

PET SERVICE HOLDING

Annual Report
YEAR 2024



ANNUAL REPORT 2024

Pet Service Holding NV at Wormerveer

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Company description

Pet Service Holding NV (hereinafter referred to as “PSH”, the “Company” or the “Group”) is active in the online retail and professional distribution of food, medicines, and other pet supplies. The company currently operates primarily in the Netherlands, Belgium, Germany with additional activities in France and Italy. The product range focuses on prescription and over-the-counter medicines, nutritional supplements, and high-quality food—segments known for both higher margins and stronger growth. PSH aims to acquire strong brands, achieve economies of scale, offer a competitive product portfolio, and leverage intelligent marketing and community building.

Business overview

Pet Service Holding NV 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 characterized by smaller-scale companies, with no dominant players currently present. In contrast, the Dutch pet food market is populated by larger international companies. Similar patterns can be observed in other European countries as well.

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

The Group is actively pursuing external growth to expand its market presence through acquisitions of companies within the pet care industry. 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.

Acquisitions in 2024

In 2024, PSH completed three strategic acquisitions that significantly expanded its operations and market reach in the Netherlands:

- **Asklepios BV (Boxtel)** – Acquired in January, Asklepios strengthened PSH's position in the B2B veterinary pharmaceutical segment with a broad product portfolio and proprietary assets. The monetization of its 13 product registrations is expected to contribute meaningfully to profitability starting in 2025.
- **Van Ree BV (Amsterdam)** – Also acquired in January, Van Ree reinforced PSH's wholesale capabilities and improved its logistics network, enhancing distribution efficiency and reach.
- **Dierapotheek.com BV (Schagen)** – Acquired in June, this online platform boosted PSH's digital presence and direct-to-consumer activities, in line with the Company's strategy to grow its e-commerce and digital engagement channels.

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.

Financial position

The following financing structure can be deduced from the consolidated balance sheet, all amounts in €.

	<u>31 December 2024</u>	<u>31 December 2023</u>
Long term funds:		
Equity	1.026.042	935.377
Provisions	68.310	-
Non-current liabilities	3.836.174	979.390
	<u>4.930.526</u>	<u>1.914.767</u>
Long term investments:		
Intangible fixed assets	1.434.491	956.638
Tangible fixed assets	1.385.264	42.892
Financial fixed assets	47.891	36.745
	<u>2.867.646</u>	<u>1.036.275</u>
Working capital	<u>2.062.880</u>	<u>878.492</u>
This amount is applied as follows:		
Inventories	942.300	110.628
Receivables, prepayments and accrued income	1.521.122	1.103.964
Cash and cash equivalents	1.533.851	136.501
	<u>3.997.273</u>	<u>1.351.093</u>
Minus: Current liabilities	1.934.393	472.601
Working capital	<u>2.062.880</u>	<u>878.492</u>

Management report

2024: A Transformational Year for PSH

We are extremely pleased to report that Pet Service Holding NV achieved strong performance in 2024. PSH achieved a tenfold increase in revenue to €12.5 million (vs. €1.2 million in 2023), driven by an ambitious acquisition strategy and a strong focus on integration and margin improvement. For the first time in his history, the Company delivered a positive EBITDA and significantly improved its results, bringing net income to breakeven. This performance marks a turning point and highlights the Company's ability to generate value through disciplined M&A execution.

PSH entered 2024 with a clear roadmap: grow through acquisitions, generate synergies through integration, and strengthen margins. That strategy translated into the successful completion of three strategic transactions:

Acquisition of Asklepios BV (Boxtel) – January 2024

The acquisition of Asklepios BV significantly strengthened PSH's position in the B2B veterinary pharmaceutical market. The company brought with it a trusted network of veterinary professionals and an extensive catalog of over 4,000 products. This strategic move enhanced PSH's product offering and deepened its integration within the veterinary healthcare ecosystem in the Netherlands.

This acquisition also brought valuable intangible assets, including 13 proprietary product registrations classified as intellectual property. From the outset, CEO Ron van Veldhoven recognized the untapped potential of this portfolio but chose to activate its value only when it could translate into tangible returns.

Recently, two of these assets were sold, generating a significant financial contribution that will be reflected in the Company's 2025 semi-annual results. This monetization not only strengthens near-term profitability but also reveals previously unrecognized value per share. The Company is actively exploring the sale of the remaining 11 registrations.

As such, the acquisition of Asklepios stands out not only for its operational and strategic benefits, but also for its potential to deliver exceptional shareholder value through the targeted monetization of its intellectual property portfolio.

Acquisition of Van Ree BV (Amsterdam) – January 2024

With the acquisition of Van Ree BV, PSH expanded its wholesale operations and bolstered its logistical infrastructure. The transaction extended PSH's distribution capabilities across the Netherlands, enabling the Company to serve a broader B2B customer base more efficiently.

It also provided valuable synergies in warehousing, delivery, and inventory management.

Acquisition of Dierapotheek.com BV (Schagen) – June 2024

The integration of Dierapotheek.com BV brought valuable expertise in online retail and digital customer engagement. The platform's established consumer base and strong brand recognition reinforced PSH's position in the fast-growing market for online veterinary medicine.

This acquisition increased the Company's direct-to-consumer reach and supports its long-term strategy of strengthening its digital channels.



Financial Highlights – Full Year 2024 vs. Full Year 2023

Reported revenue rose sharply from €1.2 million in 2023 to €12.5 million in 2024, reflecting the contribution of recent acquisitions as well as initial gains from commercial synergies. This nearly tenfold increase in top-line performance demonstrates the transformative impact of PSH's expansion strategy.

While scaling its operations in 2024, Pet Service Holding NV maintained a disciplined approach to cost control. Marketing expenses rose to €1.16 million, as expected, reflecting strategic investments in customer acquisition and brand visibility. These efforts supported the commercial rollout of the newly acquired entities and contributed to the acceleration of top-line growth.

Personnel expenses increased during the year as the Company expanded its team to support integration and ongoing operations. However, this increase was managed carefully, and general administrative expenses remained broadly stable, highlighting PSH's focus on efficiency and its ability to scale without disproportionately inflating overhead.

One of the most telling indicators of improved operational performance was the significant increase in gross margin, representing a gain of 2.9 percentage points year over year. In absolute terms, gross profit rose from €0.4 million in 2023 to €4.3 million in 2024, an increase of €3.9 million, representing a growth of approximately 929%. This rise was driven by a more favorable product mix, economies of scale, and enhanced purchasing conditions.

This sharp improvement in profitability underscores the effectiveness of post-acquisition integration efforts, including procurement synergies and enhanced pricing discipline, and also reflects the quality of execution delivered by the management team.

EBITDA improved markedly, rising from a negative €0.8 million in 2023 to a positive €61,000 in 2024. This turnaround was supported by strong performance in the second half of the year and reflects the Company’s ability to manage costs while scaling operations.

Overall, operating expenses evolved in line with revenue growth, allowing the Company to protect its margin profile while continuing to expand. As a result of this disciplined cost management and operational leverage, PSH achieved a positive EBITDA for the first time in its history. This represents a major milestone for the Company and confirms its transition from an innovative startup to a growth scale-up.

Operating profit (EBIT) also showed considerable progress, narrowing from a loss of €1.025 million in the prior year to a negative EBIT of € 386,000 in 2024. After accounting for a nearly €500,000 tax benefit from loss carryforwards, the net result for 2024 was positive at €89,000, compared to a net loss of €1 million in 2023.

Finally, the Company ended the year with a cash balance of €1.53 million, compared to €137,000 at the end of 2023. This improved liquidity position provides PSH with greater flexibility to pursue further growth initiatives in 2025 and 2026.



Strategic Debt Management and Strong Year-End Cash Balance

To support its acquisition-led growth strategy, Pet Service Holding NV secured a diversified mix of financing instruments throughout 2024. The Company raised €1.0 million through a mortgage loan at interest rates of 7%, secured against the assets of Asklepios BV. This facility provided a stable foundation for the transaction while preserving operational cash flow.

In parallel, PSH completed a € 2.1 million issuances of convertible bonds with coupon rates ranging between 7% and 8%. These bonds, which mature in 2026 and 2027, were structured to attract long-term investors aligned with the Company's growth vision while minimizing immediate dilution. The issuance was instrumental in funding both acquisitions and working capital needs. PSH is working to convert approx. 60% of the outstanding bond balance into equity. Additionally, PSH arranged approximately €0.2 million in vendor loans as part of the transaction structures.

