

# Yarrah Organic Petfood B.V.

Annual report 2021

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## Management report

The company makes use of the exemption to draw up the annual report over 2021 as referred to article 2:396 paragraph 7 of the Netherlands civil code.

Harderwijk, May 12, 2022

## Financial statements

## 1.1 Balance Sheet as at 31 December 2021

(After distribution of result)

	Note	EUR	2021 EUR	EUR	2020 EUR
<b>Fixed assets</b>					
Intangible fixed assets	1	76,697		-	
Tangible fixed assets	2	81,151		107,841	
			<hr/>		<hr/>
			157,848		107,841
Inventories	3	2,307,976		1,812,223	
Trade and other receivables	4	7,315,229		5,518,030	
Cash and cash equivalents	5	2,381,934		3,798,024	
			<hr/>		<hr/>
			12,162,987		11,236,118
			<hr/>		<hr/>
<b>Shareholders' equity</b>					
Issued capital	6	18,200		18,200	
Other reserves	7	9,586,494		8,747,516	
			<hr/>		<hr/>
			9,604,694		8,765,716
<b>Current liabilities</b>	8		2,558,293		2,470,402
			<hr/>		<hr/>
			12,162,987		11,236,118
			<hr/>		<hr/>

## 1.2 Profit and loss account 2021

	Note	EUR	2021 EUR	EUR	2020 EUR
Net Turnover			16,214,973		16,435,694
Cost of raw materials		8,908,741		8,888,082	
Wages and salaries	9	1,763,267		1,445,086	
Social security contributions and pension costs	10	255,666		194,624	
Other staff expenses		363,899		161,091	
Amortisation and depreciation on intangible and tangible fixed assets	11	37,796		42,901	
Other operating expenses	12	<u>3,782,277</u>		<u>3,677,146</u>	
Total operating expenses			<u>15,111,646</u>		<u>14,408,930</u>
Operating result			1,103,327		2,026,764
Interest expenses and similar charges	13		<u>-21,308</u>		<u>-11,710</u>
Result from operational activities before tax			1,082,019		2,015,054
Tax on result	14		<u>-243,037</u>		<u>-483,862</u>
Net result			<u>838,982</u>		<u>1,531,192</u>

## 1.3 Notes to the Financial Statements

### General

#### Registered address and registration number trade register

Yarrah Organic Petfood B.V., having its legal address in Van Leeuwenhoekstraat 26, 3846 CB in Harderwijk Nederland, is a private limited liability company under Dutch law and is registered as a financial holding under number 08077073 in the Trade Register.

The main activities of Yarrah Organic Petfood B.V. are the wholesale trade, import and export of organic petfood and the development of new export markets, particularly in the petfood sector.

#### Financial reporting period

These financial statements cover the year 2021, which ended at the balance sheet date of 31 December 2021.

#### Disclosure of Group Structure

YOPF Holding B.V. owns 100% of the shares of Yarrah Organic Petfood B.V.

#### Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

#### Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

### Accounting policies for the measurement of assets and liabilities and the determination of the result

#### General

Assets and liabilities are measured at nominal value, unless otherwise stated in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the asset has a

cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality of that asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have legal ownership, this fact is disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

### Functional and presentation currency

The financial statements are presented in euros ('EUR'), which is the Company's functional currency. All amounts have been rounded to the nearest euro.

### Principles for the translation of foreign currencies

#### *Transactions in foreign currencies*

Transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the balance sheet as functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from



the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference arises. Exempted from this are exchange differences on monetary items that are part of a net investment in a foreign operation (see below).

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost are translated into the functional currency at the exchange rates at the date of the transactions.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at current value are translated into the functional currency at the exchange rates when the current value is determined. Exchange rate differences that arise from this translation are directly recognised in equity as part of the revaluation reserve.

### *Foreign operations*

Assets and liabilities that are part of the net investment in a foreign operation are translated into euros at the exchange rate on the reporting date. The revenues and expenses of such a foreign operation are translated into euros at the exchange rate on the transaction date. Currency translation differences are directly recognised in the translation reserve within equity.

Goodwill resulting from the acquisition of a foreign operation and fair value adjustments made at the acquisition date are translated into the functional currency at the reporting date.

When a foreign operation is fully or partially sold, the cumulative amount that relates to that foreign operation is transferred from the translation reserve to the profit and loss account.

Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent are accounted for in this statutory reserve. In the case of the sale of a participating interest, the associated accumulated exchange differences are moved to other reserves.

