



**PET SERVICE HOLDING NV
AT DE RIJP**

Annual Report 2022

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AUDITOR'S REPORT



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

Reference

110110

Processed by

DBE

Date

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

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
	€	%	€	%	€
Net turnover	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
Gross turnover result	814,410	44.1	318,710	52.7	495,700
Gross margin	814,410	44.1	318,710	52.7	495,700
Expenses					
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
Operating result	-877,622	-47.5	-712,615	-117.9	-165,007
Financial income and expenses	-7,243	-0.4	-8,624	-1.4	1,381
Result from normal operations before tax	-884,865	-47.9	-721,239	-119.3	-163,626
Taxes (carry forward)	131,439	7.1	104,032	17.2	27,407
Result from normal operations after tax	-753,426	-40.8	-617,207	-102.1	-136,219
Extraordinary expenses	-440,520	-23.9	-	-	-440,520
Result after tax	-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:

	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 accomodation expenses	20,792	
Increase office expenses	1,616	
Increase selling expenses	502,842	
Decrease extraordinary results	440,520	
		1,483,513
Decrease result after taxation		-576,739

3 FINANCIAL POSITION

The consolidated balance sheet can be summarized as follows:

	12/31/2022	12/31/2021
	€	€
Long term funds:		
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>
Long term investments:		
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>

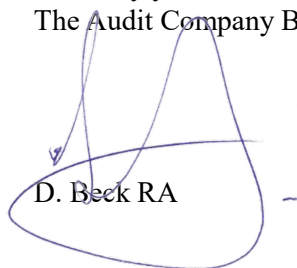
4 ENGAGEMENT

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



FINANCIAL REPORT

MANAGEMENT REPORT

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



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

1 **CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022**

(after appropriation of results)

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

		December 31, 2022		December 31, 2021	
		€	€	€	€
LIABILITIES					
Group equity	(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
Current liabilities	(8)		346,039		348,970

2,323,520

3,537,778

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2022

		2022		2021	
		€	€	€	€
Net turnover	(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	
Gross margin			814,410		318,710
Expenses					
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
Operating result			-877,622		-712,615
Financial income and expenses	(16)		-7,243		-8,624
Result from normal operations before tax			-884,865		-721,239
Taxes (carry forward)			131,439		104,032
Result from normal operations after tax			-753,426		-617,207
Extraordinary expenses	(17)		-440,520		-
Result after tax			-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 and the associated German website 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.

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 issued capital	Included in consolidation
	%	
Veterinair Organisatiebureau Vitaux B.V. Hilversum	66.00	Ja
Jachtinstinct 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.

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.

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.

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.

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

ASSETS

FIXED ASSETS

	12/31/2022	12/31/2021
	€	€
1. Intangible fixed assets		
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>

Depreciation rates

	%
Equipment	20
Transportation	20

	12/31/2022	12/31/2021
	€	€
3. Financial fixed assets		
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>
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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>

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
Prepayments and accrued income		
Pre-paid expenses	<u>21,398</u>	<u>45,356</u>

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>

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
	€	€
Third-party share in group equity		
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
	€	€
8. Current liabilities		
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

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
Accruals and deferred income		
Holiday bonus	7,382	9,253
Accruals and deferred income	<u>252,076</u>	<u>86,950</u>
	<u>259,458</u>	<u>96,203</u>

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 %.

	2022	2021
	€	€
10. Net turnover		
Nett turnover	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
<i>Wages and salaries</i>		
Gross wages	336,598	208,189
Movement of holiday bonus liability	8,349	-1,521
Subsidy received	-	-6,637
	344,947	200,031
<i>Management fees</i>		
<i>Other personnel costs</i>		
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

14. Amortisation and depreciation

	2022	2021
	€	€
Intangible fixed assets	107,893	89,121
Tangible fixed assets	14,878	4,179
	<u>122,771</u>	<u>93,300</u>

Amortisation of intangible fixed assets

Research and development costs	8,757	4,984
Goodwill	99,136	84,137
	<u>107,893</u>	<u>89,121</u>
	<u>107,893</u>	<u>89,121</u>

Depreciation of tangible fixed assets

Equipment	14,782	4,675
Transportation	96	-496
	<u>14,878</u>	<u>4,179</u>

15. Other operating expenses

Accommodation expenses	34,324	13,532
Office expenses	10,814	9,198
Car expenses	13,483	15,498
Selling and distribution expenses	620,100	117,258
General expenses	223,018	600,279
	<u>901,739</u>	<u>755,765</u>

Accommodation expenses

Rent buildings	31,573	12,883
Energy costs	586	1,305
Maintenance buildings	-	36
Tax and business expenses	761	-
Cleaning costs	954	205
Accommodation costs	-	-1,679
Other accommodation expenses	450	782
	<u>34,324</u>	<u>13,532</u>

	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>

	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>
16. Financial income and expenses		
Interest and similar expenses		
	<u>-7,243</u>	<u>-8,624</u>
Extraordinary result		
17. Extraordinary expenses		
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.		