As a result of this prudent and flexible approach to financing, PSH closed the financial year with a solid cash position of €1.53 million (see cash flow table next). This strong liquidity profile provides the Company with the financial headroom needed to pursue further growth opportunities in 2025.

Cash Flow Analysis – FY 2024 Strong Operating Performance Amid Transformational Growth

In 2024, PSH generated a positive operating cash flow of €114,939, a key milestone given the scale of integration and transformation undertaken during the year. This reflects the Company's ability to fund operations through internal resources, despite significant non-cash adjustments, such as purchase price allocation (€864,675) and deferred financing costs (€379,600).

Strategic Investments in Growth

Cash flow from investing activities was negative at €(1.85) million, driven primarily by payments related to business acquisitions totaling €2.18 million. These investments reflect PSH's strategic decision to expand its portfolio through the acquisitions of Asklepios, Van Ree, and Dierapotheek.com. The partial offset came from advance payments made in 2023 and moderate CapEx on property and intangible assets.

Financing Secured to Support Expansion

The Company secured a net total of €3.13 million in financing during the year. These new resources net of bond repayments were used to support acquisition financing and reinforce the Company's balance sheet for further expansion.

Thanks to the successful capital raising initiatives and disciplined cash flow management, cash and cash equivalents increased by €1.40 million during the year, reaching €1.53 million at year-end, compared to just €137,000 at the beginning of the year.

Cash and cash equivalents, beginning of the year	136.500
Operating activities	
Net income	88.733
Adjustments to reconcile net income to cash generating operating activities:	
Depreciation and amortization	446.804
Deferred income expense	(589.837)
Deferred financing costs	(379.600)
Purchase price allocation business acquisitions	(864.675)
Changes in operating assets and liabilities:	
Inventories	(81.945)
Accounts receivables	222.992
Other current and non-current assets	(189.324)
Accounts payables	943.904
Other current and non-current liabilities	517.887
Cash generated by operating activities	114.939
Investing activities	
Payments made in connection with business acquisitions, net of cash acquired	(2.176.000)
Advance payments 2023 on business acquisitions	501.000
Payments for property and equipment	(85.685)
Payments for intangible fixed assets	(91.075)
Other	2172
Cash out by investing activities	(1.849.588)
Financing activities	
Proceeds from issuance shares	2.000
Proceeds from issuing bonds	2.055.000
Repayments on bonds issued in 2023	(125.000)
Proceeds from vendor loans	200.000
Mortgage loan	1.000.000
Other	
Cash from financing activities	3.132.000
Increase / (decrease) in cash and cash equivalents	1.397.351
Cash and cash equivalents, end of the year	1.533.851

Analysis of the main risks and uncertainties

PSH operates in a changing environment that involves risks, some of which are beyond its control. The management has conducted a review of the risks that could have a significant adverse effect on the PSH, its business, its financial condition, its results, its outlook, or its ability to achieve its objectives. As of the date of these financial statements, PSH is not aware of any significant risks other than those presented in this chapter. However, the list of risks and uncertainties described below is not exhaustive.

Other risks or uncertainties, which are currently unknown or not considered by PSH at the date of these financial statements as likely to have a significant adverse effect on PSH, its business, its financial condition, its results, or its outlook, may exist or could become important factors that could have a significant adverse effect on PSH, its business, its financial condition, its results, its development, its outlook, or its ability to achieve its objectives.

Risks related to the execution of the Company's strategy

The Company has a well-defined growth strategy aimed at expanding its online sales of pet supplies and veterinary medicines through both organic growth and external acquisitions. While the Company has made significant strides in its relatively short operating history, there can be no guarantee that it will achieve its objectives or successfully implement its growth strategy as anticipated. Furthermore, the costs associated with executing this strategy may exceed expectations.

A key element of the Company's strategy is attracting and retaining customers, as further discussed in the "Risks related to customer attraction and retention" section below. To support this effort, the Company has made significant acquisitions, allowing it to scale its online sales business and benefit from economies of scale. Recent acquisitions, such as Asklepios, Dierapotheek.com, and the stock and inventory of Van Ree B.V., exemplify the Company's focus on broadening its portfolio and offering an expanded range of products and services to its customers. These acquisitions have allowed the Company to strengthen its market presence and enhance its competitive advantage in the pet care and veterinary products sector.

In addition to internal growth, the Company is investing in initiatives aimed at creating operational synergies and diversifying its revenue streams. However, the successful execution of this strategy may be impacted by factors outside the Company's control, such as macroeconomic changes, inflationary pressures, rising interest rates, economic downturns, and geopolitical tensions. These external factors can influence consumer spending habits and limit the Company's ability to invest in the continued implementation of its strategic objectives.

Any significant delays, failures, or unforeseen costs related to the execution of the Company's strategic objectives could have a material adverse impact on its business, financial condition, operational results, cash flows, and future prospects.

Risks related to customer attraction and retention

The Company's future financial performance depends on its ability to attract new customers and retain existing ones who continue to purchase its products and services. This ability is influenced by several factors, including effective promotion of the Company and its offerings, a diverse range of products and services, competitive pricing, and favorable shopping conditions.

The Company competes not only on price but also in areas such as product variety, the online shopping experience, and overall customer service. For example, recent increases in transportation costs and inflation have led to higher shipping fees for customers. If competitors excel in these areas, it could result in a loss of customers and reduced profitability for the Company.

Additionally, changing consumer preferences, such as the growing demand for organic and sustainable pet products, pose a challenge. Failure to attract and retain a sufficient number of customers or adapt to evolving consumer preferences could have a material adverse effect on the Company's business, financial condition, operating results, cash flow, and future prospects.

Risks related to general economic conditions

The Company's business and financial performance are influenced by general economic conditions. Current global economic dynamics, characterized by moderate economic growth, high inflation, and ongoing geopolitical tensions in Ukraine and the Middle East, pose significant challenges. Elevated inflation rates can lead to increased costs for goods and services sourced from third parties, while geopolitical instability may disrupt supply chains and fuel price volatility. These factors could materially impact the Company's business, financial condition, results of operations, cash flows, and future prospects.

Consumer confidence and spending have shown signs of recovery compared to the post-COVID downturn, yet high inflation has resulted in reduced purchasing power. Consumers may adjust their spending behavior, prioritizing essential items and opting for lower-cost alternatives. The Company may face difficulties in passing on increased costs to customers without affecting demand.

Furthermore, rising fuel and shipping costs due to inflationary pressures and geopolitical instability have led to higher operational expenses. There is no guarantee that the Company can offset these cost increases through higher prices or cost management strategies.

Risks related to competition

The Company's future profitability will be dependent its ability to compete effectively in the markets in which it operates. The Company competes in a wide-ranging competitive market including large pet specialists, pure play online competitors, online marketplaces, direct to customer businesses, supermarkets, discounters, online pet healthcare platforms, veterinary groups, and independent practices. The Company must continue to grow its online subscription model while keeping ahead of, and responding to, developments by its competitors around price, range of services offered and experience. There also remains a level of uncertainty of any further impact of economy and inflation on consumer and household budgets.

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

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

Risks related to the integration of acquired and future businesses

The Company has been actively expanding its operations through acquisitions, including recent purchases of Asklepios BV, Dierapotheek.com, and the stock and inventory of Van Ree B.V. These acquisitions have allowed PSH to broaden its portfolio and offer a wider range of products and services. Dierapotheek.com, known for its excellent service and extensive selection of veterinary medicines and products, aligns well with PSH's mission to enhance animal health and welfare. This complements the existing offerings from other Company entities such as Van Ree, Viteax BV (a veterinary organization), Dierenapotheek.nl, Jachtinstinct, and Aesculaap in Boxtel. Together, these companies serve both the B2C and B2B markets, delivering to retailers, veterinarians, wholesalers, and consumers, thereby solidifying PSH's position in the animal care sector.

While the Company believes that the integration of these acquisitions has been successful so far, there is a risk that future integrations could encounter difficulties. Potential challenges include an inability to effectively integrate the acquired companies' products and services, or the failure to realize the expected synergies and commercial benefits.

