

**PET SERVICE HOLDING NV
AT DE RIJP**

Annual Report 2023



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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 30, 2024

Dear management and shareholders,

We hereby send you the report regarding the financial statements for the year 2023 of your company.

1 RESULTS

1.1 Development of income and expenses

The result after taxation for 2023 amounts to negative € 1,020,205 compared to negative € 1,193,946 for 2022. The results for both years can be summarized as follows:

	2023		2022		Difference
	€	%	€	%	€
Net turnover	1,208,479	100.0	1,846,298	100.0	-637,819
Movement of work in progress	-71,732	-5.9	18,827	1.0	-90,559
Cost of sales	715,366	59.2	1,050,715	56.9	-335,349
Gross turnover result	421,381	34.9	814,410	44.1	-393,029
Other operating income	3,172	0.3	-	-	3,172
Gross margin	424,553	35.1	814,410	44.1	-389,857
Expenses					
Employee expenses	468,203	38.7	667,522	36.2	-199,319
Amortisation and depreciation	170,214	14.1	122,771	6.7	47,443
Other operating expenses	662,231	54.8	901,739	48.8	-239,508
	1,300,648	107.6	1,692,032	91.6	-391,384
Operating result	-876,095	-72.5	-877,622	-47.5	1,527
Financial income and expenses	-5,468	-0.5	-7,243	-0.4	1,775
Result from normal operations before tax	-881,563	-73.0	-884,865	-47.9	3,302
Taxes (carry forward)	5,095	0.4	131,439	7.1	-126,344
Result from normal operations after tax	-876,468	-72.5	-753,426	-40.8	-123,042
Extraordinary expenses	-143,737	-11.9	-440,520	-23.9	296,783
Result after tax	-1,020,205	-84.4	-1,193,946	-64.7	173,741

1.2 Net turnover and gross margin

The net turnover decreased by 34.5% to € 1,208,479. The gross operating result decreased by 47.9% to € 421,381.

The gross margin decreased by 47.9% to € 424,553.

1.3 Analysis of the result

The development of the result 2023 compared to 2022 can be analysed as follows:

	2023	
	€	€
<i>The result has been positively influenced by:</i>		
Decrease wages and salaries	106,261	
Decrease social security contributions	16,033	
Decrease management fee	586	
Decrease other labour costs	92,620	
Decrease office expenses	10,814	
Decrease car expenses	11,761	
Decrease selling expenses	237,840	
Decrease interest and similar costs	1,775	
Increase extraordinary result	296,783	
		774,473
<i>The result has been negatively influenced by:</i>		
Decrease gross turnover result	389,857	
Increase pension costs	16,181	
Increase amortization/depreciation intangible fixed assets	46,901	
Increase amortization/depreciation tangible fixed assets	542	
Increase accommodation expenses	1,946	
Increase general expenses	18,961	
Increase taxation on result from normal operations	126,344	
		600,732
Increase result after taxation		173,741

2 FINANCIAL POSITION

The consolidated balance sheet can be summarized as follows:

	12/31/2023	12/31/2022
	€	€
Long term funds:		
Equity	945,851	1,986,010
Third-party share in group equity	-10,474	-8,529
Non-current liabilities	979,390	131,235
	<u>1,914,767</u>	<u>2,108,716</u>
Long term investments:		
Intangible fixed assets	956,639	901,952
Tangible fixed assets	42,893	58,269
Financial fixed assets	36,745	31,650
	<u>1,036,277</u>	<u>991,871</u>
Working capital	<u>878,490</u>	<u>1,116,845</u>
This amount is applied as follows:		
Inventories	110,628	182,360
Receivables, prepayments and accrued income	1,103,963	375,966
Cash and cash equivalents	136,500	694,784
	<u>1,351,091</u>	<u>1,253,110</u>
Debit: Short-term debt	472,601	136,265
Working capital	<u>878,490</u>	<u>1,116,845</u>

3 INDEX NUMBERS

3.1 Earning capacity

By means of the ratios presented below, insight can be gained into the earning capacity of the company.

	2023	2022
Analysis of the revenue <i>Index number (2022=100)</i>	65.45	100.00
Gross margin <i>Gross margin/net turnover</i>	34.87	44.11
Margin net result <i>Net result/net turnover</i>	-84.42	-64.67
Return on assets <i>Operating result / total equity and liabilities</i>	-36.70	-39.09
Return on equity <i>Net result/ equity</i>	-107.86	-60.12

3.2 Liquidity

From the liquidity defined as the ratio of current assets divided by current liabilities it may be deduced to what extent the company can settle its financial liabilities in the short-term. By means of the ratios presented below, insight can be gained into the liquidity of the company. The liquidity reflects the situation on December 31; it is, therefore, a financial snapshot.

	2023	2022
Current ratio <i>Current assets/short-term debt</i>	2.86	9.20
Quick ratio <i>Current assets - inventories/short-term debt</i>	2.62	7.86
Inventory rate of circulation <i>Inventories / cost of turnover * 365 days</i>	56	63
Inventory rate of circulation <i>Inventories / net turnover * 365 days</i>	33	36
Term of payment debtors <i>Debtors / net turnover * 365 days</i>	2	9
Term of payment creditors <i>Creditors / cost of sales * 365 days</i>	128	6

3.3 Solvency

The solvability indicates the extent to which the company will be able to meet its long-term obligations (interest and repayment). The solvency reflects the situation on December 31; it is, therefore, a financial snapshot.

	2023	2022
Solvency		
<i>Equity / balance sheet total</i>	39.18	88.08
Solvency		
<i>Equity / liabilities</i>	64.42	739.25
Solvency		
<i>Liabilities / balance sheet total</i>	60.82	11.92
Interest coverage ratio		
<i>Operating result / interest expenses (balance)</i>	-160.21	-121.15

4 ENGAGEMENT

In accordance with your instructions we have audited the annual account 2023 of your company, including the non-consolidated balance sheet with counts of € 2,387,990, the consolidated balance sheet with counts of € 2,387,368 and the consolidated and non-consolidated profit and loss account with a negative result after taxes of € 1,013,872.

