



Pet Service Holding NV

Half-Year Report 01-01-2024 to 30-06-2024

Not audited

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1 Operating environment

1.1 Business overview

Pet Service Holding NV (the “Company”, the “Group”) is driven by its vision to improve the quality of life for pets and pet owners. By focusing on its growth strategy, the Group aims to provide convenient and accessible products and services that promote pet wellness and enhance the overall experience for pet owners.

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

The Company's strategic approach is to penetrate and unify the fragmented European pet care products and services markets through both organic and external growth.

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

The Group is actively pursuing external growth to expand its market presence through acquisitions of companies within the pet care industry. While the Group currently operates in the Netherlands, Belgium, and Germany, it is considering further international expansion into other European markets.

The management and ownership of Pet Service Holding have significant expertise in identifying, acquiring, financing, and integrating mid-sized companies. With a sharp focus on market opportunities, they are poised to drive the company's growth through strategic acquisitions. The goal is to accelerate market share expansion beyond organic growth and deliver enhanced value to shareholders.

1.2 Activity on the first 6 months of the year

Pet Service Holding NV (PSH) recorded positive development in the first half of 2024. Revenue increased tenfold compared to the first half of 2023. The gross operating result (EBITDA) was positive earlier than expected and, for the first time since the company was founded in 2018. This favorable development was largely due to acquisitions, particularly that of Asklepios BV in early 2024, a major player in the veterinary market.

Reported revenue rose from €0.6 million in the first half of 2023 to €6.1 million. On a comparable basis*, there was a revenue increase of nearly 14%. The rising revenue, partly due to better utilization of distribution facilities and synergies in procurement, had a positive effect on the results. On a comparable basis, gross profit increased from €1.2 million to €1.8 million, with the margin increasing from 22% to 30%.

* Unless otherwise stated, the comparative figures for 2023 are derived from the pro forma figures, assuming that the acquisitions made in early 2024 had already taken place in 2023

EBITDA improved from a negative €116,000 to a positive €68,000, mainly due to a strong second quarter. Operating profit improved from a negative €265,000 to a negative €115,000. Net profit after taxes amounted to a negative €264,000, compared to a negative €537,000 in the first half of 2023. The main changes were an increase in interest expenses and a significantly more favorable balance of exceptional items.

PSH aims to become a major player in the fragmented market for pet food, medicines, and other pet supplies in the European market, where 88 million households own a pet. The Dutch market for these products is estimated to be worth €2 billion, while the entire European market is estimated at €30 billion. The total revenue of the animal feed market in Europe, including livestock, is expected to rise from around €70 billion in 2023 to approximately €85 to €90 billion by 2028. The total market for animal feed in Europe is expected to grow with a compound annual growth rate of about 4-5% between 2023 and 2028.

This growth is driven by increasing demand for high-quality and specialized food. In this structurally growing market, PSH aims to distinguish itself and offer a wide range of services and products. The company remains focused on growth through further expansion of its current activities and strategic acquisitions.

1.3 Highlights of the first 6 months of the year

The Company acquired several businesses during the first half of 2024:

Van Ree B.V. - Acquired in January 2024

- Van Ree is a wholesaler of pet supplies, formerly a part of Target Pet Holding. The company distributes a variety of pet products, including food, accessories, and other supplies to retailers and veterinarians across the Netherlands. It also operates cash & carry services for small business owners.
- **Strategic importance:** The acquisition of Van Ree marked an important expansion in PSH's distribution capabilities, particularly in the wholesale market (BtoB). This move enabled PSH to offer a wider range of products while improving logistics and delivery services for retail and professional customers.

Asklepios Holding B.V. (Aesculaap and Pharmacy4pets) - Acquired in January 2024

- Asklepios., also known as Aesculaap, is a veterinary wholesaler that supplies a comprehensive range of veterinary pharmaceutical products available in the Netherlands. The company offers over 4,000 veterinary products, including pharmaceuticals, diagnostics, and disposables for veterinarians.
- Through its online platform, Pharmacy4pets, it also provides a wide array of over-the-counter medicines and prescription veterinary products directly to consumers. Through its integration with licensed veterinarians, **Pharmacy4pets** fills prescriptions for conditions like diabetes, arthritis, and heartworm, providing quick and efficient delivery to customers. This ensures that pets with chronic conditions receive the care they need without delays.

- **Strategic importance:** This acquisition significantly strengthened PSH's position in the veterinary market by adding a robust portfolio of products and services for veterinarians, including selling the prescription medicines as well as expanding its reach in the consumer market through Pharmacy4pets. The integration of Aesculaap supports PSH's broader strategy to provide a one-stop solution for pet care.

