterinarians, this service segment includes vaccinations, health checks and surgery.
3. **Pet insurance:** Mostly provided by regular insurance companies, these policies generally cover veterinary costs.

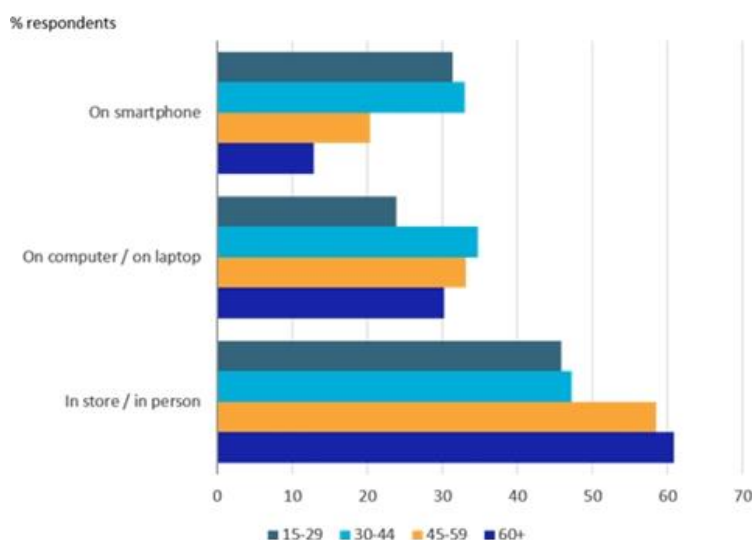
4. **OTC care:** Over-the-counter (OTC) pet care products include flea and tick treatments, dental care products, and other health supplements. These products are available without a prescription and can be purchased from pet stores, veterinary clinics, and online retailers.
5. **Pet care products:** Pet care products include a wide range of items, such as toys, beds, collars, leashes, and other accessories.
6. **Pet services:** Pet services are another important segment of the market, including grooming, boarding, daycare, and training services. These services are typically offered by independent pet service providers or through larger pet retail chains.

#### 4.4 PET SERVICE MARKET GROWTH

The pet services and supplies market in Europe is experiencing rapid growth and is considered one of the fastest-growing markets in the region. Over the past decade, pet ownership has steadily increased, and it received an additional boost during the COVID pandemic, as more people sought companionship and comfort during challenging times.

In 2022, the European pet care market reached a size of over USD 40 billion, indicating the substantial scale of the industry. Moreover, according to ResearchAndMarkets' European Pet Care Market Outlook 2022-2027, the market is projected to expand at a compound annual growth rate (CAGR) of more than 6% during the period from 2022 to 2027. This growth can be attributed to several key factors, including the continuous rise in pet ownership, evolving consumer preferences, and the increasing demand for premium and specialized pet products and services.

While all distribution channels for the pet care market are showing growth, the e-commerce channels are exhibiting the strongest expansion, as indicated by Global Market Insights' Pet Care Market report from November 2022. The convenience and accessibility of online shopping have attracted a significant portion of consumers, particularly in the younger age categories. Smartphone usage for pet product purchases is more prevalent among the younger demographic, while older consumers still prefer to make their purchases in offline brick-and-mortar stores, as revealed by the Lifestyle survey of 2021 conducted through Euromonitor.



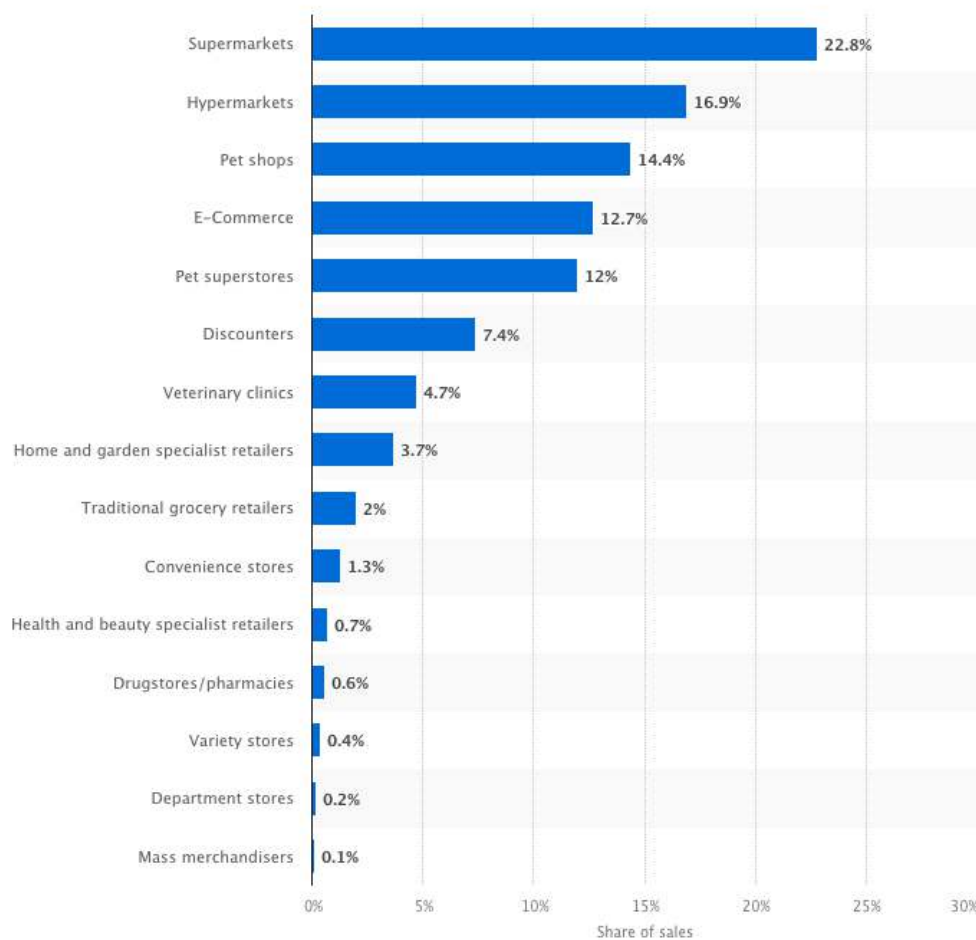
2021, Source: Voice of The Consumer – Lifestyle Survey 2021  
Note: n = 18,393



Overall, the pet care market in Europe is thriving, driven by increasing pet ownership, changing consumer preferences, and the rising demand for specialized products and services. Additionally, the expanding e-commerce channels are reshaping the way pet products are purchased and consumed, with younger generations leading the shift towards smartphone-based shopping experiences.

The online sales distribution channel is estimated between 10 to 15% for the European pet care and services market. According to Statista, 12.7% of the pet food in Europe is sold online. E-commerce has a significant potential for growth in this segment. And younger generations will accelerate this change.

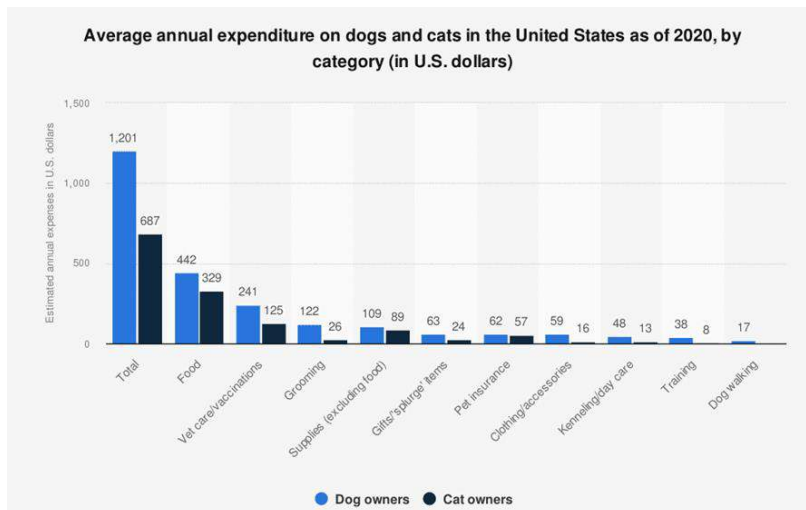
### Pet food sales in Europe by distribution channel



Source: Statista, Pet food sales by channel, EU-28, 2020

## 4.5 PET CARE AVERAGE EXPENSES

This is not easy to obtain specific information for Europe, but for the United States these are the main expenses categories for dog and cat owners:



Source: Hammerpoll, Ameritrade, through Statista 2022

It is worth noting that the two main expenses categories are for food and veterinary care, two segments where the Group is active, which both represent 57% of all expenses for dogs and 66% of all expenses for cats.

Spending per category may differ to quite some extent over various generations. From the same research you can see that generation X spends up to 20% above the average, especially on food, other supplies and insurance.

**How Much Dog Owners Spend Every Year On Their Pet**

| Category                  | All            | Millennials    | Gen X          | Boomers      |
|---------------------------|----------------|----------------|----------------|--------------|
| Food                      | \$442          | \$382          | \$530          | \$417        |
| Vet care/vaccinations     | \$241          | \$229          | \$253          | \$247        |
| Grooming                  | \$122          | \$121          | \$153          | \$98         |
| Supplies (excluding food) | \$109          | \$119          | \$127          | \$75         |
| Gifts/'splurge' items     | \$63           | \$62           | \$97           | \$34         |
| Pet insurance             | \$62           | \$69           | \$98           | \$18         |
| Clothing/accessories      | \$59           | \$102          | \$59           | \$9          |
| Kenneling/daycare         | \$48           | \$33           | \$84           | \$33         |
| Training                  | \$38           | \$78           | \$19           | \$12         |
| Dog walking               | \$17           | \$24           | \$25           | \$1          |
| <b>TOTAL</b>              | <b>\$1,201</b> | <b>\$1,219</b> | <b>\$1,445</b> | <b>\$944</b> |

Source: A survey of annual spending by 474 dog owners in spring 2020 conducted by The Harris Poll on behalf of TD Ameritrade, including respondents who were classified as Millennials (ages 24-38), GenXers (ages 39-54), and Boomers (ages 55-73).



The purchasing of the animal is not included in these figures. This can be up to € 2.000 for a dog, but for other animals it is often much less. Part of this market cannot be measured, as the trade is directly between consumers or small-scale semi-professional breeders.

It indicates that there are strong factors that will support the growth of the pet care and services market over the next decades, and especially the e-commerce distribution channels as younger generations expense more for pets and they are more familiar with digital.

#### 4.6 PET CARE & SERVICES IS A FRAGMENTED MARKET

There are a few large players in the European pet care and services market. Those multinationals have acquired large pet food brands and now dominate the market as product supplier. It includes

1. Mars Petcare: Mars Petcare is a subsidiary of the Mars Corporation and is one of the largest pet food and pet care companies in the world. Mars Petcare produces a variety of pet food brands, including Pedigree, Whiskas, Royal Canin, Nutro, and IAMS. Some of their popular snack and treat brands include Greenies, Dreamies, Sheba, and Temptations. Mars Petcare produces a variety of healthcare products for pets, including flea and tick treatments, dental care products, and nutritional supplements.
2. Nestle Purina Petcare: Nestle Purina Petcare is a division of the Nestle Corporation and is one of the largest pet food and pet care companies in the world. Nestle Purina Petcare produces a variety of pet food brands, including Purina ONE, Purina Pro Plan, and Purina Dog Chow.
3. Hill's Pet Nutrition: Hill's Pet Nutrition is a division of Colgate-Palmolive and offers a range of pet food and pet healthcare products. They are known for their prescription diets and specialty nutrition products for pets.

In the veterinary services, there are also a number of large groups that operate in this segment, such as:

1. AniCura: AniCura is a Swedish-based chain of veterinary clinics that operates in several European countries, including Sweden, Norway, Denmark, Germany, Switzerland, Austria, the Netherlands, Belgium, France, and Italy. They have over 300 clinics and employ over 5,000 people. AniCura has been acquired by Mars in 2018.
2. IVC Evidensia: IVC Evidensia is a veterinary care group that operates in several European countries, including the UK, Sweden, Norway, Denmark, Germany, Switzerland, the Netherlands, Belgium, France, Italy, Spain, and Portugal. They have over 1,600 veterinary clinics and employ over 19,000 people.
3. CVS Group: CVS Group is a UK-based veterinary care group that operates over 500 veterinary clinics and employs over 7,000 people across the UK, the Netherlands, and Ireland.
4. Medivet: Medivet is a UK-based veterinary care group that operates over 300 veterinary clinics across the UK, as well as some clinics in Italy and Singapore.
5. Evidensia Djursjukvård: Evidensia Djursjukvård is a Swedish-based chain of veterinary clinics that operates over 200 clinics in Sweden, Norway, and Denmark.



6. Grupo Asís Biomedica: Grupo Asís Biomedica is a Spanish-based chain of veterinary clinics that operates over 90 clinics in Spain, as well as some clinics in Portugal and Italy.

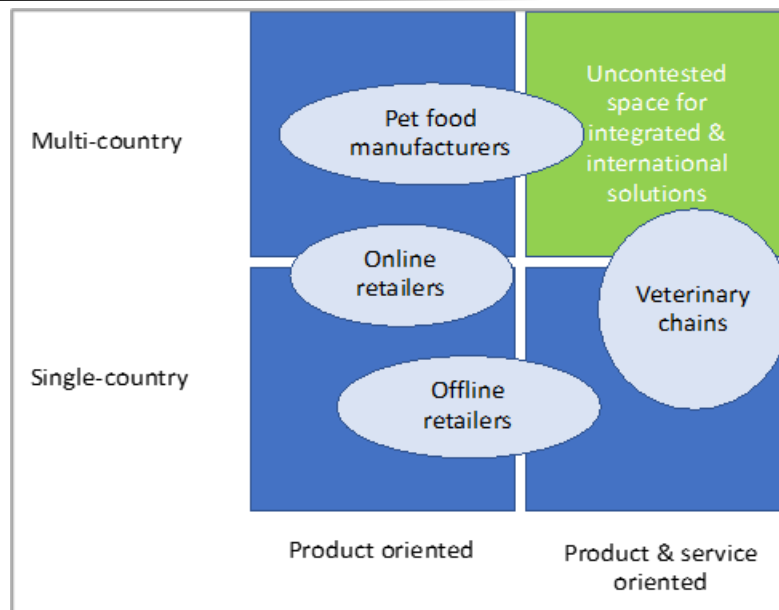
In food supplies and in the veterinary services, we noticed that large players grew by consolidation and there are few actors left. However, when it comes to distribution of food and supplies, and providing services, the landscape is much more diversified. There are a great number of smaller companies active on this segment of the market. The Group is convinced that there is an opportunity to consolidate several players to become a leading company in the distribution of food and supplies and providing services.

That being said, a number of online suppliers have also developed significantly over the past decade. Below is a list of main players in Europe:

1. Zooplus: [www.zooplus.com](http://www.zooplus.com), active in various countries like France and Poland
2. Amazon: [www.amazon.co.uk](http://www.amazon.co.uk) and [www.amazon.de](http://www.amazon.de), active in the UK, but also big in Germany
3. Pets at Home: [www.petsathome.com](http://www.petsathome.com), working from the UK
4. Bitiba: [www.bitiba.co.uk](http://www.bitiba.co.uk), working from the UK
5. Pet-Supermarket: [www.pet-supermarket.co.uk](http://www.pet-supermarket.co.uk), based in the UK
6. Medicanimal: [www.medicanimal.com](http://www.medicanimal.com), based in France
7. Miscota: [www.miscota.com](http://www.miscota.com), based in Spain
8. Maxi Zoo: [www.maxizoo.eu](http://www.maxizoo.eu), based in Germany
9. Fressnapf: [www.fressnapf.com](http://www.fressnapf.com), based in Germany
10. Wanimo: [www.wanimo.com](http://www.wanimo.com), based in France
11. Petsonic: [www.petsonic.com](http://www.petsonic.com), based in Spain.

The Group believes that the opportunity to grow online is here to stay as several online retailers thriving. The approach will be different with the ambition to work simultaneously in several markets and provide care, products and services to become an integrated and international solutions provider for pet owners.

Indeed, pet food manufacturers and online stores can work in multiple countries, but are mostly only product oriented. Offline retailers and veterinary chains are mostly active in one country, with a few exceptions. Putting this together, there is room for a party who combined an integrated offering with a multi-country approach:



Source: The Company

In addition, Pet Service Holding sees opportunity in this space because of economies of scale that lead to a higher profitability and sustainable company growth. The learnings of the acquisitions that the Group made in the past will be strong assets for the future developments and to create value.

#### 4.7 DIFFERENCE BETWEEN PET CARE AND HUMAN CARE

The pet care market is a very interesting segment, especially when compared to the human care market. It is important to note the following differences:

- The animal healthcare and drugs market have a much smaller R&D budget compared to the human market. This is because animal drugs and treatments require fewer clinical trials and regulatory approvals, which results in lower development costs. Additionally, the animal market is more fragmented and diverse, making it difficult to develop and market one-size-fits-all solutions.
- Pet owners are typically more emotionally invested in their pets than they are in their own healthcare, which can influence their purchasing decisions. For example, pet owners may be more willing to pay for premium pet food or specialized treatments for their pets, even if they are not medically necessary. Pet owners may also be less price-sensitive than human healthcare consumers, as they may prioritize their pet's comfort and well-being over cost.
- The animal food & supplies market is typically less competitive than the human market, as there are fewer players and smaller market sizes. This can result in less aggressive pricing strategies and less innovation in product development.
- Brand Loyalty: Brand loyalty tends to be higher in the animal market than in the human market, as pets often become attached to specific brands of food, treats, and toys. Also, as pet owner make the purchases and not the pets, continuity is valued over experimenting. Additionally, pet

owners may develop a sense of trust and loyalty towards their veterinarian and the products and services they recommend.

- **Payment Models:** In the human market, healthcare is often paid for by insurance companies, while in the animal market, most healthcare expenses are paid out-of-pocket by pet owners. This can impact consumer behavior, as pet owners may be more likely to opt for lower-cost treatments or delay seeking care if they are concerned about the cost. On the other hand, as there for animals are no insurance companies collectively negotiation treatment prices, margins on animal treatments may be even higher, which is reflected in the acquisition prices of veterinarian practices.

Less players on the market, easier to operate with lower costs and a potential of a strong customer loyalty are key assets to develop a company. The Group has a clear vision. It aims to provide much more than “just a product” but genuinely cares for the wellbeing of the animal in a broader sense. And since many pet owners are sometimes seeking on how to take care of their pet, providing information may be an important part of this. Finally, partnering with veterinarians who are generally seen as the authority figures on pet care, may also enhance a brand’s position.

## 4.8 REGULATION

In the European Union (EU) and the United Kingdom (UK), there are several government regulations that companies need to take into account when providing pet food, pet supplies, and other non-medical pet services. Some of the key regulations include:

1. **Product safety regulations** - All products sold in the EU and UK must meet certain safety standards, and companies that sell pet food and supplies must comply with relevant product safety regulations. For example, in the EU, pet food must comply with the General Food Law, and pet toys must comply with the Toy Safety Directive. As Pet Service Holding does not produce any items, the primary responsibility for ensuring safety and compliance lies with the manufacturer (source: European Commission - Product Safety: [https://ec.europa.eu/growth/single-market/product-safety\\_en](https://ec.europa.eu/growth/single-market/product-safety_en)).
2. **Labelling and packaging requirements** - Companies that sell pet food and supplies must ensure that their products are labelled and packaged in accordance with relevant regulations. For example, in the EU, pet food must be labelled with information such as the ingredients, nutritional information, and feeding instructions. Ensuring that these regulations are met is part of the daily operations of the online shops (source: European Pet Food Industry Federation - Labelling and Packaging: <https://www.fedaf.org/self-regulation/labelling-and-packaging>).
3. **Animal welfare regulations** - Companies that provide pet services, such as pet grooming or dog walking, must ensure that they comply with relevant animal welfare regulations. In the EU and UK, animal welfare is regulated by various laws, such as the Animal Welfare Act in the UK. For Pet Service Holding this is specifically important when these service providers are listed, advertised or recommended in the app and other communication.
4. **Environmental regulations** - Companies that sell pet products must also comply with relevant environmental regulations. For example, in the EU, packaging waste must be managed in accordance with the Packaging and Packaging Waste Directive (source: European Commission - Environment: [https://ec.europa.eu/info/law/law-topic/environment/packaging-and-packaging-waste\\_en](https://ec.europa.eu/info/law/law-topic/environment/packaging-and-packaging-waste_en))



5. ***Data protection regulations*** - Companies that collect and process customer data, such as information on pet owners and their pets, must comply with relevant data protection regulations. In the EU, data protection is regulated by the General Data Protection Regulation (GDPR). This is also a very relevant aspect for the online shops and is included in the risk evaluation.

Although each category of regulations is important, none of them require very specific expertise to follow them. The implementation and adherence to these regulations can generally be integrated in the normal operations.

## V. RISK FACTORS

*Investors should consider all of the information set forth in the Information Document, including the risk factors described in this section, before deciding to acquire shares in the Company. The Group has conducted a review of the risks that could have a material adverse effect on the Company, its business, financial condition, results, prospects or ability to achieve its objectives. As of the date of the Information Document, the Company is not aware of any significant risks other than those presented in this section.*

*Investors' attention is however drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks or uncertainties that are unknown or that the Group does not consider, at the date of the Information Document, as likely to have a material adverse effect on the Company, its business, financial condition, results of operations or prospects, may exist or could become important factors that could have a material adverse effect on the Company, its business, financial condition, results of operations, development or prospects.*

*The risks presented in this section are specific to the Company, and are considered material for making an informed investment decision. The main risk factors are grouped into four categories below, it being specified that within each category, the risk factors are presented in descending order of importance corresponding to the criticality of the net risk calculated on the basis of an approach combining the probability of occurrence, the extent of the negative impact of the risk as assessed by the Company and the risk management mechanisms in place at the date of the Information Document. The occurrence of new events, either internal to the Company or external, may therefore alter this order of importance in the future.*

| Type of risk                                                                                       | Probability of occurrence | Importance of the risk | Ranking of the risk |
|----------------------------------------------------------------------------------------------------|---------------------------|------------------------|---------------------|
| <b>1 - RISKS RELATED TO THE BUSINESS AND INDUSTRY IN WHICH THE GROUP OPERATES</b>                  |                           |                        |                     |
| Risk related to the execution of the Group strategy                                                | Medium                    | High                   | High                |
| Risk related to the ability of the Group to attract and retain customers                           | High                      | Medium                 | High                |
| Risks related general economic conditions                                                          | Medium                    | High                   | High                |
| Risk related to the competitiveness of the Group over time                                         | Low                       | High                   | High                |
| Risk related to the integration of already acquired businesses, and to future acquisitions         | Low                       | Medium                 | Medium              |
| Risk related to the dependence towards the management and other key employees                      | Medium                    | Medium                 | Medium              |
| Risk related to system failures, defects or errors                                                 | Low                       | Medium                 | Medium              |
| Risk related to the Group's intellectual property                                                  | Low                       | Medium                 | Medium              |
| Risk related to pandemic diseases and measures against Covid-19 pandemic                           | Low                       | High                   | Medium              |
| Risk related to product liability                                                                  | Low                       | Medium                 | Medium              |
| Risk related to contract structure                                                                 | Low                       | Low                    | Low                 |
| <b>2 - RISKS RELATED TO LAWS, REGULATIONS AND LITIGATION</b>                                       |                           |                        |                     |
| Risk related to laws and regulations in general                                                    | Medium                    | Medium                 | Medium              |
| Risk related to the compliance with the Group's applicable data protection and privacy regulations | Low                       | Medium                 | Medium              |
| Risks related to litigation, disputes and claims                                                   | Low                       | Medium                 | Medium              |
| Risks related to veterinary medicinal products                                                     | Low                       | Low                    | Low                 |
| <b>3 - RISKS RELATED TO THE GROUP'S FINANCIAL SITUATION</b>                                        |                           |                        |                     |
| Risk related to future profits                                                                     | Medium                    | Medium                 | Medium              |

|                                                                                                                                    |        |        |        |
|------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--------|
| Risk related to the need to raise additional capital to become profitable or execute the Group's growth strategy                   | Low    | Medium | Medium |
| Risk related to the potential limited liquidity and flexibility for future debt arrangements                                       | Low    | Low    | Low    |
| <b>4 – RISKS RELATED TO THE SHARES AND THE LISTING</b>                                                                             |        |        |        |
| Risk related to the share price fluctuation                                                                                        | High   | Low    | High   |
| Risk related to the liquidity on the shares listed on Euronext Access +                                                            | Medium | Low    | Medium |
| Risk related to the additional costs of being listed on Euronext Access +                                                          | Medium | Low    | Medium |
| Major shareholder risk                                                                                                             | Low    | Low    | Low    |
| Risk related to the dilution of the holdings of shareholders in the case of the future issuances of shares or other securities     | Low    | Low    | Low    |
| Risk related to the fact that investors could be unable to exercise their voting rights for shares registered in a nominee account | Low    | Low    | Low    |

## 5.1 RISKS RELATED TO THE BUSINESS AND INDUSTRY IN WHICH THE GROUP OPERATES

### 5.1.1 Risk related to the execution of the Group's strategy

Pursuant to the Group's business plan, the following three core pillars will form the backbone of the Group's business going forward: (i) online sales of pet supplies and medicines, (ii) the HuisdierenApp (the "PetApp") and (iii) a pet tracker (the "PetTracker").

The Group has a relatively short operating history, and there can be no assurance that the Group will be able to achieve its objectives and successfully implement its three-pillar strategy as anticipated, or that the costs related to the implementation of such objectives and strategy will be at expected levels.

To successfully grow its online sales pillar, the Group is dependent upon its ability to attract and retain customers, as further described in Section 6.1.2 ("The Group is dependent upon its ability to attract and retain customers"). To further enable such customer attraction and retention, the Group wishes to offer prescription medicine for pets through its online sales pillar. At the date of this Information Document, the Group is not able to offer such medicine, and only sells over-the-counter medicine. The Group's ability to offer prescription medicine in the future will depend on whether such offering will remain subject to license requirements and whether the Group is able to obtain any required licenses. There can be no assurance that the Group will be able to supply prescription medicine for pets at all or without incurring significant costs.