For the audit opinion we refer to the chapter “Other information” on page 58 of this report.

We will gladly provide further explanations upon request.

Sincerely yours,
The Audit Company B.V.

D. Beck RA





30 April 2024

Annual Management report 2023 Pet Service Holding NV

Profile Pet Service Holding

Pet Service Holding NV (hereinafter PSH and formerly Nederlandse Paarden Registratie Maatschappij NV) is active in veterinary services. The Dutch animal care market is worth around €2 billion annually, of which around €1 billion is in animal supplies and food, and around €0.5 billion through the more than 1,200 veterinary practices in the Netherlands. In this market, and in neighbouring countries, PSH aims to play a distinctive role by providing a multitude of products and services in a combined offering to consumers.

PSH is listed on Euronext Access+ Paris with ISICODE: NL0015001HZ9 code: MLPET also listed on the NXchange Amsterdam with ISINCODE: NL00150004O8 and currently has three main activities.

Pillar 1 - Online sales of animal feed and medicines

In October 2021, the website Dierenapotheek.nl and the associated German website Drpetcare.nl were acquired. This marked an important step in the development of online sales of pet supplies. The previously acquired high-quality pet food brand, Jachtstinct, can also benefit from the logistics facilities, knowledge of online sales and joint marketing.

Pillar 2 - PetApp

The PetApp is central to making pet-related products and services accessible. It is a clearly designed and functional application for smartphones, which has already been extensively tested and has a base of regular users. The app is free to download and also has ample free functionality to make it attractive. Users can track all kinds of details of their pet in the app. In addition, services and subscriptions can also be purchased from the app, allowing PSH to create further value. The app will eventually encompass PSH's total range of products and will also provide data that will be helpful in expanding the range.

Pillar 3 - Pet tracker

Throughout 2022, PSH spent a lot of time and energy developing a Pet Tracker. Tests by pet owners have been well received, but the investment to be made outweighs any returns. With the current mobile phone capabilities, user expectation and desire are very high and PSH cannot say with certainty that the Lora Network can fill this need. Consequently, it has been decided to discontinue further development and rollout for the time being.

In addition, PSH has a 66% stake in Vitaux BV, a management agency in the veterinary sector engaged in secondment, including of veterinarians, and the organisation of events.

Key figures

To analyze PSH's results, we provide you with the following key data, which are based on the consolidated profit and loss account over 2023.

Profit and loss account	2023	2022
	€	€
Net turnover webshops	999.709	1.371.386
Secondment veterinarians and marketing staff	208.770	474.912
	<u>1.208.479</u>	<u>1.846.298</u>
Gross margin 1)	277.496	452.351
Gross margin - %	28%	33%
1) excluding publicity and advertising expenses		
EBITDA		
PSH holding and webshops	-683.453	-745.098
Vitaux	-22.428	10.247
	<u>-705.881</u>	<u>-734.851</u>
Balance sheet		
Group equity	945.851	1.986.010
Bonds convertible	875.000	0
	<u>1.820.851</u>	<u>1.986.010</u>
Total assets	<u>2.393.981</u>	<u>2.244.981</u>

The sales volume in pet products was tempered because we decided to change our e-marketing strategy through cuttings in publicity and Google advertising investments (2023: € 154,792 versus € 270,453 in 2022) and employee expenses. As a result, further operational losses have been stopped, also taken into consideration of higher purchase and freight prices (inflation and supply chain constraints).

As a start-up our cost base to operate our Holding and Euronext Paris listing is now not yet in alignment with the present business portfolio volume. We are confident that our Holding and listing cost base ratio will improve during our scaling up journey. A good step forward will be made - though the acquisition of Asclepios - during 2024 and onwards.

The result in 2023 was strongly affected by extraordinary expenses, although to a lesser extent than in 2022. The actual costs, which were mainly related to the Paris IPO, were almost half as much as in 2022, it was decided to partly capitalize these costs as intangible assets and amortize them over the next five years. The 2023 and 2022 extraordinary costs comprised start-up expenses in 2022 and the Oslo exchange listing.

Outlook

We expect current operations to show strong revenue growth in 2024, partly due to the acquisitions made in early 2024. Cost growth will not keep pace with this, because of which the operating result is expected to improve. One-off costs are expected to be significantly lower than in the year under review. We are making efforts to achieve further increases in scale in the coming years through ongoing acquisitions, because of which PSH will grow into

Message from the Supervisory Board

To the shareholders of Pet Service Holding,

We hereby present the 2023 annual report of Pet Services Holding NV, which includes the report of the Executive Board and the consolidated financial statements of the company. The financial statements have been audited by The Audit Company and provided with an unqualified opinion by it.

We recommend that you approve the financial statements at the annual general meeting of shareholders and charge the result for 2023 to shareholders' equity.

During the financial year, the Board held regular discussions with the Executive Board. Subjects discussed included the course of business, possible acquisitions, strategy, the proposed listing on Euronext Growth Oslo, which listing application was moved to Euronext Access+ Paris in 2023, discussion and application of Corporate Governance, adoption of the 2022 financial statements, renewal of the board's authorisation to repurchase treasury shares and the issuance of €4.9m of convertible bonds to finance its strategy.

As of 30 December 2023, Mr Jo op het Veld stepped down as member of the Executive Board and CFO, as well as Ms Anne Marie Bruist as member of the Supervisory Board.

At the extraordinary general meeting of shareholders held on 30 December 2023, Mr Robert J. Boemen was appointed as member of the Executive Board and CFO. Mr Boemen does not hold any shares or depositary receipts in the Company. The appointment is mainly for the continuation of the current listing on Euronext Acces + Paris and proposed listing on Euronext Growth.