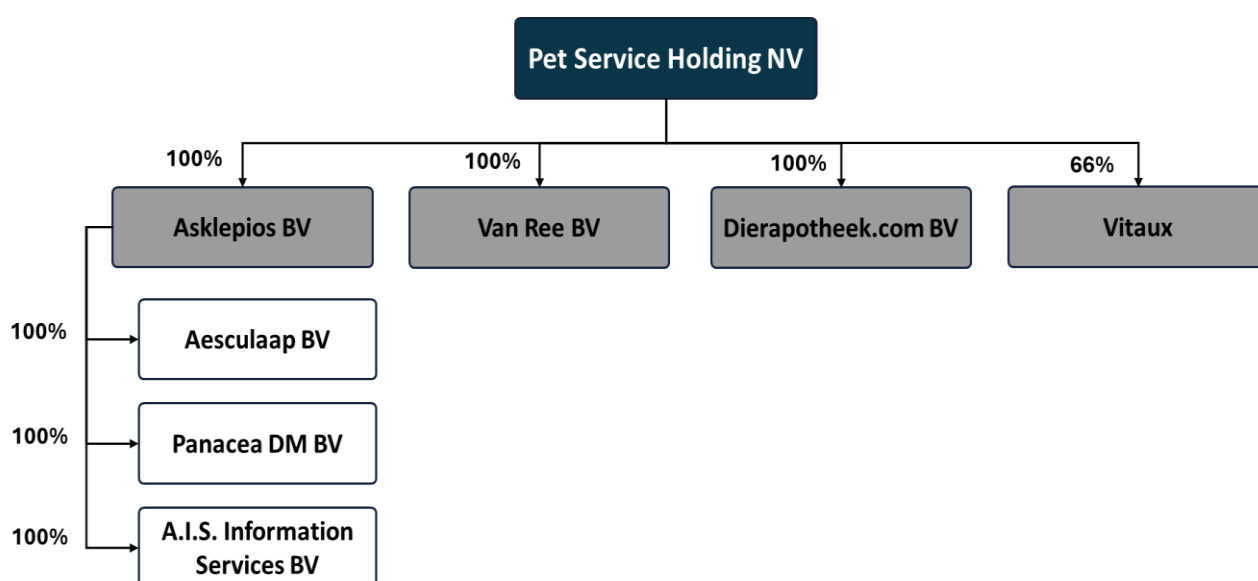
Dierapotheek.com - Acquired in late June 2024

- Effective June 28, 2024, a share acquisition purchase agreement was signed for the acquisition of Dierapotheek.com BV (DA.com), a renowned online web shop for veterinary medicines and products based in Schagen.
- **Strategic importance:** The acquisition of Dierapotheek.com will allow PSH to further consolidate its presence in the online veterinary medicine market. The addition of this online platform will create synergies with PSH's other veterinary-related businesses, boosting online sales and customer loyalty.
- Dierapotheek.com achieved a turnover of 1,5 million euros in 2023 and will add a positive EBITDA to PSH, and will be integrated into the PSH group, enabling further growth and innovation in animal care, starting in second half of 2024.

These strategic acquisitions reflect PSH's focus on expanding its footprint in both the veterinary and retail pet care markets, creating synergies between its digital platforms and physical distribution networks.

1.4 Organizational structure

Further to these acquisitions, Pet Service Holding has a new organizational structure.



The organizational chart illustrates the structure of Pet Service Holding NV and its subsidiary companies. At the top is **Pet Service Holding NV**, the parent company that owns a series of fully or partially owned subsidiaries in the pet services and products industry. The Group operates the following brands **Jachtinstinct**, which sells premium pet foods,

and the web shops **Dierenapotheek.nl** and **Drpetcare.de**.

1. **Asklepios BV** - This subsidiary is 100% owned by the Group and is a holding company that owns the real estate and the buildings and it has three wholly-owned subsidiaries under its structure:
 - **Aesculaap BV** – a wholesaler involved in the distribution of veterinary products.
 - **Panacea DM BV** - This structure owns the online platform Pharmacy4pets, which provides specialized pet healthcare and wellness solutions direct to customers.
 - **A.I.S. Information Services BV** – This subsidiary provides IT services for the Group's entities, hosting the data centers and the servers of the various web shops.
2. **Van Ree BV** - This subsidiary is 100% owned by the Group and is a wholesaler, providing food and medicine for pet for retailers.
3. **Dierapotheek.com BV** - This fully-owned subsidiary is focused on online sales, particularly in veterinary products, such as over-the-counter and prescription medications, accessible through the company's e-commerce platform.
4. **Vitaux** – The Group holds a 66% ownership stake in this veterinary management agency, which carries out marketing, communication and PR activities in the animal health and agricultural sector.

1.5 Operational and financial review of Pet Service Holding NV's performance for the period January 1 to June 30, 2024, compared to the full year 2023.