The PetApp's future financial performance is dependent upon the Group's ability to grow the app's user base and eventually monetize the app. The content of the PetApp is still being developed and the number of users is relatively low. As of 2022, the PetApp had approximately 30,000 users who had used the app at least once during the last month (each an "Active User"). Although the PetApp currently facilitates purchases of goods and services with payment through the app, the Group is dependent on the sale of goods and services through its online shops. Consequently, the Group does as of the date of this Information Document not yet generate any direct revenue from the PetApp. There can be no assurance that the Group will be able to sufficiently grow the number of Active Users of the PetApp and/or generate any direct revenue from the PetApp.

The PetTracker is still being tested and has not yet been commercialised. There can be no assurance that the Group will be able to successfully manufacture and market the PetTracker, that it will be attractive

to the targeted consumer groups or that it in the future will generate meaningful revenue to the Group either alone or in combination with the Group's other products and services.

The Group's strategy may also change over time, and may be affected by factors beyond the Group's control, such as, but not limited to, changes in the global economy, inflation, interest rates, recession and geopolitical tension, which again may influence consumer spending and the Group's ability to invest in the implementation of its strategy.

Any failures, material delays or unexpected costs related to the implementation of the Group's objectives and/or strategy could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

**Measure of risk management:** The success of the Group is largely dependent on the controlled execution of its strategic plans. Therefore, several quality control loops are or will be put in place to mitigate this execution risk. The Group already has in place a general management control cycle with planning, execution, monitoring and feedback. The Group tracks activity KPI's such as website visitors, advertising costs, sales, returns, margins and speed of delivery. These metrics are being monitored at least on a monthly basis. For the online sales, returns and complaints are actively monitored per brand and per product to early identify products that do not fit expectations or comply. These can then be eliminated from the stores before they generate more returns. The Group is using a project management methodology to monitor the development and roll-out of both the PetApp and the PetTracker.

**Ranking of the risk:** High

#### 5.1.2 Risk related to the ability of the Group to attract and retain customers

It is important for the Group's future financial performance that it is able to attract customers and that existing customers continue to purchase the Group's products and services. The Group's ability to do so will depend on a range of circumstances, including its ability to successfully implement its three-pillar strategy. As described in Section 1.1.1 ("The Group may not be able to successfully implement its strategy") above, there can be no assurance that the Group will be able to do so.

More specifically, the Group's ability to attract and retain customers will depend on its ability to promote the Group and its products and services, its offered range of products and services and its ability to offer competitive prices and favourable shopping terms. In addition to competing on price in order to win or retain customers, the Group competes on other areas such as product range, online shopping experience and the general terms and conditions for the customer's purchase. As an example, the Group's shipping costs have recently increased significantly due to increases in transportation costs and inflation levels, which in turn has led to increased shipping costs for the Group's customers. Should the Group's competitors excel within these areas, such may result in loss of customers for the Group and reduced profitability.

As the PetApp is intended to function as the Group's central hub through which pet-related products and services are made accessible to customers, the attractiveness of, and user engagement in, the PetApp, as well as the PetApp's ability to integrate products and services from the Group's two other core business pillars, will also be important for the Group's future financial performance.

If the Group is not able to attract and retain a sufficient number of customers, and/or users of the PetApp, this could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

**Measure of risk management:** Specifically for the online sales, a number of measures is being taken to ensure customer retention and growth. The online shops focus on providing an optimal user experience to its customers. This involves regularly testing the site's functionality, accessibility, and user

interface to ensure that it is easy to navigate and use. The online shops have a system in place to ensure that orders are fulfilled accurately and in a timely manner. Inventory levels, order processing time, shipping accuracy, and customer satisfaction are measured regularly. All payment transactions are monitored to be processed securely and accurately. Reconciliation of the inventory system, ordering system, bookkeeping and bank balances is done monthly. All online sales outlets have a system in place to provide timely and effective customer support. This involves monitoring customer feedback, responding promptly to inquiries and complaints, and providing clear and accurate information to customers. As for the PetApp, the key in this is keeping user interaction at a high level, with the following measures. The PetApp is designed with the user in mind, with an intuitive and easy-to-use interface. User research and testing can help to identify user needs and preferences and inform the design of the app. Regularly updating the app with new features and improvements will keep users engaged and interested. This also demonstrates that the developer is committed to providing a high-quality product. Users can personalize the app to a certain extent and keep their own data in the app. Information is as much as possible localized.

**Ranking of the risk:** High

### **5.1.3 Risks related general economic conditions**

The Group's business and financial performance will be affected by general economic conditions. Any adverse developments in the global economy, such as a result of the Covid-19 pandemic or geopolitical tensions, could have a material adverse effect on the business, financial condition, results of operations, cash flows and/or future prospects of the Group. The current downturn in the economy has led to a decline in consumer confidence and consumer spending. Consumers may spend less or may adjust their spending to a lower segment. Furthermore, in an economic environment like the current with high inflation rates, the Group may experience increased prices on goods and services sourced from third parties. There can be no assurance that the Group will be able to pass such increased prices on to its customers. The same applies to the Group's shipping costs, which have increased significantly due to recent increases in fuel prices and increased inflation levels. These developments may have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects

**Measure of risk management:** The Group review regularly its business model to see where the biggest vulnerabilities are. 80% of the costs consists of purchases and order-related costs, the trading model is already relatively resistant to these revenue changes. Brand loyalty, subscriptions and other lock-in mechanisms should further enhance the Group's position. For example, the PetTracker will be offered in a subscription model with subscription fees paid in advance. Where it comes to cost increases, the Group will either aim for longer term contracts with a fixed price, and otherwise seek to diversify its spending so that suppliers will still offer the most competitive price for that moment. General price level increases, e.g. in wages, that apply for all competition, will be forwarded to the customers to keep margins at satisfactory levels.

**Ranking of the risk:** High

### **5.1.4 Risk of competitiveness of the Group over time**

The Group's future profitability will be dependent its ability to compete effectively in the markets in which it operates. In order to do so, the Group must be able to enhance and improve its offering of products and services, and to introduce new features, products and services, through the implementation of its three-pillar strategy. The Group must also offer its products and services at prices and other terms, including for example shipping terms, which are competitive. There can be no assurance that any new

products or services introduced, including the PetTracker or any new services introduced through the PetApp, or any attempts on enhancements to existing products and services, will be compelling to customers or gain market acceptance in a timely and cost-effective manner, nor that the Group will be able to compete sufficiently on price, quality, service or marketing.

Deterioration in the Group's relationship with its suppliers, or other competitors having a stronger relationship with suppliers, as well as suppliers' increase of prices on the products the Group purchases, could also have a material adverse impact on the Group's competitive position, including its sales volumes and margins.

Furthermore, the Group relies on technology, particularly in the set-up and operation of the PetApp and its online sales channel, and may need to adapt to significant and rapid technological change in order to compete successfully.

Any failure to compete efficiently could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

**Measure of risk management:** A large part of the Group's margin currently comes from the online sales activities. The PetApp and its related community is one of the ways to generate additional traffic. The PetTracker further supports the usage of the app. But eventually the online shops will only sell if they are competitive enough. This competitiveness is ensured in several ways. Through the vertical integration that the Group pursues, the online sales channels can offer specific brands or products exclusively, with more certainty on delivery times and at a lower price. Knowledge and positive user feedback from one site can be used to optimize other sites as well. The PetApp with its data on the specific pets that a user keeps, can help to personalize the shopping experience. This could involve using data to recommend products based on the customer's browsing and purchase history, or offering personalized discounts or promotions. The various media, such as a magazine but also social media and influencer marketing can help to build brand awareness and drive traffic to the online shop. All shops are optimized for search engines to help to drive traffic and increase visibility. This includes optimizing product descriptions and metadata, as well as using relevant keywords and phrases

**Ranking of the risk:** High

#### **5.1.5 Risk related to the integration of already acquired businesses, and to future acquisitions**

The Group entered into a purchase agreement for the acquisition of a 66% share interest in Veterinair Organisatiebureau Vitaux B.V. ("Vitaux") in February 2020, and acquired the Dutch premium food brand Jachtinstinct in November 2020. Furthermore, the Group acquired the two webshop businesses Dierenapotheek.nl and Drpetcare.de in October 2021.

Although the Group believes that the integration of Vitaux, Jachtinstinct, Dierenapotheek.nl and Drpetcare.de has so far been successful, there is a risk that such integration encounters difficulties in the future and that the Group may not be able to effectively integrate the products and services offered by these companies or businesses, or that these companies or businesses will not generate the anticipated synergies and commercial benefits.

The Group is also investigating and considering possible strategic acquisitions to continue to grow its business. The Group's ability to grow through acquisitions is dependent upon the Group's ability to identify suitable candidates for takeovers, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required approvals and authorisations, and integrate acquired companies or businesses and their products and services within the Group. If the Group makes acquisitions, it may be unable to generate expected cash flows, or realise the anticipated benefits of such acquisitions, including

growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. The integrations may require greater investment and be more time-consuming than anticipated. Additionally, the acquisitions may result in unintended consequences, for example, if significant liabilities come to light following completion of the acquisitions. The process of integrating acquired companies may also be disruptive to the Group's current operations, which may divert the Group's management's attention from other business concerns.

If any of the above risks were to materialize, this may have an adverse effect on the Group's business, results of operations, financial condition, cash flow and/or prospects.

**Measure of risk management:** The Group aims to develop a detailed integration plan that outlines the steps that need to be taken to integrate any new acquisition into the company. This plan includes a timeline, budget, and clear roles and responsibilities. A company is always acquired because of a number of key assets. This can be a customer base, references or reputation, specific knowledge, IT or specific staff. Specific focus will be put on retaining these assets and nurturing them after the acquisition. Clear and open communication is essential during the integration process. This includes regular communication with the new acquisition's employees, customers, and other stakeholders, as well as clear communication within the Group to ensure that everyone is aligned with the integration plan. In most cases specific arrangements are made with key personnel to keep them for a period of at least six months in order to retain all relevant information and knowledge in the acquired company. Knowledge transfer and codification are important and the Group will focus on it

**Ranking of the risk:** Medium

#### **5.1.6 Risk related to the dependence towards the management and other key employees**

The Group is dependent on the knowledge, experience and commitment of its management and other key employees for the Group's performance and future development. For example, the Managing Directors, the Senior Management and other key employees are important in order for the Group to keep pace with continuing changes in the pet care market, evolving product and industry standards and changing customer preferences. Furthermore, the Group is dependent on the license of its in-house veterinarian, Mr. Houvius, to be able to sell over-the-counter pet medicine. There can be no assurance that the Group will be able to continue to attract and retain the management or other key employees necessary for the development and operation of its business. The Group's consultancy and employment agreements do not contain non-compete or non-solicitation regulations and the Group is therefore not adequately protected against competing actions from members of management or other employees who leave the Group. If the Group loses one or more members of management or other key employees and/or fail to recruit key management or other key employees in the future such could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

**Measure of risk management:** The Group strives to have an open and pleasant working culture that aims to prevent employee turnover. Remuneration is at market level or above, combined with longer term bonuses or stock appreciation rights. Any change in staff will involve extra activities in hiring a replacement and getting him or her up to speed, but the Group do not expect a significant impact on the day-to-day operations if it happens. However, the Group has in place procedure such as codification of knowledge, internal training and where possible redundancy in staffing, to ensure business continuity in case of an undesired departure.

**Ranking of the risk:** Medium

### 5.1.7 Risk related to system failures, defects or errors

The Group relies on the efficient and uninterrupted operation of technological systems and networks to operate its business. Any significant disruptions to the Group's systems or networks, including, but not limited to, new system implementations, computer viruses, security breaches, facility issues, terrorism, war, telecommunication failures or energy blackouts could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects. Furthermore, the Group and its end-users may be subject to cyber-attacks from cybercriminals, hackers or others. Changes in the attack methods may pose challenges for the Group to prevent attacks and adapt to new threats. IT security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data. All of this could lead to both reputational and monetary damage for the Group and may have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and/or prospects.

**Measure of risk management:** The Group has hosted its IT with a reputable provider who arranges daily backups of all systems. Websites and other important systems are also frequently backed up offline or with another party. In the event of a cyberattack or other security breach, the Group has a disaster recovery plan in place can help to minimize the impact and get the online shops back up and running as quickly as possible. Other measures are also in place to prevent more coordinated attacks from cybercriminals and hackers: the usage of strong passwords, two-factor authentication, all websites and related payment systems have https encryption, the software is regularly updated, including the website platform, content management system, and any third-party plugins or applications, Employees are be trained on how to identify and avoid common phishing scams and other social engineering tactics that can be used to steal sensitive data or gain unauthorized access.

**Ranking of the risk:** Medium

### 5.1.8 Risk related to the Group's intellectual property

Failure to adequately protect the Group's intellectual property rights ("IPR") or otherwise information or trade secrets used in connection with the Group's business could damage the Group's brand and impair its ability to compete effectively. The trademarks currently used by the Group are appropriately registered. If the Group's IPR are not sufficiently protected, this may ultimately result in a reduced distinctiveness of the Group's brands in the minds of consumers or consumer confusion and reputational damage to the Group. Defending or enforcing the Group's trademark rights and other IPR could result in the expenditure of significant resources and divert the attention of the Group's management, which in turn may materially and adversely affect the Group's business and results of operations, even if such defence or enforcement is ultimately successful. If any of the above risks were to materialize, this may have an adverse effect on the Group's business, results of operations, financial condition, cash flow and/or prospects.

**Measure of risk management:** The key Intellectual Property assets are the URLs and the indexing in search engines. All URL's are registered with reputable domain registrars and also in case of acquisitions and integration, specific attention is being put to the legally sound transfer of these registrations. Even in case brand names are infringed or cannot be kept for specific reasons, this web traffic can be forwarded to a new domain.

The Group will regularly monitor the use of their trademarks to identify potential infringement. This could involve using online tools to monitor social media and e-commerce sites, as well as conducting regular searches for similar trademarks. In case of infringement, the Group will take action.

**Ranking of the risk:** Medium

### 5.1.9 Risk related to pandemic diseases and measures against Covid-19 pandemic

The global economy has experienced a longer period of uncertainty since the outbreak of Covid-19, which was recognized as a pandemic by the World Health Organization in March 2020. The outbreak of Covid-19 and the extraordinary health measures and restrictions imposed by authorities across the world on a local and a global basis had a particular negative impact on the Group's subsidiary, Vitaux. Vitaux' marketing activities are to a significant extent linked to different types of pet and veterinary fairs and the occurrence of such fairs was radically reduced as a result of Covid-19.

Although most of the direct effects of the Covid-19 pandemic in the markets in which the Group operates seem to have eased, there can be no assurance that the pandemic will not increase in severity and that new laws and regulations that could directly, or indirectly, affect the Group's business may enter into force. If extraordinary restrictions and health measures due to Covid-19 or other potential outbreaks of epidemic or pandemic diseases were to be prolonged or imposed, this could have a material negative effect on Vitaux and the Group.

On the other hand, as consumers have returned to work and spend less time at home, both the number of pets acquired, and pet owners' interest in their pets, could decline and this may also have a material adverse effect on the demand for the Group's products and services.

All of the above-mentioned risks may have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

**Measure of risk management:** In the case a pandemic strongly affects pet ownership in a negative way, or home delivery, the Group will have built a range of competences and set up a customer base, community and infrastructure that still can be used for different product categories or different modes of servicing.

**Ranking of the risk:** Medium

### 5.1.10 Risk related to product liability

The Group supplies a variety of products in the pet segment, such as animal accessories, books, posters, medical tools, pet food, pet care products and veterinary medicinal products ("VMPs") sold over-the-counter (i.e. without prescription). Given the variety of products supplied by the Group, there is an inherent risk that the Group may supply its consumers with defect products. This might subject the Group to financial penalties and product liability litigation, which may have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** the Group carefully chooses its suppliers and ensure that they have good quality control measures in place. On top of this, any complaint from a customer is being reviewed to check whether this could signal a broader problem, and this may result in (temporarily) not selling the product any more.

**Ranking of the risk:** Medium

### 5.1.11 Risk related to contract structure

The Group has not entered into written supply agreements with the suppliers of the products sold through its online shops, including its largest wholesale supplier NL Pharma Veterinair B.V. Even if the Group believes that it may be able to source products from other suppliers, if necessary, there can be no assurance that this will be the case. Should supply arrangements for any reason be lost without the Group being able to replace such arrangements, or should the Group's suppliers change their delivery terms, for example through significant price increases, this may have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** The market for pet food and pet supplies is a competitive market with both a number of very large and stable players, like Mars and Nestlé, and numerous smaller specialized players that provide similar products. Each of these players has an interest in selling more and will in principle be eager to work with a growing Group of online sales outlets. The Group will maintain open relationships with them all, visit trade shows and invest time in reviewing new suppliers and products in order to maintain sufficient alternatives.

**Ranking of the risk:** Low

## 5.2 RISKS RELATED TO LAWS, REGULATIONS AND LITIGATION

### 5.2.1 Risk related to laws and regulations in general

Compliance with the complex and changing laws and regulations imposed on the Group's business operations may require significant time, capital and operating expenditure and may impact the manner in which the Group is able to provide services.

As the Group operates in the EU, it is subject to both national and EU laws and regulations. Due to its operation of online shops and the PetApp, the Group is subject to Regulation (EU) 2016/679 ("GDPR"), cf. Section 1.2.2 ("The Group's failure to comply with applicable data protection and privacy regulations could have a material adverse effect on the Group's business operations"). As the Group supplies its products and services through online channels, it will be subject to certain EU legislation which regulates electronic commerce, such as Directive 2003/31/EC (the "e-Commerce Directive"). Furthermore, the Group is also subject to Regulation (EU) 2019/6 (the "Veterinary Medicinal Products Regulation") as further described in Section 1.2.3 ("Risks related to veterinary medicinal products"). Given the extensive scope of such EU legislation, the Group may incur substantial costs in order to comply with such legislation, as well as other legislation applicable to the Company, which costs may have a material adverse effect on the profitability of the Group, particularly having regard to its relatively small size.

Existing laws and regulations, or changes in laws and regulations, to which the Group is subject could hinder or delay the Group's operations, increase the Group's operating costs, and/or affect the Group's ability to operate its business in accordance with its objectives and strategy. Further, should the Group fail to comply with applicable laws and regulations, such could result in sanctions such as, but not limited to, litigation, monetary fees and loss of authorizations for part or all of the Group's operations. If any such risks were to materialize, this could have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** For any country that the Group is active in it will appoint a legal advisor and the top management will familiarize itself with the relevant legislation. Also, the involvement of local staff in the activity planning will ensure the review of aspects that otherwise may be overlooked.

The Group will foster a culture of compliance where all employees understand the importance of following the law and are encouraged to speak up if they notice any non-compliance issues.

**Ranking of the risk:** Medium

### **5.2.2 Risk related to the compliance with the Group's applicable data protection and privacy regulations**

The Group's processing of personal data is subject to complex and evolving laws and regulations regarding data protection and privacy in various jurisdictions, including but not limited to the GDPR in the EU/EEA. The Group is striving to ensure compliance with the GDPR, but is still not fully compliant, in particular in relation to the use of cookie pop-up banners on all its websites. Failure to comply with applicable data protection and privacy legislation, privacy-related obligations to users, privacy-related legal obligations or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against the Group. In addition, any such failure to comply with applicable data protection laws could also cause users, customers and collaborating partners to lose their trust in the Group and thus resulting in the Group losing a significant part of its goodwill. This could have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** the Company has specific attention to GDPR compliance. For all the websites, a privacy policy is in place that has been reviewed by specialists and the Group has set policies for data storage. Customer data can only be looked up per customer and only system administrators can make downloads of larger numbers of customer records. Payments are being made through third-party providers specialized in this with their own protection systems. Systems comply to GDPR and any breaches or exposure will be reported to the relevant authorities immediately.

**Ranking of the risk:** Medium

### **5.2.3 Risks related to litigation, disputes and claims**

The operational risks inherent in the Group's business may expose the Group to, amongst other things, litigation, including product liability litigation, IPR litigation, contractual litigation and tax litigation, other litigation that arises in the ordinary course of business, as well as other claims and compliance risks. Such disputes, claims and proceedings are subject to uncertainty, and their outcomes are often difficult to predict. Adverse actions or judgments in litigation could result in sanctions of various types for the Group, including, but not limited to, the payment of fines or damages, the invalidation of contracts and restrictions or limitations on the Group's operations, any of which could have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** The Group aims to address issues or complaints quickly and fairly, before they escalate into larger problems that could lead to litigation. And as indicated before, the Group will have measures to ensure compliance to the applicable law. If litigation is imminent, the Group will ensure that all documentation such as customer records or supplier agreements are complete and available. The Group will seek advice of a relevant legal professional and where possible seek an outcome through mediation.

**Ranking of the risk:** Medium

#### 5.2.4 Risks related to veterinary medicinal products

The Veterinary Medicinal Products Regulation imposes EU-wide rules relating to approval, prescription and distribution of VMPs. As the Group engages in the supply of VMPs, the Group must comply with the Veterinary Medicinal Products Regulation as implemented in the various jurisdictions in which the Group operates, as well as other laws and regulations applicable to the supply of VMPs. Compliance with such regulations may lead to increased costs for the Group, and the complexity of the regulations may entail a risk of non-compliance.

As part of its strategy, the Group may want to engage in the supply of prescription medicine for pets. Whether the Group will be able to do so, will to a large extent depend on whether the Group will be able to obtain any licenses required for such supply, as well as on the content of any further delegated and implementing regulations related to the Veterinary Medicinal Products Regulation. Consequently, it is possible that the Veterinary Medicinal Products Regulation and other applicable laws and regulations may have an impact on the future strategy of the Group.

If the Group is not able to engage in the supply of prescription medicine for pets in the future, or if any of the other above risks were to materialise, this could have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** As a basis rule, the various online shops will verify that all prescriptions for medicines are valid and written by a licensed veterinarian, which can be a veterinarian of the Group, or somebody else. Furthermore, a specific study will be made of the relevant regulations, such as those related to the sale and distribution of prescription medicines for pets. In case the Group can't obtain a license itself or work with licensed professionals, no prescription medicines will be sold. The Group will only work with reputable suppliers who can provide high-quality medicines that meet all necessary regulatory requirements, and put specific alerts on the distribution of high volumes of medicines to specific customer, to avoid mis-use and illegal trading.

**Ranking of the risk:** Low

### 5.3 RISK RELATED TO THE GROUP'S FINANCIAL SITUATION

#### 5.3.1 Risk related to future profits

The Group has a relatively short operating history and has not generated profits yet. While the business within the online sales pillar is operational and generates revenue, the PetApp is not yet revenue-generating and the PetTracker is not yet on the market. The Group's commercial success is dependent on its ability to further grow its online sales pillar, to develop the attractiveness of, and user engagement in, the PetApp, and to develop the PetTracker into an attractive product for its customers, as well as to pursue other aspects of its strategy in a satisfactory manner. There can be no assurance that the Group will be able to do so, or that the Group's cost position both related to its supply and goods of services in general, and to the development and monetization of the PetApp and the PetTracker in particular, will be at expected levels. The Group may not be able to generate sufficient revenues at an acceptable cost to achieve profitability in the next few years, nor remain profitable in the long term, and this may have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** According to Grand View Research, the pet care (food, medicines, other supplies) market in Europe is expected to grow around 5% each year up to 2027 or even further. This is the total market, the online sales of these goods will grow faster, possibly up to 11%, due to the increasing portion of transaction being done online. In such a broad and growing market like this, any



company that follows best practices and invest sufficiently in marketing, will generate growth to a certain extent. The Group not only has a strategy aiming at growth and economies of scale for the online sales. Investments are being done for the diversification to supporting activities, and the funding for the development of the PetApp and the PetTracker is already secured.

**Ranking of the risk:** Medium

### **5.3.2 Risk related to the need to raise additional capital to become profitable or execute the Group's growth strategy**

The Group may need to raise additional funds in the future in order to become profitable and/or to execute its growth strategy, which may be obtained either through debt or additional equity financing from existing or new shareholders, or other sources of financing. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. The Group's ability to obtain additional required equity or debt financing for its operations on satisfactory terms or at all, will depend in part upon prevailing market conditions as well as the status and conditions of the Group's business, operating results and future debt levels. If the Group raises additional equity by issuing new shares or by issuing other equity or equity-linked securities, such could result in a dilution of the holdings of existing shareholders. If funding is insufficient at any time in the future, the Group may be unable to take advantage of business opportunities or respond to competitive pressures, as well as develop its business in accordance with its prevailing business plan.

**Measure of risk management:** The Group has sufficient financial resources to cover necessary costs for the next 12 months. The online sales are generating revenue and cash flow. The Group has the capability to adapt its strategy with less capital available to reach profitability and self-sustainability in the medium term. For the longer-term development, larger companies can become a target on the acquisition roadmap, therefore the inflow of new capital will be mandatory. However, the Group takes a proactive approach to ensure that always sufficient financing is available to execute its growth strategy, in the interest of all shareholders.

**Ranking of the risk:** Medium

### **5.3.3 Risk related to the potential limited liquidity and flexibility for future debt arrangements**

The Company (as borrower) has entered into a loan facility agreement with its largest shareholder Schaaïj Beheer en Diensten B.V. ("SBD") (as lender) for a loan of up to EUR 400,000 (the "SBD Facility"). As of the date of this Information Document, the SBD Facility remains undrawn, but the Company intends to draw an amount of EUR 250,000 shortly following the Listing. This loan facility, as well as any future debt arrangements, could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. Further, the Group's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Group's control. Failure by the Group to obtain funds for future capital expenditures could impact the Group's business, results of operations, financial position, cash flows and/or prospects.