Mr. M.dl.C.C.C. (Conchita) van Rooij

Dr. J. (Jerry) Speel RC

Report of the managing directors

General

PSH made further progress in implementing its strategy in 2023. Some major acquisitions were prepared, including the acquisition of 100% of the shares in Asklepios B.V in Boxtel and of part of the assets and activities of Van Ree Groothandel in dierbenodigdheden (Vn Ree Wholesale of pet supplies) (hereafter Van Ree) in Amsterdam, which acquisitions and takeovers were realised in early 2024. The activities of Van Ree continued in 2024 in a considerably slimmed-down form. The company's acquisition and takeover policy and the associated costs, in particular also for obtaining a listing on Euronext Growth Oslo and subsequently Euronext Access+ Paris, put pressure on profitability in the short term.

Listing

In 2021, PSH share certificates, then still under the name NPRM, were introduced on the trading platform operated by Nxchange. Due to the limited number of certificates available, trading was very thin, and the price was under pressure. Against this background, PSH explored the possibility of obtaining a listing of PSH shares on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange. We saw such an introduction as a logical follow-up to the Nxchange listing and expected it to increase liquidity and trading opportunities for investors. Unfortunately, in early 2023, Euronext Growth Oslo's rules were changed in such a way that we could not comply without disproportionately higher costs. With respect to this situation, it was decided to move the listing application to Euronext Access+ Paris, where the listing came about in July. These efforts have resulted in high one-off costs in recent years.

Listing on Euronext Access+ Paris did not entail any increase in share capital. Meanwhile, holders of depositary receipts listed on Nxchange have been offered the opportunity to convert their depositary receipts into shares listed on Euronext Access+.

Strategy

The market for the supply of goods and services for the benefit of pets is estimated at €40 billion in Europe and is growing structurally at around 4% per year. At the same time, the market is highly fragmented with only in the field of pet food production a few global players, such as Mars and Nestlé. We expect consolidation in this market in the coming years, and PSH wants to play an important role in that process, thus becoming a significant market player. In our view, the market is ripe for a player with an integrated offering, a cross-border approach and focused on pet owners and veterinary practices.

The company aims for both horizontal and vertical integration, and therefore intends to expand further through acquisitions in the coming years in addition to organic growth. These may include online sellers of pet food, medicines and supplies, but also, for example, wholesalers and drug manufacturers. By offering a broad range of products and services, PSH can distinguish itself from other suppliers, economies of scale are generated, and significant synergy benefits can be realised through joint marketing, greater purchasing power, data management and interaction between the various business units and sales markets, among other things. In time, sufficient critical mass should be achieved to ensure profitable operations.

PSH currently operates mainly in the Netherlands, Belgium and Germany. Expansion will be sought mainly in these countries in the coming period, but in some time other European countries will also be explored, first and foremost France, which now has sales and relationship channels on a modest scale.

To realise this strategy, it was essential to achieve a stock market listing. After a lengthy and complex process, this was successfully established on Euronext Access+ in Paris during the year under review. The stock exchange listing makes it possible to finance acquisitions by issuing shares, an important part of our expansion strategy. In general, we aim to pay the purchase price for acquisitions 80% in shares and 20% in cash. This makes it possible to expand rapidly with a relatively small budget of financial resources and thus build a strong position in this promising market. To strengthen the financing of the strategy rollout, privately convertible bonds for a maximum amount of €4,900,000 were issued at the end of 2023. The bonds have a maturity of 36 months, and the coupon rate is 7% from €25,000 and 8% above €100,000. On the bonds issued in December, €1,550,000 was paid up after the balance sheet date.

Course of business

The market in which PSH operates continued to show sustained growth in 2023. Favourite product categories were slow feeders, diet food and healthy pet snacks, which contribute to the health and well-being of pets. In the UK, there was a noticeable development in sales of pet food supplements, and we expect this trend to spill over to the Netherlands as well. Furthermore, sales of dog and cat toys increased substantially in the Netherlands. In the services sector, in which our 66% stake in Vitaux operates, demand for secondment of veterinarians rose sharply. In 2023, we continued Vitaux's focus on cooperation with Premier Vet Alliance, which, in cooperation with veterinarians, has developed the Pet Care Plan in Europe for pet owners.

Acquisitions and takeovers

In 2023, an agreement in principle was reached and due diligence work was completed for the acquisition of the shares of Asklepios BV and its four subsidiaries. All companies are located at Boxtel. The extraordinary meeting of shareholders approved the acquisition at the end of December 2023, and it was completed in early 2024.

Asklepios is the holding company of several companies active in supplying in the veterinary sector to veterinarians, wholesale companies and the online pet pharmacy for consumers Pharmacie4pets.nl. This acquisition has given substance to PSH's growth profile.

Asklepios, through its subsidiaries, has been active in the veterinary market since 1926, The company has been profitable for many years, with results showing an upward trend for some time. In 2023, sales increased from €8.2 million to €9.2 million, with gross operating profit (ebitda) rising from €298,000 to €486,000. Total assets at the end of 2023 were €3.2 million, with intrinsic equity of rounded €1.3 million. Profitability is partly driven by licence revenue from veterinary drug registrations and European trademark rights.

The product range includes almost all veterinary pharmaceutical products available on the Dutch market. Some of these are sold under own brand. Webshops have the option of having Aesculaap take care of the logistical handling of ordered products. Besides being a wholesaler, Aesculaap is also active in supporting veterinarians in their practice management. A fast-growing and profitable

part of Aesculaap is Pharmacy4Pets, an online pharmacy for customers. We see strong potential here for synergy with Dierenapotheek.nl, part of PSH since 2021.

The purchase price for Asklepios business amounted to €1,751,000, of which €200,000 was financed through two vendor loans and a mortgage loan in the amount of €1,000,000 secured by the premises in Boxtel with an area of almost 2,800 sqm, which was acquired as part of the transaction. The rest of the purchase price was paid from the proceeds of the 8% convertible bond issued at the end of 2023.

As the acquisition of Asklepios was effected at the beginning of 2024, it does not affect PSH's consolidated sales, results and cash flow until 2024. Due to comparability, a pro forma condensed profit and loss statement for 2023 and 2022 is therefore included. The pro forma figures have been taken from the consolidated financial statements of Asklepios BV, which have been provided with a composition report by ABAB Accountants.