Balance Sheet

(All amounts in thousands of €)

Assets	30-06-2024		31-12-2023	
	€	€	€	€
Intangible fixed assets				
Costs relating to the incorporation and issuance of shares	164		185	
Development costs	367		128	
Goodwill	1,068		644	
		1,599		957
Tangible fixed assets				
Buildings and land	704		0	
Other tangible assets	160		43	
		864		43
Financial fixed assets				
Long-term other receivables	80		37	
		80		37
Total fixed assets		2,543		1,037

PSH's balance sheet for the first half of 2024 shows significant growth compared to the full year 2023, primarily due to strategic acquisitions made by the Company. These acquisitions included Asklepios and Van Ree in January 2024, and Dierenapotheek.com in late June 2024. Below is a breakdown of the key changes:

Intangible fixed assets:

Intangible assets have increased substantially, reflecting costs related to the acquisition made during the period with initial amortization affecting only the first half of the year. The increase also includes R&D investments tied to capitalized IT projects, such as the Pet Tracker App and online sales platforms like Pharmacie4Pets (newly consolidated, adding €188k) and the wholesale platform Aesculaap (newly consolidated, adding €54k). Goodwill was recorded for several acquisitions, including Van Ree, Vitaux, Huisdierenconcepten, Dierenapotheek.nl, DrPetcare.de, and Asclepios, with the latter acquisition contributing four entities to the consolidation and adding a goodwill value of €427k.

Tangible fixed assets:

The addition of tangible assets primarily includes newly consolidated distribution and office facilities, which add €704k, and equipment valued at €160k, associated with the acquisition of Asklepios and Aesculaap.

Inventories			
Raw materials and consumables	944	111	
		944	111
Receivables			
Trade receivables	332	7	
Receivables from profit tax	261	224	
Other accrued income	114	784	
Other receivables	168	88	
		875	1,103
Cash and cash equivalents		1,751	136
Total current assets		3,570	1,350
Total assets	€	6,113	€ 2,387

Inventories:

The inventories have increased significantly, with Asklepios and Aesculaap's stock adding €692k to the balance sheet, and Dierenapotheek.com's inventory contributing an additional €81k. This expansion in inventory is aligned with the company's growth in product offerings and distribution capabilities following the acquisitions.

Receivables:

The increase in receivables is largely due to the newly consolidated entities, adding €299k. Comparatively, the increase from 2022 to 2023 also included prepayments for the acquisition of Asklepios shares (€501k) and the Van Ree business (€236k).

Cash:

Cash levels have significantly improved compared to the previous year, as detailed in the cash flow statement. This improvement reflects the financing activities (mortgage loan, convertible bonds and private loans) undertaken to support the recent acquisitions and future growth.

Equity and Liabilities	30-06-2024		31-12-2023	
	€	€	€	€
Group equity				
Equity	682		945	
Share in group equity not accrued to legal entity	-10		-10	
Total group equity		672		935
Long-term debts				
Long-term debt to banks	975		-25	
Long-term convertible loans	2,775		875	
Long-term Vendor loans	200		0	
Long-term other payables	185		129	
Total long-term debts		4,135		979
Short-term debts				
Short-term payables to other connected companies	0		17	
Short-term payables to suppliers and trade payables	740		251	
Short-term payables concerning taxes and premiums for social insurances	342		-5	
Short-term accrued liabilities	224		207	
Short-term other payables	0		3	
Total short-term debts		1,306		473
Total liabilities		€ 6,113		€ 2,387

Non-current liabilities:

Non-current liabilities have risen due to several financing measures:

- A loan of €1 million was secured to finance the Asklepios acquisition.
- New bond issues raised €1.9 million, primarily earmarked for supporting the Company's future growth strategy.
- Vendor loans of €200k were recorded, related to the Asklepios acquisition.
- Newly consolidated provisions were also added, reflecting maintenance obligations for distribution facilities acquired with Asklepios and Aesculaap.

Current liabilities:

Current liabilities have increased by €1.18 million, primarily due to trade creditors, which account for €724k of this growth. This rise reflects the operational expansion brought by the consolidation of the newly acquired entities, indicating higher short-term obligations associated with the increased scale of operations.

Overall, the Company's balance sheet for the first half of 2024 reflects significant growth, driven by acquisitions and expanded operational assets.

Profit & Loss account

(All amounts in thousands of €)

Revenues and Gross Margin

	June 30, 2024	Year 2023
Operating income		
Revenues from sale of goods	6 057	1 208
Other revenues	0	3
Total revenues	6057	1211
Cost of raw materials and consumables	3 777	787
Gross margin	2280	0
		424

Pet Service Holding NV experienced a sharp rise in revenues, reaching €6.057 million for the first half of 2024, up from €1.208 million for the entire year of 2023. This notable increase is primarily driven by the acquisition of Asklepios Holding and Van Ree in January 2024, which expanded the Company's product and service offerings. These acquisitions allowed the Company to achieve higher sales volumes and improved gross margin, which increased to €2.280 million for the six-month period compared to €424,000 in 2023. The higher volume of transactions, alongside strategic cost management, contributed to this margin improvement.

Operating Expenses

	June 30, 2024	Year 2023
Wages	339	239
Social security charges	65	37
Pension premiums	18	20
Other employee expenses	285	172
Total employee expenses	-707	-468
Accommodation costs	128	36
Marketing and sales expenses	1 158	384
Car and transportation expenses	0	2
General expenses	218	240
Other operating expenses	-1504	-662
EBITDA	69	-706

The first half of 2024 saw a substantial increase in operating expenses due to the acquisitions of Asklepios Holding and Van Ree, which expanded the Company's scale and operational requirements.

