

# Maxi Zoo Denmark A/S

Industriparken 21A, 3.  
2750 Ballerup  
Denmark

CVR no. 10 11 72 24

## Annual report 2021

The annual report was presented and approved at the  
Company's annual general meeting on

20 June 2022

Christian Kümmel  
Chairman of the annual general meeting

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**Maxi Zoo Denmark A/S**  
Annual report 2021  
CVR no. 10 11 72 24

## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Maxi Zoo Denmark A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Ballerup, 20 June 2022  
Executive Board:

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Bo Demant

Board of Directors:

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Sven Girmendonk  
Chairman

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Steven Møller Pinholt

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Peter Gunnar Østergaard  
Hansen

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Majbritt Houmann Hansen

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Norbert Marschallinger

## Independent auditor's report

### To the shareholder of Maxi Zoo Denmark A/S

#### Opinion

We have audited the financial statements of Maxi Zoo Denmark A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

## Independent auditor's report

- obtain 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 20 June 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Kim Schmidt  
State Authorised  
Public Accountant  
mne34552

Malene Haaber Glahn Christiansen  
State Authorised  
Public Accountant  
mne47773

**Maxi Zoo Denmark A/S**  
Annual report 2021  
CVR no. 10 11 72 24

## Management's review

### Company details

Maxi Zoo Denmark A/S  
Industriparken 21A, 3.  
2750 Ballerup  
Denmark

Telephone: +45 70 25 21 07  
Fax: +45 70 25 21 29  
Website: [www.maxizoo.dk](http://www.maxizoo.dk)

CVR no.: 10 11 72 24  
Established: 7 January 2003  
Registered office: Ballerup  
Financial year: 1 January – 31 December

### Board of Directors

Sven Girmendonk, Chairman  
Steven Møller Pinholt  
Peter Gunnar Østergaard Hansen  
Majbritt Houmann Hansen  
Norbert Marschallinger

### Executive Board

Bo Demant

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
CVR no. 25 57 81 98

## Management's review

### Financial highlights

| DKK'000  | 2021    | 2020    | 2019    | 2018    | 2017    |
|--|---------|---------|---------|---------|---------|
| <b>Key figures</b>                             |         |         |         |         |         |
| Revenue  | 806,846 | 482,375 | 401,769 | 370,592 | 364,467 |
| Gross profit                                   | 219,301 | 119,353 | 109,695 | 106,365 | 103,400 |
| Ordinary operating profit/loss                 | 28,645  | 17,038  | 9,350   | 10,122  | 9,953   |
| Profit/loss from financial income and expenses | -1,044  | 297     | 906     | -1,501  | -455    |
| Profit/loss for the year                       | 21,336  | 15,475  | 13,210  | -8,557  | 7,513   |
| Total assets                                   | 521,975 | 473,078 | 140,701 | 149,680 | 134,360 |
| Equity   | 425,306 | 403,970 | 91,587  | 78,377  | 86,934  |
| Investment in property, plant and equipment    | 41,913  | 2,679   | 2,164   | 3,622   | 5,803   |
| <b>Ratios</b>                                  |         |         |         |         |         |
| Return on invested capital                     | 14.7%   | 4.0%    | 9.8%    | 12.4%   | 10.9%   |
| Current ratio                                  | 217.8%  | 706.4%  | 270.1%  | 185.6%  | 240.1%  |
| Return on equity                               | 5.1%    | 6.2%    | 15.5%   | -10.4%  | 12.4%   |
| Solvency ratio                                 | 81.5%   | 85.4%   | 65.1%   | 52.4%   | 64.7%   |
| Average number of full-time employees          | 396     | 243     | 244     | 230     | 228     |

The financial ratios have been calculated as follows:

Return on invested capital  $\frac{\text{Operating profit/loss} * 100}{\text{Average invested capital}}$

Current ratio  $\frac{\text{Current assets} * 100}{\text{Current liabilities}}$

Return on equity  $\frac{\text{Profit/loss from ordinary activities after tax} * 100}{\text{Average equity}}$

Solvency ratio  $\frac{\text{Equity ex. non-controlling interests at year-end} * 100}{\text{Total equity and liabilities at year-end}}$

## Management's review

### Operating review

#### Principal activities

Maxi Zoo is Denmark's leading pet retailer and part of the German Fressnapf Group. With more than 1,850 stores, Fressnapf/Maxi Zoo are Europe's largest chain of pet retailers.