**Measure of risk management:** As indicated above, the Group has no short-term need for cash injections (other than the SBD facility) to run its operations, and even limited growth is possible based on the

positive revenue of the online sales. Bank financing may be interesting to the Group to gain further leverage on the share capital or to finance stock or acquisitions.

**Ranking of the risk:** Low

## 5.4 RISKS RELATED TO THE SHARES AND THE LISTING

### 5.4.1 Risk related to the share price fluctuation

The trading volume and price of the shares could fluctuate significantly. When the Depository Receipts were admitted to trading on Nxchange, the initial trading price was EUR 9.40 per Depository Receipt. The last recorded trading price for the depository receipts on Nxchange is EUR 6,25 (recorded on 18 June 2023), representing a decline of 34% since the listing. Furthermore, trading volumes in the Depository Receipts on Nxchange have been limited.

Some of the factors that could negatively affect the share price or result in fluctuations in the price or trading volume of the shares include, for example, future sales, or the possibility for future sales, of substantial numbers of the shares, changes in the Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Group's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industry in which the Group operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies and may occur without regard to the operating performance of these companies. The price of the shares may therefore fluctuate due to factors that have little or nothing to do with the Group, and such fluctuations may materially affect the price of the shares.

**Measure of risk management:** The fluctuations in the share price may mainly impact the ability of the Group to obtain new funding. The Group will put additional emphasis on shareholder communication to clearly explain its strategy and the contribution of new funding and related acquisitions for this strategy.

**Ranking of the risk:** High

### 5.4.2 Risk related to the liquidity on the shares listed on Euronext Access+ Paris

Historically, the volume of trading of depository receipts on Nxchange has been low. In addition, the number of shares that will initially be tradable on Euronext Access+ Paris is limited. No assurance can be given that an active trading market for the shares will develop on Euronext Access+ Paris, nor sustain if an active trading market is developed. Furthermore, due to the dual listing on both Euronext Access+ Paris and Nxchange, there will be two separate trading markets. The dual listing may therefore reduce the liquidity in one or both markets and may adversely affect the development of an active trading market on Euronext Access+ Paris. The price of the depository receipts trading on Nxchange could also be adversely affected by trading in the shares on Euronext Access+ Paris and the price of the shares traded on Euronext Access+ Paris could be adversely affected by trading in the depository receipts on Nxchange. The shares cannot be traded on Nxchange and cannot be exchanged for depository receipts. Similarly, the depository receipts cannot be traded on Euronext Access+ Paris and cannot be exchanged for shares traded on Euronext Access+ Paris.

**Measure of risk management:** The Group will have to put more effort in finding new shareholder and one-to-one shareholder communication. Although this may impact management attention for the

operations, this is where the board of directors had extensive experience. The acquisition roadmap will help to build interest in the Group as well and a combination with a Company already listed could also envisaged.

**Ranking of the risk:** Medium

#### 5.4.3 Risk related to the additional costs of being listed on Euronext Access+

As a company with its shares listed on Euronext Access+ Paris, the Company will be required to comply with the reporting and disclosure requirements that apply to companies listed on Euronext Access+ Paris. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with the aforementioned requirements and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Euronext Access+ Paris will include, among other things, listing fees, costs associated with annual reports to shareholders, shareholders' meetings and investor relations, incremental director and officer liability insurance costs and officer and director compensation. Given the relatively small size of the company, it is important to bear in mind the costs which the Company will incur by having a dual listing. In addition, the management of the Company may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with shares listed on Euronext Access+ Paris, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, and any such time diversion, could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

**Measure of risk management:** The Group is managed in a professional way with significant attention for the right planning, reporting and compliance to applicable regulations. The Group CFO is also actively monitoring these expenses. Having already these management processes in place, complying to both the Nxchange and Euronext Access+ Paris reporting requirements will have limited impact.

**Ranking of the risk:** Medium

#### 5.4.4 Major shareholder risk

At the date of this Information Document, SBD holds 54.32% of the issued and outstanding share capital of the Company, of which 11,50% via depositary receipts. Mr. Geert Schaaij holds 51% of the shares in SBD. The Company's Chief Executive Officer ("CEO"), Mr. Ron van Veldhoven, holds the remaining 49% of the shares in SBD and also holds 7.91% of the issued and outstanding share capital of the Company through Vero Holding B.V. The spouse of Mr. Geert Schaaij, Mrs. Gea Schaaij-Donkers, holds 7.91% of the issued and outstanding share capital of the Company through G.E.A. Donker Investments B.V. Accordingly, as most resolutions of the Company's general meeting of shareholders (Dutch: *algemene vergadering van aandeelhouders*) ("General Meeting") require a simple majority, Mr. Schaaij effectively controls the outcome of corporate actions requiring shareholder approval, including the appointment of members of the Management Board and the Supervisory Board, any merger, consolidation or sale of all or substantially all of the Company's assets or any other significant corporate transaction. A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. Further, the interests of one or more shareholders exerting effective control or a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company. It should also be noted that SBD has granted a loan facility to the Company in the total amount of up to EUR 400,000 (the SBD Facility), and that SBD's interests as a majority shareholder in the Company may not in all matters be aligned with its interests as a creditor of the Company.

**Measure of risk management:** The Group has a corporate governance in place. The Supervisory Board has a role to ensure that the interest of all shareholders is well represented. Having the support of majority shareholder is a strength in our view. The Group commits to continuously disclosing any potential conflict of interest between any stakeholder of the Group, including its majority shareholder.

**Ranking of the risk:** Low

#### **5.4.5 Risk related to the dilution of the holdings of shareholders in the case of the future issuances of shares or other securities**

At the date of this Information Document, the Company has no options issued and outstanding. The Company may in the future decide to offer and issue new shares or other securities in order to finance its growth strategy, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders, or existing shareholders generally, may not have the ability to purchase additional equity securities, for instance in the event that the Company would pursue a private placement of Shares with selected institutional investors whilst excluding pre-emptive rights of existing shareholders, which is a common manner for Dutch listed companies to raise additional equity capital. The General Meeting may resolve to exclude or limit the pre-emptive right of all existing shareholders in relation to an issuance of shares or the granting of rights to subscribe for shares. Furthermore, the General Meeting may resolve to grant the Management Board an authorization to issue shares or grant rights to subscribe for shares, and to exclude or limit pre-emptive rights of existing shareholders, without further approval of the shareholders being required. On 29 December 2022, the General Meeting resolved to authorize the Management Board, subject to the approval of the Supervisory Board, to issue shares and to grant rights to subscribe for shares for a period up to and including 29 December 2024, up to 20% of the Company's currently issued share capital (i.e. up to 568,619 shares), and to exclude pre-emptive rights in relation thereto.

An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the shares and/or diluting their shareholdings in the Company.

**Measure of risk management:** There is a clear alignment of interest between the major shareholders (who effectively appoint the board) and the minority shareholders for issuing new shares. Neither of them wants dilution of the shares if this is not compensated with an increase in value of the Group. The Group has processes in place, defined in its bylaws, to decide on further issuing of shares and these decisions will be backed up with a clear update of the Group's business plan, in order to keep transparency and accountability to all shareholders and other stakeholders.

**Ranking of the risk:** Low

#### **5.4.6 Risk related to the fact that investors could be unable to exercise their voting rights for shares registered in a nominee account**

There can be no assurance that beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers and other third parties) will receive the notice of any General Meeting in time to instruct their nominees to attend the General Meeting and to vote for their shares in the manner desired by such beneficial owners.

**Measure of risk management:** The bylaws of the Group clearly define procedures and terms for convening a shareholders' meeting and the Group will of course comply with these procedures and terms, and where possible announce any meeting earlier in advance. It is up to the beneficial owners to arrange with the nominee account the further flow of information.

**Ranking of the risk:** Low

## **VI. SELECTED FINANCIAL INFORMATION AND REVIEW OF THE FINANCIAL SITUATION**

This operating and financial review should be read together with the audited financial statements. The financial statements have been prepared in accordance with Dutch GAAP for small legal entities.

### **6.1 OVERVIEW**

The Group's business is strategically centered around three primary pillars, each serving a crucial role in its operations: online sales of pet supplies and medicines, the PetApp, and the PetTracker.

Under the online sales pillar, the Group operates online shops where pet owners can conveniently purchase a wide range of pet supplies and medicines. This pillar enables customers to easily access and procure the essential products they need for their pets.

The PetApp represents another significant aspect of the Group's business. It is a smartphone application designed to provide users with a seamless and comprehensive pet-related experience. Through the PetApp, users can explore and shop from the Group's online pet supply store. Additionally, the app offers convenient storage solutions for organizing and managing data pertaining to pets, allowing users to keep track of important information related to their furry companions. Furthermore, users have the option to receive relevant news and information about pet events, enhancing their engagement and connection with the pet community.

Looking ahead, the Group has ambitious plans for further enriching the PetApp's functionality. During the second half of 2023, the Group aims to introduce a feature that facilitates direct online access to veterinarians through the PetApp. This advancement will enhance the app's value proposition by enabling users to seek professional guidance and support for their pets directly within the application.

Moreover, the Group is developing the PetTracker, a specialized tracker designed for pets. This innovative device will offer pet owners an effective means of monitoring their pets' whereabouts and activities. To provide a seamless user experience, the Group plans to integrate the tracking functionality of the PetTracker into the existing PetApp. This integration will enable pet owners to conveniently access and utilize both the PetTracker and other features of the PetApp within a unified platform.

These three pillars collectively enable the Group to serve pet owners' needs by providing a comprehensive range of products, a user-friendly smartphone application, and innovative pet tracking solutions.

## **6.2 RECENT DEVELOPMENTS**

At the date of this Information Document, we are pleased to report several favorable developments in the key performance indicators for our online shops, which have had a positive impact on our financial performance.

Firstly, we have observed a significant increase in the average order size compared to previous years. The average order size in the first months of 2023 is nearly 30% higher than in 2022 and approximately 50% higher than in 2021. This indicates a growing level of trust and confidence from our customers in our online shops. With customers placing larger orders, we can expect an upward trend in revenue and profitability.

Furthermore, we have successfully reduced our returns percentage in 2022 by approximately 30% compared to 2021. This positive trend has continued into 2023, with a relatively low returns rate of 1.5%. By effectively managing returns, we not only minimize costs associated with product returns but also enhance customer satisfaction and retention.

In addition, despite facing intense competition in the market, we have managed to increase the shipping contribution per order by 25% when comparing the start of 2023 to the average of 2022. This increase directly contributes to our margin, as it represents additional revenue generated from shipping fees. Our ability to optimize this aspect of our business demonstrates our commitment to operational efficiency and maximizing profitability.

To further enhance our financial performance, we have implemented a more focused approach towards product categorizing, fine-tuning our websites, and utilizing search engine optimization (SEO) techniques. These efforts have allowed us to improve the margin development, optimize our operations, and drive profitable growth.

Overall, the positive developments in key performance indicators for our online shops, including increased order size, reduced returns percentage, and improved shipping contribution, bode well for our financial performance in 2023. With a continued focus on optimizing our operations and enhancing customer experience, we are confident in achieving sustained profitable growth for Pet Service Holding.

## **6.3 RESULTS OF OPERATIONS**

### **6.3.1 Results of operations for the year ended 31 December 2022 compared to the year ended 31 December 2021**

For the full year 2022, the turnover of the Group amounted to approximately EUR 1,846,000, compared to approximately EUR 1,100,000 during the full year 2021. The increase was primarily driven by the acquisition of Dierenapotheek.nl and Drpetcare.de in October 2021 as well as by a significant increase in revenues by Vitaux.

The Group's gross margin for 2022 amounted to approximately EUR 814,000, representing a 44 % gross profit margin, compared to approximately EUR 319,000 for 2021, representing a 52 % gross profit

margin. The development of gross margin follows the change in revenue mix between Vitaux B.V.'s activities and the strongly increased online activities.

For the FY2022 Vitaux generated a revenue of EUR 467,942 and a net result after tax of EUR 7,284. The revenues for FY2021 amounted to EUR 286,250 with a result of EUR -48,235. The 2021 revenues and result had been heavily influenced by COVID, where most events and external marketing activities were on hold.

Total expenses amounted to approximately EUR 1,692,000 for the full year 2022, compared to approximately EUR 1,031,000 for the full year 2021. The increase in expenses is caused by higher employee expenses, shipping expenses, selling expenses and general expenses.

The Group's operating result for the year 2022 amounted to approximately EUR 878,000 negative, compared to approximately EUR 713,000 negative in 2021. Result after tax including extraordinary amounted to approximately EUR 1,194,000 negative over 2022, compared to approximately EUR 617,000 negative for the full year 2021.

The operating result for 2022 was affected by incidental costs relating to the integration and development of the Dierenapotheek.nl and Drpetcare.de operations, in particular the setting up of an own distribution center and the investment in marketing in the Netherlands, Germany and Belgium, as well as the preparations for the listing. Furthermore, the initiation of the listing process with Euronext added additional costs in 2022.

### **6.3.2 Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020**

For the year ended 31 December 2021, the turnover of the Group amounted to approximately EUR 604,000 compared to approximately EUR 391,000 for the year ended 31 December 2020. The increase was mainly due to the contribution of the acquisition of Dierenapotheek.nl and Drpetcare.de on 1 October 2021, which was implemented by means of an asset deal. The further increase in turnover consisted mainly of the online sale of pet food. Due to Covid-19 restrictions, the business of Vitaux was affected negatively.

The Company's gross turnover result for the year ended 31 December 2021 amounted to approximately EUR 318,000.

The Company faced high non-recurring costs during 2021, including costs related to the listing of depositary receipts on Nxchange as further described in Section 10.3 ("The listing on Nxchange and the depositary receipts"), but also due to the integration of the acquired businesses. As a result, the operating result amounted to approximately EUR 715,000 negative, compared to approximately EUR 174,000 negative in 2020. The result after tax amounted to approximately EUR 617,000 negative, compared to approximately EUR 159,000 negative in 2020. Excluding the restructuring costs, the acquired activities made a positive contribution to the Group's operating result.

## **6.4 LIQUIDITY AND CAPITAL RESOURCES**

The Group finances its operations and working capital needs primarily with cash generated from its operations. To strengthen its liquidity and financial flexibility, the Company (as borrower) has entered into a loan agreement with SBD (as lender) for the SBD Facility with a principal loan amount of up to

EUR 400,000. The SBD Facility consists of one tranche of EUR 250,000 and one tranche of EUR 150,000. The first tranche of EUR 250,000 must be utilised (drawn down) within 15 business days of the date of Listing, and the Company expects to make such drawdown shortly after the Listing. The Company may utilise the second tranche of EUR 150,000 within a period of twelve months from the date of listing.

As of 31 December 2022, the Group had approximately EUR 690,000 thousand available in cash and cash equivalents and no long-term debt. As at 31 December 2021, the Group had approximately EUR 1,967,000 in cash and cash equivalents and no long-term debt.

The Group's total assets decreased by EUR 1,214,258, from EUR 3,534,788 as of 31 December 2021 to EUR 2,323,520 as of 31 December 2022, primarily as a result of a decrease in cash and cash equivalents. As of 31 December 2020, the Group's total assets amounted to EUR 1,019,642.

The Group's total liabilities decreased by EUR 2,931 from EUR 348,970 as of 31 December 2021 to EUR 346,039 as of 31 December 2022, primarily as a result of a decrease in the positions for trade creditors, taxes and deferred income. As of 31 December 2020, the Group's total liabilities amounted to EUR 185,819.

As of the date of the 2022 financial statements, and as of the date of this Information Document, the Group does not consider that it faces any short-term liquidity risk.

In view of the financing required to carry out its deployment strategy, which is intended to accelerate the deployment of its offer, the Group is considering targeted acquisitions, financing them by issuing new shares.

The Group's cash requirements for the 12 months from the date of the Information Document are covered.

## **VII. GENERAL INFORMATION ABOUT PET SERVICE HOLDING**

### **7.1 LEGAL FORM, NAME AND SEAT**

#### **7.1.1 Legal name (article 2 of the bylaws)**

The company is incorporated as a limited company, whose name is "Pet service Holding N.V.".

#### **7.1.2 Headquarters**

The headquarters of Pet Service Holding is set at Industrieweg 16, 1521 NC, Wormerveer, The Netherlands.

Tel.: +31 (0) 758904061

#### **7.1.3 Company registration**

The company has been registered since 13 April 2018 with the Rotterdam Trade and Companies Register under number 70775834.

#### **7.1.4 Company purposes (article 3 of the bylaws)**

According to the bylaws, the Company's purpose is:

- the (wholesale and retail) trade in goods, including the trade and sale of animal foods, products and medicine, and the provision of pet services;
- to incorporate, to participate in and to finance companies and enterprises;
- to collaborate with, to manage the affairs of and to provide advice and other services to companies and other enterprises;
- to lend and to borrow funds, to raise funds and in general to enter into financial transactions, and to enter into related agreements;
- to grant guarantees, to bind the company and to provide collateral for the debts and other obligations of the company and of third parties;
- to acquire, to operate and to dispose of industrial and intellectual property rights, including but not limited to, trademarks, copyrights, licences, designs, secret processor formulae, processes and patents, as well as to acquire royalties and all other revenues thereof;
- to acquire, hold, mortgage, exploit, alienate, lease, let and develop property, including registered property;
- as well as to carry out all that which is incidental or conducive to the above, in the broadest sense.

### **7.2 DIVIDENDS**

The Company intends to retain any future profits for the foreseeable future to expand the growth and development of the Company's business, and, therefore, does not anticipate paying dividends to its shareholders in the foreseeable future.

The ability and intention of the Company to pay dividends in the future will depend on its financial position, results of operations, outlook, financial covenant requirements, investment alternatives, the

existence of distributable reserves, available liquidity, market developments, industry peers and other factors that the Supervisory Board and the Management Board may deem relevant.

The Company has not paid any dividends on its shares during the financial years ended 31 December 2020 and 2021.

### **7.3 SUPERVISORY BOARD, MANAGEMENT BOARD, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE (article 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 of the bylaws)**

#### **7.3.1 Introduction**

The Company has a two-tier board structure consisting of a Management Board (Raad van Bestuur) and a Supervisory Board (Raad van Commissarissen). The Management Board is responsible for the day-to-day management which includes, among other things, formulating strategies and policies, and setting and achieving the Company's objectives. The Supervisory Board supervises and advises the Management Board.

Each member of the Management Board and Supervisory Board owes a duty to the Company to properly perform the duties assigned to such member and to act in the Company's corporate interest. Under Dutch law, a company's corporate interest extends to the interests of all of the company's stakeholders, including its shareholders, creditors, employees and clients.

The Management Board is supported by the Senior Management in the day-to-day management of the Group.

The current business address for members of the Management Board, the Senior Management and the Supervisory Board is Pet Service Holding N.V., Industrieweg 16, 1521 NC Wormerveer, the Netherlands.

#### **7.3.2 Supervisory Board**

##### **7.3.2.1 General**

The Supervisory Board is responsible for supervising the conduct of the Management Board and of the Company's general course of affairs and that of any affiliated enterprise. Furthermore, the Supervisory Board assists the Management Board by rendering advice. The Supervisory Board is entitled to submit resolutions of the Management Board for its approval. These resolutions must be defined in a clear manner and must be notified to the Management Board in writing. The members of the Supervisory Board are not authorized, however, to represent the Company in dealings with third parties.

The Supervisory Board shall consist of one or more members. The Supervisory Board shall decide on the number of Supervisory Board members. Members of the Supervisory Board shall be appointed by the General Meeting on the binding nomination made by the Supervisory Board. The General Meeting may at any time resolve to overrule the binding nomination by a majority of at least two thirds of the votes cast representing more than half of the issued share capital. If a nomination is overruled, a new nomination shall be made by the Supervisory Board. If the binding nomination comprises one candidate for a vacancy, a resolution concerning the nomination shall result in the appointment of the candidate, unless the nomination is overruled. A resolution to appoint a member of the Supervisory Board who was not nominated by the Supervisory Board, may only be appointed by a majority of two thirds of the votes cast representing more than half the issues share capital.

A member of the Supervisory Board shall be appointed for a maximum period of four years. A member of the Management Board may be reappointed for one or more subsequent periods. At the proposal of the Supervisory Board the General Meeting may resolve to deviate from the maximum period of four years.

The Supervisory Board shall elect one of its members to be the chair person.

### 7.3.2.2 The composition of the Supervisory Board

The names and positions of the members of the Supervisory Board are set out in the table below.

| Name                                                                 | Function                           | Served since     | Term expires  | Shares             |
|----------------------------------------------------------------------|------------------------------------|------------------|---------------|--------------------|
| Maria de la Concepcion Covadonga Cristina (Conchita) van Rooij ..... | Supervisory Director (Chairperson) | 29 December 2022 | December 2026 | 0%                 |
| Jerry Speel .....                                                    | Supervisory Director               | 29 December 2022 | December 2026 | 0.35% <sup>2</sup> |
| Anne-Marie Bruist.....                                               | Supervisory Director               | 29 December 2022 | December 2026 | 0%                 |

### 7.3.2.3 The composition of the Supervisory Board

#### **Conchita van Rooij**

Conchita van Rooij has over 15 years' experience as a lawyer, and is specialized in personal and family law. From 2004- 2013 Ms. van Rooij owned and worked in the lawfirm Van Rooij De Jong Advocaten in Amsterdam, and from 2013 up until the date of this Information Document she has owned and worked in the Amsterdam-based law firm called Conchita van Rooij Advocaat. Ms. van Rooij also has experience as a board member in Stichting Advocaten Spreekuur Amsterdam. Ms. van Rooij holds a law degree from the University of Amsterdam.

|                                                                        |                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current directorships and senior management positions .....            | <i>Pet Service Holding N.V (Chairperson of supervisory board)</i><br><i>Conchita van Rooij Advocaat (owner)</i><br><i>Stichting Advocaten Spreekuur Amsterdam (board member)</i><br><i>De Klachtencommissie Jeugd- en Gezinsbeschermers (committee member)</i> |
| Previous directorships and senior management positions last five years | <i>Conchita van Rooij Advocaat (owner)</i><br><i>Stichting Advocaten Spreekuur Amsterdam (board member)</i><br><i>De Klachtencommissie Jeugd- en Gezinsbeschermers (committee member)</i>                                                                      |

<sup>2</sup> Shares owned by Heidewoud Beheer B.V., as company controlled by Mr. Jerry Speel.

## ***Jerry Speel***

Jerry Speel has 30 years' experience from finance controlling and management. Mr. Speel has previously held various positions as finance director, one of them being at Thermo Fisher Scientific. Further, Mr. Speel has also experience as a member of several supervisory boards. Mr. Speel has a doctor's degree in business economics from Open University, as well as a post-master as a register controller and executive master in finance and control from University of Amsterdam.

|                                                                        |                                                                                                                                                                                                          |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current directorships and senior management positions .....            | <i>Pet Service Holding N.V (Member of supervisory board)</i><br><i>Speel Holding B.V.(consultant)</i><br><i>Foundation the Skans (Member of supervisory board)</i>                                       |
| Previous directorships and senior management positions last five years | <i>FENOR Energie (Heerenveen) (Finance and operational director)</i><br><i>Thermo Fisher Scientific (Lelystad) (Finance director)</i><br><i>Foundation Ateliers Majeur (Member of supervisory board)</i> |

Mr. Speel holds 10,000 shares (via a personal holding company).

## ***Anne-Marie Bruist***

Anne-Marie Bruist has over 15 years' experience from management. Ms. Bruist has previously held positions as national project leader as well as manager of advice and supervision in Reclassering, region East Netherland. Ms. Bruist has also experience as chairperson of the supervisory board in Stichting Bakkerscafé Nijmegen. Currently, Ms. Bruist is the director of Vellig Thuis Oost- Brabant, Den-Bosch where she manages 260 employees, and is responsible for the business operations as well as the budget which is estimated at EUR 18,000,000 annually.

|                                                                        |                                                                                                                                                                                                |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current directorships and senior management positions .....            | <i>Pet Service Holding N.V. (Member of supervisory board)</i><br><i>Vellig Thuis Oost- Brabant, Den-Bosch (Director)</i>                                                                       |
| Previous directorships and senior management positions last five years | <i>Stichting Bakkerscafé Nijmegen (Chairperson of supervisory board)</i><br><i>UAF Refugee Foundation (Region manager)</i><br><i>Reclassering Netherlands (Regional director, East region)</i> |

### **7.3.3 Management Board**

#### **7.3.3.1 General**

The Management Board is responsible for the day-to-day management of the operations under the supervision of the Supervisory Board. In performing its duties, the Management Board must consider and act in accordance with the Company's interests and the business connected with it, taking into

consideration the interest of the stakeholders, which includes but is not limited to the Company's customers, its employees and the shareholders. The Management Board shall consist of one or more members. The Supervisory Board shall decide on the number of Management Board members. Members of the Management Board shall be appointed by the General Meeting on the binding nomination made by the Supervisory Board. The General Meeting may at any time resolve to overrule the binding nomination by a majority of at least two thirds of the votes cast representing more than half of the issued share capital. If a nomination is overruled, a new nomination shall be made by the Supervisory Board. If the binding nomination comprises one candidate for vacancy, a resolution convening the nomination shall result in the appointment of the candidate, unless the nomination is overruled. A resolution to appoint a member of the Management Board who was not nominated by the Supervisory Board may only be appointed by a majority of two thirds of the votes cast representing more than half the issued share capital.

A member of the Management Board shall be appointed for a maximum period of four years. A member of the Management Board may be reappointed for one or more subsequent periods. At the proposal of the Supervisory Board, the General meeting may resolve to deviate from the maximum period of four years.

The Management Board as well as each Management Board member individually has the authority to represent the Company.

Pursuant to Dutch law, a member of the Management Board of a Dutch public limited liability company may not participate in the deliberations and decision-making on a resolution if he or she has a direct or indirect personal interest to such resolution conflicting with the interest of the company. Such conflict of interest exists if in the situation at hand the member of the Management Board is deemed to be unable to serve the interest of the Company and the business connected with it with the required level of integrity and objectivity.