### *Financial instruments*

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument arise.

A financial instrument is no longer recognised in the balance sheet when there is a transaction that results in a transfer to a third party of all or substantially all of the rights to economic benefits and all or substantially all of the risks related to the position.

A purchase or sale according to standard market conventions is, by class of financial assets and financial liabilities, systematically recognised or derecognised in the balance sheet on the trade date (date of entering into binding agreement) / the settlement date (date of transfer).

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract.

Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially measured at fair value, including discounts or premiums and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

### *Offsetting financial instruments*

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

### Intangible fixed assets

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortisation and impairment losses.

Expenditures made after the initial recognition of an acquired or constructed intangible fixed asset are included in the acquisition or construction cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the profit and loss account.

The accounting principles for the determination and recognition of impairments are included under the section 'Impairments of fixed assets.'

The following rates of depreciation are applied:

— Research and development: 20%.

### Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Land and buildings, plant and equipment, other fixed operating assets, tangible fixed assets under construction and prepayments on tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses.

The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalised when it extends the useful life of the asset. The cost of self-constructed assets includes the cost of materials and consumables and other costs that can be directly attributed to the construction. In addition, the cost of construction includes a reasonable part of the indirect costs and interest on loans for the period attributable to the construction of the asset.

If the payment term for the purchase price of a tangible fixed asset is beyond normal credit terms, the cost of the asset is based on the present value of the obligation.

In the event that tangible fixed assets are acquired in return for a non-monetary asset, the cost of the tangible fixed asset is determined on the basis of fair value, insofar as the exchange transactions result in a change in the economic conditions and the fair value of the acquired asset or the specified asset can be measured reliably and equipment. The related accounting principle is described in the section on Provisions.

Assets retired from active use are measured at the lower of book value or net realisable value.

### Impairments of fixed assets

Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment or not. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

### Disposal of fixed assets

Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

### Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes the expenses for acquisition or manufacture, plus other expenditures to bring the inventories to their present location and condition. Net realisable value is based on the most reliable estimate of the amount the inventories are expected to generate.

Raw materials and consumables are measured by applying weighted average prices

Finished products are measured at cost. The other costs directly attributable to production are charged directly to the result. Packaging is valued at weighted average purchase prices.

Goods available for sale are measured at cost. The costs of purchase include the purchase price and additional expenditures, such as import duties, transport and other costs directly attributable to the acquisition of inventory.

Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

In the valuation of inventories, allowance is made for any write-downs occurring on the balance sheet date.

### Receivables

Receivables are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, receivables are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the receivables, less a provision for uncollectible debts.

The provisions for uncollectible debts can be determined using the dynamic or the static method or a combination of both.

### Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

### Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

## Provisions

A provision is recognised if the following applies:

- the Company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Rights and obligations resulting from contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent, are not recognised. Recognition occurs when the consideration to be received is not (or no longer) in balance with the performance obligation of the Company and this imbalance has adverse effects for the Company.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

Provisions are measured at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

## Non-current liabilities

At initial recognition, long-term liabilities are recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of a liability are included in its initial measurement. After initial recognition, liabilities are measured at amortised cost. If no premium/discount or transaction costs are applicable, the amortised cost is equal to the nominal value of the liability.

## Current liabilities

At initial recognition, current liabilities are recognised at fair value. After initial recognition, current liabilities are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability.

## Accounting policies for the income statement

### *Accounting principles for determining the result*

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

## Revenue recognition

### *Sale of goods*

Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

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

The transfer of risks and rewards varies according to the conditions of the relevant sales contract. For the sale of finished products, transfer usually occurs when the product is received at the customer's warehouse.

### Employee benefits/pensions

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made. Contributions received as a result of a life-course savings scheme ('levensloopregeling') are taken into account in the period in which the contributions are due.

The liability for benefits during employment is measured at nominal value of the expenditure expected to be required to settle the obligation.

### *Dutch pension plans*

Basic principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension provider over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid at balance sheet date exceed the payable contributions, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is probable that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional

commitments is assessed on the basis of the administrative agreement concluded with the fund, the pension agreement with the employees and other (explicit or implicit) commitments to the employees. The provision is measured at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. The pre-tax discount rate reflects the market interest rate at the balance sheet date of high quality corporate bonds / yield on government bonds. Risks that have already been taken into account in estimating future expenditure are not included in the discount rate.