Additionally, the Company is exploring further strategic acquisitions to continue its growth trajectory. The success of this strategy depends on several factors: identifying suitable acquisition targets, conducting thorough due diligence, negotiating favorable terms, obtaining necessary approvals, and successfully integrating the acquired businesses into the Company. If these factors are not managed effectively, the Company may struggle to achieve the expected cash flows, growth, or synergies from these acquisitions. There is also a risk of unforeseen liabilities emerging post-acquisition, which could require additional investments and divert management's focus from other priorities.

If any of these risks materialize, they could adversely impact the Company's business, financial condition, operational results, cash flow, and future prospects.

Risks related to dependence on management and key employees

The Company relies heavily on the knowledge, experience, and commitment of its management team and key employees for its performance and future development. This includes the Managing Directors, Senior Management, and other essential staff who play a crucial role in helping the Company adapt to ongoing changes in the pet care market, evolving product and industry standards, and shifting customer preferences. Furthermore, the Company depends on the professional license of its in-house veterinarians to sell pet medicines.

There is no guarantee that the Company will continue to attract and retain the necessary management and key employees to support the development and operation of its business. The Company's consultancy and employment agreements do not include non-compete or non-solicitation clauses, leaving the Company vulnerable to competitive actions from departing management or employees. If the Company were to lose one or more members of its management team or other key employees, or if it fails to recruit new key personnel in the future, this could have a material adverse effect on the Company's business, operational results, cash flows, financial condition, and future prospects.

Risks related to system failures, IT and cybercrimes

The Company relies on the efficient and uninterrupted operation of its technological systems and networks to conduct its business. Any significant disruption, such as system failures, computer viruses, security breaches, facility issues, terrorism, war, telecommunication failures, or energy blackouts, could materially impact the Company's business, operational results, cash flows, financial condition, and future prospects. Additionally, both the Company and its end-users face the risk of cyber-attacks from cybercriminals, hackers, or other malicious actors. The constantly evolving nature of cyber threats makes it challenging for the Company to prevent attacks and adapt to new threats effectively.

IT security breaches could lead to system shutdowns, business disruptions, and unauthorized access to confidential information, including personal data. Failure to invest in adequate technology infrastructure and cybersecurity measures could result in lost sales opportunities, data breaches, and a loss of consumer trust. The frequency of cybercrimes, particularly professional attacks, has increased significantly, especially following the escalation of geopolitical tensions, such as the war in Ukraine. These cyber threats could cause both reputational and financial damage to the Company, adversely affecting its business, financial performance, and future outlook.

Risks related to the Company's intellectual property rights (IPR)

The failure to adequately protect the Company's intellectual property rights (IPR), including trademarks, trade secrets, or other proprietary information, could weaken the Company's brand and undermine its ability to compete effectively. The Company has registered its key trademarks appropriately. However, if its IPR is not sufficiently protected, this could reduce the distinctiveness of its brands, leading to consumer confusion and potential reputational damage.

Defending or enforcing the Company's IPR could require significant resources and divert management's attention away from core business activities, potentially impacting the Company's operations and financial performance, even if such efforts are ultimately successful. If any of these risks were to materialize, they could adversely affect the Company's business, results of operations, financial condition, cash flow, and overall prospects.

Risks related to product liability and responsible sourcing

The Company supplies a wide range of products in the pet sector, including animal accessories, books, posters, medical tools, pet food, pet care products, and veterinary medicinal products (VMPs) sold over-the-counter. Given the diversity of products offered, there is an inherent risk that defective products may reach consumers. Most products are distributed to online customers, and the logistics involved carry risks such as fire, strikes, or product loss, which could disrupt operations or reduce sales.

As the Company sources products and raw materials globally, it is exposed to international trade risks, including supplier failure, inflation, regulatory changes, and currency fluctuations. Failure to meet responsible sourcing commitments could damage consumer confidence and harm the Company's reputation, negatively impacting business performance. A disaster affecting a key logistics partner or veterinary product wholesaler could significantly disrupt the fulfillment of online orders.

The loss of a major supplier, inability to source products that meet the Company's standards, or supply chain disruptions leading to higher costs could negatively impact customer relationships and the Company's competitive position. Such issues could also expose the Company to financial penalties and product liability litigation, which could materially affect its business, financial position, cash flows, and future prospects.

Risks related to contract structure

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

Risks related to general laws and regulations

Compliance with the complex and evolving laws and regulations governing the Company's business operations may require significant time, capital, and operational adjustments. This could impact the manner in which the Company provides its services and potentially increase costs.

As the Company operates within the EU, it is subject to both national and EU regulations. These include, but are not limited to, the General Data Protection Regulation (GDPR) as mentioned in Section 3.2.2 ("Risks related to data protection, privacy compliance and legal disputes"), which governs the processing of personal data. Additionally, the Company's online activities are regulated under the e-Commerce Directive (Directive 2003/31/EC), and its sale of veterinary medicinal products is subject to the Veterinary Medicinal Products Regulation (Regulation (EU) 2019/6), as further detailed in Section 3.2.3 ("Risks related to veterinary medicinal products").

Compliance with these extensive regulations, as well as any other applicable legislation, may incur substantial costs, particularly given the Company's relatively small size. Changes in existing laws or the introduction of new regulations could hinder or delay the Company's operations, increase operating expenses, and potentially affect the Company's ability to achieve its business objectives and strategy. Furthermore, non-compliance with these regulations could result in severe consequences, such as litigation, financial penalties, or the loss of authorizations required for some or all of the Company's operations.

If these risks materialize, they could have a material adverse effect on the Company's business, operational results, financial condition, cash flows, and future prospects.

Risks related to data protection, privacy compliance and legal disputes

The Company's operations are subject to complex and evolving data protection and privacy regulations in various jurisdictions, including the GDPR in the EU/EEA. Ensuring compliance with these regulations, such as the use of cookie consent banners on all websites, is a priority for the Company. Non-compliance with data protection laws or security breaches resulting in unauthorized disclosure or misuse of personal data could lead to regulatory enforcement actions, litigation, and loss of customer trust, which could have a material adverse effect on the Company's business, financial position, and reputation.

In addition, the Company is exposed to other legal risks, including litigation related to product liability, intellectual property rights, contracts, taxation, and other operational disputes. The outcomes of such disputes are often unpredictable and could result in significant sanctions, such as fines, damages, contract invalidations, or

operational restrictions. These risks could adversely impact the Company's business, financial condition, cash flows, and future prospects.

Risks related to veterinary medicinal products

The Company is actively engaged in the supply of Veterinary Medicinal Products (VMPs). As such, the Company is subject to the Veterinary Medicinal Products Regulation, which imposes EU-wide rules regarding the approval, prescription, and distribution of VMPs. Compliance with these regulations across the jurisdictions where the Company operates is critical, but may result in increased operational costs and expose the Company to the risk of non-compliance due to the complexity of the regulations.

As part of its strategy, the Company has expanded its offerings to include prescription medicines for pets within the Asklepios Company and holds the required license to do so, supported by licensed professionals thanks to the acquisition of Asklepios.

The ability to do so largely depends on the Company's ability to continue securing any necessary licenses for the supply of prescription medicines, as well as the specific terms outlined in future delegated or implementing regulations under the Veterinary Medicinal Products Regulation. These factors could impact the Company's strategic direction in the veterinary medicinal products market.

If the Company is unable to engage in the supply of prescription medicines for pets, or if any other risks related to regulatory compliance materialize, it could have a material adverse

Risks related to the need to raise additional funds to execute the Company's growth strategy

The Company may need to raise additional funds in the future to further execute its ambitious growth strategy. These funds could be obtained through debt, additional equity financing from existing or new shareholders, or other financing sources. However, there is no guarantee that sufficient capital will be available when needed, or that it will be available on favorable terms. The Company's ability to secure equity or debt financing will depend on several factors, including prevailing market conditions, the Company's business performance, operating results, and current debt levels.

If the Company raises additional equity by issuing new shares or other equity-linked securities, this could dilute the holdings of existing shareholders. Should the Company be unable to secure adequate funding, it may miss out on business opportunities, fail to respond effectively to competitive pressures, or struggle to develop its business in line with its strategic plans.

ESG & Governance – Foundations for sustainable growth

At Pet Service Holding NV, we believe that long-term value creation stems not only from strong financial performance, but also from how we engage with our people, our community, and the environment. As a player in the veterinary care sector, we carry a unique responsibility in terms of animal welfare, product safety, ethical conduct, and environmental awareness.