- Employee Expenses**

Total employee expenses rose to €707,000 in the first half of 2024, up from €468,000 in 2023. This increase can be attributed to the integration of new staff from the acquired entities and additional resources required to support the larger business. Wages specifically rose from €239,000 to €339,000, while other employee-related expenses increased

from €172,000 to €285,000, indicating both workforce expansion and investment in employee retention and engagement.

- **Marketing and Sales Expenses**

Marketing and sales expenses saw a dramatic increase, rising from €384,000 in 2023 to €1.158 million in the first half of 2024. This increase reflects the Company's efforts to promote its expanded product range and build brand visibility in new and existing markets. As part of its growth strategy, the Group has invested in online advertising, promotional campaigns, and customer acquisition efforts to capture a larger market share following the acquisitions. These expenses are expected to continue as the Company seeks to drive customer engagement and boost online sales.

- **Accommodation Costs**

Accommodation costs increased from €36,000 in 2023 to €128,000 by June 2024. This rise reflects additional expenses for office and warehouse space required to support the Company's expanded operational footprint.

- **General Expenses**

General expenses remained relatively stable, at €218,000 in the first half of 2024 compared to €240,000 in 2023. This stability highlights the Group's efforts to manage cost efficiently and contain other miscellaneous costs effectively, focusing its spending on areas critical to supporting growth, such as marketing and staff.

Overall, the significant increases in operating expenses are directly linked to the Company's growth initiatives, including acquisitions and market expansion.

EBITDA

Despite the increase in expenses, Pet Service Holding achieved for the first time of its recent history a positive EBITDA of €69,000, marking a notable turnaround from the €-706,000 EBITDA in 2023. This improvement reflects the benefits of economies of scale achieved through the acquisitions, which allow the Company to negotiate better terms with suppliers, optimize its supply chain, and distribute fixed costs across a broader revenue base. By leveraging increased purchasing power and a more efficient operational structure, the Company has been able to improve its cost of goods sold (COGS), positively impacting margins and profitability.

Depreciation and Operating Result

	June 30, 2024	Year 2023
Depreciations intangible fixed assets	115	155
Depreciations on tangible fixed assets	69	15
Depreciations on intangible and tangible fixed assets	-184	-170
Operating result	-115	-876

Depreciation costs increased slightly, totaling €184,000 in the first half of 2024, compared to €170,000 in 2023. The operating result also saw a marked improvement, reducing the loss to €-115,000, down from €-876,000, illustrating enhanced performance and operational leverage following the acquisitions.

Financial Costs

	June 30, 2024	Year 2023
Interest expenses and similar costs	-126	-5
Financial income and expenses	-126	-5

Interest expenses rose to €126,000 in the first half of 2024, from €5,000 in 2023, due to financing required for the acquisitions.

Result after Tax

	June 30, 2024	Year 2023
Tax over profit or loss		
Taxes from current financial year	61	-5
	-61	5
Other income and expenses after tax	38	-144
Result after tax	-264	-1020

For the first half of 2024, the Company recorded a tax expense of €61,000, compared to a tax benefit of €5,000 in the full year of 2023. The "Other income and expenses after tax" line item also shows a positive change, with €38,000 in 2024 versus a loss of €144,000 in 2023. This improvement contributes to narrowing the net loss, indicating better control over extraordinary or non-operating expenses.

Ultimately, the result after tax for the first half of 2024 stands at a loss of €264,000, a notable improvement compared to the €1,020,000 loss reported for 2023. This reflects the positive impact of the Company's recent acquisitions and operational efficiencies, as revenue growth and improved margins helped mitigate overall losses. As the Company continues to integrate these acquisitions and further streamline its operations, it may be well-positioned to move closer to profitability in future periods.

1.6 PSH's cash flow review for the period January 1 to June 30, 2024, compared to the full year 2023

Cash Flow Statement

(All amounts in thousands of €)

The cash flow statement has been prepared using the indirect method.			
	01-01-2024 to 30-06-2024		2023
	€	€	€
Cash flows from (used in) operating activities			
Operating result	-264		-1,020
<i>Adjustments to reconcile to the operating result</i>			
Adjustments for depreciation and amortization expense	184		170
Other income statement line items with receipts and payments not considered as operating activities	0		-22
<i>Changes in working capital</i>			
Changes in trade receivables	230		48
Changes in inventories	-78		72
Changes in trade payables	-648		341
Total of cash flow from (used in) operations		-576	-411
Income tax received		0	0
Interest paid		0	0
Total of cash flows from (used in) operating activities		-576	-411

Cash Flows from Operating Activities

In the first half of 2024, the Company reported a net outflow from operating activities of €-576,000, compared to €-411,000 in 2023. The increased cash outflow is primarily due to changes in working capital:

- **Trade receivables:** There was a cash inflow of €230,000 due to a reduction in trade receivables, highlighting improved collections, mainly from the recovery of Van Ree debtors.
- **Inventories:** A cash inflow of €78,000 resulted from inventory adjustments, indicating improved inventory management.
- **Trade payables:** The most significant factor was a cash outflow of €-366,000 (adjusted for new-on consolidation) in trade payables, indicating that PSH paid off a substantial amount to suppliers, which has impacted liquidity.