At the end of the year, Maxi Zoo Denmark had 63 stores located in all regions of the country and two online shops.

#### Unusual circumstances

There have been no unusual circumstances which have influenced the result for the year. However, we draw your attention to the section below "Development in activities and financial position", where the purchase of Petworld is described.

#### Events after the balance sheet date

The Corona virus has not had a negative impact on the financial result so far, and all stores have been open in 2021.

The effect of the war in Ukraine is at this stage unknown with regard to raw materials needed in our pet food.

#### Development in activities and financial position

The Company consolidated its market position in 2021 with growth in turnover in the existing 47 stores.

On 1 January 2021, Maxi Zoo Denmark took over the company Petworld. Petworld had 36 stores and several online shops. Maxi Zoo closed 20 stores in the 1st quarter of 2021 due to duplicate stores in the same area and has 63 stores at the end of year 2021.

The Company had a net income of DKK 21,336 thousand in 2021 against DKK 15,475 thousand in 2020.

#### Outlook

Maxi Zoo expects the pet market will continue to grow in the following years and thereby to grow its turnover and gross profit and to increase the financial result in 2022 compared to 2021. Maxi Zoo expects to open more new stores in the next 3 years, and to further improve the financial result in 2023 and 2024.

#### Intellectual capital

Maxi Zoo always tries to optimise knowledge resources and recruit necessary qualifications. With help from local knowledge and knowledge within the German Fressnapf Group, the Company constantly tries to stay updated and focus on key areas, like advertising, product know-how and general market development.

#### Research and development activities

The Company does not have any research and development projects but has been engaged in local development programmes for overall R&D activities of the Group.



## Management's review

### Operating review

#### Financial risks and use of financial instruments

The Company's activities are deemed not to be exposed to any special risks other than the usual risks in the industry. The Company does not engage in speculative foreign currency transactions.

#### Corporate social responsibility

Maxi Zoo Denmark A/S' main activities are sales of pet food and pet accessories in Denmark.

The Company has no own research projects within human rights. The Company has been engaged in local climate activities of the Group.

It is Maxi Zoo Denmark A/S' assessment that the business model has neither an environmental nor a climate impact. Therefore, Maxi Zoo Denmark A/S has not implemented any policies related to environment and climate.

Maxi Zoo Denmark A/S' assesses that risk related to anti-corruption and human rights is low, as all activities take place in Denmark.

At Maxi Zoo Denmark A/S, we value our employees and always ensure that their well-being and rights are a top priority. We offer education, competitive salaries and respect their right for collective agreements. We conduct annual workplace surveys to ensure the well-being of our employees.

The participation rate in the workplace survey for 2020 was 70%. No workplace survey was made in 2021 due to the onboarding of Petworld.

For 2022, we expect to continue our workspace survey and also have several pulsecheck surveys during the year.

After careful consideration and risk assessment, we have not identified any material risks to our business mode.

Maxi Zoo and the German Fressnapf Group are working on a more comprehensive ESG programme for the future.

#### Goals and policies for the underrepresented gender

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognises the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender. To ensure we comply with our policy we have implemented the following actions:

- we always encourage all genders to apply for job postings

In 2021, the gender composition at other Management levels was 40% women and 60% men.

In 2022, we expect to maintain the same gender composition at other Management levels as in 2021.

As at 31 December 2021, there is 1 woman among the 5 board members appointed at the general meeting. It is the goal for Maxi Zoo Denmark A/S to have a ratio of 40%/60% representation of both sexes in the Executive Board before 2025. There have been no changes in 2021 to the composition of the board, and therefore Maxi Zoo has not reached its target in the year.