Governance & Transparency

Our governance framework is built on transparency, accountability, and balanced decision-making. The Supervisory Board oversees strategy, financial reporting, and risk management, while monitoring the Management Board's commitment to long-term value creation. In 2024, we made significant strides in formalizing internal control processes and compliance structures in preparation for our planned listing on Euronext Growth.

Environment & Sustainability

Although our ecological footprint is modest, we are taking targeted steps to minimize our environmental impact. These include collaborating with logistics partners to reduce emissions, transitioning to sustainable packaging

materials, and promoting responsible product choices through our digital platforms. In 2025, we will publish our first ESG policy framework, including clearly defined goals and measurable KPIs.

Social Responsibility

We are committed to expanding access to affordable veterinary care, particularly through our online channels. Together with our partners, we are developing initiatives to make healthy food and medicines for pets more accessible, especially for lower-income households. Additionally, we prioritize ethical sourcing and avoid products that do not meet European regulatory standards.

Culture & People

Our growth is powered by a dedicated and diverse team. In 2024, our workforce grew from 7 to over 17 FTE. We invest in training, inclusivity, internal career development, and employee well-being, fostering a culture of entrepreneurship and accountability. Regular team sessions, development reviews, and feedback mechanisms are used to stay in tune with our employees' needs.

Prioritizing the Long Term

Finally, we ensure that all strategic decisions—from acquisitions to product development—are evaluated based on their contribution to sustainable, long-term value creation. This commitment extends beyond our shareholders to include our customers, employees, partners, and the pets and pet owners we serve every day.

Expected business developments

Looking ahead, Pet Service Holding NV is committed to building on the solid foundation laid in 2024. The Company intends to continue executing its growth strategy in 2025 through a balanced combination of organic development, strategic acquisitions, and international expansion. The outlook is underpinned by a clear set of operational and commercial priorities aimed at reinforcing PSH's position as a leading player in the European pet care market.

First, the Company will focus on deepening the integration of the businesses acquired in 2024. This includes consolidating logistics and procurement functions, harmonizing back-office systems, and fostering collaboration across newly acquired teams. By doing so, PSH aims to unlock the full potential of its platform and generate further operating leverage.

A second priority is the enhancement of internal processes and digital infrastructure. The Company is investing in the development of scalable IT systems to support its expanding operations and ensure robust data management. These upgrades are intended to streamline day-to-day functions, improve the customer experience, and provide greater visibility into commercial performance across its growing portfolio of brands.

In parallel, PSH will continue to expand its customer base through targeted and innovative marketing campaigns in both the B2C and B2B segments. Special emphasis will be placed on enhancing the user experience across the Company's online platforms, with the goal of increasing conversion rates and customer retention.

As part of this effort, PSH plans to launch a "Click & Collect" service, enabling consumers to pick up their online purchases directly from one of the Company's distribution centers. This initiative is expected to offer customers more flexibility while reducing delivery costs.

From a strategic perspective, PSH remains active in exploring additional acquisition opportunities that complement its existing portfolio and align with its mission to improve pet health and well-being. The Company

will continue to assess targets that offer operational synergies and potential for margin expansion with a disciplined approach to valuation and integration planning.

In 2025, PSH will also benefit from the recent long-term partnership agreement with Vobra Special Petfoods, the producer of SANIMED, a leading veterinary nutrition brand. This collaboration reflects the Company's growing footprint in the pet food segment, and its ability to secure trusted partnerships that reinforce its market positioning. SANIMED products, known for their scientifically developed and animal-friendly formulas, are now available across PSH's platforms. This partnership not only strengthens PSH's offering in the veterinary segment but also responds to increasing consumer demand for premium, functional nutrition for pets.

PSH is also actively exploring opportunities for international expansion, with a particular focus on Eastern Europe. One option under consideration is the opening of an office in Sofia, Bulgaria, a market experiencing rapid growth in pet ownership and pet food consumption. This move would allow PSH to better serve a growing customer base in the region, while reinforcing its commitment to international development. In Germany, the Company already operates through DrPetCare.de, which successfully distributes premium pet nutrition products, including the SANIMED range.

The Company now plans to move its listing to Euronext Growth Paris—a more appropriate platform for PSH's current size and growth ambitions. Euronext Growth targets small and medium-sized companies and provides access to a broader base of professional investors. The move is expected to increase trading volume and visibility. Subject to Euronext's approval and market conditions, the transfer should take place later this year. Considering these initiatives, Pet Service Holding expects to achieve organic revenue growth of approximately 10% in 2025, alongside a similar improvement in EBITDA. With a strengthened platform, expanding market presence, and a focused execution strategy, the Company is well positioned to deliver another year of meaningful progress and value creation.

To conclude, 2024 was a transformative year for Pet Service Holding, marked by exceptional revenue growth, strategic acquisitions, and a stronger market position. These achievements reflect the dedication and energy of our talented team, who work every day to improve the well-being of pets and their owners. In 2025, we will build on these solid foundations by scaling up in a smart and sustainable way. Our priorities include expanding our customer base through targeted marketing, enhancing the user experience across our digital platforms, launching services like Click & Collect, and pursuing selective acquisitions that align with our mission. With a clear roadmap ahead, we are confident in our ability to continue creating long-term value for our customers, partners, and shareholders

Signed,

Ron van Veldhoven CEO

Robert J. Boemen CFO

Message from the Supervisory Board

To the shareholders of Pet Service Holding,

We hereby present the 2024 annual report of Pet Service Holding NV (PSH), which includes the report from the Management Board and the consolidated financial statements. The financial statements have been audited by The Audit Company based in The Hague Netherlands and have received an unqualified opinion.

We recommend that you approve the financial statements at the upcoming Annual General Meeting of Shareholders to be held on June 30, 2025, and to allocate the 2024 result to equity.

Throughout the financial year, the Supervisory Board met regularly with the Management Board. Topics discussed included business performance, potential acquisitions, strategy, the planned listing on Euronext Growth in Paris, corporate governance, approval of the 2023 financial statements, and the extension of the Management Board's authorization to repurchase the company's own shares. Additionally, the issuance of €2.8 million in convertible bonds to finance PSH's strategic roadmap was addressed.

Signed,

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

Dr. J. (Jerry) Speel RC

1 Consolidated balance sheet as of 31 December 2024

(After appropriation of results)

All amounts in €

	<u>31 December 2024</u>	<u>31 December 2023</u>
ASSETS		
Non-current assets		
Intangible fixed assets		
Incorporation and share issue costs	143.917	185.036
Research and development costs	479.485	127.688
Goodwill	811.089	643.914
	<u>1.434.491</u>	<u>956.638</u>
Tangible fixed assets		
Land and buildings	1.210.114	-
Other fixed operating assets	175.150	42.892
	<u>1.385.264</u>	<u>42.892</u>
Financial fixed assets		
Other receivables	47.891	36.745
Current assets		
Inventories	942.300	110.628
Receivables, prepayments and accrued income		
Trade debtors	529.486	6.946
Tax receivables	814.531	224.693
Other receivables	137.410	323.660
Prepayments and accrued income	39.695	548.665
	<u>1.521.122</u>	<u>1.103.964</u>
Cash and cash equivalents	1.533.851	136.501
Total assets	<u><u>6.864.919</u></u>	<u><u>2.387.368</u></u>

	<u>31 December 2024</u>	<u>31 December 2023</u>
EQUITY AND LIABILITIES		
Group equity		
Equity	1.011.999	945.851
Third-party share	-14.043	-10.474
	<u>1.026.042</u>	<u>935.377</u>
Provisions	68.310	-
Non-current liabilities		
Debts to banks	975.000	-25.000
Convertible bonds	2.425.400	875.000
Vendor loans	200.000	-
Tax liabilities	136.365	-
Other liabilities	99.409	129.390
	<u>3.836.174</u>	<u>979.390</u>
Current liabilities		
Debts to banks	5.695	-
Trade creditors	1.195.028	251.122
Debt to other affiliated company	-	17.349
Taxes and social securities	285.590	-5.456
Other liabilities	-	2.621
Accruals and deferred income	448.080	206.965
	<u>1.934.393</u>	<u>472.601</u>
Total equity and liabilities	<u><u>6.864.919</u></u>	<u><u>2.387.368</u></u>

2 Consolidated profit and loss account 2024

All amounts in €

	2024	2023
Net turnover	12.488.996	1.208.482
Cost of sales	8.154.758	787.099
Gross margin	4.334.238	421.383
Operating expenses		
Employee expenses	483.973	296.410
Amortization and depreciation	446.409	170.214
Other personnel costs	803.793	171.794
Housing expenses	243.852	36.570
Selling and distribution expenses	1.244.044	238.515
Distribution and delivery expenses	950.429	145.167
Office expenses	197.968	91.908
General expenses	349.355	290.638
Operating expenses	4.719.823	1.441.216
Operating result	-385.585	-1.019.833
Financial income and expenses	23.692	-5.469
Result before tax	-361.893	-1.025.302
Taxes	450.557	5.095
Result after tax	88.664	-1.020.207

3 Accounting principles for valuation and determination of results

3.1 General notes

The registered and actual address of Pet Service Holding NV (hereafter "PSH") is De Volger 25, 1483 GA in De Rijp of business and is registered at the chamber of commerce under number 70775834. The Company's legal entity identifier (LEI) is 724500UV26LIYXV0UC28. PSH was incorporated as a limited liability company and is governed by Dutch law.