Cash flow from investing activities		
Purchase of intangible assets	-10	-206
Purchase of property, plant and equipment	-47	0
Purchase of non-consolidated entities	0	-776
Expenditure capitalized development costs	0	-3
Total of cash flow from (used in) investing activities		-57

-985

Cash Flows from Investing Activities

The Company's cash outflow from investing activities was €-57,000 in the first half of 2024, a significant reduction from the €-985,000 outflow in 2023. This change is due to:

- **Purchase of intangible assets:** A decrease in intangible asset purchases from €-206,000 in 2023 to €-10,000 in 2024.
- **Property, plant, and equipment:** The Company invested €-47,000 in property, plant, and equipment in 2024, indicating some capital expenditure to support growth.
- **Acquisition activities:** In 2023, there was a one-off cash outflow of €-776,000 related to the pre-payment of the purchase of Asklepios BV.

Cash flows from (used in) financing activities			
Proceeds from borrowings	1,000	-25	
Proceeds from debenture loans	1,900	875	
Proceeds from private loans	200	0	
Interest paid	-126	0	
Other cash flows	10	-12	
Total of cash flow from (used in) financing activities		2,984	838

Cash Flows from Financing Activities

In the first half of 2024, the Company generated €2.984 million in net cash inflows from financing activities, compared to €838,000 in 2023. This substantial increase can be attributed to:

- **Mortgage loan:** The Company raised €1.0 million through mortgage loan. The loan was provided in conjunction with the acquisition of Asklepios BV and subsidiaries. The loan is pledged with the land and buildings of Asklepios. The loan bears an annual interest of 7% per annum. The maturity date to repay the loan in full is **December 31, 2026**.
- **Convertible Bonds:** During the period, 76 convertible bonds were issued which raised €1.9 million (as compared to 35 convertible bonds issued, which raised €875,000 in 2023), totaling drawn tranches of convertible bonds in the nominal amount of € 2.775 million to support the Group's acquisition strategy. The bonds must be repaid as of **December 31, 2026**, and bear interests between 7% - 8%.
- **Private loans:** Additional cash inflows of €200,000 from vendor loans were obtained in 2024. Two Vendor loans of €100,000 each were provided as part of funding the shares acquisitions of Asklepios BV and its subsidiaries. The Vendor loans bear 7% interest per annum and are to be repaid **by June 30, 2025**.
- **Interest payments:** Interest payments were €-126,000 in 2024, reflecting the cost of financing, which was not present in 2023.

Net Cash Flow and Cash Position

The Company achieved a net cash inflow of €2.351 million in the first half of 2024, reversing the €-558,000 outflow seen in 2023. After adjusting for €-737,000 in proceeds from cash resources obtained at acquisition, the total change in cash and cash equivalents was €1.614 million.

- **Opening cash balance:** The Company began the period with €137,000 in cash.

- **Closing cash balance:** By June 30, 2024, cash and cash equivalents had increased to €1.751 million, significantly strengthening the Company's liquidity position.

The first half of 2024 shows improved cash generation primarily from financing activities, supported by inflows from debenture and private loans. The enhanced cash position at the end of June 2024 provides the Company with more flexibility to fund future operations and expansion initiatives.

2 Consolidated financial statements

All amounts in thousands of €

2.1 Consolidated balance sheet per 30-06-2024

After appropriation of results

Assets	30-06-2024		31-12-2023	
	€	€	€	€
Intangible fixed assets				
Costs relating to the incorporation and issuance of shares	164		185	
Development costs	367		128	
Goodwill	1,068		644	
		1,599		957
Tangible fixed assets				
Buildings and land	704		0	
Other tangible assets	160		43	
		864		43
Financial fixed assets				
Long-term other receivables	80		37	
		80		37
Total fixed assets		2,543		1,037
Inventories				
Raw materials and consumables	944		111	
		944		111
Receivables				
Trade receivables	332		7	
Receivables from profit tax	261		224	
Other accrued income	114		784	
Other receivables	168		88	
		875		1,103
Cash and cash equivalents		1,751		136
Total current assets		3,570		1,350
Total assets	€	6,113	€	2,387

Equity and Liabilities	30-06-2024		31-12-2023	
	€	€	€	€
Group equity				
Equity	682		945	
Share in group equity not accrued to legal entity	-10		-10	
Total group equity		672		935
Long-term debts				
Long-term debt to banks	975		-25	
Long-term convertible loans	2,775		875	
Long-term Vendor loans	200		0	
Long-term other payables	185		129	
Total long-term debts		4,135		979
Short-term debts				
Short-term payables to other connected companies	0		17	
Short-term payables to suppliers and trade payables	740		251	
Short-term payables concerning taxes and premiums for social insurances	342		-5	
Short-term accrued liabilities	224		207	
Short-term other payables	0		3	
Total short-term debts		1,306		473
Total liabilities		€ 6,113		€ 2,387