### 7.3.3.2 The composition of the Management Board

The names and positions of the members of the Management Board are set out in the table below.

The Company's CEO, Ron van Veldhoven, is engaged on the basis of an amended management agreement dated 12 November 2022, through his personal holding company Vero Holding B.V.

| <u>Name</u>          | <u>Function</u> | <u>Served since</u> | <u>Term expires</u>    | <u>Shares</u>                                               |
|----------------------|-----------------|---------------------|------------------------|-------------------------------------------------------------|
| Ron van Veldhoven... | CEO             | July 2021           | July 2025 <sup>1</sup> | 0% direct, 67% as UBO of SBD and 7.9% via Vero Holding B.V. |
| Jo op het Veld.....  | CFO             | 29 December 2022    | December 2026          | 0%                                                          |

### 7.3.3.3 Brief biographies of the Managing Directors

Set out below are brief biographies of the Managing Directors, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

### **Ron van Veldhoven - CEO**

Ron van Veldhoven has more than 20 years' experience in corporate finance, financing controlling and management. Mr. Van Veldhoven has previously held a position as CEO at Inverko N.V. (previously named Vivenda Media Groep N.V.). He has also established the commercial activities for Bank Labouchere (now Dexia Bank).

|                                                                        |                                                                                                                          |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Current directorships and senior management positions .....            | <i>Pet Service Holding N.V (member of management board and CEO)</i><br><i>Vero Holding B.V. (sole managing director)</i> |
| Previous directorships and senior management positions last five years | <i>Verenigde Nederlandse Compagnie N.V. (supervisory board member)</i>                                                   |

### **Jo op het Veld - CFO**

Jo op het Veld has more than 20 years of experience in business development, finance and stakeholder management. Mr. op het Veld has previously held a position as CFO at Mercedes-Benz Customer Assistance Center N.V., as well as a position as CFO in Daimler Trucks Asia Taiwan Ltd. Mr. op het Veld has a master degree in business administration from the European University of Antwerp.

|                                                                        |                                                                                                                                                                 |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current directorships and senior management positions .....            | <i>Pet Service Holding N.V (Member of management board and CFO)</i><br><i>OHV FMC B.V.</i>                                                                      |
| Previous directorships and senior management positions last five years | <i>Mercedes-Benz Customer Assistance Center N.V. (Head of global customer contact center vendor management)</i><br><i>Daimler Trucks Asia Taiwan Ltd. (CFO)</i> |

### **7.3.4 Share-based incentive programs**

As of the date of this Information Document, the Company has not implemented any share-based incentive programs.

### **7.3.5 Employees and consultants**

As of the date of this Information Document, the Group has 10 employees.

### **7.3.6 Benefits upon termination**

No member of Management Board, Supervisory Board or Senior Management has entered into employment or services agreements with the Company which provide for any benefits upon termination.

### **7.3.7 Conflicts of interest**

Other than Mr. Jerry Speel, no member of the Supervisory Board, the Management Board or the Senior Management has, or has had, as applicable, during the last five years preceding the date of the Information Document:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting

as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

Mr. Jerry Speel was engaged as Director Finance in the Dutch energy provider Fenor B.V. from November 2019 to January 2022. Fenor B.V. was declared bankrupt on 16 December 2021. The bankruptcy was caused by surging gas prices, and Fenor B.V. was one of several Dutch electricity providers which collapsed due to the extensive price increases. As Director Finance, Mr. Speel was an employee on the payroll of the company. He was not a board member, nor a shareholder nor an ultimate beneficial owner. The curator/trustee H.C. Lunter appointed by the Dutch Court did not hold Mr. Speel responsible for the bankruptcy, and no bankruptcy quarantine has been imposed on Mr. Speel.

The Dutch Authority for the Financial Markets (the "AFM") imposed an administrative fine of EUR 37,500 on Mr. Ron van Veldhoven in 2014. The fine was imposed on Mr. van Veldhoven for breach of his obligation to notify the AFM of Vero Holding B.V.'s transactions in the shares in Inverko N.V., a company which was listed on Euronext Amsterdam. The relevant transactions took place from 8 February 2013 until 26 February 2014, but were first notified to the market on 27 May 2014 upon request from the AFM. Mr. van Veldhoven was a member of the board of directors of Inverko N.V. in the relevant period and Vero Holding B.V. was controlled by Mr. van Veldhoven.

Mr. van Veldhoven holds 49% of the shares in SBD which is the Company's majority shareholder, as well as 225,000 (7.91%) shares in the Company, through Vero Holding B.V.

The remaining 51% of the shares in SBD are held by Mr. Geert Schaaïj. Mr. Schaaïj is a public figure in the Netherlands, most known from the TV-program "Businessclass" where he gives advice on shares and the stock market. Such advice is also given in the paper magazine "Beursgenoten", alongside publication of "news flashes" on the website "[www.beursgenoten.nl/nieuws-flashes](http://www.beursgenoten.nl/nieuws-flashes)". Mr. Schaaïj's entered into a settlement agreement with the AFM in 2006 in relation to certain public statements Mr. Schaaïj had given with respect to certain Dutch securities.

### **7.3.8 Corporate Governance**

The Company is not subject to a Corporate Governance Code in the Netherlands.

## **7.4 GENERAL MEETING (article 26, 27, 28 and 29 of the bylaws)**

### **7.4.1 General meeting**

At least one General Meeting shall be held each financial year. Other General Meetings shall be held whenever requested by the Management Board or a Director or by the Supervisory Board or a Supervisory Board member, without prejudice to the provisions of the law with respect to the convocation of General Meetings pursuant to authorization from the court.

The board and the supervisory board are each authorized to convene a general meeting. General meetings can be held in the place where the company has its registered seat, Amsterdam, Rotterdam Utrecht, 's-Gravenhage, Zaanstad, Assen, Groningen or Haarlemmermeer (including Schiphol Airport).

The convocation of a general meeting shall be given by the board with due observance of the statutory notice period and in accordance with the law.

The convocation shall be made by means of an announcement in a national daily newspaper.

Holders of shares may also be convened by means of letters of convocation addressed to the addresses of such shareholders as they appear in the register of shareholders

The board may decide that, if the holder of shares as well as the holder of depositary receipts for shares issued with the cooperation of the company has consented to this, the convocation may be made by means of a legible and reproducible message sent electronically to the address that he has given to the company for this purpose.

The board may decide that convocation may be made to holders of depositary receipts for shares issued with the cooperation of the company by an announcement published electronically, which will be directly and permanently accessible until the general meeting.

A matter which has been requested in writing by one or more shareholders and/or other holder of meeting rights who individually or jointly represent at least the part of the company's issued capital prescribed by law for this purpose, shall be included in the notice of the general meeting or shall be notified in the same manner as the other subjects for discussion, provided the company has received the request (including the reasons for such request) not later than sixty (60) days before the day of the meeting. Such written requests must comply with the conditions stipulated by the board as posted on the company's website.

Each shareholder is authorized, either in person or by a holder of a written power of attorney thereto, to attend and address the general meeting, and if he holds voting rights, to exercise the voting rights.

The managing directors and supervisory directors are authorized to attend the general meeting and shall, as such, have an advisory vote at the general meeting.

The chairperson of the general meeting decides on all matters relating to admission to the general meeting. The chairperson of the general meeting may admit third parties to the general meeting.

The chairperson may decide that any person, before being admitted to a general meeting, identifies himself by means of a valid passport or other means of identification and/or should be submitted to such security arrangements as the chairperson may consider to be appropriate under the given circumstances.

If the provisions prescribed by law or by these articles of association relating to the notification and convening of the general meeting have not been complied with, no valid resolutions may be adopted, unless with unanimous votes in a meeting in which the entire issued capital is present or represented, and the managing directors and the supervisory directors have had the opportunity to grant their advice prior to the adoptions of resolutions.

Each shareholder and each other holder of meeting rights is authorized, either in person or by a holder of a written power attorney thereto, to participate in the general meeting, to address the meeting, and if he holds voting rights, to exercise the voting rights, by electronic means of communication. The foregoing requires that the shareholder or the other holder of meeting rights can be identified through the electronic means of communication, can take cognizance of the discussion at the meeting, and if he holds voting rights, can exercise his voting rights.

#### **7.4.2 General meeting: powers**

The General Meeting has the power to:

- adopt and amend the bylaws, dissolve the Company, effect a merger as defined in Section 309 in Book 2 of the Dutch Civil Code and effect a legal split-up or split-off as defined in Section 334a in Book 2 of the Dutch Civil Code (shall be passed by an absolute majority of the valid votes cast);
- appoint/suspend/remove of the Management Board and the Supervisory Board and the auditors;
- approve the financial statements and the annual report;
- determine the use of the profit resulting from the balance sheet, in particular to determine the dividend;
- give discharge to the members of the Management Board and the Supervisory Board;
- take all decisions reserved to it by the law or the bylaws.

#### **7.4.3 General meeting: admission and chair. Minutes**

The general meeting shall be chaired by one of the following individuals, taking into account the following order of priority:

- a. by the chairperson of the supervisory board, if this chairperson is present at the general meeting;
- b. by another supervisory director who is chosen by the supervisory directors present at the general meeting from their midst;
- c. by a managing director who is chosen by the managing directors present at the general meeting from their midst; or
- d. by another person appointed for that purpose by the shareholders present or represented at the meeting.

The chairperson of the general meeting shall appoint another person present at the general meeting to act as secretary and to keep minutes of the proceedings at the general meeting. The minutes of a general meeting shall be adopted by the chairperson of that general meeting or by the board. Where an official report of the proceedings is drawn up by a civil law notary, no minutes need to be prepared. Every managing director and supervisory director may instruct a civil law notary to draw up such an official report at the company's expense.

The general meeting may be conducted in a language other than the Dutch language, if so determined by the chairperson of the general meeting.

The chairperson of the general meeting may limit the amount of time that persons present at the general meeting are allowed to take in addressing the general meeting and the number of questions they are allowed to raise, with a view to safeguarding the orderly proceedings at the general meeting. The chairperson of the general meeting may also adjourn the meeting if he considers that this shall safeguard the orderly proceedings at the general meeting.

#### 7.4.4 General meeting: voting rights, decision-making

Each share entitles the holder thereof to cast one vote at the general meeting.

In a general meeting, no votes may be cast for shares held by the company or by any subsidiary thereof, nor may votes be cast for a share for which either of them holds a depositary receipt for a share.

In determining the extent to which the shareholders are entitled to vote, are present or represented, or to which extent the share capital is provided or represented, the shares, for which no voting rights may be exercised according to the law or these articles of association, shall not be taken into account.

Unless the law or these articles of association require a larger majority, resolutions of the general meeting shall be adopted by a simple majority of the votes cast, without a quorum being required. Blank votes shall be deemed not to have been cast.

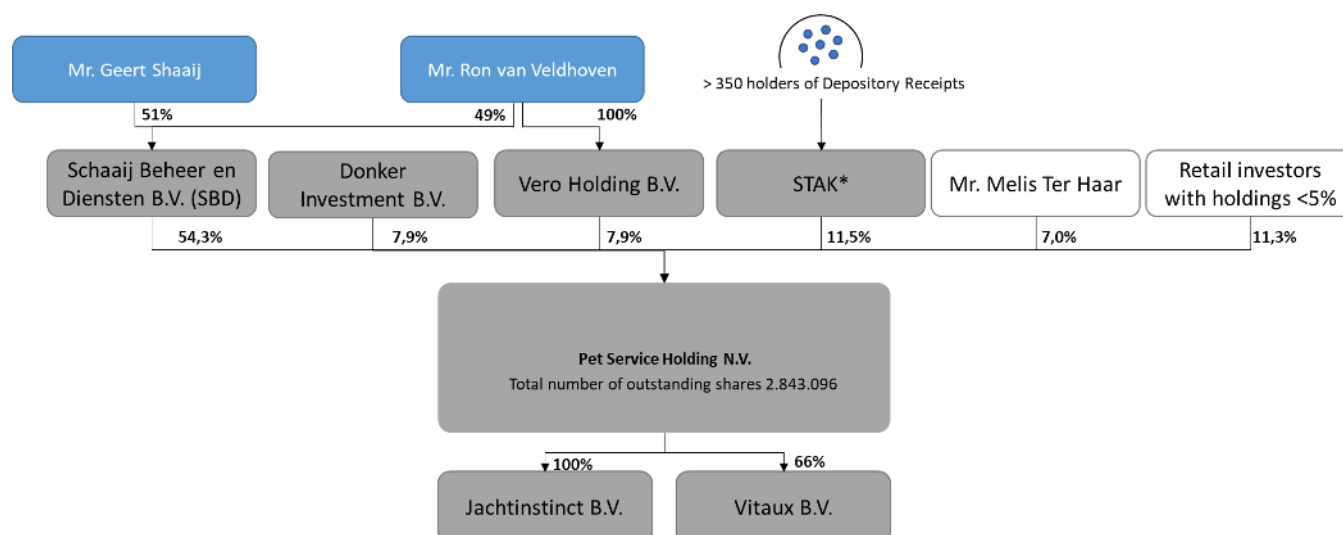
In case of a tie in the vote, the proposal shall have been rejected.

Shareholders may also adopt resolutions without holding a meeting decision-making unless depositary receipts for shares have been issued with the concurrence of the company, with unanimous votes of all shareholders with voting rights. The votes shall be cast in writing. The managing directors and supervisory directors shall be given the opportunity to render their advice prior to the adoption of the resolution.

## 7.5 LEGAL STRUCTURE

The Company is the parent company of Jachtinstinct B.V. and Veterinair Organisatiebureau Vitaux B.V.

The following chart presents the legal structure and the shareholder structure of the Company



\* Stichting Administratiekantoor Nederlandse Paarden Registratie Maatschappij, a foundation (stichting) incorporated under the laws of the Netherlands, (the "STAK") hold 326,829. The STAK has then issued 326,829 depositary receipts that are currently admitted to trading on the Dutch multilateral trading facility Nxchange.



The following table sets out brief information about the Company's subsidiaries and other ownership interests at the date of this Information Document.

| <b>Company name</b>                                     | <b>Registered office</b>                                               | <b>Activity</b>                                                                                                                                                                                                      | <b>Ownership interest</b> | <b>Shareholder</b>                                     |
|---------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------|
| Jachtinstinct B.V.<br>.....                             | Industrieweg 15,<br>1521 NC<br>Wormerveer,<br>corporate seat<br>Eemnes | Sales channel for animal products. Currently dormant.                                                                                                                                                                | 100%                      | Pet Service Holding N.V.                               |
| Veterinair<br>Organisatiebureau<br>Vitaux B.V.<br>..... | Oud Eemnesserweg<br>27, 3755 MR<br>Eemnes, corporate<br>seat Hilversum | A veterinary management agency that carries out marketing, communication and PR activities in the animal health and agricultural sectors. It also offers secondment of veterinarians and (para)veterinary personnel. | 66%                       | Pet Service Holding N.V. (66%) and Zomervos B.V. (34%) |

## VIII. INFORMATION ABOUT THE LISTING

### 8.1 OPERATION DETAILS

|                                  |                   |
|----------------------------------|-------------------|
| Listing procedure                | Technical listing |
| Number of outstanding shares     | 2,843,096         |
| Number of shares sold at listing | non applicable    |
| Share price at listing           | EUR 5.00          |
| Market capitalisation at listing | EUR 14,215,480    |
| ISIN Code                        | NL0015001HZ9      |
| Mnemonic Code                    | MLPET             |
| Paying Agent                     | Financière d'Uzès |

The listing price resulting from the valuation presented in chapter 9 of this Information Document is EUR 5.00 per share.

The transaction is carried out within the framework of a listing on the Euronext Access+ market, by way of technical listing, of the shares of the Company. It does not require a visa from the Autoriteit Financiële Markten (AFM of the Netherlands) or from the Autorité des Marchés Financiers (AMF) in accordance with the provisions of the Euronext Access Rule Book published on August 17, 2020.

## **8.2 LISTING RATIONALE AND PAYING AGENT**

### **8.2.1 Rationale for the listing**

As of the date of this Information Document, the depositary receipts are already listed on Nxchange, see section 8.5 THE LISTING ON NXCHANGE AND THE DEPOSITARY RECEIPTS for additional information.

For the Group, the main objectives of the listing on Euronext Access+ market are:

- to contribute to a more diversified shareholder base and enable additional investors to take part in the Group's future growth and value creation;
- to be able to issue Euro securities and to be traded on a Euro stock market;
- to increase the visibility of the Group on continental Europe in order to enlarge its clients base;
- to accelerate its expansion process across Europe;
- to provide the current Shareholders and the future investors with an additional option of liquidity;
- to gain access to financial markets in order to have the opportunity to further raise funds to support the Group's growth;
- to have the possibility of carrying out M&A transactions using securities in Euro issued by the Company.

No equity capital or proceeds will be raised by the Company in connection with the listing on Euronext Access+ market.

### **8.2.2 Paying Agent**

Financière d'Uzes has been appointed as paying agent for this operation.

## **8.3 SHARE CAPITAL AND SHARE CAPITAL HISTORY (article 4 of the bylaws)**

### **8.3.1 Overview**

Under Dutch law, a company's authorized share capital reflects the maximum amount of shares that it may issue without amending its articles of association. As at the date of this Information Document, the authorized share capital of the Company amounts to EUR 225,000, divided into 11,250,000 shares, with a par value of EUR 0.02 each.

As at the date of this Information Document, the Company has an issued and outstanding share capital of EUR 56,861.92 divided into 2,843,096 shares, each having a par value of EUR 0.02.

All the issued and outstanding shares have been created under the laws of the Netherlands. The shares are equal in all respects and there is no difference in voting rights or classes of shares. Each Share carries one vote and all shares carry equal rights in all respects, including rights to dividends.

The shares are freely transferable, meaning that a transfer of shares is not subject to the consent of the Management Board or any rights of first refusal.

### 8.3.2 Share capital history

The table below shows the development in the Company's share capital from the date of incorporation to the date of the Information Document. There have not been any other capital increases in the Company other than as set out in the table below, neither by way of contribution in cash or in kind for the period covered by the financial information until the date of this Information Document.

| Date of registration | Type of change | Change in share capital (EUR) | New share capital (EUR) | Nominal value (EUR) | New number of total issued shares | Subscription price per share (EUR) |
|----------------------|----------------|-------------------------------|-------------------------|---------------------|-----------------------------------|------------------------------------|
| 13 April 2018        | Incorporation  | 0                             | 45.000                  | 0.02                | 2,250,000                         | -                                  |
| 2 February 2021      | New issue      | 266.667                       | 50.325,34               | 0.02                | 2.516.267                         | 3.00                               |
| 4 May 2021           | New issue      | 326.529                       | 56.861,92               | 0.02                | 2.843.096                         | 9.40                               |

### 8.3.3 Ownership structure

The table below set out the Company's shareholders as at the date of this Information Document who, directly or indirectly, have an interest of 5% or more in the Company's capital or voting rights together with the amount of each such person's interest in the Company's capital or voting rights.

| # | Shareholder                                | Number of Shares | Per cent of share capital |
|---|--------------------------------------------|------------------|---------------------------|
| 1 | SBD                                        | 1,549,238        | 54.32%                    |
| 2 | Stichting Administratiekantoor NPRM (STAK) | 326,829          | 11.50%                    |
| 3 | G.E.A. Donker Investments B.V.             | 225,000          | 7.91%                     |
| 4 | Vero Holding B.V.                          | 225,000          | 7.91%                     |
| 5 | Mr. Melis Ter Haar                         | 200,000          | 7.03%                     |

[1] Company ultimately owned by Mr. Geert Schaaïj (51%) and Mr. Ron van Veldhoven (49%).

[2] Stichting Administratiekantoor Nederlandse Paarden Registratie Maatschappij, a foundation (stichting) incorporated under the laws of the Netherlands, (the "STAK") hold 326,829. The STAK has then issued 326,829 depositary receipts that are currently admitted to trading on the Dutch multilateral trading facility Nxchange.

[3] Close associate of Schaaïj Beheer en Diensten B.V.

[4] Company controlled by Mr. Ron van Veldhoven.

As of the date of this Information Document, the Company does not hold any treasury shares.

There are no arrangements known to the Company that may lead to a change of control in the Company.

## 8.4 THE LISTING ON NXCHANGE AND THE DEPOSITARY RECEIPTS

### 8.4.1 General

The depositary receipts are admitted to trading on Nxchange, a Dutch multilateral trading facility operated by Nxchange B.V. on the basis of a licence issued by the Dutch Ministry of Finance. Nxchange enables direct trading in securities between companies and investors and makes it possible to place and trade securities on a regulated online platform without the intervention of a bank or broker being required.

Stichting Administratiekantoor Nederlandse Paarden Registratie Maatschappij, a foundation (stichting) incorporated under the laws of the Netherlands, (the "STAK") hold 326,829 shares. The STAK exercises the rights attached to the shares and has issued 326,829 depositary receipts for the shares held by it. On 5 May 2021, 326,829 depositary receipts issued by the STAK were admitted to trading on the Dutch multilateral trading facility Nxchange under the ticker code NPRM. The depositary receipts cannot be traded on Euronext Access+ Paris and cannot be exchanged for shares. Similarly, the shares cannot be traded on Nxchange and cannot be exchanged for depositary receipts.

The Company is entitled to appoint the members of the STAK's board. The STAK currently has one board member, Mr. Wesley Rijks.

The rights and obligations of the STAK and the holders of depositary receipts are laid down in the STAK's articles of association and the trust conditions (Dutch: administratievoorwaarden) under which the STAK administers the shares it holds.

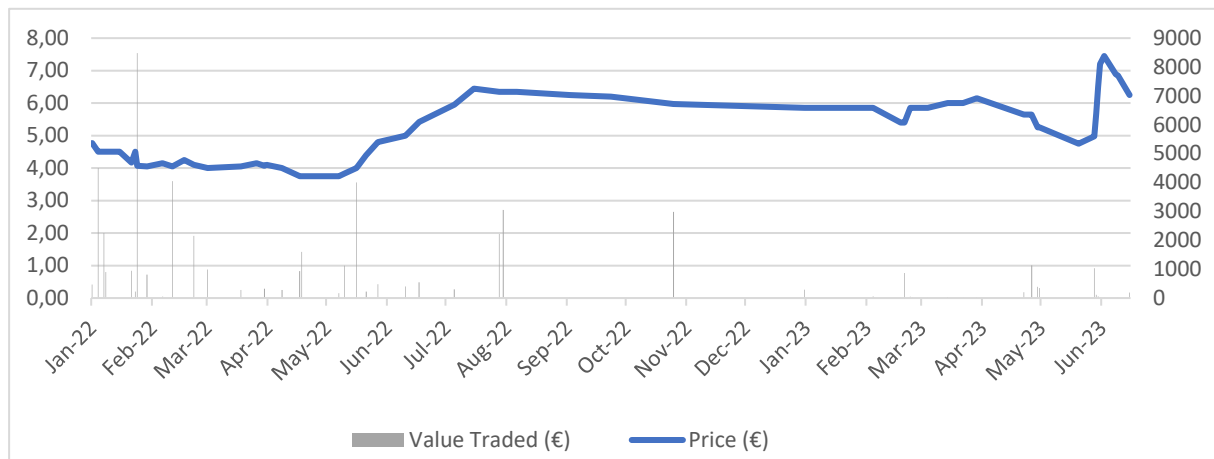
Presently, the rights of the holders of depositary receipts in relation to the shares underlying their depositary receipts held by the STAK are limited to economical rights. As the legal holder, the STAK will collect dividends and other distributions on the shares from the Company. In such case, as per the trust conditions the STAK has the obligation to make a corresponding distribution on the depositary receipts. If the Company makes a distribution in kind on the underlying shares in the form of shares, the STAK will make, to the extent possible, a corresponding distribution to the holders of depositary receipts in the form of holders of depositary receipts. If the Company declares a distribution which is in cash or in kind, the STAK will elect for a distribution in kind. If the STAK, as the legal holder of the underlying shares has a pre-emptive right on newly issued shares in the share capital of the Company, it will waive this right, unless the STAK's board decides otherwise.

Whereas the holders of depositary receipts have economical rights to the shares underlying their depositary receipts held by the STAK as set out above, there are no governance rights attached to the depositary receipts. More specifically, holders of depositary receipt do not have the right to attend General Meetings, nor the right to vote on the shares underlying their depositary receipts (directly or on the basis of a power of attorney) or to instruct the STAK how to vote on those shares.

As of the date of this Information Document, the Company has over 350 holders of depositary receipts.

### 8.4.2 Development of the trading price of the depositary receipts

The depositary receipts were listed on Nxchange on 4 May 2021. The following graph represents the price per depositary receipt and volume (number of depositary receipts) since listing and until 1 April 2023:



Source : <https://www.nxchange.com/nprm/trade>

## 8.5 LOCK-UP AGREEMENTS

M. Geert Schaaïj, Director of Schaaïj Beheer en Diensten B.V. ("SBD"), main shareholder of the Company, undertakes a specific lock-up commitment. For a period of twelve (12) months commencing on the date of first listing of the shares on the Exchange, M. Geert Schaaïj commits not to directly or indirectly carry out sale transactions or other disposals relating to, directly or indirectly of eighty (80) % of the shares he holds in the Company.

M. Ron van Veldhoven, CEO of Pet Service Holding and director of Schaaïj Beheer en Diensten B.V. ("SBD"), main shareholder of the Company, undertakes a specific lock-up commitment. For a period of twelve (12) months commencing on the date of first listing of the shares on the Exchange, M. Geert Schaaïj commits not to directly or indirectly carry out sale transactions or other disposals relating to, directly or indirectly of eighty (80) % of the shares he holds in the Company.

## **IX. ELEMENTS FOR THE VALUATION OF THE GROUP**

The valuation of Pet Service Holding's share was carried out on 20 June 2023. The benchmark share price for the analysis was set on 18 June 2023.

Number of shares forming the share capital: 2 843 096.