## **Management's review**

### **Operating review**

#### **Reporting on data ethics**

Our policy for data ethics consists of:

- All data is stored in cloud solutions protected by GDPR requirements.
- Collection of all data through internal platforms or external partners is only used internally.
- If sharing data with third parties, a data processing agreement will be required.
- All employees handling data receive ongoing training and education.

Every employee with a status of manager is trained in our use of data and is therefore responsible for sharing correct data ethics. All decisions regarding data ethics and new system development are anchored within our corporate management, led by our head of IT/data. We constantly monitor potential cyber risks in relation to the collection of data. In the case where risks are identified, Management is notified, and sufficient actions are implemented.

## Financial statements 1 January – 31 December

### Income statement

| DKK'000  | Note | 2021                 | 2020                 |
|--|------|----------------------|----------------------|
| <b>Revenue</b>                                     | 2    | 806,846              | 482,375              |
| Cost of sales                                      |      | -498,259             | -304,027             |
| Other operating income                             |      | 45,600               | 25,075               |
| Other external costs                               | 3    | <u>-134,886</u>      | <u>-84,070</u>       |
| <b>Gross profit</b>                                |      | 219,301              | 119,353              |
| Staff costs  | 4    | -148,834             | -96,480              |
| Depreciation, amortisation and impairment losses   |      | <u>-41,822</u>       | <u>-5,835</u>        |
| <b>Profit before financial income and expenses</b> |      | 28,645               | 17,038               |
| Other financial income                             | 5    | 35                   | 710                  |
| Other financial expenses                           | 6    | <u>-1,079</u>        | <u>-413</u>          |
| <b>Profit before tax</b>                           |      | 27,601               | 17,335               |
| Tax on profit for the year                         | 7    | <u>-6,265</u>        | <u>-1,860</u>        |
| <b>Profit for the year</b>                         | 8    | <u><u>21,336</u></u> | <u><u>15,475</u></u> |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000                                    | Note | 31/12 2021            | 31/12 2020            |
|--|------|-----------------------|-----------------------|
| <b>ASSETS</b>                              |      |                       |                       |
| <b>Fixed assets</b>                        |      |                       |                       |
| <b>Intangible assets</b>                   | 9    |                       |                       |
| Goodwill                                   |      | 265,896               | 0                     |
| Software                                   |      | 2,204                 | 511                   |
|  |      | <u>268,100</u>        | <u>511</u>            |
| <b>Property, plant and equipment</b>       | 10   |                       |                       |
| Fixtures and fittings, tools and equipment |      | 40,872                | 9,265                 |
| <b>Investments</b>                         | 11   |                       |                       |
| Deposits                                   |      | 9,354                 | 9,535                 |
| <b>Total fixed assets</b>                  |      | <u>318,326</u>        | <u>19,311</u>         |
| <b>Current assets</b>                      |      |                       |                       |
| <b>Inventories</b>                         |      |                       |                       |
| Finished goods and goods for resale        |      | 83,987                | 50,994                |
| <b>Receivables</b>                         |      |                       |                       |
| Trade receivables                          |      | 8,472                 | 5,200                 |
| Receivables from group entities            |      | 35,251                | 0                     |
| Other receivables                          | 12   | 12,154                | 58,768                |
| Deferred tax asset                         | 13   | 0                     | 1,932                 |
| Corporation tax                            |      | 110                   | 427                   |
| Prepayments                                | 14   | 3,937                 | 2,829                 |
|  |      | <u>59,924</u>         | <u>69,156</u>         |
| <b>Cash at bank and in hand</b>            |      | <u>59,738</u>         | <u>333,617</u>        |
| <b>Total current assets</b>                |      | <u>203,649</u>        | <u>453,767</u>        |
| <b>TOTAL ASSETS</b>                        |      | <u><u>521,975</u></u> | <u><u>473,078</u></u> |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000   | Note | 31/12 2021     | 31/12 2020     |
|---|------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>                       |      |                |                |
| <b>Equity</b>                                       |      |                |                |
| Contributed capital                                 | 15   | 1,050          | 1,050          |
| Retained earnings                                   |      | 410,956        | 402,920        |
| Proposed dividends for the financial year           |      | 13,300         | 0              |
| <b>Total equity</b>                                 |      | <b>425,306</b> | <b>403,970</b> |
| <b>Provisions</b>                                   |      |                |                |
| Provisions for deferred tax                         |      | 3,158          | 0              |
| Other provisions                                    |      | 0              | 4,867          |
| <b>Total provisions</b>                             |      | <b>3,158</b>   | <b>4,867</b>   |
| <b>Liabilities other than provisions</b>            |      |                |                |
| <b>Current liabilities other than provisions</b>    |      |                |                |
| Trade payables                                      |      | 38,972         | 29,958         |
| Other payables                                      |      | 38,316         | 31,647         |
| Deferred income                                     | 16   | 16,223         | 2,636          |
|   |      | 93,511         | 64,241         |
| <b>Total liabilities other than provisions</b>      |      | <b>93,511</b>  | <b>64,241</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <b>521,975</b> | <b>473,078</b> |
| <b>Contractual obligations, contingencies, etc.</b> | 17   |                |                |
| <b>Related party disclosures</b>                    | 18   |                |                |