2.2 Consolidated profit and loss account 2024

	01-01-2024 to 30-06-2024		2023	
	€	€	€	€
Operating income				
Revenues from sale of goods	6,057		1,208	
Other revenues	0		3	
		6,057		1,211
Purchase costs and outsourced work				
Cost of raw materials and consumables	3,777		787	
		-3,777		-787
Gross margin		2,280		424
Employee expenses				
Wages	339		239	
Social security charges	65		37	
Pension premiums	18		20	
Other employee expenses	285		172	
		-707		-468
Other operating expenses				
Accommodation costs	128		36	
Marketing and sales expenses	1,158		384	
Car and transportation expenses	0		2	
General expenses	218		240	
		-1,504		-662
EBITDA		69		-706
Depreciations on intangible and tangible fixed assets				
Depreciations intangible fixed assets	115		155	
Depreciations on tangible fixed assets	69		15	
		-184		-170
Operating result		-115		-876
Financial income and expenses				
Interest expenses and similar costs	-126		-5	
		-126		-5
Tax over profit or loss				
Taxes from current financial year	61		-5	
		-61		5
Other income and expenses after tax		38		-144
Result after tax		-264		-1,020

2.3 Cash flow overview over 2024

The cash flow statement has been prepared using the indirect method.

	01-01-2024 to 30-06-2024			2023
	€	€	€	€
Cash flows from (used in) operating activities				
Operating result	-264		-1,020	
Adjustments to reconcile to the operating result				
Adjustments for depreciation and amortization expense	184		170	
Other income statement line items with receipts and payments not considered as operating activities	0		-22	
Changes in working capital				
Changes in trade receivables	230		48	
Changes in inventories	-78		72	
Changes in trade payables	-648		341	
Total of cash flow from (used in) operations		-576		-411
Income tax received		0		0
Interest paid		0		0
Total of cash flows from (used in) operating activities		-576		-411
Cash flow from investing activities				
Purchase of intangible assets	-10		-206	
Purchase of property, plant and equipment	-47		0	
Purchase of non-consolidated entities	0		-776	
Expenditure capitalized development costs	0		-3	
Total of cash flow from (used in) investing activities		-57		-985
Cash flows from (used in) financing activities				
Proceeds from borrowings	1,000		-25	
Proceeds from debenture loans	1,900		875	
Proceeds from private loans	200		0	
Interest paid	-126		0	
Other cash flows	10		-12	
Total of cash flow from (used in) financing activities		2,984		838

Net cash flows		<u>2,351</u>	<u>-558</u>
Proceeds from cash resources obtained at acquisition	<u>-737</u>		0
Total of changes in cash and cash equivalents		<u><u>1,614</u></u>	<u><u>-558</u></u>
Compilation cash			
Cash and cash equivalents at the beginning of the period	137		695
Proceeds from cash resources obtained at acquisition	-737		0
Movement of cash and cash equivalents	<u>2,351</u>		<u>-558</u>
Cash and cash equivalents at the end of the period		<u><u>1,751</u></u>	<u><u>137</u></u>

3 Basis of the financial statement

3.1 General disclosures

Main 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.

Location of actual activities

The registered and actual address of Pet Service Holding NV is Industrieweg 16, Wormerveer 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 realized through transactions with third parties. Unrealized 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, 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
Veterinair Organisatiebureau Vitaux BV, Hilversum	66%
Van Ree BV, Amsterdam	100%
Asklepios BV, Boxtel	100%
Aesculaap BV, Boxtel	100%
Panacea DM BV, Boxtel	100%
A.I.S. Information Services BV, Boxtel	100%

Disposal groups that are acquired solely held for disposal are not consolidated. These 'held for disposal' companies are recognized 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.

Estimations

In applying the principles and policies for drawing up the financial statements, the directors of Pet Service Holding NV make different estimates and judgments that may affect the application of the accounting policies and may be essential to the amounts disclosed in the financial statements. These estimates and associated assumptions are based on limited historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making management judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. If it is necessary to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Consolidation

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 has 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.

3.2 General policies

The general principles applied in preparing the financial statements

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 considered if they have become known before the preparation of the annual accounts.

Explanation of comparability with the previous year

The comparative 2023 accounts are derived from the audited financial statements for the year ended December 31, 2023.

The accounting policies applied in these unaudited interim financial statements are the same as those applied by the audited consolidated financial statements as at and for the year ended December 31, 2023, except for the changes in accounting policies as set out in the relevant sections, if applicable.

Functional currency

The functional currency is euro. All amounts are presented in thousands of euros.

3.3 Basis for balance sheet assets

3.3.1 Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments in value. Amortization 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 amortization method are reassessed at the end of each financial year.

Regarding 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, particularly the Euronext Access+ Paris.

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 considered, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortizable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognized directly in the income statement.

Amortization rates:

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

3.3.2 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: Equipment 20%

Transportation 20%

3.3.3 Financial fixed assets

Participations

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; about 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 realizable value (see also section "Impairment of fixed assets"); an impairment is recognized and charged to the income statement.