Pro-forma consolidated and condensed financial statements Asklepios BV

Profit and loss account	2023	2022
	<u>€</u>	<u>€</u>
Net turnover	9.537.613	8.252.452
Cost of sales	<u>6.911.239</u>	<u>5.930.624</u>
Gross margin	2.626.374	2.321.828
Gross margin - %	28%	28%
Other operating income (1)	<u>72.000</u>	<u>108.000</u>
	2.698.374	2.429.828
Employee expenses	722.286	714.740
Other operating expenses (2)	<u>1.490.117</u>	<u>1.416.777</u>
EBITDA	485.971	298.311
Amortization and depreciation	154.203	129.819
Financial income and expenses	<u>23.550</u>	<u>11.216</u>
Result from normal operations before taxes	308.218	157.276
Taxes	<u>49.257</u>	<u>23.369</u>
Result after tax	<u>258.961</u>	<u>133.907</u>

Note (1) sale sublicence marketing authorisation veterinary medicines

Note (2) including selling, marketing and distribution expenses

	31 december 2023 €	31 december 2022 €
Balance sheet		
Assets		
Intangible assets (3)	241.737	227.883
Tangible assets (4)	791.144	824.125
Fixed assets	1.032.881	1.052.008
Current assets	1.205.545	1.172.238
Cash and cash equivalents	988.977	618.873
	<u>3.227.403</u>	<u>2.843.119</u>
Equity and liabilities		
Equity	1.341.697	1.082.738
Non-current liabilities (5)	405.557	532.378
Current liabilities	1.480.149	1.162.557
	<u>3.227.403</u>	<u>2.777.673</u>
Debt-to-equity ratio	42%	39%

Note (3) webshop Parmacie4Pets.nl and Aesculaap wholesale

Note (4) land and building pledged by mortgage in 2024

Note (5) fully repaid in 2024

At the end of January 2024, PSH acquired part of the assets and business activities of Van Ree Amsterdam with the aim of continuing them in a significantly slimmed-down form. Van Ree B.V. Amsterdam was a wholesaler of pet supplies and food products, OTC veterinary medicines and accessories since 1875. Van Ree also has a cash & carry facility in Amsterdam. It was declared bankrupt at the end of November 2023, from which certain assets and activities were purchased from the estate.

Van Ree (after the relaunch in early 2024 by PSH) offers Retail customers the opportunity to buy the retail product range on the Retail portal. The option of opening Van Ree's cash & carry to customers will also be studied.

PSH Risk Factors

The Group is dependent upon its ability to attract and retain customers.

It is important for PSH's future financial performance that we can attract customers and that existing customers continue to purchase our products and services. Our ability to do so will depend on a range of circumstances, including the ability to successfully implement our strategy. More specifically, our ability to attract and retain customers will depend on the ability to promote PSH and its products and services, our offered range of products and services and the ability to offer competitive prices and favorable shopping terms.

The Group is dependent on its employees.

We are dependent on the knowledge, experience, and commitment of our employees for the PSH's performance and future development, to keep pace with continuing changes in the pet care market, evolving product and industry standards and changing customer preferences. Furthermore, we are dependent on the license of our in-house veterinarians.

Risk related to laws and regulations in general.

Compliance with the complex and changing laws and regulations imposed on our business operations may require significant time, capital and operating expenditure and may impact the way we are able to provide services. As we operate off- and online and pet sales in the EU, we are subject to both national and European Regulation (EU) 2016/679 ("GDPR"). The failure to comply with applicable data protection and privacy regulations could have a material adverse effect on our business operations. Also, we are subject to certain EU legislation which regulates electronic commerce, such as Directive 2003/31/EC (the "e-Commerce Directive"). PSH is also subject to Regulation (EU) 2019/6 the Veterinary Medicinal Products Regulation ("Risks related to veterinary medicinal products"). Existing laws and regulations, or changes in laws and regulations, to which PSH is subject could hinder or delay our operations, increase the operating costs, and/or affect the ability to operate our business in accordance with our objectives and strategy.

Risks related to veterinary medicinal products.

The Veterinary Medicinal Products (VMP) Regulation imposes EU-wide rules relating to approval, prescription, and distribution of VMP. As PSH engages in the supply of VMP, PSH must comply with the Veterinary Medicinal Products Regulation as implemented in the various jurisdictions in which we operate, as well as other laws and regulations applicable to the supply of VMP. The complexity of the regulations may entail a risk of non-compliance.

To become profitable and/or execute the Group's growth strategy, the Group may require additional capital.

PSH may need to raise additional funds in the future 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 favorable terms. Our 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 PSH's business, operating results, and future debt levels. If funding is insufficient at any time in the future, we may be unable to take advantage of business opportunities or respond to competitive pressures, as well as develop our business.

Risks related to litigation, disputes, and claims.

The operational risks inherent in our business may expose PSH 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 PSH, including, but not limited to, the payment of fines or damages, the invalidation of contracts and restrictions or limitations on our business operations.

PSH may not be able to successfully implement its strategy.

PSH has a relatively short operating history, and there can be no assurance that we will be able to achieve our objectives and successfully implement the strategy as anticipated, or that the costs related to the implementation of such objectives and strategy will be at expected levels. However, due to the acquisition of Asklepios we have inputted more operating history and predictability. PSP's strategy may also change over time and may be affected by factors beyond the PSP'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 our ability to invest in the implementation of its strategy.

Although we initiate - to the extent possible - proactive measures and controls, should any of the above, but not limited to, risk factors materialize, this could have a material adverse effect on our business model, reputation, results of operations, financial position, cash flows and/or prospects. To mitigate risk effects, we will continue in improving and investing in risk monitoring and management. In cooperation with the Supervisory Board, in 2024 we will continue to improve our corporate governance.