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)

		December 31, 2022		December 31, 2021	
		€	€	€	€
ASSETS					
Fixed assets					
Intangible fixed assets	(18)	901,952		859,955	
Tangible fixed assets	(19)	56,300		208,033	
Financial fixed assets	(20)	71,635		62,685	
			1,029,887		1,130,673
Current assets					
Inventories	(21)	182,360		162,564	
Receivables, prepayments and accrued income	(22)	373,109		215,544	
Cash and cash equivalents	(23)	676,269		1,929,422	
			1,231,738		2,307,530
		<u>2,261,625</u>		<u>3,438,203</u>	

		December 31, 2022	December 31, 2021
		€	€
EQUITY AND LIABILITIES			
Equity	(24)		
Issued share capital		56,862	56,862
Share premium reserve		3,860,331	3,860,331
Other reserves		-1,940,132	-741,576
		<u>1,977,061</u>	<u>3,175,617</u>
Non-current liabilities	(25)		
Loans from group companies		120,240	146,240
Current liabilities	(26)		
Trade creditors		17,291	42,685
Loans from participations in group companies		24,000	-
Taxes and social securities		2,687	63
Other liabilities and Accruals and deferred income		<u>120,346</u>	<u>73,598</u>
		<u>164,324</u>	<u>116,346</u>
		<u>2,261,625</u>	<u>3,438,203</u>

7 COMPANY PROFIT AND LOSS ACCOUNT OVER 2022

		2022		2021	
		€	€	€	€
Net turnover	(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	
Gross margin			452,351		154,839
Expenses					
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
Operating result			-886,779		-656,520
Financial income and expenses	(34)		-5,257		-7,148
Result from normal operations before tax			-892,036		-663,668
Taxes (carry forward)			125,050		94,695
			-766,986		-568,973
Result participating interests	(35)		8,950		-26,330
Result from normal operations after tax			-758,036		-595,303
Extraordinary expenses	(36)		-440,520		-
Result after tax			-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.

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

ASSETS

FIXED ASSETS

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

	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 amount as of January 1, 2022	Investments and disposals	Carrying amount as of December 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>

CURRENT ASSETS

	12/31/2022	12/31/2021
	€	€
21. Inventories		
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	<u>20,798</u>	<u>34,786</u>
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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>

EQUITY AND LIABILITIES

24. Equity

	12/31/2022	12/31/2021
	€	€
Issued share capital		
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
	€	€
Share premium reserve		
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
Other reserves		
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

25. Non-current liabilities

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

26. Current liabilities

Trade creditors

Creditors	<u>17,291</u>	<u>42,685</u>
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Credit

€

Repayment obligation		<u>24,000</u>
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	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€

Taxes and social securities

Pay-roll tax	<u>2,687</u>	<u>63</u>
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Other liabilities and Accruals and deferred income

Other liabilities	4,805	948
Accruals and deferred income	<u>115,541</u>	<u>72,650</u>
	<u>120,346</u>	<u>73,598</u>

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
	€	€
28. Net turnover		
Nett turnover	1,371,386	307,449
29. Movement of inventories of finished goods and work in progress		
Movement of finished goods inventories	19,797	86,833
30. Cost of sales		
Purchase costs	938,832	239,443
31. Employee expenses		
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

32. Amortisation and depreciation

	2022	2021
	€	€
Intangible fixed assets	107,893	89,121
Tangible fixed assets	13,788	3,230
	<u>121,681</u>	<u>92,351</u>

Amortisation of intangible fixed assets

Research and development costs	8,757	4,984
Goodwill	99,136	84,137
Totaal	<u>107,893</u>	<u>89,121</u>

Depreciation of tangible fixed assets

Equipment	<u>13,788</u>	<u>3,230</u>
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33. Other operating expenses

Accommodation expenses	23,538	3,670
Car expenses	-	550
Selling and distribution expenses	616,285	115,815
General expenses	202,621	586,080
	<u>842,444</u>	<u>706,115</u>

Accommodation expenses

Rent buildings	21,373	2,683
Tax and business expenses	761	-
Cleaning costs	954	205
Other accommodation expenses	450	782
	<u>23,538</u>	<u>3,670</u>

Car expenses

Car expenses	<u>-</u>	<u>550</u>
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Selling and distribution expenses

Publicity and advertisement	270,453	49,464
Representation costs	5,208	6,218
Business gifts	829	75
Travelling expenses	7,172	-
Collecting charges	-	134
Transport	<u>283,662</u>	<u>55,891</u>

	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>
34. Financial income and expenses		
Interest and similar expenses	<u>-5,257</u>	<u>-7,148</u>
35. Result participating interests		
Share in result of participations	<u>8,950</u>	<u>-26,330</u>
Extraordinary result		
36. Extraordinary expenses		
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.

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).

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



OTHER INFORMATION

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.



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.



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.

- 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.

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;

- 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