Loans to associates

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortized cost. For determining the value, any impairments are considered.

Deferred tax claims

Deferred income taxes are recognized 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.

3.3.4 Inventories

Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realizable value. The historical cost or production cost consist of all costs relating to the acquisition or production and the costs incurred to bring the inventories to their current location and current condition. The production cost includes direct labor and fixed and variable production overheads, considering the costs of the operations office, the maintenance department and internal logistics.

The realizable value is the estimated sales price less directly attributable sales costs. In determining the realizable value, the obsolescence of the inventories is considered.

3.3.5 Cash and cash equivalents

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

3.4 Basis for balance sheet liabilities

3.4.1 Group equity

Share of third parties in equity

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

3.4.2 Debts

Short- and long-term debts

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received considering premiums or discounts and minus transaction costs. This is usually the nominal value.

3.5 Base for result determination

General result determination

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

Result participating interests

Revenue recognition

General

Net turnover comprises the income from the supply of goods and services and realized income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

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 recognized 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 capitalized, other operating income, cost price and cost of outsourced work and other external charges.

Government subsidies

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidized costs were incurred or income was lost or when there was a subsidized operating deficit. Income is recognized 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 amortization costs.

Employee expenses

General

Employee expenses (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 based on the employment conditions.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognized 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 recognized 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 recognized in the income statement in the period that they are realized, unless hedge accounting is applied.

Dividends

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

Changes in value of financial instruments recognized at fair value

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

Tax over profit or loss

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.

3.6 Principles for the preparation of the cash flow statement

Cashflow overview

The cash flow statement has been prepared using the indirect method. Purchases paid for the acquisition of group companies and, or business activities are included in cash flow used in investing activities.

3.7 Notes to assets per 30-06-2024

3.7.1 Intangible fixed assets

Costs relating to the incorporation and issuance of shares

	<i>Comm. End</i>	<i>Comm. Start</i>
Incorporation and share issue costs	164	185
	<u>164</u>	<u>185</u>

Development costs

	<i>Comm. End</i>	<i>Comm. Start</i>
Research and development costs	367	128
	<u>367</u>	<u>128</u>

Goodwill

	<i>Comm. End</i>	<i>Comm. Start</i>
Goodwill	1,068	644
	<u>1,068</u>	<u>644</u>

3.7.2 Tangible fixed assets

Buildings and land

	<i>Purchase costs</i>	<i>Comm. End</i>	<i>Comm. Start</i>
Land and building, new in consolidation	1,402	704	0
		<u>704</u>	<u>0</u>

Other tangible assets

	<i>Purchase costs</i>	<i>Comm. End</i>	<i>Comm. Start</i>
Equipment and Transportation	268	160	43
		<u>160</u>	<u>43</u>

3.7.3 Financial fixed assets

Long-term other receivables

	<i>Comm. End</i>	<i>Comm. Start</i>
Other receivables	80	37
	<u>80</u>	<u>37</u>

3.7.4 Inventories

Raw materials and consumables

	<i>Realizable value</i>	<i>Comm. End</i>	<i>Comm. Start</i>
Raw materials and consumables	944	944	111
		944	111

3.7.5 Receivables

Trade receivables

	<i>Nominal value</i>	<i>Comm. End</i>	<i>Comm. Start</i>
Trade receivables	332	332	7
		332	7

Receivables from profit tax

	<i>Comm. End</i>	<i>Comm. Start</i>
Deferred corporate income tax asset	261	225
	261	225

Other accrued income

	<i>30-06-2024</i>	<i>31-12-2023</i>
Prepaid share acquisition DA.com Schagen	94	0
Pre-paid expenses, (2023: including share acquisition Asklepios BV and subsidiaries)	20	549
Prepaid van Ree	0	236
	114	785

Other receivables

	<i>Comm. End</i>	<i>Comm. Start</i>
Other receivables, deferred assets	168	88
	168	88

3.7.6 Cash and cash equivalents

Cash and cash equivalents

	<i>Comm. End</i>	<i>Comm. Start</i>
Cash and cash equivalents	1,751	137
	1,751	137

3.8 Disclosure liabilities per 30-06-2024

3.8.1 Group equity

The number of shares created at a par value of € 0,02 per share amounts 2,843,096 shares, of which are paid on Ordinary share capital € 56,862 and € 3,860,331 on Share premium reserve. The statutory share capital amounts € 225,000. There are no shares issued with specific rights. Movement group equity:

	<i>June 30,2024</i>	<i>December 31,2023</i>
Share capital	57	57
Share premium	3.860	3.860
	<u>3.917</u>	<u>3.917</u>
Other reserves:		
Balance at the beginning of the period	-2.971	-1.952
Result for the period ending	-264	-1.020
Balance at the ending of the period	<u>-3.235</u>	<u>-2.972</u>
Balance group equity	<u>682</u>	<u>945</u>

3.8.2 Debts

Long-term debt to banks

	<i>Comm. End</i>	<i>Comm. Start</i>
Mortgage loan	975	-25
	<u>975</u>	<u>-25</u>

In conjunction with the acquisition of Asklepios BV and subsidiaries a loan of 1,0 € million was provided. The loan is pledged with the land and buildings of Asklepios. The loan bears an annual interest of 7% per annum. The maturity date to repay the loan in full is December 31, 2026.