R. van Veldhoven, CEO

Robert J. Boemen, CFO

Corporate governance

PSH is a public limited company incorporated under Dutch law. Its shares are registered, and each share gives the right to cast one vote at the General Meeting of Shareholders (AGM).

In addition, bearer depositary receipts for shares, which are tradable, have been issued with the cooperation of the company. The depositary receipts have the same rights as the shares, except for voting rights. The shares underlying these depositary receipts are held by a trust office, which exercises the voting rights on the relevant shares.

The powers of the **AGM** include:

- appointing, suspending and dismissing supervisory and managing directors.
- determining the number of managing and supervisory directors.
- determining the remuneration of supervisory directors.
- appointing the chairman of the supervisory board.
- adopting the annual accounts.
- limiting or excluding the pre-emptive right when issuing shares.
- discharging the Supervisory Board and the Management Board from liability.
- adopting the profit appropriation.
- determining the policy on the remuneration of directors, and with due observance thereof, the remuneration and other terms of employment of the directors.
- establishing directors' and supervisory directors' fees.
- granting remuneration to supervisory directors.
- amending the company's articles of association.
- approving the transfer of the company to a third party.
- approving a resolution to dissolve the company.
- entering or breaking off certain forms of cooperation; and
- acquiring or disposing of participating interests.

The **supervisory board** supervises the company's policy and general affairs. The board advises the management board and acts in the interests of the company. The board's powers include the following:

- appointing the chairman of the board (CEO).
- to suspend board members.
- determine to subject certain decisions to its approval.
- giving instructions to the board on the general lines of the financial, social and economic policy to be followed and of the personnel policy.

The **Management Board** is charged with managing the company, which means, among other things, that it is responsible for the realisation of the company's objectives, the strategy with the associated risk profile, the development of results and the social aspects of doing business relevant to the company. The Management Board is accountable for this to the Supervisory Board and to the General Meeting of Shareholders. In discharging its role, the Management Board shall be guided by the interests of the company and its affiliated enterprise and shall consider the relevant interests of the company's stakeholders.

The Management Board is responsible for complying with all relevant laws and regulations, for managing the risks associated with the company activities and for financing the company. The board has all powers relating to the company that are not assigned by law or the articles of association to other organs of the company. PSH maintains "Regulations containing principles and best practices for the board" to supplement the rules and regulations applicable to the board under the law or the articles of association. These regulations specify in more detail, among other things, the duties of the board, the method of decision-making and dealing with the supervisory board.

Please refer to our Investors relations page on our website <https://petserviceholding.com> for further information and documentation.

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2023

		2023		2022	
		€	€	€	€
Net turnover	(9,10)	1,208,479		1,846,298	
Movement of inventories of finished goods and work in progress	(11)	-71,732		18,827	
Cost of sales	(12)	715,366		1,050,715	
Gross margin			421,381		814,410
Other operating income	(13)		3,172		-
Expenses					
Employee expenses	(14)	468,203		667,522	
Amortisation and depreciation	(15)	170,214		122,771	
Other operating expenses	(16)	662,231		901,739	
			1,300,648		1,692,032
Operating result			-876,095		-877,622
Financial income and expenses	(17)		-5,468		-7,243
Result from normal operations before tax			-881,563		-884,865
Taxes (carry forward)			5,095		131,439
Result from normal operations after tax			-876,468		-753,426
Extraordinary expenses			-143,737		-440,520
Result after tax			-1,020,205		-1,193,946

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 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.

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
Van Ree B.V. 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 formation costs and the share issue costs only include amounts to be paid to third parties. The share issue costs are directly debited at the share premium or if and when the share premium is not sufficient, against the other reserves.

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	%
Incorporation and share issue costs	20
Research and development costs	20
Goodwill	10

Tangible fixed assets

Tangible fixed assets are valued at acquisition or manufacturing cost including directly attributable costs, less straight-line depreciation over the expected future useful life and impairment losses.

Depreciation rates

Asset	%
Equipment	20
Transportation	20

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.

Other receivables

Other receivables included under financial fixed assets include loans granted and other receivables, as well as purchased loans that will be held to maturity. These receivables are initially valued at fair value.

Subsequently, these loans are valued at amortized cost. If there are any discounts or premiums when loans are granted, these are credited or charged to income as part of the effective interest during the term, respectively. Transaction costs are also included in the initial valuation and charged to income as part of the effective interest rate. Impairment losses are deducted from earnings.

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

Other operating income

In other operating income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incidental operations. The other operating income comprises of royalty income. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

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 and government levies

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.

(Deferred) tax assets and liabilities are valued in accordance with the (intended) tax return, unless it is unlikely that the tax authorities will agree to this. In that case, the valuation of the uncertain tax position is based on the best estimate of the deviating tax amount compared to the (intended) tax return.

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, 2023

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	12/31/2023	12/31/2022
	€	€
Incorporation and share issue costs	185,036	-
Research and development costs	127,689	158,901
Goodwill	643,914	743,051
	<u>956,639</u>	<u>901,952</u>

	Incorporation and share issue costs	Research and development costs	Goodwill	Total
	€	€	€	€
<i>Carrying amount as of January 1, 2023</i>				
Purchase price	205,596	177,840	991,366	1,374,802
Cumulative depreciation and impairment	-	-18,939	-248,315	-267,254
	<u>205,596</u>	<u>158,901</u>	<u>743,051</u>	<u>1,107,548</u>
<i>Movement</i>				
Investments	-	3,885	-	3,885
Amortization	-20,560	-35,097	-99,137	-154,794
	<u>-20,560</u>	<u>-31,212</u>	<u>-99,137</u>	<u>-150,909</u>
<i>Carrying amount as of December 31, 2023</i>				
Purchase price	205,596	181,725	991,366	1,378,687
Cumulative depreciation and impairment	-20,560	-54,036	-347,452	-422,048
	<u>185,036</u>	<u>127,689</u>	<u>643,914</u>	<u>956,639</u>