The headquarters of PSH is set at Samsonweg 2, 1521 NC, Wormerveer, The Netherlands PSH has successfully filed a trademark application in the EU for the trademark PETSERVICE.

PSH offers a broad spectrum of products and services that support the well-being of pets and that cater to the daily needs of pets and pet owners.

The growth strategy is built on two core pillars:

1. Expanding online sales:

This includes a strong focus on the online sales of pet supplies and medicines, capitalizing on the growing trend of e-commerce and digital platforms to reach a wider customer base.

2. Targeting B2B and B2C markets:

The company aims to serve both business-to-business (B2B) and business-to-consumer (B2C) segments, ensuring that its products and services are tailored to meet the needs of corporate clients, such as veterinary clinics and retail chains, as well as individual pet owners.

This dual approach allows PSH to diversify its revenue streams while leveraging synergies across both markets to drive sustainable growth.

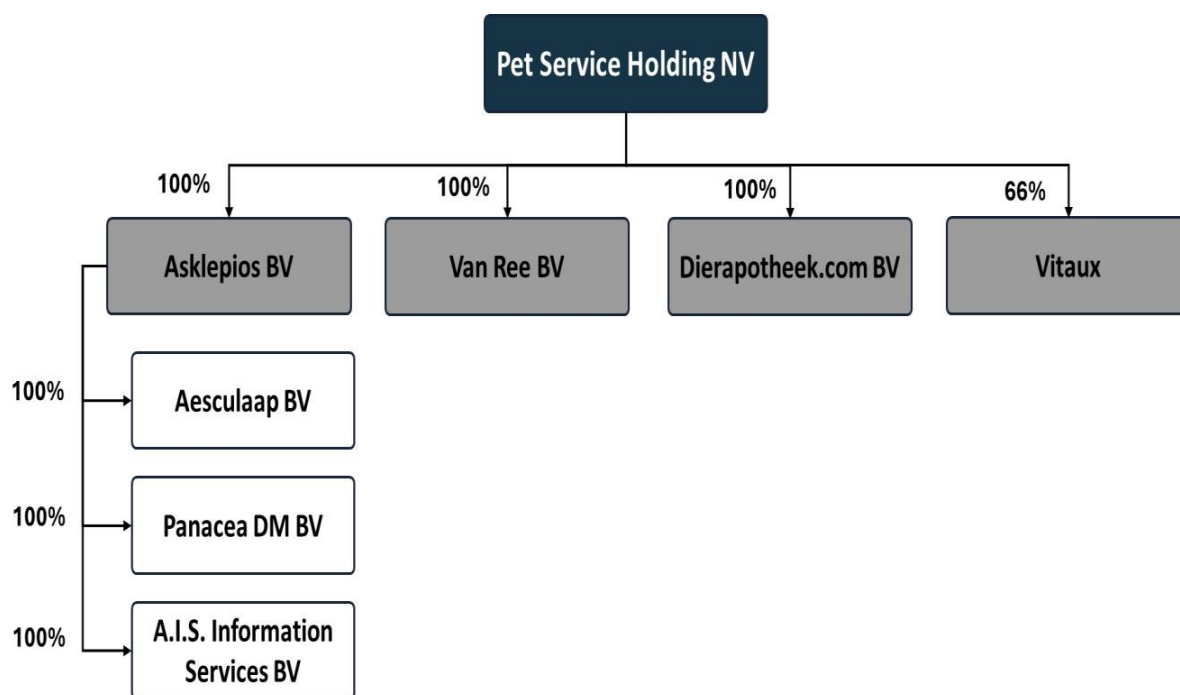
The initial acquisitions of "Dierenapotheek.nl" and "Drpetcare.de" and the learning points from the integration of these businesses, as well as a positive sales development in "Dierenapotheek.nl" have driven this strategy.

In 2024, with the recent acquisitions of Asklepios BV (with its leading businesses Aesculaap and Pharamcy4pets), the assets of wholesaler Van Ree and Dierapotheek.com the online veterinary pharmacy, PSH is pursuing the execution of its consolidation strategy.

The comparative figures in the financial statements have been adjusted to match the presentation applied in 2024, in order to ensure consistency and comparability. The 2023 extra ordinary expenses amounting € 143.737 have been presented in the comparative income statement under operational expenses.

Group structure

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:



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.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of PSH make estimates and judgments that may have an impact on the application of accounting methods and on the amounts of assets, liabilities, income and expenses that may be essential to the amounts disclosed in the financial statements.

The actual values may be different from the estimated values. The impact of changes are recognized and disclosed in the period of change, if applicable.

Consolidation

The consolidation includes the financial information of PSH, its group companies and other entities in which it exercises control or whose central management it conducts.

Group companies are entities in which PSH 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 PSH 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. PSH 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. PSH has no interests under joint control.

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 may be changed where necessary, in order to align them to the prevailing group accounting policies.

Group companies 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. PSH has no group companies held for sale.

The main consolidated companies are listed below, stating the percentage of ownership.

- Asklepios BV and its subsidiaries Aesculaap BV, Panacea BV and AIS Information Services BV, Boxtel, the Netherlands (new in consolidation, 100%)
- Veterinair Organisatiebureau Vitaux B.V, Hilversum, the Netherlands (67%) van Ree BV, Wormerveer, the Netherlands (new in consolidation 100%)
- Diërenapotheek.com BV, Wormerveer, the Netherlands 100%)

Mergers and acquisitions

Identifiable assets acquired and liabilities assumed in a business combination are recognised in the consolidated financial statements from the acquisition date, being the moment that control can be exercised in the acquired company. The acquisition price consists of the cash consideration, or equivalent, agreed for acquiring the company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible fixed assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (i.e. negative goodwill) is recognised as deferred income under accruals or will be recognised in the income statement directly.

The capitalised goodwill is amortised on a straight-line basis over the estimated useful life to the maximum of 10 years. An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. Such an adjustment will also result in an adjustment to (positive or negative) goodwill with retrospective effect.

Entities continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases.

During 2024 PSH entered and integrated successfully the following M&A transactions:

Van Ree B.V. - Acquired in 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 businessowners. 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.

Dierapotheek.com - Acquired in 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 and integrated into the warehouse and distribution facilities in Wormerveer. 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.

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

3.2 General accounting principles

The financial statements are prepared in accordance with the provisions of Title 9 Book 2 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. If no specific valuation principle has been stated, valuation is at historical cost.

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.

3.2 Accounting principles applied to the valuation of assets and liabilities

Policy of intangible assets

Intangible fixed assets are stated at historical cost less amortization. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash generating unit to which it belongs) exceeds its recoverable amount.

Goodwill represents the excess of the cost of the acquisition of the participating interest (including earn-out and transaction costs directly related to the acquisition) over the Group's interest in the net realizable value of the assets acquired and the liabilities assumed of the acquired entity, less cumulative amortization and impairment losses. Measurement of goodwill of an acquired company (including earn-out) involves the use of estimates for determining the fair value at acquisition date. This mainly relates to the expected profits of the acquired company at the moment of acquisition. The fair value is based on discounted cash flows expected to be received. Goodwill and other intangibles are tested for impairment when an indicator exists that the carrying amounts may not be recoverable. In calculating the value in use, management must estimate the expected enterprise value based on the expected cash flows of the cash generating unit. Goodwill at acquisition of subsidiaries and non-consolidated participations as described here is capitalized and amortized on a straight-line basis over its estimated useful life of no more than 10 years. The Group's policy to amortize the goodwill in more than 5 year is based on the assumption that the acquisitions are expected to be a permanent and integral part of the Group. Internally generated goodwill is not capitalized.