The Company's share capital amounts to EUR 56,861.92, divided into 2,843,096 shares, each with a nominal value of EUR 0.02.

### **9.1 DISCARDED VALUATION METHODS**

#### **9.1.1 Net asset value method**

The revalued net asset method corresponds to the "real" net assets of the company after deduction of all current liabilities and takes into account the value in use of assets used as a permanent means of operation, and the market value of the company's detachable assets.

This method, which is applicable to companies with tangible assets, is not suitable for growth companies whose assets are essentially intangible assets, such as Pet Service Holding.

#### **9.1.2 Stock market comparable method**

The comparable method consists of applying to certain aggregates of the company the valuation multiples observed on listed companies considered comparable.

There are no listed companies in the pet care & services sector of a comparable size. Stock market comparable are mostly listed in the US or subsidiaries of large multinationals. Using such a peer group to estimate the value of the Company would not be relevant given the growth profile and the size of the Company.

#### **9.1.3 Discounted future dividend method**

This method consists of discounting future dividends in order to assess the value of a company taking into account its expected medium- and long-term prospects as reflected in its business plan.

Pet Service Holding intends to retain any future profits for the foreseeable future to expand the growth and development of the Company's business, and, therefore, does not anticipate paying dividends to its shareholders in the foreseeable future.

Therefore, this method has not been adopted.

## 9.2 VALUATION METHODS USED

### 9.2.1 Approach by historical trading price on Nxchange

Pet Service Holding's depository receipts have been admitted to trading on Nxchange since May 2021.

Nxchange is a Dutch multilateral trading facility ("MTF") falling within the scope of MiFID II Article 4 (1) (22) operated by Nxchange B.V. on the basis of a license issued by the Dutch Ministry of Finance. Nxchange enables direct trading in securities between companies and investors and makes it possible to place and trade securities on a regulated online platform without the intervention of a bank or broker being required.

The shares are listed on Nxchange through a depository receipt arrangement where depository receipts representing the underlying shares in the Company are issued by the STAK. The STAK holds the underlying shares on behalf of the depository receipt holders and such shares in the Company constitute all the assets of the STAK. All the depository receipts are admitted to trading on Nxchange. Shareholders can either hold depository receipts (which can be traded on Nxchange) or shares (which cannot be traded on Nxchange unless they are exchanged for Depository Receipts). One depository receipt is issued per underlying share and the trading price of the depository receipts on Nxchange thus represents the theoretical market value of the shares in the Company.

The last trading price on Nxchange prior to the date of this valuation report was € 6.25 per depository receipt.

Below, you will find the depository receipt price and trading volumes for the Company's depository receipts:

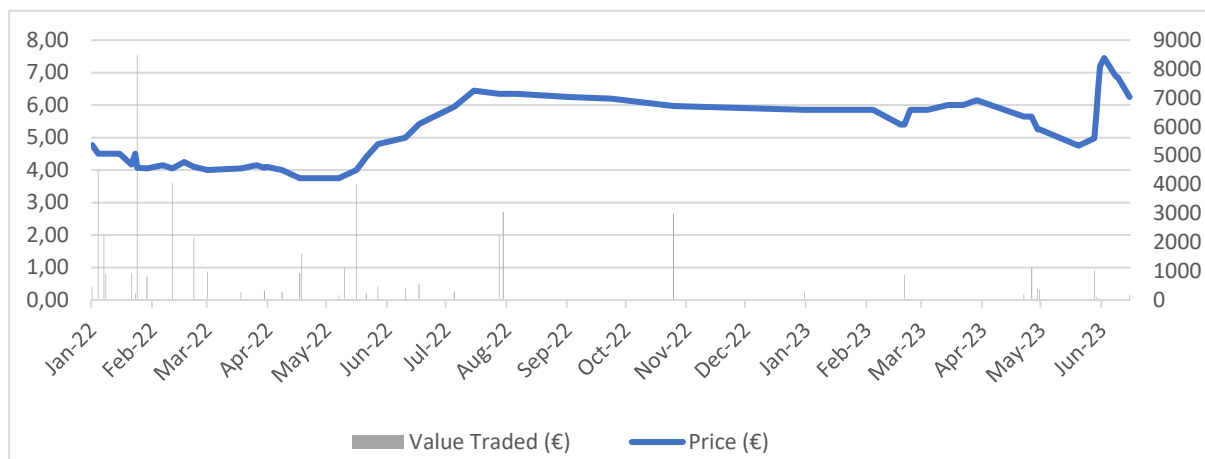
|                       | Depository Receipt Price | Calendar Period |
|-----------------------|--------------------------|-----------------|
| Price on 18 June 2023 | € 6.25                   |                 |
| VWAP 3 months         | € 5.36                   |                 |
| VWAP 6 months         | € 5.41                   |                 |
| VWAP 12 months        | € 5.87                   |                 |
| 12 months lowest      | € 4.75                   | May 23rd, 2023  |
| 12 months highest     | € 7.45                   | June 5th, 2023  |

As of 18 June 2023, the depository receipt price was EUR 6.25.

The Volume Weighted Average Price (VWAP) for the last 3, 6 and 12 months was EUR 5.36, EUR 5.41 and EUR 5.87. It should be noted, however, that weeks can go by without any shares traded.

Based on said VWAP of EUR 5.36 and the approximately 2.8 million shares outstanding at the date of this Information Document, the Company's current market capitalisation is approximately EUR 15.0 million.

Over the last 12 months, the lowest price for the stock was EUR 4.75 compared to EUR 7.45 for the highest price.



Source : <https://www.nxchange.com/nprm/trade>

### 9.2.2 Approach by analyzing the previous transactions on the share capital

In May 2021, the Company carried out a capital raise of approximately EUR 3.1 million in connection with its listing on Nxchange. In such capital raise approximately 400 investors participated at a subscription price of EUR 9.40 per Depositary Receipt. The valuation of Pet Service Holding at the end of this capital increase stood at €26.7 million.

In November 2022, the Company's largest shareholder, SBD, sold 340,000 shares to two individual investors at EUR 5.00 per share.

This trade, which implied a 16% discount compared to the trading price on Nxchange, was arranged to increase the Company's free float and also to meet the listing requirements of Euronext Growth Oslo. Since then, the Company has decided to pursue a listing Euronext Access+ Paris. Notably, the two individual investors had the option to opt-out of the transaction following the decision to list on Euronext Access+ Paris. However, they both chose to honor their commitments.

The total value of that transaction amounted to €1.7 million and it contributed to a valuation of € 14.2 million for the Company.

This transaction on the share capital represents the most recent valuation as of the date of this Information Document.

### 9.2.3 Conclusion

In summary of our work resulting from the observation of different valuation methods or references, we consider relevant a price per share of EUR 5.00.

Therefore, the estimated market value at the date of Information Document is approx. € 14.2 million, based on the volume-weighted average price ("VWAP") of the Depositary Receipts on Nxchange since the start of trading in May 2021 in combination with secondary share transactions done in November 2022.

## X. FINANCIAL INFORMATION

### 10.1 2022 AUDITED FINANCIAL STATEMENTS



**PET SERVICE HOLDING NV  
AT DE RIJP**

Annual Report 2022



# The Audit company

## CONTENTS

## Page

### AUDITOR'S REPORT

|   |                    |   |
|---|--------------------|---|
| 1 | General            | 2 |
| 2 | Results            | 3 |
| 3 | Financial position | 5 |
| 4 | Engagement         | 6 |

|          |                          |          |
|----------|--------------------------|----------|
| <b>1</b> | <b>MANAGEMENT REPORT</b> | <b>8</b> |
|----------|--------------------------|----------|

### FINANCIAL STATEMENTS

|    |                                                                               |    |
|----|-------------------------------------------------------------------------------|----|
| 1  | Consolidated balance sheet as at December 31, 2022                            | 10 |
| 2  | Consolidated profit & loss account for the year 2022                          | 11 |
| 3  | Notes to the consolidated financial statements                                | 12 |
| 4  | Notes to the consolidated balance sheet as of December 31, 2022               | 19 |
| 5  | Notes to the consolidated profit & loss account for the year 2022             | 25 |
| 6  | Company balance sheet as at December 31, 2022                                 | 30 |
| 7  | Company profit and loss account over 2022                                     | 31 |
| 8  | General accounting principles for the preparation of the financial statements | 32 |
| 9  | Notes to the company balance sheet as of December 31, 2022                    | 33 |
| 10 | Notes to the company profit and loss account 2022                             | 38 |
| 11 | Other disclosure                                                              | 41 |

### OTHER INFORMATION

|   |                                                                            |    |
|---|----------------------------------------------------------------------------|----|
| 1 | Provisions of the Articles of Association relating to profit appropriation | 44 |
| 2 | Special provision in the articles of association                           | 44 |
| 3 | Appropriation of the result for the 2021 financial year                    | 44 |
| 4 | Recognition of the loss for 2022                                           | 44 |
| 5 | Independent auditor's report                                               | 45 |

# The Audit company

## AUDITOR'S REPORT

# The Audit company

To the management of  
Pet Service Holding NV  
De Volger 25  
1483 GA De Rijp

| <i>Reference</i> | <i>Processed by</i> | <i>Date</i>    |
|------------------|---------------------|----------------|
| 110110           | DBE                 | April 26, 2023 |

Dear management and shareholders,

We hereby send you the report regarding the financial statements for the year 2022 of your company.

## AUDIT REPORT

### 1 GENERAL

#### 1.1 Appropriation of the nett result 2022

The loss for the year 2022 amounts to € 1,193,946 compared with a loss for the year 2021 of € 617,207.

The proposed appropriation of result is disclosed under other disclosure.

#### 1.2 Recognition of the 2021 loss

The result amounting to € 617,207 has been carried forward as accumulated deficit.

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1314 BG Almere  
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T +31 85 0580035

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[www.theauditcompany.com](http://www.theauditcompany.com)

Onze algemene voorwaarden zijn van toepassing op al onze opdrachten. Our general terms are applicable on all our engagements.

# The Audit company

Pet Service Holding NV, De Rijp

## 2 RESULTS

### 2.1 Development of income and expenses

The result after taxation for 2022 amounts to negative € 1,193,946 compared to negative € 617,207 for 2021. The results for both years can be summarized as follows:

|                                                 | 2022       |       | 2021      |        | Difference |
|-------------------------------------------------|------------|-------|-----------|--------|------------|
|                                                 | €          | %     | €         | %      | €          |
| <b>Net turnover</b>                             | 1,846,298  | 100.0 | 604,639   | 100.0  | 1,241,659  |
| Movement of work in progress                    | 18,827     | 1.0   | 75,893    | 12.6   | -57,066    |
| Cost of sales                                   | 1,050,715  | 56.9  | 361,822   | 59.8   | 688,893    |
| <b>Gross turnover result</b>                    | 814,410    | 44.1  | 318,710   | 52.7   | 495,700    |
| <b>Gross margin</b>                             | 814,410    | 44.1  | 318,710   | 52.7   | 495,700    |
| <b>Expenses</b>                                 |            |       |           |        |            |
| Employee expenses                               | 667,522    | 36.2  | 182,260   | 30.1   | 485,262    |
| Amortisation and depreciation                   | 122,771    | 6.7   | 93,300    | 15.4   | 29,471     |
| Other operating expenses                        | 901,739    | 48.8  | 755,765   | 125.0  | 145,974    |
|                                                 | 1,692,032  | 91.6  | 1,031,325 | 170.6  | 660,707    |
| <b>Operating result</b>                         | -877,622   | -47.5 | -712,615  | -117.9 | -165,007   |
| Financial income and expenses                   | -7,243     | -0.4  | -8,624    | -1.4   | 1,381      |
| <b>Result from normal operations before tax</b> | -884,865   | -47.9 | -721,239  | -119.3 | -163,626   |
| Taxes (carry forward)                           | 131,439    | 7.1   | 104,032   | 17.2   | 27,407     |
| <b>Result from normal operations after tax</b>  | -753,426   | -40.8 | -617,207  | -102.1 | -136,219   |
| Extraordinary expenses                          | -440,520   | -23.9 | -         | -      | -440,520   |
| <b>Result after tax</b>                         | -1,193,946 | -64.7 | -617,207  | -102.1 | -576,739   |

### 2.2 Nett turnover and gross margin

The nett turnover increased by 205.4% to € 1,846,298. The gross operating result increased by 155.5% to € 814,410.

The gross margin increased by 155.5% to € 814,410.

### 2.3 Analysis of the result

The development of the result 2022 compared to 2021 can be analysed as follows:



# The Audit company

## Pet Service Holding NV, De Rijp

|                                                            | 2022    |                 |
|------------------------------------------------------------|---------|-----------------|
|                                                            | €       | €               |
| <i>The result has been positively influenced by:</i>       |         |                 |
| Increase gross turnover result                             | 495,700 |                 |
| Decrease pension costs                                     | 3,010   |                 |
| Decrease car expenses                                      | 2,015   |                 |
| Decrease general expenses                                  | 377,261 |                 |
| Decrease interest and similar costs                        | 1,381   |                 |
| Decrease taxation on result from normal operations         | 27,407  |                 |
|                                                            |         | 906,774         |
| <i>The result has been negatively influenced by:</i>       |         |                 |
| Increase wages and salaries                                | 144,916 |                 |
| Increase social security contributions                     | 28,662  |                 |
| Increase management fee                                    | 54,534  |                 |
| Increase other labour costs                                | 260,160 |                 |
| Increase amortization/depreciation intangible fixed assets | 18,772  |                 |
| Increase amortization/depreciation tangible fixed assets   | 10,699  |                 |
| Increase accommodation expenses                            | 20,792  |                 |
| Increase office expenses                                   | 1,616   |                 |
| Increase selling expenses                                  | 502,842 |                 |
| Decrease extraordinary results                             | 440,520 |                 |
|                                                            |         | 1,483,513       |
| <b>Decrease result after taxation</b>                      |         | <b>-576,739</b> |

# The Audit company

## Pet Service Holding NV, De Rijp

### 3 FINANCIAL POSITION

The consolidated balance sheet can be summarized as follows:

|                                             | 12/31/2022       | 12/31/2021       |
|---------------------------------------------|------------------|------------------|
|                                             | €                | €                |
| <b>Long term funds:</b>                     |                  |                  |
| Equity                                      | 1,986,010        | 3,201,948        |
| Third-party share in group equity           | -8,529           | -13,140          |
|                                             | <u>1,977,481</u> | <u>3,188,808</u> |
| <b>Long term investments:</b>               |                  |                  |
| Intangible fixed assets                     | 901,952          | 859,955          |
| Tangible fixed assets                       | 58,269           | 209,751          |
| Financial fixed assets                      | 54,270           | 65,261           |
|                                             | <u>1,014,491</u> | <u>1,134,967</u> |
| Working capital                             | <u>962,990</u>   | <u>2,053,841</u> |
| This amount is applied as follows:          |                  |                  |
| Inventories                                 | 182,360          | 162,564          |
| Receivables, prepayments and accrued income | 431,885          | 272,696          |
| Cash and cash equivalents                   | 694,784          | 1,967,551        |
|                                             | <u>1,309,029</u> | <u>2,402,811</u> |
| Debit: Short-term debt                      | 346,039          | 348,970          |
| Working capital                             | <u>962,990</u>   | <u>2,053,841</u> |



Pet Service Holding NV, De Rijp

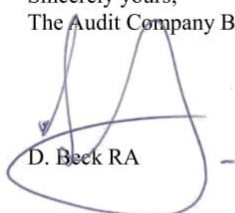
#### 4 ENGAGEMENT

In accordance with your instructions we have audited the annual account 2022 of your company, including the non-consolidated balance sheet with counts of € 2,261,625, the consolidated balance sheet with counts of € 2,323,520 and the consolidated and non-consolidated profit and loss account with a negative result after taxes of € 1,198,556.

For the audit opinion we refer to the chapter “Other information” on page 44 of this report.

We will gladly provide further explanations upon request.

Sincerely yours,  
The Audit Company B.V.



D. Beck RA



# The Audit company

## FINANCIAL REPORT

# The Audit company

Pet Service Holding NV, De Rijp

## MANAGEMENT REPORT

In accordance with article 2:396 part 7 of the Dutch Civil Code no management report for 2022 has been prepared.



# The **Audit** company

## **CONSOLIDATED ANNUAL ACCOUNTS 2022**

**Consolidated balance sheet as at December 31, 2022**

**Consolidated profit & loss account for the year 2022**

**Notes to the consolidated financial statements**

**Notes to the consolidated balance sheet as of December 31, 2022**

**Notes to the consolidated profit & loss account for the year 2022**



|                                             |     | December 31, 2022 |           | December 31, 2021 |           |
|---------------------------------------------|-----|-------------------|-----------|-------------------|-----------|
|                                             |     | €                 | €         | €                 | €         |
| <b>ASSETS</b>                               |     |                   |           |                   |           |
| <b>Fixed assets</b>                         |     |                   |           |                   |           |
| Intangible fixed assets                     | (1) | 901,952           |           | 859,955           |           |
| Tangible fixed assets                       | (2) | 58,269            |           | 209,751           |           |
| Financial fixed assets                      | (3) | 54,270            |           | 65,261            |           |
|                                             |     |                   | 1,014,491 |                   | 1,134,967 |
| <b>Current assets</b>                       |     |                   |           |                   |           |
| Inventories                                 | (4) | 182,360           |           | 162,564           |           |
| Receivables, prepayments and accrued income | (5) | 431,885           |           | 272,696           |           |
| Cash and cash equivalents                   | (6) | 694,784           |           | 1,967,551         |           |
|                                             |     |                   | 1,309,029 |                   | 2,402,811 |
|                                             |     |                   |           |                   |           |
|                                             |     |                   | 2,323,520 |                   | 3,537,778 |

# The Audit company

## Pet Service Holding NV, De Rijp

|                                        |     | December 31, 2022 |                  | December 31, 2021 |                  |
|----------------------------------------|-----|-------------------|------------------|-------------------|------------------|
|                                        |     | €                 | €                | €                 | €                |
| <b>LIABILITIES</b>                     |     |                   |                  |                   |                  |
| <b>Group equity</b>                    | (7) |                   |                  |                   |                  |
| Group equity share of the legal person |     | 1,986,010         |                  | 3,201,948         |                  |
| Third-party share in group equity      |     | <u>-8,529</u>     |                  | <u>-13,140</u>    |                  |
|                                        |     |                   | 1,977,481        |                   | 3,188,808        |
| <b>Current liabilities</b>             | (8) |                   | 346,039          |                   | 348,970          |
|                                        |     |                   | <u>2,323,520</u> |                   | <u>3,537,778</u> |

# The Audit company

Pet Service Holding NV, De Rijp

## 2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2022

|                                                                |        | 2022      |            | 2021    |           |
|----------------------------------------------------------------|--------|-----------|------------|---------|-----------|
|                                                                |        | €         | €          | €       | €         |
| <b>Net turnover</b>                                            | (9,10) | 1,846,298 |            | 604,639 |           |
| Movement of inventories of finished goods and work in progress | (11)   | 18,827    |            | 75,893  |           |
| Cost of sales                                                  | (12)   | 1,050,715 |            | 361,822 |           |
| <b>Gross margin</b>                                            |        |           | 814,410    |         | 318,710   |
| <b>Expenses</b>                                                |        |           |            |         |           |
| Employee expenses                                              | (13)   | 667,522   |            | 182,260 |           |
| Amortisation and depreciation                                  | (14)   | 122,771   |            | 93,300  |           |
| Other operating expenses                                       | (15)   | 901,739   |            | 755,765 |           |
|                                                                |        |           | 1,692,032  |         | 1,031,325 |
| <b>Operating result</b>                                        |        |           | -877,622   |         | -712,615  |
| Financial income and expenses                                  | (16)   |           | -7,243     |         | -8,624    |
| <b>Result from normal operations before tax</b>                |        |           | -884,865   |         | -721,239  |
| Taxes (carry forward)                                          |        |           | 131,439    |         | 104,032   |
| <b>Result from normal operations after tax</b>                 |        |           | -753,426   |         | -617,207  |
| Extraordinary expenses                                         | (17)   |           | -440,520   |         | -         |
| <b>Result after tax</b>                                        |        |           | -1,193,946 |         | -617,207  |

### 3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### GENERAL

##### **Activities**

In the animal care market, Pet Service Holding N.V. intends to play a distinctive role and bundle a number of essential services. The name Pet Service Holding N.V. originated from a general pet app with associated online activities. Based on this, a business plan was written and a funding round was done in 2021. This business plan is an update of that, adapted to the opportunities that arose in 2021 and with a clearer focus. In 2022 the core business of Pet Service Holding N.V. is selling medicines and food for animals through an online webshop.

The activities are:

- The Pet App.

The Pet App is the central hub in making animal-related products and services accessible.

- Online sales

Pet Service Holding N.V. acquired the website [dierenapotheek.nl](https://dierenapotheek.nl) and the associated German website [petcare.nl](https://petcare.nl) in October 2021.

- The Pet Tracker

During 2021, the pet tracker developed exclusively for Pet Service Holding N.V. was further developed and tested.

##### **Registered office, legal form and registration number at the chamber of commerce**

The registered and actual address of Pet Service Holding NV is De Volger 25, 1483 GA in De Rijp of business and is registered at the chamber of commerce under number 70775834.

##### **Group structure**

The consolidation includes the financial information of Pet Service Holding NV, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Pet Service Holding NV exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which Pet Service Holding NV exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

The Company's interests in joint ventures are accounted for by proportionate consolidation. An entity qualifies as a joint venture if its participants exercise joint control under a collaborative agreement.

# The Audit company

Pet Service Holding NV, De Rijp

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

## LIST OF PARTICIPATING INTERESTS

Pet Service Holding N.V. in De Rijp is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

| Name, statutory registered office                     | Share in<br>issued capital | Included in<br>consolidation |
|-------------------------------------------------------|----------------------------|------------------------------|
|                                                       | %                          |                              |
| Veterinair Organisatiebureau Vitaux B.V.<br>Hilversum | 66.00                      | Ja                           |
| Jachtinstinct<br>Amersfoort                           | 100.00                     | Nee                          |

Veterinair Organisatiebureau Vitaux B.V. of Hilversum qualifies as a joint venture. Control in the partnership firm is exercised jointly with the other partner. The relative share of Pet Service Holding N.V. in the assets, liabilities and result of Veterinair Organisatiebureau Vitaux B.V. is proportionally recognized in the consolidation.

Besides associates, a number of small majority shareholdings that are separately and jointly of negligible importance have been excluded from the consolidation.

Disposal groups that are acquired solely held for disposal are not consolidated. These 'held for disposal' companies are recognised as securities as part of current assets, if, on the date of the acquisition, a sale within a year or within a short period thereafter is probable.

## Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by Pet Service Holding NV or where central management is conducted has been consolidated in the annual account of Pet Service Holding N.V. The consolidated annual account have been prepared in accordance with the accounting principles for valuation and result determination of Pet Service Holding NV.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated annual account, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated annual accounts.

#### **GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS**

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

#### **Comparison with previous year**

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

#### **ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES**

##### **Intangible fixed assets**

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 'Impairment of fixed assets'.

The research expenses (or the costs of the research stage of an internal project) are accounted for in the profit and loss account.

The development expenses are accounted for in the profit and loss account, because internal development is not the core business of the company.

Goodwill is the positive difference between the acquisition price and the fair value of the acquired assets less liabilities and provisions of the acquired entity.

Negative goodwill is released in the income statement to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the income statement.

# The Audit company

Pet Service Holding NV, De Rijp

## Amortisation rates

| Asset                          | %  |
|--------------------------------|----|
| Research and development costs | 20 |
| Goodwill                       | 10 |

## **Tangible fixed assets**

A provision has been recognised for costs of periodical major maintenance. This provision is presented under the other provisions as a liability item.

For obligations to restore the asset after use (dismantling cost) a provision is recognised for the expected amount at the time of capitalisation. This amount is recognised as part of the carrying amount of the asset against which a provision is recognised for the full amount.

A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

## **Financial fixed assets**

### ***Participations***

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of fixed assets"); an impairment is recognised and charged to the income statement.

### ***Loans to associates***

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are taken into account.

### ***Deferred tax claims***

Deferred income taxes are recognised at nominal value.

# The Audit company

Pet Service Holding NV, De Rijp

## **Inventories**

Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value.

The historical cost or production cost consist of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

## **Cash and cash equivalents**

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

## **Third-party share in group equity**

The share of third parties in the group equity concerns the minority interest of third parties in the shareholders' equity of consolidated companies.

In the profit and loss account the share of third parties in the result of consolidated companies is deducted from the group result.

## **Current liabilities**

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

## **ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **General**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### **Revenue recognition**

### **Cost of sales**

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production.

### **Gross margin**

The gross operating profit and loss comprises net turnover, the changes in inventories of finished goods and work in progress, work performed by the entity and capitalised, other operating income, cost price and cost of outsourced work and other external charges.

### **Employee benefits**

#### ***General***

Employee costs (wages, salaries, social security contributions, etc.) are presented as a separate item in the income statement. For a specification, reference is made to the relevant note.

#### ***Benefits to be paid periodically***

The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions.

### **Government subsidies**

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Subsidies related to investments in tangible fixed assets are deducted from the asset to which they relate and recorded in the profit and loss account as part of the amortisation costs.

# The Audit company

Pet Service Holding NV, De Rijp

## **Financial income and expenses**

### ***Interest income and interest expenses***

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

### ***Currency translation differences***

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied.

### ***Dividends***

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as Pet Service Holding NV has acquired the right to them.

### ***Changes in value of financial instruments recognised at fair value***

Changes in value of financial instruments recognised at current value are taken to the profit and loss account.

## **Taxes**

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

The allocation of corporate income tax to the partnerships included in the fiscal unit is realised as if the participating interests are independently taxable.

## **Result participating interests**

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Pet Service Holding NV.