2. Tangible fixed assets

	Equipment	Transportation	Total
	€	€	€
<i>Carrying amount as of January 1, 2023</i>			
Purchase price	80,536	1,341	81,877
Cumulative depreciation and impairment	-23,512	-96	-23,608
	<u>57,024</u>	<u>1,245</u>	<u>58,269</u>
<i>Movement</i>			
Investments	1,240	-	1,240
Disposals	-	-1,341	-1,341
Depreciation disposal	-	145	145
Depreciation	-15,371	-49	-15,420
	<u>-14,131</u>	<u>-1,245</u>	<u>-15,376</u>
<i>Carrying amount as of December 31, 2023</i>			
Purchase price	81,776	-	81,776
Cumulative depreciation and impairment	-38,883	-	-38,883
Carrying amount as of December 31, 2023	<u>42,893</u>	<u>-</u>	<u>42,893</u>
<i>Depreciation rates</i>			%
Equipment			20
Transportation			20

3. Financial fixed assets

	12/31/2023	12/31/2022
	€	€
Other receivables	<u>36,745</u>	<u>31,650</u>

CURRENT ASSETS

	12/31/2023	12/31/2022
	€	€
4. Inventories		
Raw materials and consumables	110,628	182,360

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	6,946	47,116
Corporate income tax	224,693	224,693
Other receivables, deferred assets	872,324	104,157
	<u>1,103,963</u>	<u>375,966</u>

Other receivables, deferred assets

Amounts to be received	87,750	60,139
Prepayments and accrued income	784,574	44,018
	<u>872,324</u>	<u>104,157</u>

Prepayments and accrued income

Pre-paid expenses	548,665	44,018
Deferred assets	235,909	-
	<u>784,574</u>	<u>44,018</u>

In the other receivables, deferred assets a prepayment regarding the funding of the acquisition of Asklepios BV and the purchased assets of Van Ree B.V. are included

	12/31/2023	12/31/2022
	€	€
6. Cash and cash equivalents		
ABN AMRO Bank N.V.	10,009	18,423
Rabobank	114,232	671,617
MeesPierson	845	844
Paypal	9,199	3,808
Deposit	-	92
Money in transit	2,215	-
	<u>136,500</u>	<u>694,784</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 49 of this report for an explanation of the equity.

	2023	2022
	€	€
Third-party share in group equity		
Carrying amount as of January 1	-8,529	-13,140
Allocation	-	4,611
Withdrawal	-6,334	-
Movement	4,389	-
Carrying amount as of December 31	-10,474	-8,529
	12/31/2023	12/31/2022
	€	€
Convertible loans		
Convertible loan	875,000	-
		Convertible loan
		€
Funds withdrawn		875,000

The original debt amount is € 875,000. The part of the loan with a term of more than five years amounts to € nihil.

	2023	2022
	€	€
<i>Convertible loan</i>		
Carrying amount as of January 1	-	-
Funds withdrawn	875,000	-
Long-term part as at December 31	875,000	-

This € 875,000 loan has been awarded to finance business acquisitions. The repayment takes place at the end of the duration with the option to convert the loan into shares. The duration of the loan is 3 three years. The interest rate is 8%, fixed until the maturity date. As of December 31, 2023 an amount of € - of the loans have a residual term longer than five years. The specific conditions regarding the option of conversion to shares can be found on <https://petserviceholding.com/publications/>.

	12/31/2023	12/31/2022
	€	€
Mortgage loans		
Mortgage loan Boxtel	-25,000	-

8. Current liabilities

Trade creditors	251,122	17,292
Payables to other related parties	17,349	25,834
Taxes and social securities	-5,492	-52,474
Other liabilities	2,621	23,584
Accruals and deferred income	207,001	122,029
	472,601	136,265

5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2023

9. Net turnover

The revenues decreased in 2023 compared to 2022 with 34.5 %.

	2023	2022
	€	€
10. Net turnover		
Nett turnover	1,208,479	1,846,298
11. Movement of inventories of finished goods and work in progress		
Movement of finished goods inventories	-71,732	18,827
12. Cost of sales		
Purchase costs	715,366	1,050,715
13. Other operating income		
Other operating income	3,172	-
14. Employee expenses		
Wages and salaries	238,686	344,947
Social security charges	37,365	53,398
Pension costs	20,359	4,178
Management fees	-	586
Other personnel costs	171,793	264,413
	468,203	667,522
<i>Wages and salaries</i>		
Gross wages	197,417	336,598
Movement of holiday bonus liability	9,015	8,349
Subsidy received	32,254	-
	238,686	344,947

Staff

During 2023, 7 employees were employed on a full-time basis (2022: 11).

	2023	2022
	€	€
15. Amortisation and depreciation		
Intangible fixed assets	154,794	107,893
Tangible fixed assets	15,420	14,878
	<u>170,214</u>	<u>122,771</u>
<i>Amortisation of intangible fixed assets</i>		
Incorporation and share issue costs	20,560	-
Research and development costs	35,097	8,757
Goodwill	99,137	99,136
	<u>154,794</u>	<u>107,893</u>
	<u>154,794</u>	<u>107,893</u>
<i>Depreciation of tangible fixed assets</i>		
Equipment	15,371	14,782
Transportation	49	96
	<u>15,420</u>	<u>14,878</u>
	<u>15,420</u>	<u>14,878</u>
16. Other operating expenses		
Accommodation expenses	36,270	34,324
Office expenses	-	10,814
Car expenses	1,722	13,483
Selling and distribution expenses	382,260	620,100
General expenses	241,979	223,018
	<u>662,231</u>	<u>901,739</u>
	<u>662,231</u>	<u>901,739</u>
17. Financial income and expenses		
Interest and similar expenses	-5,468	-7,243
	<u>-5,468</u>	<u>-7,243</u>
	<u>-5,468</u>	<u>-7,243</u>

COMPANY ANNUAL ACCOUNTS2023

Balance sheet as at December 31, 2023

Non-consolidated profit & loss account from 2023

General accounting principles for the preparation of the financial statements

Notes to the non-consolidated balance sheet as of December 31, 2023

Notes to the non-consolidated profit & loss account from 2023

Other disclosures

6 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2023

(after appropriation of results)