Costs of intangible assets other than those internally generated, including costs of Euronext listing and share issue, are valued at acquisition cost and amortized on a straight-line basis over their estimated future useful lives, with a maximum of 5 years.

Capitalization of an internally generated intangible fixed asset is allowed only if all the Dutch GAAP and the additional internal RHDHV requirements are met. Costs for development, where knowledge is used to achieve new or improved products or processes, are recognized as an asset in the balance. The carrying amount includes the costs of materials, direct employment costs and indirect costs that can be attributed to The asset in a reasonable and consistent manner.

Other development expenditures are recognized as costs in the income statement as incurred. Capitalized development expenditures are carried at cost less any accumulated amortization and impairment losses. Development costs are amortized on a straight-line basis over their estimated future useful lives in 5 years. A legal reserve has been recognized within equity regarding the recognized development costs for the carrying amount.

Expenditure costs for research aimed at obtaining new scientific or technical knowledge are expensed in the income statement when incurred.

Amortization rates:

Incorporation and share issue costs 20%

Goodwill 10%

Research and development costs 20%

Policy of property and equipment

Land and buildings are valued at purchase cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments. Subsidies on investments will be deducted from the cost price or production cost of the assets to which the subsidies relate.

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

If land was purchased with buildings with the intention to demolish or remove these buildings and to construct new buildings any carrying amount of the buildings and any demolition costs should be included in the acquisition price of the land.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment. PSH determines the depreciable amount without considering a residual value.

The estimated average useful life by category is as follows:

Land: not depreciated

Buildings - real estate: 20 -30 years Other fixed assets: 5 – 10 years

Policy of financial assets

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 assets

Deferred tax assets and liabilities arising from tax loss carryforward indefinitely are calculated using the substantively enacted tax rates expected to apply when they are realized or settled. Deferred tax assets are recognized if it is probable that they will be realized.

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.

Policy of 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 realizable value is the estimated sales price less directly attributable sales costs. In determining the realizable value, the obsolescence of the inventories is taken into account.

Policy of receivables

Trade receivables are initially valued at fair value including transaction costs. After initial processing, receivables are valued at amortized cost price. Provisions for bad debts are deducted from the book value of the receivable.

Policy of 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.

Policy of provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Policy of non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, based at the effective interest rate. The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts. Interest expenses related to the convertible bond loan are recognized in the income statement under financial expemses, based on the effective interest rate.

Policy of 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.

3.3 Accounting principles for the determination of the result

Policy of revenue recognition

General

Net turnover comprises the income from the supply of goods and services and realised 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 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 capitalized, other operating income, cost price and cost of outsourced work and other external charges.

Policy of 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.

Policy of amortisation of intangible assets and depreciation of property, plant and equipment

Intangible fixed assets including goodwill and tangible fixed assets are amortized and depreciated from the date of when they are available for use, based on the estimated economic life / expected future useful life of the asset. Land and investment properties are not depreciated.

Policy of 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.

Policy of income tax expense

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.

Policy of share in results of 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 PSH.

4 Notes to the consolidated balance sheet as of 31 December 2024

All amounts in €

ASSETS

Non-current assets

	<u>31-12-2024</u>	<u>31-12-2023</u>
Intangible fixed assets		
Incorporation and share issue costs	143.917	185.036
Research and development costs	479.485	127.688
Goodwill	811.089	643.914
	<u>1.434.491</u>	<u>956.638</u>

Incorporation and share issue

The shares of PSH NV were admitted to trading on Euronext Access+ in Paris. One off listing costs and advisory fees are capitalized and - through straight lining - expensed to the income statement for a period of five years.

	<u>2024</u>	<u>2023</u>
Balance as of 1 January		
Costs	205.596	-
Cumulative impairment losses and amortization	-20.560	-
Book value	<u>185.036</u>	<u>-</u>
 Movement		
Investments	-	205.596
Amortization	-41.119	-20.560
	<u>-41.119</u>	<u>185.036</u>
 Balance as of 31 December		
Costs	205.596	205.596
Cumulative impairment losses and amortization	-61.679	-20.560
Book value	<u>143.917</u>	<u>185.036</u>

Research and development costs

Balance as of 1 January		
Costs	181.725	177.840
Cumulative impairment losses and amortization	-54.037	-18.939
Book value	<u>127.688</u>	<u>158.901</u>
Movement		
New in consolidation; cost value	2.071.159	-
New in consolidation; cumulative impairments losses and amortization	-1.829.422	3.885
Investments	220.334	
Amortization	-110.273	-35.098
	<u>351.798</u>	<u>-31.213</u>
Balance as of 31 December		
Costs	2.473.218	181.725
Cumulative impairment losses and amortization	-1.993.733	-54.037
Book value	<u>479.485</u>	<u>127.688</u>

a. PetApp software

PetApp is a smartphone application developed to provide pet owners with a convenient platform for accessing pet-related products and services. One of its primary features is the online pet supply store, allowing users to browse and purchase items like food, toys, and accessories directly from their smartphones. Additionally, PetApp offers online access to veterinarians, enabling users to seek professional advice for their pets through the app. This feature provides a reliable resource for ensuring pets receive proper care

b. Web shops and distribution software

The company develops and operates the online sales platforms Dierenapotheek.nl and Drpetcare.de (German marketplace) to sell and distribute pet supplies and over the counter (OCT) veterinary medicines for both routine and specialized care, capitalizing on the growing trend of e-commerce and digital platforms to reach a wider retail customer base. In 2024 the company acquired by the acquisition of Asklepios BV the Pharmacy4pets platform (software and website domains), specific developed product track and trace software applications, and digital portals for supplying as a veterinary wholesaler to veterinarians directly.

These wholesale supplies comprise 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.

The P4P online pharmacy platform serves mainly consumers, making it easier for pet owners to access prescription and non-prescription medications. Also, during 2024 PSH acquired the software and website domains of Dierenapotheek.com, an online veterinary pharmacy.

Research and development cost are amortized over a period of 5 years to the income statement.

Goodwill

Balance as of 1 January

Costs	991.366	991.366
Cumulative impairment losses and amortization	-347.452	-248.315
Book value	<u>643.914</u>	<u>743.051</u>

Movement

Acquisitions	319.320	-
Amortization	-152.145	-99.137
	<u>167.175</u>	<u>-99.137</u>

Balance as of 31 December

Costs	1.310.686	991.366
Cumulative impairment losses and amortization	-499.597	-347.452
Book value	<u>811.089</u>	<u>643.914</u>

The goodwill accounted from acquisitions in 2024 is calculated in accordance with the purchase price allocation methodology and relates to the acquisitions from Asklepios BV and its subsidiaries and Dierenapotheek.com BV, as wel from the asset deal with van Ree BV.

Goodwill is amortized using the straight-line method with an amortization rate of 10%.

	<u>31-12-2024</u>	<u>31-12-2023</u>
Tangible fixed assets		
Land and buildings	1.210.114	-
Other fixed operating assets	175.150	42.892
	<u>1.385.264</u>	<u>42.892</u>

Land and buildings serve as security for the mortgage loan provided in conjunction with the acquisition of the shares of Asklepios BV.

Land and buildings are acquired in the acquisition of Asklepios BV and are - in accordance with the purchase price allocation methodology - recognized at fair value when obtaining management control.