# The Audit company

Pet Service Holding NV, De Rijp

## 4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2022

### ASSETS

#### FIXED ASSETS

##### 1. Intangible fixed assets

|                                | 12/31/2022     | 12/31/2021     |
|--------------------------------|----------------|----------------|
|                                | €              | €              |
| Research and development costs | 158,901        | 17,768         |
| Goodwill                       | 743,051        | 842,187        |
|                                | <u>901,952</u> | <u>859,955</u> |

##### 2. Tangible fixed assets

|                                                | Equipment     | Transportation | Total         |
|------------------------------------------------|---------------|----------------|---------------|
|                                                | €             | €              | €             |
| <i>Carrying amount as of January 1, 2022</i>   |               |                |               |
| Purchase price                                 | 73,232        | -              | 73,232        |
| Cumulative depreciation and impairment         | -9,721        | -              | -9,721        |
|                                                | <u>63,511</u> | <u>-</u>       | <u>63,511</u> |
| <i>Movement</i>                                |               |                |               |
| Exchange difference                            | -             | 1,341          | 1,341         |
| Investments                                    | 8,295         | -              | 8,295         |
| Disposals                                      | -991          | -              | -991          |
| Depreciation disposal                          | 991           | -              | 991           |
| Depreciation                                   | -14,782       | -96            | -14,878       |
|                                                | <u>-6,487</u> | <u>1,245</u>   | <u>-5,242</u> |
| <i>Carrying amount as of December 31, 2022</i> |               |                |               |
| Purchase price                                 | 80,536        | 1,341          | 81,877        |
| Cumulative depreciation and impairment         | -23,512       | -96            | -23,608       |
| Carrying amount as of December 31, 2022        | <u>57,024</u> | <u>1,245</u>   | <u>58,269</u> |



# The Audit company

Pet Service Holding NV, De Rijp

## Depreciation rates

|                | %  |
|----------------|----|
| Equipment      | 20 |
| Transportation | 20 |

## 3. Financial fixed assets

|                                   | 12/31/2022    | 12/31/2021    |
|-----------------------------------|---------------|---------------|
|                                   | €             | €             |
| Participations in group companies | 22,620        | 40,000        |
| Other receivables                 | 31,650        | 25,261        |
|                                   | <u>54,270</u> | <u>65,261</u> |

## CURRENT ASSETS

### 4. Inventories

|                               |                |                |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | <u>182,360</u> | <u>162,564</u> |
|-------------------------------|----------------|----------------|

Inventories are stated at purchase or manufacturing cost or at a lower market value minus, if applicable, the obsolescence provision.

### 5. Receivables, prepayments and accrued income

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Trade receivables                  | 52,431         | 32,213         |
| Corporate income tax               | 224,693        | 99,643         |
| Taxes and social securities        | 73,224         | 27,709         |
| Other receivables, deferred assets | 81,537         | 113,131        |
|                                    | <u>431,885</u> | <u>272,696</u> |

### Other receivables, deferred assets

|                                |               |                |
|--------------------------------|---------------|----------------|
| Amounts to be received         | 60,139        | 67,775         |
| Prepayments and accrued income | 21,398        | 45,356         |
|                                | <u>81,537</u> | <u>113,131</u> |

# The Audit company

## Pet Service Holding NV, De Rijp

### Prepayments and accrued income

Pre-paid expenses

| <u>12/31/2022</u> | <u>12/31/2021</u> |
|-------------------|-------------------|
| €                 | €                 |
| <u>21,398</u>     | <u>45,356</u>     |

# The Audit company

## Pet Service Holding NV, De Rijp

### 6. Cash and cash equivalents

ABN AMRO Bank N.V.  
Rabobank  
MeesPierson  
Paypal  
Deposit

| 12/31/2022     | 12/31/2021       |
|----------------|------------------|
| €              | €                |
| 18,423         | 30,144           |
| 671,617        | 1,918,059        |
| 844            | 369              |
| 3,808          | 10,994           |
| 92             | 7,985            |
| <u>694,784</u> | <u>1,967,551</u> |

# The Audit company

Pet Service Holding NV, De Rijp

## EQUITY AND LIABILITIES

### 7. Group equity

#### Group equity share of the legal person

Please refer to the notes to the non-consolidated balance sheet on page 36 of this report for an explanation of the equity.

|                                          | 2022    | 2021    |
|------------------------------------------|---------|---------|
|                                          | €       | €       |
| <b>Third-party share in group equity</b> |         |         |
| Carrying amount as of January 1          | -13,140 | -24,524 |
| Allocation                               | 4,611   | -       |
| Withdrawal                               | -       | 11,384  |
| Carrying amount as of December 31        | -8,529  | -13,140 |

|                               | 12/31/2022 | 12/31/2021 |
|-------------------------------|------------|------------|
|                               | €          | €          |
| <b>8. Current liabilities</b> |            |            |
| Trade creditors               | 22,607     | 56,373     |
| Taxes and social securities   | 20,750     | 156,513    |
| Other liabilities             | 43,224     | 39,881     |
| Accruals and deferred income  | 259,458    | 96,203     |
|                               | 346,039    | 348,970    |

#### Other liabilities and Accruals and deferred income

|                              |         |         |
|------------------------------|---------|---------|
| Other liabilities            | 43,224  | 39,881  |
| Accruals and deferred income | 259,458 | 96,203  |
|                              | 302,682 | 136,084 |



# The Audit company

## Pet Service Holding NV, De Rijp

### Accruals and deferred income

Holiday bonus  
Accruals and deferred income

| 12/31/2022 | 12/31/2021 |
|------------|------------|
| €          | €          |
| 7,382      | 9,253      |
| 252,076    | 86,950     |
| 259,458    | 96,203     |



# The Audit company

Pet Service Holding NV, De Rijp

## 5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2022

### 9. Net turnover

The revenues increased in 2022 compared to 2021 with 205.4 %.

### 10. Net turnover

Nett turnover

| 2022      | 2021    |
|-----------|---------|
| €         | €       |
| 1,846,298 | 604,639 |

### 11. Movement of inventories of finished goods and work in progress

Movement of finished goods inventories

|        |        |
|--------|--------|
| 18,827 | 75,893 |
|--------|--------|

### 12. Cost of sales

Purchase costs

|           |         |
|-----------|---------|
| 1,050,715 | 361,822 |
|-----------|---------|

### 13. Employee expenses

Wages and salaries

|         |         |
|---------|---------|
| 344,947 | 200,031 |
|---------|---------|

Social security charges

|        |        |
|--------|--------|
| 53,398 | 24,736 |
|--------|--------|

Pension costs

|       |       |
|-------|-------|
| 4,178 | 7,188 |
|-------|-------|

Management fees

|     |         |
|-----|---------|
| 586 | -53,948 |
|-----|---------|

Other personnel costs

|         |       |
|---------|-------|
| 264,413 | 4,253 |
|---------|-------|

|         |         |
|---------|---------|
| 667,522 | 182,260 |
|---------|---------|

#### *Wages and salaries*

Gross wages

|         |         |
|---------|---------|
| 336,598 | 208,189 |
|---------|---------|

Movement of holiday bonus liability

|       |        |
|-------|--------|
| 8,349 | -1,521 |
|-------|--------|

Subsidy received

|   |        |
|---|--------|
| - | -6,637 |
|---|--------|

|         |         |
|---------|---------|
| 344,947 | 200,031 |
|---------|---------|

#### *Management fees*

#### *Other personnel costs*

Travelling expenses

|       |     |
|-------|-----|
| 3,320 | 298 |
|-------|-----|

Canteen costs

|       |       |
|-------|-------|
| 3,942 | 3,073 |
|-------|-------|

Work wear

|     |   |
|-----|---|
| 343 | - |
|-----|---|

Other labour costs

|       |     |
|-------|-----|
| 3,041 | 882 |
|-------|-----|

Management Fee

|         |   |
|---------|---|
| 235,611 | - |
|---------|---|

Work by third parties

|        |   |
|--------|---|
| 18,156 | - |
|--------|---|

|         |       |
|---------|-------|
| 264,413 | 4,253 |
|---------|-------|

# The Audit company

## Pet Service Holding NV, De Rijp

### 14. Amortisation and depreciation

Intangible fixed assets  
Tangible fixed assets

| 2022    | 2021   |
|---------|--------|
| €       | €      |
| 107,893 | 89,121 |
| 14,878  | 4,179  |
| 122,771 | 93,300 |

#### *Amortisation of intangible fixed assets*

Research and development costs  
Goodwill

|         |        |
|---------|--------|
| 8,757   | 4,984  |
| 99,136  | 84,137 |
| 107,893 | 89,121 |
| 107,893 | 89,121 |

#### *Depreciation of tangible fixed assets*

Equipment  
Transportation

|        |       |
|--------|-------|
| 14,782 | 4,675 |
| 96     | -496  |
| 14,878 | 4,179 |

### 15. Other operating expenses

Accommodation expenses  
Office expenses  
Car expenses  
Selling and distribution expenses  
General expenses

|         |         |
|---------|---------|
| 34,324  | 13,532  |
| 10,814  | 9,198   |
| 13,483  | 15,498  |
| 620,100 | 117,258 |
| 223,018 | 600,279 |
| 901,739 | 755,765 |

#### *Accommodation expenses*

Rent buildings  
Energy costs  
Maintenance buildings  
Tax and business expenses  
Cleaning costs  
Accommodation costs  
Other accommodation expenses

|        |        |
|--------|--------|
| 31,573 | 12,883 |
| 586    | 1,305  |
| -      | 36     |
| 761    | -      |
| 954    | 205    |
| -      | -1,679 |
| 450    | 782    |
| 34,324 | 13,532 |

# The Audit company

## Pet Service Holding NV, De Rijp

|                                                  | 2022           | 2021           |
|--------------------------------------------------|----------------|----------------|
|                                                  | €              | €              |
| <i>Office expenses</i>                           |                |                |
| Office supplies                                  | 1,125          | 1,261          |
| Printed matter                                   | -              | 67             |
| Maintenance department inventory                 | -              | 330            |
| Automation costs                                 | 2,676          | 3,294          |
| Telephone                                        | 3,942          | 1,441          |
| Postage                                          | 2,458          | 1,604          |
| Contributions and subscriptions                  | 613            | 1,201          |
|                                                  | <u>10,814</u>  | <u>9,198</u>   |
| <i>Car expenses</i>                              |                |                |
| Fuels                                            | 1,206          | 1,094          |
| Lease costs                                      | -              | 5,286          |
| Insurance                                        | 924            | 258            |
| Motor vehicle tax                                | -              | 231            |
| Car expenses                                     | -              | 550            |
| Repair costs                                     | 426            | 174            |
| Kilometer allowance                              | 10,671         | 7,674          |
| Private use                                      | 256            | 231            |
|                                                  | <u>13,483</u>  | <u>15,498</u>  |
| <i>Selling and distribution expenses</i>         |                |                |
| Publicity and advertisement                      | 273,494        | 49,631         |
| Representation costs                             | 5,773          | 6,740          |
| Business gifts                                   | 829            | 75             |
| Congress costs                                   | -              | 250            |
| Travelling expenses                              | 7,381          | 504            |
| Collecting charges                               | -              | 134            |
| Shop costs, packing charges and exhibition costs | 12,447         | 3,043          |
| Website costs                                    | 1,068          | 599            |
| Credit card charges                              | 36,930         | 5,829          |
| Transportation costs                             | 266,368        | 28,815         |
| Other cost of sales                              | 15,810         | 21,638         |
|                                                  | <u>620,100</u> | <u>117,258</u> |

# The Audit company

## Pet Service Holding NV, De Rijp

|                                                                                                                                 | 2022            | 2021           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
|                                                                                                                                 | €               | €              |
| <i>General expenses</i>                                                                                                         |                 |                |
| Audit costs                                                                                                                     | 6,182           | 37,042         |
| Accounting costs                                                                                                                | 37,560          | 8,113          |
| Consultancy fees                                                                                                                | 84,089          | 521,025        |
| Insurance                                                                                                                       | 6,439           | 3,562          |
| Doubtful debtors                                                                                                                | 2,490           | -              |
| Payroll administration Maintenance department                                                                                   | 2,533           | 2,607          |
| Inventories Office requirements                                                                                                 | -               | 2,157          |
| Contributions                                                                                                                   | 68,170          | 18,518         |
| Other general expenses                                                                                                          | 12,416          | 6,053          |
|                                                                                                                                 | 3,139           | 1,202          |
|                                                                                                                                 | <u>223,018</u>  | <u>600,279</u> |
| <b>16. Financial income and expenses</b>                                                                                        |                 |                |
| Interest and similar expenses                                                                                                   |                 |                |
|                                                                                                                                 | <u>-7,243</u>   | <u>-8,624</u>  |
| <b>Extraordinary result</b>                                                                                                     |                 |                |
| <b>17. Extraordinary expenses</b>                                                                                               |                 |                |
| Extraordinary expenses                                                                                                          |                 |                |
|                                                                                                                                 | <u>-440,520</u> | <u>-</u>       |
| The extraordinary expenses for 2022 include the one-off costs for the process and the application for listing on Euronext Oslo. |                 |                |

# The Audit company

## **COMPANY ANNUAL ACCOUNTS 2022**

**Balance sheet as at December 31, 2022**

**Non-consolidated profit & loss account from 2022**

**General accounting principles for the preparation of the financial statements**

**Notes to the non-consolidated balance sheet as of December 31, 2022**

**Notes to the non-consolidated profit & loss account from 2022**

**Other disclosures**



**6 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2022**  
(after appropriation of results)

Information document

**Pet Service Holding NV, De Rijp**

|           |           |
|-----------|-----------|
| 2,261,625 | 3,438,203 |
|-----------|-----------|

# The Audit company

Pet Service Holding NV, De Rijp

## 7 COMPANY PROFIT AND LOSS ACCOUNT OVER 2022

|                                                                |         | 2022      |            | 2021    |          |
|----------------------------------------------------------------|---------|-----------|------------|---------|----------|
|                                                                |         | €         | €          | €       | €        |
| <b>Net turnover</b>                                            | (27,28) | 1,371,386 |            | 307,449 |          |
| Movement of inventories of finished goods and work in progress | (29)    | 19,797    |            | 86,833  |          |
| Cost of sales                                                  | (30)    | 938,832   |            | 239,443 |          |
| <b>Gross margin</b>                                            |         |           | 452,351    |         | 154,839  |
| <b>Expenses</b>                                                |         |           |            |         |          |
| Employee expenses                                              | (31)    | 375,005   |            | 12,893  |          |
| Amortisation and depreciation                                  | (32)    | 121,681   |            | 92,351  |          |
| Other operating expenses                                       | (33)    | 842,444   |            | 706,115 |          |
|                                                                |         |           | 1,339,130  |         | 811,359  |
| <b>Operating result</b>                                        |         |           | -886,779   |         | -656,520 |
| Financial income and expenses                                  | (34)    |           | -5,257     |         | -7,148   |
| <b>Result from normal operations before tax</b>                |         |           | -892,036   |         | -663,668 |
| Taxes (carry forward)                                          |         |           | 125,050    |         | 94,695   |
|                                                                |         |           | -766,986   |         | -568,973 |
| Result participating interests                                 | (35)    |           | 8,950      |         | -26,330  |
| <b>Result from normal operations after tax</b>                 |         |           | -758,036   |         | -595,303 |
| Extraordinary expenses                                         | (36)    |           | -440,520   |         | -        |
| <b>Result after tax</b>                                        |         |           | -1,198,556 |         | -595,303 |

## 8 GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The company annual account have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

For the general principles for the preparation of the annual account, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual account, if there is no further explanation provided.

### Financial fixed assets

Participating interests in group companies where extensive influence is exerted on business and financial policies are valued based on the nett capital value that is, however, not lower than zero. This nett capital value is calculated based on the principles of Pet Service Holding NV.

Participating interests with a negative nett capital value are valued at zero. When the company guarantees (wholly or partially) debts of the participating interest concerned, a provision is created primarily at the expense of claims against this participating interest and for the remainder under the provisions of the remaining part in the losses of the participating interest or the expected payments by the company on behalf of these participating interests.

# The Audit company

Pet Service Holding NV, De Rijp

## 9 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2022

### ASSETS

#### FIXED ASSETS

|                                    | 12/31/2022     | 12/31/2021     |
|------------------------------------|----------------|----------------|
|                                    | €              | €              |
| <b>18. Intangible fixed assets</b> |                |                |
| Research and development costs     | 158,901        | 17,768         |
| Goodwill                           | 743,051        | 842,187        |
|                                    | <u>901,952</u> | <u>859,955</u> |

#### *Amortisation rates*

|                                | %  |
|--------------------------------|----|
| Research and development costs | 20 |
| Goodwill                       | 10 |

The intangible fixed assets have an estimated financial lifecycle of 5 years. The straight-line depreciation method is applied during the financial lifecycle of the intangible fixed assets. The depreciation are accounted for in the Intangible fixed asset depreciation entry in the consolidated profit and loss account. The intangible fixed assets do not include an active asset that is of major significance to the company.

|                                  | 12/31/2022    | 12/31/2021     |
|----------------------------------|---------------|----------------|
|                                  | €             | €              |
| <b>19. Tangible fixed assets</b> |               |                |
| App development                  | -             | 146,240        |
| Equipment                        | 56,300        | 61,793         |
|                                  | <u>56,300</u> | <u>208,033</u> |

# The Audit company

## Pet Service Holding NV, De Rijp

|                                                | Equipment     |
|------------------------------------------------|---------------|
|                                                | €             |
| <i>Carrying amount as of January 1, 2022</i>   |               |
| Purchase price                                 | 65,023        |
| Cumulative depreciation and impairment         | -3,230        |
|                                                | <u>61,793</u> |
| <i>Movement</i>                                |               |
| Investments                                    | 8,295         |
| Depreciation                                   | -13,788       |
|                                                | <u>-5,493</u> |
| <i>Carrying amount as of December 31, 2022</i> |               |
| Purchase price                                 | 73,318        |
| Cumulative depreciation and impairment         | -17,018       |
| Carrying amount as of December 31, 2022        | <u>56,300</u> |
| <i>Depreciation rates</i>                      | %             |
| Equipment                                      | 20            |

## 20. Financial fixed assets

|                                          | Carrying<br>amount as<br>of January<br>1, 2022 | Investments<br>and<br>disposals | Carrying<br>amount as<br>of<br>December<br>31, 2022 |
|------------------------------------------|------------------------------------------------|---------------------------------|-----------------------------------------------------|
|                                          | €                                              | €                               | €                                                   |
| Veterinair Organisatiebureau Vitaux B.V. | 22,685                                         | 8,950                           | 31,635                                              |
| Jachtinstinct                            | 40,000                                         | -                               | 40,000                                              |
|                                          | <u>62,685</u>                                  | <u>8,950</u>                    | <u>71,635</u>                                       |

# The Audit company

Pet Service Holding NV, De Rijp

## CURRENT ASSETS

|                               | 12/31/2022 | 12/31/2021 |
|-------------------------------|------------|------------|
|                               | €          | €          |
| <b>21. Inventories</b>        |            |            |
| Raw materials and consumables | 182,360    | 162,564    |

Inventories are stated at purchase or manufacturing cost or at a lower market value minus, if applicable, the obsolescence provision.

## 22. Receivables, prepayments and accrued income

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Corporate income tax               | 224,693        | 99,643         |
| Taxes and social securities        | 73,224         | 27,709         |
| Other receivables, deferred assets | 75,192         | 88,192         |
|                                    | <u>373,109</u> | <u>215,544</u> |

Current deferred tax assets are included in the corporate income tax receivable.

## Other receivables, deferred assets

|                                |               |               |
|--------------------------------|---------------|---------------|
| Amounts to be received         | 54,394        | 53,406        |
| Prepayments and accrued income | 20,798        | 34,786        |
|                                | <u>75,192</u> | <u>88,192</u> |

## Prepayments and accrued income

|                   |        |        |
|-------------------|--------|--------|
| Pre-paid expenses | 20,798 | 34,786 |
|-------------------|--------|--------|

## 23. Cash and cash equivalents

|             |                |                  |
|-------------|----------------|------------------|
| Rabobank    | 671,617        | 1,918,059        |
| MeesPierson | 844            | 369              |
| Paypal      | 3,808          | 10,994           |
|             | <u>676,269</u> | <u>1,929,422</u> |

# The Audit company

Pet Service Holding NV, De Rijp

## EQUITY AND LIABILITIES

### 24. Equity

|                                                                      | 12/31/2022 | 12/31/2021 |
|----------------------------------------------------------------------|------------|------------|
|                                                                      | €          | €          |
| <b>Issued share capital</b>                                          |            |            |
| Subscribed and paid up 2,250,000 ordinary shares at par value € 0.02 | 56,862     | 56,862     |
| The statutory share capital amounts to € 225,000.                    |            |            |
|                                                                      | 2022       | 2021       |
|                                                                      | €          | €          |
| <b>Share premium reserve</b>                                         |            |            |
| Carrying amount as of January 1                                      | 3,860,331  | -          |
| Allocation                                                           | -          | 3,860,331  |
| Carrying amount as of December 31                                    | 3,860,331  | 3,860,331  |
| <b>Other reserves</b>                                                |            |            |
| Carrying amount as of January 1                                      | -741,576   | -          |
|                                                                      | -741,576   | -          |
| Allocation of financial year nett result                             | -1,198,556 | -595,303   |
| Allocation of previous financial year nett result                    | -          | -146,273   |
|                                                                      | -1,940,132 | -741,576   |
| Carrying amount as of December 31                                    | -1,940,132 | -741,576   |

# The Audit company

Pet Service Holding NV, De Rijp

## 25. Non-current liabilities

|                                   | 12/31/2022 | 12/31/2021 |
|-----------------------------------|------------|------------|
|                                   | €          | €          |
| <b>Loans from group companies</b> |            |            |
| Repayment obligation              | 120,240    | 146,240    |

## 26. Current liabilities

### Trade creditors

|                      |        |        |
|----------------------|--------|--------|
| Creditors            | 17,291 | 42,685 |
|                      |        | Credit |
|                      |        | €      |
| Repayment obligation |        | 24,000 |

|                                    | 12/31/2022 | 12/31/2021 |
|------------------------------------|------------|------------|
|                                    | €          | €          |
| <b>Taxes and social securities</b> |            |            |
| Pay-roll tax                       | 2,687      | 63         |

### Other liabilities and Accruals and deferred income

|                              |         |        |
|------------------------------|---------|--------|
| Other liabilities            | 4,805   | 948    |
| Accruals and deferred income | 115,541 | 72,650 |
|                              | 120,346 | 73,598 |

# The Audit company

Pet Service Holding NV, De Rijp

## 10 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2022

### 27. Net turnover

The project revenues increased in 2022 compared to 2021 with 252.8%.

|                                                                           | 2022      | 2021    |
|---------------------------------------------------------------------------|-----------|---------|
|                                                                           | €         | €       |
| <b>28. Net turnover</b>                                                   |           |         |
| Nett turnover                                                             | 1,371,386 | 307,449 |
| <b>29. Movement of inventories of finished goods and work in progress</b> |           |         |
| Movement of finished goods inventories                                    | 19,797    | 86,833  |
| <b>30. Cost of sales</b>                                                  |           |         |
| Purchase costs                                                            | 938,832   | 239,443 |
| <b>31. Employee expenses</b>                                              |           |         |
| Wages and salaries                                                        | 98,575    | 10,861  |
| Social security charges                                                   | 18,001    | 1,613   |
| Other personnel costs                                                     | 258,429   | 419     |
|                                                                           | 375,005   | 12,893  |
| <i>Wages and salaries</i>                                                 |           |         |
| Gross wages                                                               | 90,458    | 9,913   |
| Movement of holiday bonus liability                                       | 8,117     | 948     |
|                                                                           | 98,575    | 10,861  |
| <i>Social security charges</i>                                            |           |         |
| Industrial insurance board                                                | 18,001    | 1,613   |
| <i>Other personnel costs</i>                                              |           |         |
| Travelling expenses                                                       | 3,320     | 298     |
| Canteen costs                                                             | 999       | 121     |
| Work wear                                                                 | 343       | -       |
| Management Fee                                                            | 235,611   | -       |
| Work by third parties                                                     | 18,156    | -       |
|                                                                           | 258,429   | 419     |
|                                                                           | 258,429   | 419     |



# The Audit company

## Pet Service Holding NV, De Rijp

### 32. Amortisation and depreciation

Intangible fixed assets  
Tangible fixed assets

| 2022    | 2021   |
|---------|--------|
| €       | €      |
| 107,893 | 89,121 |
| 13,788  | 3,230  |
| 121,681 | 92,351 |

#### *Amortisation of intangible fixed assets*

Research and development costs  
Goodwill  
Totaal

|         |        |
|---------|--------|
| 8,757   | 4,984  |
| 99,136  | 84,137 |
| 107,893 | 89,121 |

#### *Depreciation of tangible fixed assets*

Equipment

|        |       |
|--------|-------|
| 13,788 | 3,230 |
|--------|-------|

### 33. Other operating expenses

Accommodation expenses  
Car expenses  
Selling and distribution expenses  
General expenses

|         |         |
|---------|---------|
| 23,538  | 3,670   |
| -       | 550     |
| 616,285 | 115,815 |
| 202,621 | 586,080 |
| 842,444 | 706,115 |

#### *Accommodation expenses*

Rent buildings  
Tax and business expenses  
Cleaning costs  
Other accommodation expenses

|        |       |
|--------|-------|
| 21,373 | 2,683 |
| 761    | -     |
| 954    | 205   |
| 450    | 782   |
| 23,538 | 3,670 |

#### *Car expenses*

Car expenses

|   |     |
|---|-----|
| - | 550 |
|---|-----|

#### *Selling and distribution expenses*

Publicity and advertisement  
Representation costs  
Business gifts  
Travelling expenses  
Collecting charges  
Transport

|         |        |
|---------|--------|
| 270,453 | 49,464 |
| 5,208   | 6,218  |
| 829     | 75     |
| 7,172   | -      |
| -       | 134    |
| 283,662 | 55,891 |



# The Audit company

## Pet Service Holding NV, De Rijp

|                                                  | 2022            | 2021           |
|--------------------------------------------------|-----------------|----------------|
|                                                  | €               | €              |
| Transport                                        | 283,662         | 55,891         |
| Shop costs, packing charges and exhibition costs | 12,447          | 3,043          |
| Website costs                                    | 1,068           | 599            |
| Credit card charges                              | 36,930          | 5,829          |
| Transportation costs                             | 266,368         | 28,815         |
| Other cost of sales                              | 15,810          | 21,638         |
|                                                  | <u>616,285</u>  | <u>115,815</u> |
| <i>General expenses</i>                          |                 |                |
| Audit costs                                      | -               | 26,528         |
| Accounting costs                                 | 37,560          | 8,113          |
| Consultancy fees                                 | 83,329          | 520,721        |
| Insurance                                        | 732             | 1,760          |
| Maintenance department Inventories               | -               | 2,157          |
| Office requirements                              | 68,170          | 18,518         |
| Contributions                                    | 12,416          | 6,053          |
| Other general expenses                           | 414             | 2,230          |
|                                                  | <u>202,621</u>  | <u>586,080</u> |
| <b>34. Financial income and expenses</b>         |                 |                |
| Interest and similar expenses                    | <u>-5,257</u>   | <u>-7,148</u>  |
| <b>35. Result participating interests</b>        |                 |                |
| Share in result of participations                | <u>8,950</u>    | <u>-26,330</u> |
| <b>Extraordinary result</b>                      |                 |                |
| <b>36. Extraordinary expenses</b>                |                 |                |
| Extraordinary expenses                           | <u>-440,520</u> | <u>-</u>       |

The extraordinary expenses for 2022 include the one-off costs for the process and the application for listing on Euronext Oslo.