		December 31, 2023	December 31, 2022
		<u>€</u>	<u>€</u>
ASSETS			
Fixed assets			
Intangible fixed assets		956,639	901,952
Tangible fixed assets	(18)	42,701	56,300
Financial fixed assets	(19)	<u>58,618</u>	<u>71,635</u>
		1,057,958	1,029,887
Current assets			
Inventories		110,628	182,360
Receivables, prepayments and accrued income	(20)	1,092,913	299,885
Cash and cash equivalents	(21)	<u>126,491</u>	<u>676,269</u>
		1,330,032	1,158,514
		<u>2,387,990</u>	<u>2,188,401</u>

	December 31, 2023	December 31, 2022
	€	€
EQUITY AND LIABILITIES		
Equity (22)		
Issued share capital	56,862	56,862
Share premium reserve	3,860,331	3,860,331
Other reserves	<u>-2,954,003</u>	<u>-1,940,132</u>
	963,190	1,977,061
Non-current liabilities (23)		
Convertible loans	875,000	-
Finance company debt	-25,000	-
Loans from group companies	<u>108,240</u>	<u>120,240</u>
	958,240	120,240
Current liabilities (24)		
Repayment obligation long-term debt	24,000	24,000
Trade creditors	246,009	17,291
Taxes and social securities	-8,149	-70,537
Other liabilities and Accruals and deferred income	<u>204,700</u>	<u>120,346</u>
	466,560	91,100
	<u>2,387,990</u>	<u>2,188,401</u>

7 COMPANY PROFIT AND LOSS ACCOUNTOVER 2023

		2023		2022	
		€	€	€	€
Net turnover	(25,26)	999,709		1,371,386	
Movement of inventories of finished goods and work in progress		-71,732		19,797	
Cost of sales		650,481		938,832	
Gross margin			277,496		452,351
Expenses					
Employee expenses	(27)	315,054		375,005	
Amortisation and depreciation	(28)	169,633		121,681	
Other operating expenses	(29)	645,895		842,444	
			1,130,582		1,339,130
Operating result			-853,086		-886,779
Financial income and expenses	(30)		-4,754		-5,257
Result from normal operations before tax			-857,840		-892,036
Taxes (carry forward)			-		125,050
			-857,840		-766,986
Result participating interests	(31)		-12,295		8,950
Result from normal operations after tax			-870,135		-758,036
Extraordinary expenses	(32)		-143,737		-440,520
Result after tax			-1,013,872		-1,198,556

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 net capital value that is, however, not lower than zero. This net capital value is calculated based on the principles of Pet Service Holding NV.

Participating interests with a negative net 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, 2023

ASSETS

FIXED ASSETS

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.

	<u>12/31/2023</u>	<u>12/31/2022</u>
	€	€
18. Tangible fixed assets		
Equipment	<u>42,701</u>	<u>56,300</u>
		<u>Equipment</u>
		€
<i>Carrying amount as of January 1, 2023</i>		
Purchase price		73,318
Cumulative depreciation and impairment		<u>-17,018</u>
		<u>56,300</u>
<i>Movement</i>		
Investments		1,240
Depreciation		<u>-14,839</u>
		<u>-13,599</u>
<i>Carrying amount as of December 31, 2023</i>		
Purchase price		74,558
Cumulative depreciation and impairment		<u>-31,857</u>
Carrying amount as of December 31, 2023		<u>42,701</u>

Depreciation rates

	%
Equipment	20

19. Financial fixed assets

Participations in group companies

	2023	2022
	€	€
<i>Veterinair Organisatiebureau Vitaux B.V.</i>		
Carrying amount as of January 1	30,746	22,685
Investments	-	8,950
Adjustment previous years	992	-
Share in result	-12,295	-
Carrying amount as of December 31	<u>19,443</u>	<u>31,635</u>
 <i>Van Ree B.V.</i>		
Carrying amount as of January 1	40,000	40,000
Adjustment previous years	-825	-
Carrying amount as of December 31	<u>39,175</u>	<u>40,000</u>

CURRENT ASSETS

	12/31/2023	12/31/2022
	€	€
20. Receivables, prepayments and accrued income		
Receivables from group companies	4,183	-
Corporate income tax	224,693	224,693
Other receivables, deferred assets	864,037	75,192
	<u>1,092,913</u>	<u>299,885</u>

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

Receivables from group companies

Veterinair Organisatiebureau Vitaux B.V.	4,183	-
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	Par value	Provision	Balance sheet as of 12/31/2023	Balance sheet as of 12/31/2022
	€	€	€	€
Veterinair Organisatiebureau Vitaux B.V.	<u>4,183</u>	<u>-</u>	<u>4,183</u>	<u>-</u>

	12/31/2023	12/31/2022
	€	€
Other receivables, deferred assets		
Amounts to be received	79,670	54,394
Prepayments and accrued income	784,367	20,798
	<u>864,037</u>	<u>75,192</u>

Prepayments and accrued income

Pre-paid expenses	548,458	20,798
Deferred assets	235,909	-
	<u>784,367</u>	<u>20,798</u>

In the other receivables, deferred assets a prepayment regarding the funding of the acquisition of Asklepios BV and the purchased assets of Van Ree B.V. are included

	12/31/2023	12/31/2022
	€	€
21. Cash and cash equivalents		
Rabobank	114,232	671,617
MeesPierson	845	844
Paypal	9,199	3,808
Money in transit	2,215	-
	<u>126,491</u>	<u>676,269</u>

EQUITY AND LIABILITIES

22. Equity

	12/31/2023	12/31/2022
	€	€
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.		
	2023	2022
	€	€
Share premium reserve		
Carrying amount as of January 1	3,860,331	3,860,331
Carrying amount as of December 31	3,860,331	3,860,331
Other reserves		
Carrying amount as of January 1	-1,940,131	-741,576
	-1,940,131	-741,576
Allocation of financial year net result	-1,013,872	-1,198,556
	-2,954,003	-1,940,132
Carrying amount as of December 31	-2,954,003	-1,940,132

23. Non-current liabilities

	12/31/2023	12/31/2022
	€	€
Convertible loans		
Convertible loan	875,000	-
		Convertible loan
		€
Funds withdrawn		875,000

The original debt amount is € 875,000. The part of the loan with a term of more than five years amounts to € nihil.