	<u>2024</u>	<u>2023</u>
Land and buildings		
Balance as of 1 January		
Purchase value	-	-
Cumulative impairments and depreciation	-	-
Book value	<u>-</u>	<u>-</u>
Movement		
New in consolidation; purchase price	1.407.491	-
New in consolidation; Cumulative impairments and depreciation	-701.189	
Revaluation	581.258	
Depreciation	-77.446	-
	<u>1.210.114</u>	<u>-</u>
Balance as of 31 December		
Purchase value	706.302	-
Revaluation purchase price allocation	581.258	
Cumulative impairments and depreciation	-77.446	-
Book value	<u>1.210.114</u>	<u>-</u>

	2024	2023
Equipment		
Balance as of 1 January		
Purchase price	81.776	81.877
Cumulative impairments and depreciation	-38.883	-23.608
Book value	42.893	58.269
Movement		
Investments and disposals	197.875	44
Depreciation	-65.618	-15.420
	132.257	-15.376
Balance as of 31 December		
Purchase price	279.651	81.776
Cumulative impairments and depreciation	-104.501	-38.883
Book value	175.150	42.893
Current assets		
	31-12-2024	31-12-2023
Inventories		
Raw materials and consumables	45.485	-
Goods for resale	896.815	110.628
	942.300	110.628
Receivables		
Trade debtors	529.486	6.946
Receivables from group companies (short-term)	1.495	-
Tax receivables	814.531	224.693
Other receivables	135.915	323.660
Prepayments and accrued income	39.695	548.665
	1.521.122	1.103.964
	31-12-2024	31-12-2023
Tax receivables		
Refundable VAT	81.064	-
Payroll tax to be recovered	1.972	-
Refundable corporation income tax	731.495	224.693
	814.531	224.693

Regarding the total accumulated losses for the period 2022 up to 2024 available for carry forward indefinitely on December 31, 2024, amounting in total 2,765,160, a deferred tax asset has been recognized in respect of which it is probable that profit for tax purposes will be available for set-off is. As of 1 January 2022, the Dutch loss relief rules in the corporate income tax act were amended.

As of 1 January 2022, loss can still be carried back one year but carried forward indefinitely. However, a quantitative restriction will be introduced, because of which the annual loss compensation will be limited to EUR 1 million, increased with 50% of the annual taxable profit exceeding EUR 1 million.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Deferred tax assets are valued at their nominal value. Tax losses forward for the year 2021 to the amount of 596.072 are not accounted for as a deferred tax asset on the balance sheet.

Accounts receivable all have a remaining term to maturity of less than one year, unless stated otherwise.

Cash and cash equivalents

The liquid funds are without any restrictions available.

Group equity

Information can be found in the Notes to the Company only financial statements.

	<u>31-12-2024</u>	<u>31-12-2023</u>
Provisions		
Balance Januari 1	-	-
New in consolidation	68.310	-
Balance December 31	<u>68.310</u>	<u>-</u>

A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out. In 2024 no provision has been determined.

	<u>31-12-2024</u>	<u>31-12-2023</u>
Non-current liabilities		
Debts to banks	975.000	-25.000
Convertible bonds	2.425.400	875.000
Vendor loans	200.000	-
Tax liabilities	136.365	-
Other liabilities	99.409	129.390
	<u>3.836.174</u>	<u>979.390</u>

Disclosure of non-current liabilities

PSH raised €1.0 million through a 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 BV. The loan bears an annual interest of 7% per annum. The maturity date to repay the loan in full is December 31, 2026.

During 2024, 76 non-mandatory convertible bonds were issued which raised € 2.055.000 (as compared to 35 non-mandatory convertible bonds issued in 2023 which raised € 875.000), totaling drawn tranches of convertible bonds in the nominal amount of € 2.805.000 to support the Group's acquisition strategy. During 2024 5 convertible bonds € 125.000 were repaid.

The bonds must be repaid during 2026 (€ 750.000) and 2027 (€ 2.055.000), and bear interests between 7% - 8%. Subject to the admission on the Euronext Growth+ platform 60% of the outstanding bonds will be converted into shares.

No collateralizations have been applied on the bond issues.

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. The vendor loans are secured by a mortgage in second ranking on the land and buildings of Asklepios BV.

Tax liabilities relate to the deferred tax payables as accounted under the purchase price allocation of the Asklepios acquisition regarding the fair value step-up accounting of the land and buildings acquired. Other liabilities relate to repayment obligations of received wage cost support received during the Covid-19 epidemic period.

Repayment liabilities within 12 months after the end of the financial year are not included in the below figures but in current liabilities, except for the vendor loans. PSH has not yet finalized talks to extent the term or conditions to convert into shares.

Vendor loans

Balance on 1 January	-	-
SPA financing Asklepios	200.000	-
Balance on 31 December	200.000	-

	31-12-2024	31-12-2023
Current liabilities		
Debts to banks	5.695	-
Trade creditors	1.195.028	251.122
Debt to other affiliated company	-	17.349
Taxes and social securities	285.590	-5.456
Other liabilities	-	2.621
Accruals and deferred income	448.080	206.965
	1.934.393	472.601

Disclosure of operating leases

PSH leases warehouse, distribution and office facilities under operating leases at Wormerveer.

The lease runs for a period of 3 years, with an option to renew the lease after that date. PSH does not have an interest in the residual value of the land and buildings. As a result, it was determined that substantially all the risks and rewards of the land and buildings are with the landlord. The total future lease payments amount € 134.031 up to June 16, 2027 (the renewal date).

5 Notes to the consolidated profit and loss sheet as of 31 December 2024

All amounts in €

	2024	2023
Net turnover		
E-commerce platforms	8.486.735	999.709
Wholesale; veterinarians and pet shops	4.157.438	-
Consultancy	84.823	208.770
	<u>12.728.996</u>	<u>1.208.479</u>

PSH net turnover is generated through the wholesale segments to retailers and veterinarians, and to pet owners directly through the e-commerce platforms amongst others Dierenapotheek.NL, Dierenapotheek.COM, DrPetcare.DE, Pharmacy4pets.NL. The increase in turnover comes from integrations in 2024 for the total amount of € 10.035.507.

Employee expenses		
Wages and salaries	321.951	206.432
Social security charges	121.695	69.619
Pension costs	40.327	20.359
	<u>483.973</u>	<u>296.410</u>

Amortization and depreciation		
Amortization of intangible assets	303.537	154.794
Depreciation on tangible fixed assets	142.872	15.420
	<u>446.409</u>	<u>170.214</u>

Other operating expenses		
Other personnel costs	803.793	171.794
Housing expenses	243.852	36.570
Selling and distribution expenses	1.244.044	238.515
Distribution and delivery expenses	950.429	145.167
Office expenses	197.968	91.908
General expenses	349.355	290.638
	<u>3.789.441</u>	<u>974.592</u>

Other personnel costs		
Management fees PSH and Asklepios	309.481	132.949
Other personnel costs	494.312	38.845
	<u>803.793</u>	<u>171.794</u>

Remuneration of the Supervisory and Management Board

The remuneration of the members of the Supervisory Board (€ 15.000) and Management Board (€ 164.482) is comprised of a fixed remuneration that is independent from the Group's results.

Mr. Speel of the Supervisory Boards holds 20.000 shares in PSH. The remuneration of Mr. Boemen the CFO of the Management Board is structured on an hourly fixed rate.
No loans, advances or guarantees have been granted to the members of the Supervisory and Management Board.

Income tax expense

The income tax credit results from the recognition of the tax losses carryforwards in the income statement. The effective income tax expense amount € 30,016.

Asklepios Bv forms a fiscal unity for corporate income tax with its Dutch subsidiaries Aesculaap BV and Panacea DM BV, for corporate income tax and VAT purposes. A company and its subsidiaries that are part of these fiscal unities are jointly and severally liable for the tax payable by these fiscal unities.