# The Audit company

Pet Service Holding NV, De Rijp

## 11 OTHER DISCLOSURE

### Subsequent events

During the financial year 2020, our organization has to contend with the consequences of the corona virus COVID-19. As of today it is still uncertain what the impact of this will be for order development and the supply of necessary materials by suppliers. These will determine to what extent the activities of our organization can be continued in the coming weeks or months.

In order to overcome the uncertainties, our organization has already made use of the emergency measures imposed by the government, namely ...

Due to the financial buffers still present, cost savings to be implemented and a still well-filled order book, as well as the possibility to use the additional emergency facilities set up by the government if necessary, the company expects to be able to continue its activities.

### Disclosure on COVID-19 Effects

In late February 2020, the COVID-19 virus was identified in the Netherlands, resulting in far-reaching consequences for public health. By now, vaccines for this virus have been developed and deployed. However, the rapid spread of the virus has led to major governmental measures aimed at 'optimal control' of the virus. It is currently impossible to estimate the general macro-economic consequences and the sheer scale of the (long-term) financial consequences of this, especially for the company. Thus far, the company no negative financial consequences and has made use of the governmental support schemes.

### Recognition of the loss for 2022

The board of directors proposes to add the 2022 result to the other reserves for an amount of € 1,198,556. The General Meeting of Shareholders will be asked to approve the appropriation of the 2022 result, this proposition is already recognised in the financial statements.

### Staff

During 2022, 11 employees were employed on a full-time basis (2021: 7).

# The Audit company

Pet Service Holding NV, De Rijp

## **Signing of the financial statements**

### *Adoption of the financial statements*

The consolidated and separate financial statements are created and adopted by the management respectively the General Meeting.

De Rijp, April 26, 2023

R. Van Veldhoven



# The Audit company

## OTHER INFORMATION

# The Audit company

## OTHER INFORMATION

### 1 Provisions of the Articles of Association relating to profit appropriation

Based on the statutes the result is at disposal of the General Meeting.

### 2 Special provision in the articles of association

A list of the names of the shareholders of priority shares is available for inspection at the offices of your company and at the Trade registry. The overview is also available during the General Meeting where the annual account and the annual report for 2022 are discussed.

The Priority Shareholders Meeting decides on:

- 1 the number of members of the management board and the supervisory directors board;
- 2 remuneration of every member of the supervisory directors board.

Resolution or approval of the Priority Shareholders Meeting is required because of:

- 3 shares issue;
- 4 purchase or disposal of shares in own capital;
- 5 mutation of the statutes or dissolution of your company.

### 3 Appropriation of the result for the 2021 financial year

The annual account for 2021 was adopted by the General Meeting. The General Meeting has determined the appropriation of the result as it was proposed.

### 4 Recognition of the loss for 2022

The board of directors proposes to add the 2022 result to the other reserves for an amount of € 1,198,556. The General Meeting of Shareholders will be asked to approve the appropriation of the 2022 result, this proposition is already recognised in the financial statements.

# The Audit company

## INDEPENDENT AUDITOR'S REPORT

To: The shareholders and supervisory board of the Pet Service Holding N.V.

### A. Report on the audit of the financial statements 2022 included in the annual report

#### Our opinion

We have audited the financial statements 2022 of Pet Service Holding N.V. based in de Rijp.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Pet Service Holding N.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2022;
2. the consolidated and company profit and loss account for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Pet Service Holding N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

# The Audit company

## **Audit approach fraud risks**

We planned our work so as to form an opinion on the financial statements as a whole; we do not express a separate opinion on the matters described below.

We considered fraud risks in planning and performing our audit that could potentially cause a material misstatement. At Pet Service Holding N.V., during our audit work, we considered fraud risk(s) around management influence, completeness of revenue, accuracy of prices, valuation of debtors and corruption.

These issues were raised in discussions with management. We note that Pet Service Holding N.V. has a good internal fraud risk analysis, in which the appropriate fraud risks also receive internal attention from management. In addition to assessing the design and existence of the internal controls around the procurement, sales and personnel process, we performed substantive work to obtain sufficient and appropriate audit evidence.

Among other things, we performed detailed work on the movement of goods, credit notes, purchase and sales receipts. In addition, we applied data analysis to both sales orders and other operating expenses.

We discussed our findings with the management of Pet Service Holding N.V.

For a representation of our responsibilities and those of management surrounding the financial statements and fraud risks, please refer to section C of this report.

These audit work did not lead to findings regarding these risks that necessitated further follow-up. We also refer to what is stated in NV COS 240.5 that due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and in accordance with ISAs executed.

## **Audit approach going concern**

Management has not identified any events or circumstances that may cast reasonable doubt on Pet Service Holding N.V. ability to continue as a going concern.

In order to conclude on the appropriateness of the going concern assumption used by management and to determine whether there are any events or circumstances that may cast reasonable doubt on Pet Service Holding N.V. ability to continue as a going concern, we performed the following work, among other things:

*Evaluation of management's assessment regarding the entity's ability to continue as a going concern.*

- We determined that management's assessment includes all relevant information known to us as a result of the audit.

## The Audit company

- We assessed the company's current and expected solvency and profitability in absolute and relative terms, and determined that no threats to going concern are to be expected.

Finally, during the audit we were alert to audit evidence regarding events or circumstances that may cast reasonable doubt on Pet Service Holding N.V. ability to continue as a going concern.

The audit procedures described above resulted in sufficient and appropriate audit evidence regarding the appropriateness of the going concern assumption used by management.

### **B. Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains solely other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information contains a material misstatement:

- Notwithstanding Part 9 of Book 2 of the Dutch Civil Code the management report is missing. Therefore, we do not express an opinion on the management report.  
Except for the possible effects of the previous matter, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

# The Audit company

## C. Description of responsibilities regarding the financial statements

### Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;

## The Audit company

- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

The Hague, 26 April 2023

The Audit Company



D. Beck RA



## 10.2 2021 AUDITED FINANCIAL STATEMENTS



# The Audit company

**PET SERVICE HOLDING NV  
AT DE RIJP**

Annual Report 2021





# The Audit company

## CONTENTS

|                                                                                 | Page |
|---------------------------------------------------------------------------------|------|
| <b>AUDITOR'S REPORT</b>                                                         |      |
| 1 General                                                                       | 2    |
| 2 Financial position                                                            | 3    |
| 3 Fiscal position                                                               | 4    |
| 4 Engagement                                                                    | 5    |
| <b>1 MANAGEMENT REPORT</b>                                                      | 7    |
| <b>FINANCIAL STATEMENTS</b>                                                     |      |
| 1 Consolidated balance sheet as at December 31, 2021                            | 9    |
| 2 Consolidated profit & loss account for the year 2021                          | 10   |
| 3 Notes to the consolidated financial statements                                | 11   |
| 4 Notes to the consolidated balance sheet as of December 31, 2021               | 17   |
| 5 Notes to the consolidated profit & loss account for the year 2021             | 22   |
| 6 Company balance sheet as at December 31, 2021                                 | 27   |
| 7 Company profit and loss account over 2021                                     | 28   |
| 8 General accounting principles for the preparation of the financial statements | 29   |
| 9 Notes to the company balance sheet as of December 31, 2021                    | 30   |
| 10 Notes to the company profit and loss account 2021                            | 35   |
| 11 Other disclosure                                                             | 38   |
| <b>OTHER INFORMATION</b>                                                        |      |
| 1 Independent auditor's report                                                  | 40   |
| 2 Provisions of the Articles of Association relating to profit appropriation    | 44   |
| 3 Appropriation of the result for the 2020 financial year                       | 44   |
| 4 Recognition of the loss for 2021                                              | 44   |

1



# The Audit company

## AUDITOR'S REPORT



# The Audit company

To the management of  
Pet Service Holding NV  
De Volger 25  
1483 GA De Rijp

| <i>Reference</i> | <i>Processed by</i> | <i>Date</i>      |
|------------------|---------------------|------------------|
| 110110           | DBE                 | January 31, 2023 |

Dear management and shareholders,

We hereby send you the report regarding the financial statements for the year 2021 of your company.

## 1 GENERAL

### 1.1 Namechange of the company

The name of company has been changed with effect from 29 December 2022 to Pet Service Holding NV.  
The previous name was Nederlandse Paarden Registratie Maatschappij NV.

### 1.2 Appropriation of the nett result 2021

The loss for the year 2021 amounts to € 617,208 compared with a loss for the year 2020 of € 159,679.

The proposed appropriation of result is disclosed under other disclosure.

### 1.3 Recognition of the 2020 loss

The result amounting to € 159,679 has been carried forward as accumulated deficit.

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[www.theauditcompany.com](http://www.theauditcompany.com)

Onze algemene voorwaarden zijn van toepassing op al onze opdrachten. Our general terms are applicable on all our engagements.

Pet Service Holding NV, De Rijp

# The Audit company

## 2 FINANCIAL POSITION

The consolidated balance sheet can be summarized as follows:

|                                             | 12/31/2021       | 12/31/2020     |
|---------------------------------------------|------------------|----------------|
|                                             | €                | €              |
| <b>Long term funds:</b>                     |                  |                |
| Equity                                      | 3,201,947        | -41,653        |
| Third-party share in group equity           | -13,140          | -24,524        |
| Subordinated loans                          | -                | 900,000        |
|                                             | <u>3,188,807</u> | <u>833,823</u> |
| <b>Long term investments:</b>               |                  |                |
| Intangible fixed assets                     | 842,187          | 726,324        |
| Tangible fixed assets                       | 227,519          | 163,705        |
| Financial fixed assets                      | 65,261           | 15,924         |
|                                             | <u>1,134,967</u> | <u>905,953</u> |
| <b>Working capital</b>                      | <u>2,053,840</u> | <u>-72,130</u> |
| This amount is applied as follows:          |                  |                |
| Inventories                                 | 162,564          | -              |
| Receivables, prepayments and accrued income | 270,075          | 63,240         |
| Cash and cash equivalents                   | 1,967,182        | 50,449         |
|                                             | <u>2,399,821</u> | <u>113,689</u> |
| Debit: Short-term debt                      | 345,981          | 185,819        |
| <b>Working capital</b>                      | <u>2,053,840</u> | <u>-72,130</u> |

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# The Audit company

## 3 FISCAL POSITION

### 3.1 Fiscal unity

There is no fiscal unity.

The corporate income tax of the subsidiaries is calculated as if the subsidiary is independently tax liable. The parent company takes responsibility for any deficits arising from the tax group.

### 3.2 Taxable amount 2021

The taxable amount for 2021 has been calculated as follows:

|                     | 2021     |
|---------------------|----------|
|                     | €        |
| Result before taxes | -721,240 |

Pet Service Holding NV, De Rijp

# The Audit company

## 4 ENGAGEMENT

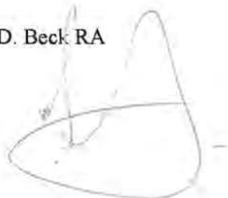
In accordance with your instructions we have audited the annual account 2021 of your company, including the non-consolidated balance sheet with counts of € 3,291,963, the consolidated balance sheet with counts of € 3,534,788 and the consolidated and non-consolidated profit and loss account with a negative result after taxes of € 595,303.

For the audit opinion we refer to the chapter "Other information" on page 40 of this report.

We will gladly provide further explanations upon request.

Sincerely yours,  
The Audit Company B.V.

D. Beck RA





# The Audit company

## FINANCIAL REPORT

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Pet Service Holding NV, De Rijp

# The Audit company

## MANAGEMENT REPORT

In accordance with article 2:396 part 7 of the Dutch Civil Code no report of the Managing Directors for 2021 has been prepared.

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# The Audit company

## **CONSOLIDATED ANNUAL ACCOUNTS 2021**

**Consolidated balance sheet as at December 31, 2021**

**Consolidated profit & loss account for the year 2021**

**Notes to the consolidated financial statements**

**Notes to the consolidated balance sheet as of December 31, 2021**

**Notes to the consolidated profit & loss account for the year 2021**



(after appropriation of results)

|                                             |     | December 31, 2021 |           | December 31, 2020 |           |
|---------------------------------------------|-----|-------------------|-----------|-------------------|-----------|
|                                             |     | €                 | €         | €                 | €         |
| <b>ASSETS</b>                               |     |                   |           |                   |           |
| <b>Fixed assets</b>                         |     |                   |           |                   |           |
| Intangible fixed assets                     | (1) | 842,187           |           | 726,324           |           |
| Tangible fixed assets                       | (2) | 227,519           |           | 163,705           |           |
| Financial fixed assets                      | (3) | 65,261            |           | 15,924            |           |
|                                             |     |                   | 1,134,967 |                   | 905,953   |
| <b>Current assets</b>                       |     |                   |           |                   |           |
| Inventories                                 | (4) | 162,564           |           | -                 |           |
| Receivables, prepayments and accrued income | (5) | 270,075           |           | 63,240            |           |
| Cash and cash equivalents                   | (6) | 1,967,182         |           | 50,449            |           |
|                                             |     |                   | 2,399,821 |                   | 113,689   |
|                                             |     |                   |           |                   |           |
|                                             |     |                   | 3,534,788 |                   | 1,019,642 |

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Pet Service Holding NV, De Rijp

# The Audit company

## LIABILITIES

|                                        |            | December 31, 2021 |           | December 31, 2020 |         |
|----------------------------------------|------------|-------------------|-----------|-------------------|---------|
|                                        |            | €                 | €         | €                 | €       |
| <b>Group equity</b>                    | <b>(7)</b> |                   |           |                   |         |
| Group equity share of the legal person |            | 3,201,947         |           | -41,653           |         |
| Third-party share in group equity      |            | -13,140           |           | -24,524           |         |
|                                        |            |                   | 3,188,807 |                   | -66,177 |
| <b>Subordinated loans</b>              | <b>(8)</b> |                   | -         |                   | 900,000 |
| <b>Current liabilities</b>             | <b>(9)</b> |                   | 345,981   |                   | 185,819 |

3,534,788

1,019,642

# The Audit company

## 2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2021

|                                                                |         | 2021    |           | 2020    |          |
|----------------------------------------------------------------|---------|---------|-----------|---------|----------|
|                                                                |         | €       | €         | €       | €        |
| <b>Net turnover</b>                                            | (10,11) | 604,639 |           | 391,978 |          |
| Movement of inventories of finished goods and work in progress | (12)    | 75,893  |           | 1,785   |          |
| Cost of sales                                                  | (13)    | 361,839 |           | 173,153 |          |
| <b>Gross margin</b>                                            |         |         | 318,693   |         | 220,610  |
| Other operating income                                         | (14)    |         | -         |         | 464      |
| <b>Brutomarge</b>                                              |         |         | 318,693   |         | 221,074  |
| <b>Expenses</b>                                                |         |         |           |         |          |
| Employee expenses                                              | (15)    | 171,724 |           | 239,696 |          |
| Amortisation and depreciation                                  | (16)    | 93,300  |           | 69,269  |          |
| Other operating expenses                                       | (17)    | 769,486 |           | 86,571  |          |
|                                                                |         |         | 1,034,510 |         | 395,536  |
| <b>Operating result</b>                                        |         |         | -715,817  |         | -174,462 |
| Financial income and expenses                                  | (18)    |         | -5,423    |         | -2,008   |
| <b>Result before tax</b>                                       |         |         | -721,240  |         | -176,470 |
| Taxes (carry forward)                                          | (19)    |         | 104,032   |         | 16,791   |
| <b>Result after tax</b>                                        |         |         | -617,208  |         | -159,679 |



Pet Service Holding NV, De Rijp

# The Audit company

## 3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL

#### Activities

The Group is an European provider of products and services for pets and pet owners. The Group's business is focused on three main pillars: (i) online sales of pet supplies and medicines through "Dierenapotheek.nl" for the Dutch and Belgian market and "drpetcare.de" for the German market., (ii) an app for pet owners and (iii) a geo-positioning tracker for pets. The Group has its headquarters in the Netherlands, but supplies products and services also to Germany and Belgium. The business of the PSH's subsidiary Veterinair Organisatiebureau Vitaux B.V., in which PSH owns a 66% share interest. Vitaux is a veterinary management agency that carries out marketing, communication and PR activities in the animal health and agricultural sector

#### Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Pet Service Holding NV is De Volger25, 1483 GA in De Rijp of business and is registered at the chamber of commerce under number 70775834.

#### Group structure

The consolidation includes the financial information of Pet Service Holding NV, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Pet Service Holding NV exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

#### LIST OF PARTICIPATING INTERESTS

Pet Service Holding N.V. in De Rijp is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

| Name, statutory registered office                     | Share in<br>issued capital<br>% | Included in<br>consolidation |
|-------------------------------------------------------|---------------------------------|------------------------------|
| Veterinair Organisatiebureau Vitaux B.V.<br>Hilversum | 66.00                           | Ja                           |
| Jachtinstinct<br>Amersfoort                           | 100.00                          | Nee                          |

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# The Audit company

## Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by Pet Service Holding NV or where central management is conducted has been consolidated in the annual account of Pet Service Holding N.V. The consolidated annual account have been prepared in accordance with the accounting principles for valuation and result determination of Pet Service Holding NV.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated annual account, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated annual accounts.

## GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

## Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

## PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

### Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Goodwill is the positive difference between the acquisition price and the fair value of the acquired assets less liabilities and provisions of the acquired entity.

# The Audit company

## Amortisation rates

| Asset    | %  |
|----------|----|
| Goodwill | 10 |

## **Tangible fixed assets**

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

A provision has been recognised for costs of periodical major maintenance. This provision is presented under the other provisions as a liability item.

## **Financial fixed assets**

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are taken into account.

## **Impairment of non-current assets**

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale.

## The Audit company

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

### **Inventories**

Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value.

The historical cost or production cost consist of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

### **Cash and cash equivalents**

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

### **Third-party share in group equity**

The share of third parties in the group equity concerns the minority interest of third parties in the shareholders' equity of consolidated companies.

In the profit and loss account the share of third parties in the result of consolidated companies is deducted from the group result.

# The Audit company

## Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

## ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

### General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### Determination of the result

The result is determined based upon the difference between the nett turnover and the costs and other expenses taking into account the aforementioned valuation principles.

### Net turnover

The net turnover consists of revenue from the sale of goods during the reporting period after deducting discounts, rebates and value added taxes.

Income from the sale of goods is accounted when the significant risks and rewards of ownership have been transferred to the buyer. The cost of these goods is accounted in the same period.

### Cost of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production.

### Gross margin

The gross operating profit and loss comprises net turnover, the changes in inventories of finished goods and work in progress, work performed by the entity and capitalised, other operating income, cost price and cost of outsourced work and other external charges.

### Government subsidies

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Subsidies related to investments in tangible fixed assets are deducted from the asset to which they relate and recorded in the profit and loss account as part of the amortisation costs.

# The Audit company

## Pension premiums

Pet Service Holding NV applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Changes in the pension provision are also charged to the result. Please also refer to the valuation principles for assets and liabilities, under Provision for pensions. Reference is also made to the relevant notes with respect to pension schemes of foreign subsidiaries.

## Amortisation and depreciation

The depreciation of the intangible fixed assets is calculated using fixed percentages of the purchase price or the research and development costs.

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

## Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

## Result participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Pet Service Holding NV.

## Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

The allocation of corporate income tax to the partnerships included in the fiscal unit is realised as if the participating interests are independently taxable.

## PRINCIPLES FOR PREPARATION OF THE CONSOLIDATED CASH FLOW STATEMENT

Given the size of the company, a cash flow statement is not required and therefore not included.

# The Audit company

## 4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2021

### ASSETS

#### FIXED ASSETS

|                                   | 12/31/2021 | 12/31/2020 |
|-----------------------------------|------------|------------|
|                                   | €          | €          |
| <b>1. Intangible fixed assets</b> |            |            |
| Goodwill                          | 842,187    | 726,324    |

#### 2. Tangible fixed assets

|                 |                |                |
|-----------------|----------------|----------------|
| App development | 164,008        | 158,542        |
| Equipment       | 63,511         | 3,163          |
| Transportation  | -              | 2,000          |
|                 | <u>227,519</u> | <u>163,705</u> |

|                                                | App<br>development | Equipment     | Transportation | Total          |
|------------------------------------------------|--------------------|---------------|----------------|----------------|
|                                                | €                  | €             | €              | €              |
| <i>Carrying amount as of January 1, 2021</i>   |                    |               |                |                |
| Purchase price                                 | 163,740            | 8,209         | 10,119         | 182,068        |
| Cumulative depreciation and impairment         | -5,198             | -5,046        | -10,615        | -20,859        |
|                                                | <u>158,542</u>     | <u>3,163</u>  | <u>-496</u>    | <u>161,209</u> |
| <i>Movement</i>                                |                    |               |                |                |
| Investments                                    | 10,450             | 65,023        | -              | 75,473         |
| Depreciation                                   | -4,984             | -4,675        | 496            | -9,163         |
|                                                | <u>5,466</u>       | <u>60,348</u> | <u>496</u>     | <u>66,310</u>  |
| <i>Carrying amount as of December 31, 2021</i> |                    |               |                |                |
| Purchase price                                 | 174,190            | 73,232        | 10,119         | 257,541        |
| Cumulative depreciation and impairment         | -10,182            | -9,721        | -10,119        | -30,022        |
| Carrying amount as of December 31, 2021        | <u>164,008</u>     | <u>63,511</u> | <u>-</u>       | <u>227,519</u> |

# The Audit company

## Depreciation rates

|                 | %  |
|-----------------|----|
| App development | 20 |
| Equipment       | 20 |
| Transportation  | 20 |

## 3. Financial fixed assets

|                                    | 12/31/2021    | 12/31/2020    |
|------------------------------------|---------------|---------------|
|                                    | €             | €             |
| Jachtinstinct at Amersfoort (100%) | 40,000        | -             |
| Other receivables                  | 25,261        | 15,924        |
|                                    | <u>65,261</u> | <u>15,924</u> |

## CURRENT ASSETS

### 4. Inventories

|                               |                |          |
|-------------------------------|----------------|----------|
| Raw materials and consumables | <u>162,564</u> | <u>-</u> |
|-------------------------------|----------------|----------|

Inventories are stated at purchase or manufacturing cost or at a lower market value minus, if applicable, the obsolescence provision.

### 5. Receivables, prepayments and accrued income

|                                    |                |               |
|------------------------------------|----------------|---------------|
| Trade receivables                  | 32,213         | 23,755        |
| Corporate income tax               | 99,643         | 4,948         |
| Taxes and social securities        | 24,719         | 1,348         |
| Other receivables, deferred assets | 113,500        | 33,189        |
|                                    | <u>270,075</u> | <u>63,240</u> |

### Other receivables, deferred assets

|                                |                |               |
|--------------------------------|----------------|---------------|
| Amounts to be received         | 67,775         | -             |
| Prepayments and accrued income | 45,725         | 33,189        |
|                                | <u>113,500</u> | <u>33,189</u> |

Pet Service Holding NV, De Rijp

# The Audit company

## Prepayments and accrued income

Pre-paid expenses  
Credit Card

| 12/31/2021    | 12/31/2020    |
|---------------|---------------|
| €             | €             |
| 45,356        | 23,494        |
| 369           | -             |
| <u>45,725</u> | <u>23,494</u> |

## 6. Cash and cash equivalents

ABN AMRO Bank N.V.  
Rabobank  
Paypal  
Deposit

|                  |               |
|------------------|---------------|
| 30,144           | 39,303        |
| 1,918,059        | 11,146        |
| 10,994           | -             |
| 7,985            | -             |
| <u>1,967,182</u> | <u>50,449</u> |



Pet Service Holding NV, De Rijp

# The Audit company

## 7. Group equity

### Group equity share of the legal person

Please refer to the notes to the non-consolidated balance sheet on page 33 of this report for an explanation of the equity.