	12/31/2023	12/31/2022
	€	€
Mortgage loans		
Mortgage loan Boxtel	-25,000	-
	2023	2022
	€	€
<i>Mortgage loan Boxtel</i>		
Carrying amount as of January 1	-	-
Funds withdrawn	-25,000	-
Long-term part as at December 31	-25,000	-

	12/31/2023	12/31/2022
	€	€
Loans from group companies		
Vitaux	108,240	120,240

24. Current liabilities

	12/31/2023	12/31/2022
	€	€
Repayment obligation long-term debt		
Intercompany debt	24,000	24,000
Trade creditors		
Creditors	246,009	17,291
Taxes and social securities		
VAT	-24,070	-73,224
Pay-roll tax	2,667	2,687
Pension premiums	13,254	-
	-8,149	-70,537
Other liabilities and Accruals and deferred income		
Other liabilities	189	1,053
Accruals and deferred income	204,511	119,293
	204,700	120,346

10 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2023

25. Net turnover

The project revenues decreased in 2023 compared to 2022 with 33.3%.

	2023	2022
	€	€
26. Net turnover		
Nett turnover	999,709	1,371,386
27. Employee expenses		
Wages and salaries	120,050	98,575
Social security charges	20,157	18,001
Pension costs	13,762	-
Other personnel costs	161,085	258,429
	<u>315,054</u>	<u>375,005</u>
<i>Wages and salaries</i>		
Gross wages	111,859	90,458
Movement of holiday bonus liability	9,198	8,117
Subsidy received	-1,007	-
	<u>120,050</u>	<u>98,575</u>
<i>Social security charges</i>		
Industrial insurance board	<u>20,157</u>	<u>18,001</u>
<i>Pension costs</i>		
Pension costs	<u>13,762</u>	<u>-</u>

	2023	2022
	€	€
<i>Other personnel costs</i>		
Travelling expenses	6,089	3,320
Canteen costs	904	999
Work wear	-	343
Other labour costs	558	-
Management Fee	132,948	235,611
Work by third parties	20,586	18,156
	<u>161,085</u>	<u>258,429</u>
	<u>161,085</u>	<u>258,429</u>

Staff

During 2023, 4 employees were employed on a full-time basis (2022: 4).

The breakdown is as follows:

2023	2022
<u>4</u>	<u>4</u>

28. Amortisation and depreciation

	2023	2022
	€	€
Intangible fixed assets		
Tangible fixed assets		
	154,794	107,893
<i>Amortisation of intangible fixed assets</i>	14,839	13,788
	<u>169,633</u>	<u>121,681</u>
Incorporation and share issue costs		
Research and development costs		
Goodwill		
	20,560	-
Totaal	35,097	8,757
	99,137	99,136
<i>Depreciation of tangible fixed assets</i>		
Equipment	<u>154,794</u>	<u>107,893</u>
	<u>14,839</u>	<u>13,788</u>

	2023	2022
	€	€
29. Other operating expenses		
Accommodation expenses	33,420	23,538
Car expenses	301	-
Selling and distribution expenses	380,767	616,285
General expenses	231,407	202,621
	<u>645,895</u>	<u>842,444</u>
<i>Accommodation expenses</i>		
Rent buildings	30,968	21,373
Tax and business expenses	778	761
Cleaning costs	1,020	954
Other accommodation expenses	654	450
	<u>33,420</u>	<u>23,538</u>
<i>Car expenses</i>		
Car renting	301	-
<i>Selling and distribution expenses</i>		
Publicity and advertisement	154,792	270,453
Representation costs	13,128	5,208
Business gifts	536	829
Travelling expenses	4,196	7,172
Shop costs, packing charges and exhibition costs	5,511	12,447
Website costs	16,665	1,068
Credit card charges	23,792	36,930
Transportation costs	143,746	266,368
Other cost of sales	18,401	15,810
	<u>380,767</u>	<u>616,285</u>
<i>General expenses</i>		
Accounting costs	63,079	37,560
Consultancy fees	75,925	83,329
Insurance	4,986	732
Maintenance department Inventories	147	-
Office requirements	68,464	68,170
Contributions	17,977	12,416
Other general expenses	829	414
	<u>231,407</u>	<u>202,621</u>

	2023	2022
	€	€
30. Financial income and expenses		
Interest and similar expenses	-4,754	-5,257
31. Result participating interests		
Share in result of participations	-12,295	8,950
Extraordinary result		
<i>32. Extraordinary expenses</i>		
Extraordinary expenses	-143,737	-440,520
Transactions with related parties		

11 OTHER DISCLOSURE

Recognition of the loss for 2023

The board of directors proposes to add the 2023 result to the other reserves for an amount of € 1,013,872. The General Meeting of Shareholders will be asked to approve the appropriation of the 2023 result, this proposition is already recognised in the financial statements.

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 30, 2024

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 2023 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 2022 financial year

The annual account for 2022 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 2023

The board of directors proposes to add the 2023 result to the other reserves for an amount of € 1,013,872. The General Meeting of Shareholders will be asked to approve the appropriation of the 2023 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 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 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 2023 and of its result for 2023 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 2023;
2. the consolidated and company profit and loss account for 2023; 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;

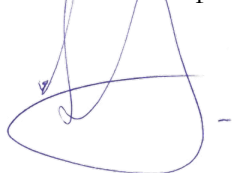
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting 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, 30 April 2024

The Audit Company

A handwritten signature in blue ink, appearing to be 'D. Beck RA', written over the printed name.

D. Beck RA