6 Other disclosures

Average number of employees

	<u>2024</u>	<u>2023</u>
Average number of employees active within the Netherlands	17,7	7

7 Company balance sheet as of 31 December 2024

(After appropriation of results)

All amounts in €

	<u>31 December 2024</u>	<u>31 December 2023</u>
ASSETS		
Non-current assets		
Intangible fixed assets		
Incorporation and share issue costs	143.917	185.036
Research and development costs	93.343	127.688
Goodwill	838.819	643.914
	<u>1.076.079</u>	<u>956.638</u>
Tangible fixed assets		
Other fixed operating assets	43.462	42.700
	<u>43.462</u>	<u>42.700</u>
Financial fixed assets		
Participations in group companies	2.109.642	58.618
Current assets		
Inventories	153.603	110.628
Receivables, prepayments and accrued income		
Receivables from group companies (short-term)	311.784	240.092
Tax receivables	701.500	248.763
Other receivables	107.056	627.939
	<u>1.120.340</u>	<u>1.116.794</u>
Cash and cash equivalents	510.502	126.491
Total assets	<u><u>5.013.628</u></u>	<u><u>2.411.869</u></u>

	<u>31 December 2024</u>	<u>31 December 2023</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	58.862	56.862
Share premium reserve	3.860.331	3.860.331
Legal reserve	682.153	-
Other reserves	-3.547.492	-2.954.003
	<u>1.053.854</u>	<u>963.190</u>
Non-current liabilities		
Debts to banks	975.000	-25.000
Bonds	2.425.400	875.000
Loans from participations in group companies	63.814	132.240
Vendor loans	200.000	-
	<u>3.664.214</u>	<u>982.240</u>
Current liabilities		
Trade creditors	37.966	246.009
Taxes and social securities	31.568	2.667
Accruals and deferred income	226.026	217.763
	<u>295.560</u>	<u>466.439</u>
Total equity and liabilities	<u><u>5.013.628</u></u>	<u><u>2.411.869</u></u>

8 Company profit loss account 2024

All amounts in €

	2024	2023
Net turnover	1.303.498	999.711
Cost of sales	522.545	722.213
Gross margin	780.953	277.498
Operating expenses		
Employee expenses	115.468	153.969
Amortization and depreciation	239.153	169.633
Other operating expenses	871.427	950.719
Operating expenses	1.226.048	1.274.321
Operating result	-445.095	-996.823
Financial income and expenses	28.910	-4.755
Result before tax	-416.185	-1.001.578
Taxes	475.118	-
Result from participating interests	29.731	-12.295
Result after tax	88.664	-1.013.873

9 Accounting principles for valuation and determination of results

General notes

PSH is the legal entity that operates the holding activities as well as the Dierenapotheek.nl and DrPetcare.de activities. For this reason, no abbreviated income statement has been presented.

In 2025 the operational activities will be carved out and managed from a separate legal entity.

General accounting principles

The company financial statements of PSH have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the financial reporting requirements as set forth in the Guidelines for Annual Reporting in the Netherlands applicable for small sized entities.

The accounting policies for the PSH company only financial statements and the consolidated financial statements are the same. Participating interests in group companies are accounted for in the company only financial statements according to the equity accounting method based on the net asset value. For details reference is made to the accounting policy for financial fixed assets in the consolidated financial statements.

The share of result of participating interests concerns the share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

For accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement.

The number of employees per end of year was 2,8 FTE. All employees are located in the Netherlands.

Accounting principles applied to the valuation of assets and liabilities and income statement

Participations

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements regarding 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.

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.

Policy of share in results of participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements because of the earnings achieved by the participation to the extent that this can be attributed to PSH.

10 Notes to the single balance sheet as of 31 December 2024

All amounts in €

	<u>31-12-2024</u>	<u>31-12-2023</u>
Participations		
Balance at 1 January	58.618	71.635
Movements:		
Net asset value at acquisition date	1.342.892	-
PPA land & buildings	444.893	-
PPA research and development pet medicine registrations	129.257	-
Change in net asset value group companies	29.810	-12,295
Provision	103.362	-
Other	889	-722
	<u>2.109.721</u>	<u>58.618</u>

Group companies with a negative net asset value are valued at nil. If PSH fully or partially guarantees the debt of the group company, or has a constructive obligation to enable the group company to pay its debts (for its share therein), a provision is recognised accordingly, and deducted from the intercompany group balance receivable.

	<u>31-12-2024</u>	<u>31-12-2023</u>
Equity		
Share capital	58.862	56.862
Share premium reserve	3.860.331	3.860.331
Legal reserve	682.153	
Other reserve	-3.547.492	-2.954.003
	<u>1.053.854</u>	<u>963.190</u>

	<u>2024</u>	<u>2023</u>
Legal reserve		
Balance at 1 January	-	-
Revaluation building purchase price allocation, capitalized R&D and share issue expenses	682.153	-
Balance at 31 December	<u>682.153</u>	<u>-</u>

	<u>2024</u>	<u>2023</u>
Other reserves		
Balance at 1 January	-2.954.003	1.940.131
Result for the year	88.664	-1.013.872
Legal reserve	-682.153	-
Balance at 31 December	<u>-3.547.492</u>	<u>-2.954.003</u>

The number of shares created at a par value of € 0.02 per share amounts 2,943,096 shares, of which are paid on ordinary share capital € 58,862 and € 3,860,331 on share premium reserve. The Company's statutory share capital amounts € 225,000. There are no shares issued with specific rights.

At the Annual General Meeting held on 28 June 2024, the shareholders approved a proposal by the Supervisory Board to grant Mr. van Veldhoven a bonus of 100,000 newly issued ordinary shares of PSH in recognition of his performance and achievements over the past years. On these issues shares an amount of € 2.000 has been paid-up.

PSH has not implemented any share-based incentive programs. PSH is considering establishing share-based incentive programs in the foreseeable future.

The difference between the equity balances in the company only and consolidated financial statements originates from the accounting of the minority interest in the first-time consolidation of 2021.

At the Annual General Meeting held on 28 June 2024, the shareholders approved the following resolutions:

1. Proposal to extend the authorization of the Board of Directors to repurchase its own shares, subject to the approval of the Supervisory Board, for a period of eighteen months from the General Meeting. This authorization is requested for a total nominal number of shares equal to 10% of the Company's total issued capital on the date of acquisition. Such acquisition may be conducted through all possible agreements, including transactions on the stock exchange as well as private transactions. The share price must be set between two-euro cents (EUR 0.02) and up to 110% of the stock market price of the shares on Euronext Access + Paris. The stock market price is understood to be the average of the closing prices over each of the three trading days preceding the date of acquisition, according to the Official List of Euronext Paris.
2. Extension of the Designation of the Board of Directors as the Authorized Body to Issue Ordinary — subject to the approval of the Supervisory Board—to issue ordinary shares and grant rights to subscribe for ordinary shares for a period of 18 months from the date of the General Meeting of Shareholders. This authority applies to ordinary shares up to an amount equal to twenty percent (20%) of the currently issued capital on the day of issuance, for the purposes of mergers, acquisitions, and/or strengthening of the cash position.

11 Related party transactions

The Company had no related party transactions in its audited annual report 2024.

Other information

Reference to the auditor's opinion

We refer to the 'Audit report of the independent accountant' of The Audit Company included below. This statement has been drawn up in accordance with the applicable standards and provides an opinion on the fairness of the annual accounts.

Provisions of the Articles of Association relating to profit appropriation

Article 25 of the articles of association contains the following regarding the appropriation of profits.

25.1 The board shall determine which part of the profits of the company appearing from the annual accounts shall be added to the company's reserves. The part of the profit remaining shall be at the disposal of the general meeting for distribution on the shares at the proposal of the board.

25.2 The company may distribute profits only if and to the extent that its shareholders equity exceeds the paid and called-up part of the issued capital plus the reserves which must be maintained by virtue of the law or the articles of association.

25.3 Dividends may be paid only after adoption of the annual accounts which show that they are justified.

25.4 Only the amount of the mandatory payments of the nominal value of shares shall be taken into account in the calculation of the amount to be distributed on each share.

25.5 In calculating the amount of any distribution on shares, shares held by the company shall be disregarded, unless such shares are encumbered with a usufruct or right of pledge.

25.6 A distribution shall be payable on such date and, if it concerns a distribution in cash, in such currency or currencies as determined by the board.

25.7 The general meeting may resolve at the proposal of the board that all or part of a distribution, instead of being made in cash, shall be made in the form of shares in the company's capital or in the form of the company's assets.

25.8 A claim for payment of a distribution shall lapse after five years have elapsed per the date the distribution became payable.

25.9 The board may resolve to make interim distributions on shares, provided that an interim statement of assets and liabilities drawn up in accordance with the statutory requirements shows that the requirement of Article 25.2 has been fulfilled, and with observance of (other) applicable statutory provisions.

25.10 The board, or the general meeting at the proposal of the board, may resolve to make distributions from the share premium reserve or other distributable reserves maintained by the company, provided that an interim statement of assets and liabilities drawn up in accordance with the statutory requirements shows that the requirement of Article 25.2 has been fulfilled, and with observance of (other) applicable statutory provisions.

The Board of Directors proposes that the result for the financial year 2024 should be transferred to Other reserves. This proposal has been processed in these 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 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 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 2024 and of its result for 2024 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 2024;
2. the consolidated and company profit and loss account for 2024; 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

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- the director's report
- 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:

- 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 were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

Management is responsible for the preparation of the other information, including 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, 23 April 2025

The Audit Company

Was signed

D. Beck RA