### Third-party share in group equity

Carrying amount as of January 1

Allocation

Withdrawal

Carrying amount as of December 31

| 2021       | 2020       |
|------------|------------|
| €          | €          |
| -24,524    | -          |
| -          | -24,524    |
| 11,384     | -          |
| -13,140    | -24,524    |
| 12/31/2021 | 12/31/2020 |
| €          | €          |

## 8. Subordinated loans

Schaaij Beheer en Diensten BV

|   |         |
|---|---------|
| - | 900,000 |
|---|---------|

## 9. Current liabilities

Trade creditors

Corporate income tax

Taxes and social securities

Other liabilities

Accruals and deferred income

|         |         |
|---------|---------|
| 56,374  | 10,167  |
| 28,537  | 29,300  |
| 124,986 | 78,949  |
| 39,881  | 42,642  |
| 96,203  | 24,761  |
| 345,981 | 185,819 |

### Other liabilities and Accruals and deferred income

Other liabilities

Accruals and deferred income

|         |        |
|---------|--------|
| 39,881  | 42,642 |
| 96,203  | 24,761 |
| 136,084 | 67,403 |

### Accruals and deferred income

Holiday bonus

Transport

|       |       |
|-------|-------|
| 9,253 | 5,829 |
| 9,253 | 5,829 |

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# The Audit company

## Pet Service Holding NV, De Rijp

|                              | 12/31/2021    | 12/31/2020    |
|------------------------------|---------------|---------------|
|                              | €             | €             |
| Transport                    | 9,253         | 5,829         |
| Accruals and deferred income | 86,950        | 18,932        |
|                              | <u>96,203</u> | <u>24,761</u> |

# The Audit company

## 5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2021

### 10. Net turnover

The revenues increased in 2021 compared to 2020 with 54.3 %.

### 11. Net turnover

Net turnover

| 2021 | 2020 |
|------|------|
| €    | €    |

|         |         |
|---------|---------|
| 604,639 | 391,978 |
|---------|---------|

### 12. Movement of inventories of finished goods and work in progress

Movement of finished goods inventories

|        |       |
|--------|-------|
| 75,893 | 1,785 |
|--------|-------|

### 13. Cost of sales

Purchase costs

|         |         |
|---------|---------|
| 361,839 | 173,153 |
|---------|---------|

### 14. Other operating income

Other operating income

|   |     |
|---|-----|
| - | 464 |
|---|-----|

### 15. Employee expenses

Wages and salaries

|         |         |
|---------|---------|
| 202,638 | 252,257 |
|---------|---------|

Social security charges

|       |     |
|-------|-----|
| 3,415 | 724 |
|-------|-----|

Pension costs

|       |       |
|-------|-------|
| 7,188 | 7,451 |
|-------|-------|

Management fees

|         |         |
|---------|---------|
| -53,948 | -32,223 |
|---------|---------|

Other personnel costs

|        |        |
|--------|--------|
| 12,431 | 11,487 |
|--------|--------|

|         |         |
|---------|---------|
| 171,724 | 239,696 |
|---------|---------|

#### *Wages and salaries*

Gross wages

|         |         |
|---------|---------|
| 210,796 | 268,304 |
|---------|---------|

Movement of holiday bonus liability

|        |        |
|--------|--------|
| -1,521 | -1,063 |
|--------|--------|

Sick pay received

|   |         |
|---|---------|
| - | -14,984 |
|---|---------|

Subsidy received

|        |   |
|--------|---|
| -6,637 | - |
|--------|---|

|         |         |
|---------|---------|
| 202,638 | 252,257 |
|---------|---------|

#### *Management fees*

#### *Other personnel costs*

Travelling expenses

|     |       |
|-----|-------|
| 504 | 1,362 |
|-----|-------|

Mileage allowance

|       |       |
|-------|-------|
| 7,972 | 2,350 |
|-------|-------|

Canteen costs

|       |       |
|-------|-------|
| 3,073 | 5,844 |
|-------|-------|

Transport

|        |       |
|--------|-------|
| 11,549 | 9,556 |
|--------|-------|

Pet Service Holding NV, De Rijp

# The Audit company

|                                                | 2021           | 2020          |
|------------------------------------------------|----------------|---------------|
|                                                | €              | €             |
| Transport                                      | 11,549         | 9,556         |
| Other labour costs                             | 882            | 1,931         |
|                                                | <u>12,431</u>  | <u>11,487</u> |
| <b>16. Amortisation and depreciation</b>       |                |               |
| Intangible fixed assets                        | 84,137         | 65,042        |
| Tangible fixed assets                          | 9,163          | 4,227         |
|                                                | <u>93,300</u>  | <u>69,269</u> |
| <i>Amortisation of intangible fixed assets</i> |                |               |
| Goodwill                                       | 84,137         | 65,042        |
|                                                | <u>84,137</u>  | <u>65,042</u> |
| <i>Depreciation of tangible fixed assets</i>   |                |               |
| App development                                | 4,984          | 2,031         |
| Equipment                                      | 4,675          | 1,642         |
| Transportation                                 | -496           | 554           |
|                                                | <u>9,163</u>   | <u>4,227</u>  |
| <b>17. Other operating expenses</b>            |                |               |
| Accommodation expenses                         | 15,175         | 11,317        |
| Operating costs                                | 915            | 2,738         |
| Office expenses                                | 57,955         | 44,604        |
| Car expenses                                   | 36,381         | 5,835         |
| Selling and distribution expenses              | 81,495         | 940           |
| General expenses                               | 577,565        | 21,137        |
|                                                | <u>769,486</u> | <u>86,571</u> |
| <i>Accommodation expenses</i>                  |                |               |
| Rent buildings                                 | 12,883         | 10,200        |
| Energy costs                                   | 1,305          | 1,115         |
| Other direct operating expenses                | -              | 2             |
| Cleaning costs                                 | 205            | -             |
| Other accommodation expenses                   | 782            | -             |
|                                                | <u>15,175</u>  | <u>11,317</u> |



Pet Service Holding NV, De Rijp

# The Audit company

*Operating costs*

Repairs and maintenance  
Minor assets

| 2021 | 2020  |
|------|-------|
| €    | €     |
| 36   | 2,738 |
| 879  | -     |
| 915  | 2,738 |

*Office expenses*

Office supplies  
Printed matter  
Maintenance department inventory  
Automation costs  
Telephone  
Postage  
Contributions and subscriptions  
Insurance

|        |        |
|--------|--------|
| 2,232  | 2,139  |
| 67     | -      |
| 330    | -      |
| 19,353 | 1,909  |
| 1,974  | 1,338  |
| 1,604  | 2,968  |
| 7,254  | 1,549  |
| 25,141 | 34,701 |
| 57,955 | 44,604 |

*Car expenses*

Fuels  
Lease costs  
Motor vehicle tax  
Car expenses  
Private use

|        |        |
|--------|--------|
| 1,094  | 3,345  |
| 5,286  | 4,531  |
| 231    | -      |
| 29,365 | -      |
| 405    | -2,041 |
| 36,381 | 5,835  |

*Selling and distribution expenses*

Publicity and advertisement  
Representation costs  
Business gifts  
Congress costs  
Collecting charges  
Shop costs, packing charges and exhibition costs  
Cash discount  
Other cost of sales

|        |     |
|--------|-----|
| 49,631 | 167 |
| 6,740  | 549 |
| 75     | -   |
| 250    | 158 |
| 134    | -   |
| 3,043  | -   |
| -16    | -   |
| 21,638 | 66  |
| 81,495 | 940 |

*General expenses*

Audit costs  
Accounting costs  
Transport

|        |        |
|--------|--------|
| 37,042 | 8,789  |
| 8,113  | 2,250  |
| 45,155 | 11,039 |

Pet Service Holding NV, De Rijp

# The Audit company

|                                          | 2021           | 2020          |
|------------------------------------------|----------------|---------------|
|                                          | €              | €             |
| Transport                                | 45,155         | 11,039        |
| Consultancy fees                         | 521,025        | 13,233        |
| Maintenance department Inventories       | 3,712          | 678           |
| Office requirements                      | 3,201          | 138           |
| Credit card costs                        | 5,829          | -             |
| Other general expenses                   | 322            | 196           |
| Covic subsidies                          | -1,679         | -4,147        |
|                                          | <u>577,565</u> | <u>21,137</u> |
| <b>18. Financial income and expenses</b> |                |               |
| Interest and similar expenses            | <u>-5,423</u>  | <u>-2,008</u> |
| <b>19. Taxes (carry forward)</b>         |                |               |
| Corporate Tax to be carried forward      | <u>104,032</u> | <u>16,791</u> |

# The Audit company

## COMPANY ANNUAL ACCOUNTS 2021

Balance sheet as at December 31, 2021

Non-consolidated profit & loss account from 2021

General accounting principles for the preparation of the financial statements

Notes to the non-consolidated balance sheet as of December 31, 2021

Notes to the non-consolidated profit & loss account from 2021

Other disclosures



Pet Service Holding NV, De Rijp

# The Audit company

**6 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2021**  
(after appropriation of results)

|                                             |      | December 31, 2021 |                  | December 31, 2020 |                |
|---------------------------------------------|------|-------------------|------------------|-------------------|----------------|
|                                             |      | €                 | €                | €                 | €              |
| <b>ASSETS</b>                               |      |                   |                  |                   |                |
| <b>Fixed assets</b>                         |      |                   |                  |                   |                |
| Intangible fixed assets                     | (20) | 842,187           |                  | 726,324           |                |
| Tangible fixed assets                       | (21) | 79,561            |                  | 12,302            |                |
| Financial fixed assets                      | (22) | 62,685            |                  | 49,015            |                |
|                                             |      |                   | 984,433          |                   | 787,641        |
| <b>Current assets</b>                       |      |                   |                  |                   |                |
| Inventories                                 | (23) | 162,564           |                  | -                 |                |
| Receivables, prepayments and accrued income | (24) | 215,913           |                  | 6,296             |                |
| Cash and cash equivalents                   | (25) | 1,929,053         |                  | 11,146            |                |
|                                             |      |                   | 2,307,530        |                   | 17,442         |
| <b>TOTAL OF ASSETS</b>                      |      |                   | <u>3,291,963</u> |                   | <u>805,083</u> |

12

Pet Service Holding NV, De Rijp

# The Audit company

|                                                    |             | December 31, 2021 |           | December 31, 2020 |          |
|----------------------------------------------------|-------------|-------------------|-----------|-------------------|----------|
|                                                    |             | €                 | €         | €                 | €        |
| <b>EQUITY AND LIABILITIES</b>                      |             |                   |           |                   |          |
| <b>Equity</b>                                      | <b>(26)</b> |                   |           |                   |          |
| Issued share capital                               |             | 56,862            |           | 45,000            |          |
| Share premium reserve                              |             | 3,860,331         |           | -                 |          |
| Other reserves                                     |             | -741,576          |           | -146,272          |          |
|                                                    |             |                   | 3,175,617 |                   | -101,272 |
| <b>Subordinated loans</b>                          | <b>(27)</b> |                   | -         |                   | 900,000  |
| <b>Current liabilities</b>                         | <b>(28)</b> |                   |           |                   |          |
| Trade creditors                                    |             | 42,685            |           | 2,907             |          |
| Taxes and social securities                        |             | 63                |           | -                 |          |
| Other liabilities and Accruals and deferred income |             | 73,598            |           | 3,448             |          |
|                                                    |             |                   | 116,346   |                   | 6,355    |
| <b>TOTAL OF EQUITY AND LIABILITIES</b>             |             |                   |           |                   |          |
|                                                    |             |                   | 3,291,963 |                   | 805,083  |

Pet Service Holding NV, De Rijp

# The Audit company

## 7 COMPANY PROFIT AND LOSS ACCOUNTOVER 2021

|                                                                |                | 2021    |          | 2020   |          |
|----------------------------------------------------------------|----------------|---------|----------|--------|----------|
|                                                                |                | €       | €        | €      | €        |
| <b>Net turnover</b>                                            | <b>(29,30)</b> | 307,449 |          | 4,818  |          |
| Movement of inventories of finished goods and work in progress | (31)           | 86,833  |          | -      |          |
| Cost of sales                                                  | (32)           | 239,460 |          | 3,912  |          |
| <b>Gross margin</b>                                            |                |         | 154,822  |        | 906      |
| Other operating income                                         | (33)           |         | -        |        | 464      |
| <b>Gross margin</b>                                            |                |         | 154,822  |        | 1,370    |
| <b>Expenses</b>                                                |                |         |          |        |          |
| Employee expenses                                              | (34)           | 12,893  |          | -      |          |
| Amortisation and depreciation                                  | (35)           | 92,351  |          | 67,073 |          |
| Other operating expenses                                       | (36)           | 709,299 |          | 16,166 |          |
|                                                                |                |         | 814,543  |        | 83,239   |
| <b>Operating result</b>                                        |                |         | -659,721 |        | -81,869  |
| Financial income and expenses                                  | (37)           |         | -3,947   |        | -459     |
| <b>Result before tax</b>                                       |                |         | -663,668 |        | -82,328  |
| Taxes (carry forward)                                          | (38)           |         | 94,695   |        | 3,137    |
|                                                                |                |         | -568,973 |        | -79,191  |
| Result participating interests                                 | (39)           |         | -26,330  |        | -59,619  |
| <b>Result after tax</b>                                        |                |         | -595,303 |        | -138,810 |

# The Audit company

## 8 GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The company annual account have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

For the general principles for the preparation of the annual account, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual account, if there is no further explanation provided.

### Financial fixed assets

Participating interests in group companies where extensive influence is exerted on business and financial policies are valued based on the nett capital value that is, however, not lower than zero. This nett capital value is calculated based on the principles of Pet Service Holding NV.

Participating interests with a negative nett capital value are valued at zero. When the company guarantees (wholly or partially) debts of the participating interest concerned, a provision is created primarily at the expense of claims against this participating interest and for the remainder under the provisions of the remaining part in the losses of the participating interest or the expected payments by the company on behalf of these participating interests.

# The Audit company

## 9 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2021

### ASSETS

#### FIXED ASSETS

|                                    | 12/31/2021 | 12/31/2020 |
|------------------------------------|------------|------------|
|                                    | €          | €          |
| <b>20. Intangible fixed assets</b> |            |            |
| Goodwill                           | 842,187    | 726,324    |
| <i>Amortisation rates</i>          |            | %          |
| Goodwill                           |            | 10         |

The intangible fixed assets have an estimated financial lifecycle of 5 years. The straight-line depreciation method is applied during the financial lifecycle of the intangible fixed assets. The depreciation are accounted for in the Intangible fixed asset depreciation entry in the consolidated profit and loss account. The intangible fixed assets do not include an active asset that is of major significance to the company.

|                                  | 12/31/2021 | 12/31/2020 |
|----------------------------------|------------|------------|
|                                  | €          | €          |
| <b>21. Tangible fixed assets</b> |            |            |
| App development                  | 17,768     | 12,302     |
| Equipment                        | 61,793     | -          |
|                                  | 79,561     | 12,302     |
| <i>Depreciation rates</i>        |            | %          |
| App development                  |            | 20         |
| Equipment                        |            | 20         |

# The Audit company

## 22. Financial fixed assets

|                                          | Carrying<br>amount as<br>of January<br>1, 2021 | Investments<br>and<br>disposals | Dividend       | Carrying<br>amount as<br>of<br>December<br>31, 2021 |
|------------------------------------------|------------------------------------------------|---------------------------------|----------------|-----------------------------------------------------|
|                                          | €                                              | €                               | €              | €                                                   |
| Veterinair Organisatiebureau Vitaux B.V. | 49,015                                         | -                               | -26,330        | 22,685                                              |
| Jachtinstinct                            | -                                              | 40,000                          | -              | 40,000                                              |
|                                          | <u>49,015</u>                                  | <u>40,000</u>                   | <u>-26,330</u> | <u>62,685</u>                                       |

## CURRENT ASSETS

|                               | 12/31/2021     | 12/31/2020 |
|-------------------------------|----------------|------------|
|                               | €              | €          |
| <b>23. Inventories</b>        |                |            |
| Raw materials and consumables | <u>162,564</u> | <u>-</u>   |

Inventories are stated at purchase or manufacturing cost or at a lower market value minus, if applicable, the obsolescence provision.

## 24. Receivables, prepayments and accrued income

|                                    |                |              |
|------------------------------------|----------------|--------------|
| Corporate income tax               | 99,643         | 4,948        |
| Taxes and social securities        | 27,709         | 1,348        |
| Other receivables, deferred assets | <u>88,561</u>  | <u>-</u>     |
|                                    | <u>215,913</u> | <u>6,296</u> |

### Other receivables, deferred assets

|                                |               |          |
|--------------------------------|---------------|----------|
| Amounts to be received         | 53,406        | -        |
| Prepayments and accrued income | <u>35,155</u> | <u>-</u> |
|                                | <u>88,561</u> | <u>-</u> |

Pet Service Holding NV, De Rijp

# The Audit company

## Prepayments and accrued income

Pre-paid expenses  
Credit Card

| 12/31/2021    | 12/31/2020 |
|---------------|------------|
| €             | €          |
| 34,786        | -          |
| 369           | -          |
| <u>35,155</u> | <u>-</u>   |

## 25. Cash and cash equivalents

Rabobank  
Paypal

|                  |               |
|------------------|---------------|
| 1,918,059        | 11,146        |
| 10,994           | -             |
| <u>1,929,053</u> | <u>11,146</u> |

# The Audit company

## EQUITY AND LIABILITIES

### 26. Equity

|                                                                      | 12/31/2021 | 12/31/2020 |
|----------------------------------------------------------------------|------------|------------|
|                                                                      | €          | €          |
| <b>Issued share capital</b>                                          |            |            |
| Subscribed and paid up 2,843,096 ordinary shares at par value € 0.02 | 56,862     | 45,000     |

The statutory share capital amounts to € 225,000.

|                                   | 2021      | 2020 |
|-----------------------------------|-----------|------|
|                                   | €         | €    |
| <b>Share premium reserve</b>      |           |      |
| Carrying amount as of January 1   | -         | -    |
| Allocation                        | 3,860,331 | -    |
| Carrying amount as of December 31 | 3,860,331 | -    |

### Other reserves

|                                          |          |          |
|------------------------------------------|----------|----------|
| Carrying amount as of January 1          | -146,273 | -7,462   |
| Allocation of financial year nett result | -146,273 | -7,462   |
|                                          | -595,303 | -138,810 |
|                                          | -741,576 | -146,272 |
| Carrying amount as of December 31        | -741,576 | -146,272 |

|                               | 12/31/2021 | 12/31/2020 |
|-------------------------------|------------|------------|
|                               | €          | €          |
| <b>27. Subordinated loans</b> |            |            |
| Schaaij Beheer en Diensten BV | -          | 900,000    |

On February 2, 2021, part of the subordinated loan of EUR 800,000 was converted into 266,267 shares with a value of EUR 5,325.25. The remainder of EUR 794,674.75 was added to equity as share premium.

Pet Service Holding NV, De Rijp

# The Audit company

## 28. Current liabilities

|                                                           | 12/31/2021 | 12/31/2020 |
|-----------------------------------------------------------|------------|------------|
|                                                           | €          | €          |
| <b>Trade creditors</b>                                    |            |            |
| Creditors                                                 | 42,685     | 2,907      |
| <b>Taxes and social securities</b>                        |            |            |
| Pay-roll tax                                              | 63         | -          |
| <b>Other liabilities and Accruals and deferred income</b> |            |            |
| Other liabilities                                         | 948        | -          |
| Accruals and deferred income                              | 72,650     | 3,448      |
|                                                           | 73,598     | 3,448      |
| <b>Accruals and deferred income</b>                       |            |            |
| Accruals and deferred income                              | 72,650     | 3,448      |

# The Audit company

## 10 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2021

### 29. Net turnover

The project revenues increased in 2021 compared to 2020 with 8083.5%.

|                                                                           | 2021    | 2020  |
|---------------------------------------------------------------------------|---------|-------|
|                                                                           | €       | €     |
| <b>30. Net turnover</b>                                                   |         |       |
| Nett turnover                                                             | 307,449 | 4,818 |
| <b>31. Movement of inventories of finished goods and work in progress</b> |         |       |
| Movement of finished goods inventories                                    | 86,833  | -     |
| <b>32. Cost of sales</b>                                                  |         |       |
| Purchase costs                                                            | 239,460 | 3,912 |
| <b>33. Other operating income</b>                                         |         |       |
| Other operating income                                                    | -       | 464   |
| <b>34. Employee expenses</b>                                              |         |       |
| Wages and salaries                                                        | 10,861  | -     |
| Social security charges                                                   | 1,613   | -     |
| Other personnel costs                                                     | 419     | -     |
|                                                                           | 12,893  | -     |
| <i>Wages and salaries</i>                                                 |         |       |
| Gross wages                                                               | 9,913   | -     |
| Movement of holiday bonus liability                                       | 948     | -     |
|                                                                           | 10,861  | -     |
| <i>Social security charges</i>                                            |         |       |
| Industrial insurance board                                                | 1,613   | -     |
| <i>Other personnel costs</i>                                              |         |       |
| Mileage allowance                                                         | 298     | -     |
| Canteen costs                                                             | 121     | -     |
|                                                                           | 419     | -     |
|                                                                           | 419     | -     |

Pet Service Holding NV, De Rijp

# The Audit company

## 35. Amortisation and depreciation

Intangible fixed assets  
Tangible fixed assets

| 2021   | 2020   |
|--------|--------|
| €      | €      |
| 84,137 | 65,042 |
| 8,214  | 2,031  |
| 92,351 | 67,073 |

*Amortisation of intangible fixed assets*

Goodwill

|        |        |
|--------|--------|
| 84,137 | 65,042 |
|--------|--------|

*Depreciation of tangible fixed assets*

App development  
Equipment

|       |       |
|-------|-------|
| 4,984 | 2,031 |
| 3,230 | -     |
| 8,214 | 2,031 |

## 36. Other operating expenses

Accommodation expenses  
Operating costs  
Office expenses  
Car expenses  
Selling and distribution expenses  
General expenses

|         |        |
|---------|--------|
| 3,670   | -      |
| 879     | -      |
| 26,930  | 1,321  |
| 29,365  | -      |
| 80,556  | 66     |
| 567,899 | 14,779 |
| 709,299 | 16,166 |

*Accommodation expenses*

Rent buildings  
Cleaning costs  
Other accommodation expenses

|       |   |
|-------|---|
| 2,683 | - |
| 205   | - |
| 782   | - |
| 3,670 | - |

*Operating costs*

Minor assets

|     |   |
|-----|---|
| 879 | - |
|-----|---|

*Office expenses*

Office supplies  
Automation costs  
Telephone  
Contributions and subscriptions  
Insurance

|        |       |
|--------|-------|
| 971    | -     |
| 17,613 | 836   |
| 533    | 117   |
| 6,053  | 368   |
| 1,760  | -     |
| 26,930 | 1,321 |



Pet Service Holding NV, De Rijp

# The Audit company

|                                                  | 2021    | 2020    |
|--------------------------------------------------|---------|---------|
|                                                  | €       | €       |
| <i>Car expenses</i>                              |         |         |
| Car expenses                                     | 29,365  | -       |
| <i>Selling and distribution expenses</i>         |         |         |
| Publicity and advertisement                      | 49,464  | -       |
| Representation costs                             | 6,218   | -       |
| Business gifts                                   | 75      | -       |
| Collecting charges                               | 134     | -       |
| Shop costs, packing charges and exhibition costs | 3,043   | -       |
| Cash discount                                    | -16     | -       |
| Other cost of sales                              | 21,638  | 66      |
|                                                  | 80,556  | 66      |
| <i>General expenses</i>                          |         |         |
| Audit costs                                      | 26,528  | -       |
| Accounting costs                                 | 8,113   | 2,250   |
| Consultancy fees                                 | 520,721 | 12,391  |
| Maintenance department Inventories               | 2,157   | -       |
| Office requirements                              | 3,201   | 138     |
| Credit card costs                                | 5,829   | -       |
| Other general expenses                           | 1,350   | -       |
|                                                  | 567,899 | 14,779  |
| <b>37. Financial income and expenses</b>         |         |         |
| Interest and similar expenses                    | -3,947  | -459    |
| <b>38. Taxes (carry forward)</b>                 |         |         |
| Corporate Tax to be carried forward              | 94,695  | 3,137   |
| <b>39. Result participating interests</b>        |         |         |
| Share in result of participations                | -26,330 | -59,619 |
| <b>Transactions with related parties</b>         |         |         |

Pet Service Holding NV, De Rijp

# The Audit company

## 11 OTHER DISCLOSURE

### Recognition of the loss for 2021

The board of directors proposes to add the 2021 result to the other reserves for an amount of € 595,303. The General Meeting of Shareholders will be asked to approve the appropriation of the 2021 result, this proposition is already recognised in the financial statements.

### Signing of the financial statements

De Rijp, January 31, 2023



R. Van Veldhoven

12



# The Audit company

## OTHER INFORMATION

2

# The Audit company

## 1. INDEPENDENT AUDITOR'S REPORT

To: The shareholders and supervisory board of the Pet Service Holding N.V.

### Report on the audit of the financial statements 2021 included in the annual report

#### Our opinion

We have audited the financial statements 2021 of Pet Service Holding N.V. based in de Rijp.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Pet Service Holding N.V. as at 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2021;
2. the consolidated and company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Pet Service Holding N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains solely other information as required by Part 9 of Book 2 of the Dutch Civil Code.

In accordance with Part 9 of Book 2 of the Dutch Civil Code the management report is not included. Therefore, we do not express an opinion on the management report.

## The Audit company

Except for the possible effects of the previous matter, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### **Description of responsibilities regarding the financial statements**

#### **Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

#### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

## The Audit company

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for

## The Audit company

which an audit or review had to be carried out on the complete set of financial information or specific items.

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

The Hague, 31 January 2023

The Audit Company



D. Beck RA

Pet Service Holding NV, De Rijp

# The Audit company

## **2 Provisions of the Articles of Association relating to profit appropriation**

Based on the statutes the result is at disposal of the General Meeting.

## **3 Appropriation of the result for the 2020 financial year**

The annual account for 2020 was adopted by the General Meeting. The General Meeting has determined the appropriation of the result as it was proposed.

## **4 Recognition of the loss for 2021**

The board of directors proposes to add the 2021 result to the other reserves for an amount of € 595,303. The General Meeting of Shareholders will be asked to approve the appropriation of the 2021 result, this proposition is already recognised in the financial statements.