Other Long-term Loans

	<i>Comm. End</i>	<i>Comm. Start</i>
Convertible loan	2,775	875
Vendor loans	200	0

In the first six months of 2024, 76 convertible bonds were issued (as compared to 35 convertible bonds issued in 2023), totaling drawn tranches of convertible bonds in the nominal amount of € 2,775 (€ 875 in 2023). The bonds must be repaid as of December 31, 2026, and bear interests between 7% - 8%.

Two Vendor loans were provided as part of funding the shares acquisitions of Asklepios BV and its subsidiaries. The Vendor loans bear 7% interest per annum and are to be repaid by June 30, 2025.

	<i>Comm. End</i>	<i>Comm. Start</i>
Short-term payables to other connected companies		
Payables to other related parties	0	17
	<u>0</u>	<u>17</u>
Short-term payables to suppliers and trade payables		
	<i>Comm. End</i>	<i>Comm. Start</i>
Trade creditors	740	251
	<u>740</u>	<u>251</u>
Short-term payables concerning taxes and premiums for social insurances		
	<i>Comm. End</i>	<i>Comm. Start</i>
VAT	248	-5
Social securities	11	0
Corporate income tax payable	83	0
	<u>342</u>	<u>-5</u>
Short-term accrued liabilities		
	<i>Comm. End</i>	<i>Comm. Start</i>
Accruals and deferred income	224	207
	<u>224</u>	<u>207</u>
Short-term other payables		
	<i>Comm. End</i>	<i>Comm. Start</i>
Other liabilities	0	5
	<u>0</u>	<u>5</u>

3.9 Additional information profit and loss account 2024

3.9.1 Company results

Revenues from sale of goods

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Net turnover	6,057	1,208
	<u>6,057</u>	<u>1,208</u>

Other revenues

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Other operating income	0	3
	<u>0</u>	<u>3</u>

3.9.2 Purchase costs and outsourced work

Purchase price of sales and cost of raw materials and consumables

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Movement of finished goods inventories	0	72
Purchase cost	3,777	715
	<u>3,777</u>	<u>787</u>

3.9.3 Expenses by virtue of staff rewards

Wages

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Wages and salaries	339	239
	<u>339</u>	<u>239</u>

Social security charges

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Social security charges	65	37
	<u>65</u>	<u>37</u>

Pension premiums

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Pension costs	18	20
	<u>18</u>	<u>20</u>

Other expenses in virtue of staff rewards

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Other personnel costs (including management fees)	285	172
	<u>285</u>	<u>172</u>

3.9.4 Depreciations on intangible and tangible fixed assets

Depreciations intangible fixed assets

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Incorporation and share issue costs	21	21
Research and development costs	17	35
Goodwill	77	99
	<u>115</u>	<u>155</u>

Depreciations on tangible fixed assets

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Equipment and transportation	69	15
	<u>69</u>	<u>15</u>

3.9.5 Other operating expenses

Accommodation costs

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Rent buildings	68	30
Energy, cleaning and other housing expenses	60	6
	<u>128</u>	<u>36</u>

Sales-related expenses

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Publicity and advertisement	425	155
Website costs	2	17
Transportation costs	453	144
Other cost of sales	278	68
	<u>1,158</u>	<u>384</u>

Car and transportation expenses

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Car expenses	0	2
	<u>0</u>	<u>2</u>

General expenses

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
General expenses	218	240
	<u>218</u>	<u>240</u>

3.9.6 Financial income and expenses

Interest expenses and similar costs

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Interest and similar expenses	126	5
	<u>126</u>	<u>5</u>

3.9.7 Taxes over profit or loss

Taxes from current financial year

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Taxes	61	-5
	<u>61</u>	<u>-5</u>

3.9.8 Other income and expenses after tax

	<i>01-01-2024 to 30-06-2024</i>	<i>2023</i>
Extraordinary expenses	38	-144
	<u>38</u>	<u>-144</u>

3.9.9 Related party transactions

The Company had no related party transactions in its audited annual report 2023.

During the first six months of 2024, no change has been reported affecting the related party transactions described in the last audited annual report.

3.10 Events after the balance date

Effective June 28, 2024, a share acquisition purchase agreement was signed for the acquisition of Dierapotheek.com BV (DA.com), a renowned online web shop for veterinary medicines and products based in Schagen.

This strategic acquisition strengthens PSH's market position and aligns with the current activities DA.com achieved a turnover of 1,5 million euros in 2023 and will add a positive EBITDA to PSH, and will be integrated into the PSH group, enabling further growth and innovation in animal care, starting in second half of 2024.

4 Establishment and signing Half-Year Report

Wormerveer, October 18, 2024

Ron van Veldhoven, CEO

Robert J. Boemen, CFO