## Financial statements 1 January – 31 December

### Statement of changes in equity

| DKK'000                                   | Contributed<br>capital | Retained<br>earnings | Proposed<br>dividends for<br>the financial<br>year | Total          |
|---|------------------------|----------------------|--|----------------|
| Equity at 1 January 2021                  | 1,050                  | 402,920              | 0  | 403,970        |
| Transferred over the profit appropriation | 0                      | 8,036                | 13,300   | 21,336         |
| <b>Equity at 31 December 2021</b>         | <b>1,050</b>           | <b>410,956</b>       | <b>13,300</b>                                      | <b>425,306</b> |

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Maxi Zoo Denmark A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Fressnapf Beteiligungs GmbH.

#### Change in reporting class

The annual report of Maxi Zoo Denmark A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act. The transition compared to the previous financial year from the provisions applying to reporting class B medium-sized entities under the Danish Financial Statements Act has not resulted in changes to recognition and measurement.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Segment information

Information on segments and geographical segments is based on the Company's risks and returns and its internal financial reporting system. The operations are managed as one segment or strategic unit, because it offers similar products in similar markets, and the factors determining strategic decisions are comparable for all products.

Information about activities on geographic areas is not submitted pursuant to section 96(1) of the Danish Financial Statements Act, as such information may be detrimental to the Group, as there are one few material competitors in the segment.

#### Income statement

##### Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2020.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

#### Other external costs

External costs comprise expenses related to distribution, sale, advertising, administration, premises, bad debts, operating lease payments, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

### Balance sheet

#### Intangible assets

##### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The amortisation period is 10 years.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### *Software*

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over the estimated useful life. The amortisation period is estimated to 3 years.

##### **Property, plant and equipment**

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

|   |         |
|---|---------|
| Fixture and fittings, tools and equipment | 5 years |
|---|---------|

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

##### **Deposits**

Deposits are measured at cost.

##### **Impairment of fixed assets**

The carrying amount of intangible assets, property, plant and equipment and investments is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### Provisions

Provisions have been made for decommissioning costs related to the re-establishment of store locations and discounted to their net present value. These provisions are Management's best estimate. The actual costs and timing of future cash flows are dependent on future events.

##### Corporation tax and deferred tax

Current tax payable and receivable are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### **Liabilities other than provisions**

Other liabilities are measured at net realisable value.

##### **Deferred income**

Deferred income comprises advance invoicing regarding income in subsequent years.

##### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

## Financial statements 1 January – 31 December

### Notes

#### 2 Revenue

| DKK'000 | <u>2021</u> | <u>2020</u> |
|---------|-------------|-------------|
| Denmark | 806,846     | 482,375     |

The primary market segment of Maxi Zoo Denmark A/S is product-oriented, and the secondary segment is geographical. The total revenue of Maxi Zoo Denmark A/S is generated within the product segment pet food and pet accessories, and geographically in Denmark.

