



NPRM announces H1-2022 results

Acquisitions boost turnover

Zaanstad, 25 oktober 2022

Nederlandse Paarden Registratie Maatschappij NV (NPRM) announces its unaudited consolidated interim results for the six months ending 30 June 2022, as prepared in accordance with Dutch GAAP.

Financial results

For the first half of 2022, turnover reached € 1.1 million, compared to € 154k in the first half of 2021. The operating result for the six-month period amounted to € 670k negative, compared to € 512k negative in the first six months of 2021. Result after tax amounted to € 677k negative, compared to € 506k negative in H1-2021.

Selected consolidated profit and loss account

<i>Amounts in €</i>	Six months ended	
	30 June 2022	30 June 2021
	<i>Unaudited</i>	<i>Unaudited</i>
Net turnover	1.112.160	153.577
Cost of sales	689.634	76.022
Gross margin	422.526	77.556
Expenses	1.092.837	589.248
Operating result	-670.311	-511.692
Result before tax	-675.228	-512.890
Result after tax	-677.228	-505.890

Selected consolidated balance sheet

<i>Amounts in €</i>	30 June 2022	30 June 2021
	<i>Unaudited</i>	<i>Unaudited</i>
Fixed assets		
Intangible fixed assets	792.619	726.324
Tangible fixed assets	222.097	171.529
Financial fixed assets	63.261	62.924
Current assets		
Inventory	186.421	0
Receivables/prepayments/accrued income	310.278	124.338
Cash and cash equivalents	1.194.435	2.424.151
Total assets	2.769.112	3.509.266
Equity and liabilities		

Total equity	2.511.579	3.300.125
Total non-current liabilities	0	0
Total current liabilities	257.533	209.141
Total equity and liabilities	2.769.112	3.509.266

The increase in revenue to € 1.1 million in H1-2022 was primarily driven by the acquisition of Dierenapotheek.nl and Drpetcare.de in October 2021.

The H1-2022 gross margin amounted to € 423k representing a 38 % gross profit margin, compared to € 78k in H1-2021 representing a 50 % gross profit margin. The development of gross margin follows the change in revenue mix between Veterinair Organisatiebureau Vitaux B.V.'s activities and the increased online activities.

Total expenses amounted to € 1.1m in H1-2022 compared to € 589k in H1-2021. The increase in expenses is, more specifically, caused by higher employee expenses, shipping expenses, selling expenses and general expenses.

Employee expenses rose to € 216k in H1-2022 compared to € 85k in H1-2021. This was the result of the increase in the workforce after the take-over of the online activities of Dierenapotheek.nl and Drpetcare.de.

Shipping expenses also increased due to the added activities and amounted to € 190k in H1-2022.

Selling expenses increased to € 233k in the six months ended 30 June 2022. The group's (online) business activities have been supported by media campaigns and advertising.

General expenses amounted to € 341k in H1-2022, a substantial part of which regards costs incurred in preparations of the previously announced contemplated listing of NPRM shares on Euronext Growth Oslo. Furthermore, general expenses include costs for management and strategic support. Overall, the material part of general expenses related to the contemplated Euronext Growth Oslo listing.

The H1-2022 operational result was affected by incidental costs relating to the integration and development of the Dierenapotheek.nl and Drpetcare.de operations, in particular the setting up of an own distribution center and the investment in marketing in the Netherlands, Germany and Belgium, as well as the preparations for the contemplated Euronext Growth Oslo listing.

The result after tax for the six months ended 30 June 2022 amounted to € 677k negative, compared to € 506k negative in H1-2021.

As at 30 June 2022, total equity amounted to € 2.5 million, compared to € 3.3 million as at 30 June 2021. Cash and cash equivalents as at 30 June 2022 amounted to € 1.2 million, compared to € 2.4 million as at 30 June 2021.