Product segments are not disclosed in line with section 96 of the Danish Financial Statements Act, as Management assesses it will be detrimental to the Company.

#### 3 Fees to auditor appointed at the general meeting

| DKK'000                     | <u>2021</u> |            |
|-----------------------------|-------------|------------|
| Total fees to KPMG          |             |            |
| Statutory audit             |             | 292        |
| Other assurance engagements |             | 66         |
| Tax assistance              |             | 25         |
| Non-audit services          |             | 48         |
|                             |             | <u>431</u> |

| DKK'000 | <u>2021</u> | <u>2020</u> |
|---------|-------------|-------------|
|---------|-------------|-------------|

#### 4 Staff costs

|                             |                |               |
|-----------------------------|----------------|---------------|
| Wages and salaries          | 137,546        | 88,778        |
| Other social security costs | <u>11,288</u>  | <u>7,702</u>  |
|                             | <u>148,834</u> | <u>96,480</u> |

|                                       |            |            |
|---------------------------------------|------------|------------|
| Average number of full-time employees | <u>396</u> | <u>243</u> |
|---------------------------------------|------------|------------|

Pursuant to section 98b of the Danish Financial Statements Act, the Company has chosen not to disclose information about remuneration of Management.

#### 5 Financial income

|                                     |           |            |
|-------------------------------------|-----------|------------|
| Interest income from group entities | 35        | 256        |
| Other financial income              | <u>0</u>  | <u>454</u> |
|                                     | <u>35</u> | <u>710</u> |

## Financial statements 1 January – 31 December

### Notes

| DKK'000  | <u>2021</u>     | <u>2020</u>     |   |
|--|-----------------|-----------------|---|
| <b>6 Financial expenses</b>                            |                 |                 |   |
| Interest expense to group entities                     | 72              | 38              |   |
| Other financial costs                                  | <u>1,007</u>    | <u>375</u>      |   |
|  | <u>1,079</u>    | <u>413</u>      |   |
| <b>7 Tax on profit for the year</b>                    |                 |                 |   |
| Current tax for the year                               | 1,038           | 4,504           |   |
| Deferred tax for the year                              | 5,090           | -1,189          |   |
| Adjustment of tax concerning previous years            | <u>137</u>      | <u>-1,455</u>   |   |
|  | <u>6,265</u>    | <u>1,860</u>    |   |
| <b>8 Proposed profit appropriation</b>                 |                 |                 |   |
| Proposed dividends for the year                        | 13,300          | 0               |   |
| Retained earnings                                      | <u>8,036</u>    | <u>15,475</u>   |   |
|  | <u>21,336</u>   | <u>15,475</u>   |   |
| <b>9 Intangible assets</b>                             |                 |                 |   |
| DKK'000  | <u>Goodwill</u> | <u>Software</u> | <u>Total</u>                                      |
| Cost at 1 January 2021                                 | 0               | 3,291           | 3,291   |
| Additions for the year                                 | <u>295,440</u>  | <u>1,991</u>    | <u>297,431</u>                                    |
| Cost at 31 December 2021                               | <u>295,440</u>  | <u>5,282</u>    | <u>300,722</u>                                    |
| Amortisation and impairment losses at 1 January 2021   | 0               | -2,780          | -2,780  |
| Amortisation for the year                              | <u>-29,544</u>  | <u>-298</u>     | <u>-29,842</u>                                    |
| Amortisation and impairment losses at 31 December 2021 | <u>-29,544</u>  | <u>-3,078</u>   | <u>-32,622</u>                                    |
| <b>Carrying amount at 31 December 2021</b>             | <u>265,896</u>  | <u>2,204</u>    | <u>268,100</u>                                    |
| <b>10 Property, plant and equipment</b>                |                 |                 |   |
| DKK'000  |                 |                 | <u>Fixtures and fittings, tools and equipment</u> |
| Cost at 1 January 2021                                 |                 |                 | 97,591  |
| Additions for the year                                 |                 |                 | <u>41,913</u>                                     |
| Cost at 31 December 2021                               |                 |                 | <u>139,504</u>                                    |
| Depreciation and impairment losses at 1 January 2021   |                 |                 | -88,326   |
| Depreciation for the year                              |                 |                 | <u>-10,306</u>                                    |
| Depreciation and impairment losses at 31 December 2021 |                 |                 | <u>-98,632</u>                                    |
| <b>Carrying amount at 31 December 2021</b>             |                 |                 | <u>40,872</u>                                     |

## Financial statements 1 January – 31 December

### Notes

#### 11 Investments

| DKK'000                                    | <u>Deposits</u>   |                   |
|--|-------------------|-------------------|
| Cost at 1 January 2021                     |                   | 9,535             |
| Additions for the year                     |                   | 1,173             |
| Disposals for the year                     |                   | <u>-1,354</u>     |
| Cost at 31 December 2021                   |                   | 9,354             |
| <b>Carrying amount at 31 December 2021</b> |                   | <u>9,354</u>      |
| DKK'000                                    | <u>31/12 2021</u> | <u>31/12 2020</u> |

#### 12 Other receivables

|   |               |               |
|---|---------------|---------------|
| Receivables regarding acquisition of subsidiary | 0             | 52,220        |
| Other receivables in general                    | <u>12,154</u> | <u>6,548</u>  |
|   | <u>12,154</u> | <u>58,768</u> |

#### 13 Deferred tax asset

|                                      |               |              |
|--------------------------------------|---------------|--------------|
| Deferred tax at 1 January            | 1,932         | 2,603        |
| Deferred tax adjustment for the year | <u>-5,090</u> | <u>-671</u>  |
|                                      | <u>-3,158</u> | <u>1,932</u> |

#### 14 Prepayments

|                   |              |              |
|-------------------|--------------|--------------|
| Insurance         | 748          | 188          |
| Rental cost       | 1,843        | 1,658        |
| IT cost           | 1,030        | 804          |
| Other prepayments | <u>316</u>   | <u>179</u>   |
|                   | <u>3,937</u> | <u>2,829</u> |

#### 15 Contributed capital

The share capital consists of 1,050,000 shares at a nominal value of DKK 1. No shares carry any special rights.

The share capital remains unchanged for the past five fiscal years.

#### 16 Deferred income

Deferred income recognised under current liabilities, DKK 16,223 thousand (2020: DKK 2,636 thousand), consists of rental contributions as well as giftcards and vouchers.

## Financial statements 1 January – 31 December

### Notes

#### 17 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company's bank has issued guarantees for a total amount of DKK 19,745 thousand (2020: DKK 6,089 thousand) instead of rent deposits to a third party.

Lease obligations (operating leases) falling due within 10 years total DKK 91,592 thousand (2020: DKK 82,117 thousand).

The Company is a party to a few pending lawsuits. In Management's opinion, apart from liabilities recognised in the balance sheet at 31 December 2021, the outcome of these lawsuits will not affect the Group's financial position further.

A Company guarantee of DKK 4,500 thousand has been granted to the Company's bank. At year-end, the bank facility is unused (2020: DKK 4,500).

#### 18 Related party disclosures

Maxi Zoo Denmark A/S' related parties comprise the following:

##### Control

Freesnapf Beteiligungs GmbH, Westpreussenstrasse 32-38, D-47809 Krefeld, Germany

Freesnapf Beteiligungs GmbH holds the majority of the contributed capital in the Company.

Maxi Zoo Denmark A/S is part of the consolidated financial statements of Freesnapf Beteiligungs GmbH, Krefeld, Germany, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Freesnapf Beteiligungs GmbH can be obtained by contacting the Company at the address above.

##### Related party transactions

| DKK'000                                     | 2021           | 2020           |
|---|----------------|----------------|
| Purchase of goods from group enterprises    | 250,323        | 133,393        |
| Purchase of services from group enterprises | 1,940          | 1,088          |
|   | <u>252,263</u> | <u>134,481</u> |

Receivables from and payables to group entities are disclosed in the balance sheet, and income interest and expenses are disclosed in note 5 and 6.