Redefined business plan

Following the acquisition of Dierenapotheek.nl and Drpetcare.de, NPRM redefined its business plan. While NPRM had previously, at the time of obtaining the listing of NPRM's depository receipts of shares on Nxchange, identified seven business lines, the redefined business plan is based on three main pillars that will form the backbone of NPRM's operations:

1. the PetApp;
2. online sales of pet supplies and medicines; and
3. the pet tracker.

The PetApp:

The medium- to long-term goal is to make the PetApp a one-stop shop for all the services NPRM provides, including the pet tracker and the online sales channels. The PetApp is available for download and had been downloaded over 50,000 times as of 30 June 2022. Although NPRM does not yet generate direct revenue through the PetApp, the app had approximately 30,000 active users as of 30 June 2022. The current number of downloads was achieved primarily through organic promotion. In the future, NPRM plans to focus more on direct marketing to increase awareness among pet owners. Current users will also be encouraged to make more use of the tools the PetApp offers. NPRM's 66% ownership in Veterinair Organisatiebureau Vitaux B.V. also falls under this pillar (whereas it constituted a separate pillar in the previous business plan).

Online sales:

The online sales pillar is the most advanced, and the turnover of €1.1 million in H1-2022 mainly relates to NPRM's online sales activities as operated through the online sales channels Dierenapotheek.nl and Drpetcare.de. The online sales pillar also includes the pet food brand Jachtinstinct and the collection of big data.

The pet tracker:

NPRM has continued the development of the pet tracker. The technology is working and a larger field test is underway. Assuming that further testing will validate the product, NPRM will seek to contract with third-party manufacturers to produce the tracker on a commercial scale. When production is on track, the commercial rollout of the tracker may be initiated.

Due to the redefined activities, it will be proposed to change the company's name to Pet Service Holding N.V., which better reflects the company's current activities.

At the time of obtaining the listing of NPRM's depository receipts on Nxchange, NPRM communicated its previous seven-pillar business plan to the market and also provided projections and forecasts and a valuation based on the business plan at that time (including through the business plans of January and May 2021). These projections and forecasts covered various financial and operational indicators, including operating results, cash flows, miscellaneous costs, capital expenditures, sales and operating margins, number of downloads and active users, and number of trackers sold.

Given the significant changes in NPRM's business since then - for example, as a result of the acquisition of Dierenapotheek.nl and Drpetcare.de - and the fact that NPRM's business plan has been redefined, NPRM withdraws all valuations, projections, forecasts and forward-looking statements it has previously made and communicated.

Euronext Growth Oslo listing process

On 30 April 2022, NPRM announced that it was exploring options to obtain a listing of NPRM's shares on Euronext Growth Oslo, a multilateral trading facility of the Oslo Stock Exchange. On 23 May 2022, NPRM confirmed its intention to obtain a listing on Euronext Growth Oslo. NPRM sees such a listing as a logical next step after the previous Nxchange listing and as a way to increase the liquidity of the shares, depending on market conditions at any time, and to facilitate both domestic and international acquisitions in the future. Assisted by advisors, NPRM is working to obtain the Euronext Growth Oslo listing later this year.

Forward-looking statements

Certain statements, beliefs and opinions in this press release are forward-looking and reflect the current expectations and projections of NPRM or, where applicable, NPRM's officers about future events. Forward-looking statements by their nature involve a number of known and unknown risks, uncertainties and assumptions that could cause actual results, performance, achievements or events to differ materially from those expressed, expected or implied in the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the results and financial impact of the plans and events described herein. A multitude of factors could cause actual events, performance, achievements or results to differ significantly from any expected or implied development. Forward-looking statements in this press release regarding past trends or activities should not be construed as a statement that such trends or activities will continue in the future. As a result, NPRM expressly disclaims any obligation or undertaking to issue any updates or revisions to forward-looking statements in this press release as a result of any change in expectations or projections, or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither NPRM, nor its advisers or representatives, nor any of its subsidiaries, nor the officers or employees of any such persons, guarantees that the assumptions underlying such forward-looking statements are free from error, nor do they accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the anticipated or implied developments. You should not place undue reliance on forward-looking statements that relate solely to the date of this press release.

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