For any surplus at the pension provider as at balance sheet date, a receivable is recognised if the Company has the power to withdraw this surplus, if it is likely that the surplus will flow to the Company and if the receivable can be reliably determined.

### Leasing

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

At inception of an arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

### Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised in the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

### Interest expenses and similar charges

Interest expenses and similar expenses are recognised in the period to which they belong.

### Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

### Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.



Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax liability is recognised, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences regarding group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is only recognised in so far as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit available to offset the temporary difference can be utilised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

### *Fiscal unity*

The Company forms a fiscal unity for corporate income tax purposes together with parent company YOPF Holding B.V.. Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent tax payer, taking into account the allocation of the advantages of the fiscal unity to the various companies.

The deferred corporate income taxes are deferred assets and deferred liabilities respectively to the head of the fiscal unity.

### *Subsequent events*

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

## 1.4 Notes to the balance sheet

### 1 Intangible fixed assets

Movements in intangible fixed assets were as follows:

	Research and Development	Total
	EUR	EUR
Balance as at 1 January 2021:		
• Purchase price	-	-
• Accumulated depreciation	-	-
	<hr/>	<hr/>
• Carrying amount	-	-
	<hr/>	<hr/>
Changes in carrying amount:		
• Investments	76,697	76,697
• Disposals	-	-
Reversal of accumulated depreciation	-	-
• Depreciation	-	-
	<hr/>	<hr/>
• Balance	76,697	76,697
	<hr/>	<hr/>
Balance as at 31 December 2021		
• Purchase price	76,697	76,697
• Accumulated depreciation	-	-
	<hr/>	<hr/>
• Carrying amount	76,697	76,697
	<hr/>	<hr/>

## 2 Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Land and Buildings	Plant and equipment	Other fixed operating assets	Prepayments and operating assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 1 January 2021:					
• Purchase price	-	-	373,091	-	373,091
• Accumulated depreciation	-	-	-265,250	-	-265,250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
• Carrying amount	-	-	107,841	-	107,841
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Changes in carrying amount:					
• Investments	-	-	11,108	-	11,108
• Disposals	-	-	-	-	-
Reversal of accumulated depreciation	-	-	-	-	-
• Depreciation	-	-	-37,797	-	-37,797
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
• Balance	-	-	-26,689	-	-26,689
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2021					
• Purchase price	-	-	384,199	-	384,199
• Accumulated depreciation	-	-	-303,047	-	-303,047
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
• Carrying amount	-	-	81,152	-	81,152
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 3 Inventories

	2021 EUR	2020 EUR
Raw materials and consumables	351,431	147,471
Finished products and packaging	1,960,683	1,805,769
	<hr/>	<hr/>
	2,312,114	1,953,240
Provision for obsolete stock	-4,138	-141,017
	<hr/>	<hr/>
	2,307,976	1,812,223
	<hr/>	<hr/>

As at 31 December 2021, the expected net realisable value is at least equal to the carrying amount.

### 4 Trade and other receivables

	2021 EUR	2020 EUR
Trade receivables	1,826,045	1,414,805
From group companies	5,011,092	3,727,990
Taxes and social security premiums	185,520	202,520
Other receivables	292,572	172,715
	<hr/>	<hr/>
	7,315,229	5,518,030
	<hr/>	<hr/>

The trade receivables and other receivables have an estimated maturity shorter than one year. (excluding receivables from group companies).

### Accounts receivable from group companies

	2021 EUR	2020 EUR
Receivable from YOPF Beheer B.V.	-	-
Receivable from YOPF Holding B.V.	5,011,092	3,727,990
	<u>5,011,092</u>	<u>3,727,990</u>

Agreements about repayment obligations have not been made. No interest has been calculated on the balance. No security has been provided.

### Taxes and social security premiums

	2021 EUR	2020 EUR
Value added tax	185,520	202,520
	<u>185,520</u>	<u>202,520</u>

### Other receivables

	2021 EUR	2020 EUR
Prepaid costs	269,096	172,715
	<u>269,096</u>	<u>172,715</u>

## 5 Cash and cash equivalents

	2021 EUR	2020 EUR
Cash funds	67	145
Credit balances on bank accounts:		
KBC Bank	2,378,518	3,787,389
ABN AMRO Bank B.V.	3,349	10,491
Rabobank	-	-
Deposits	-	-
	<u>2,381,934</u>	<u>3,798,025</u>

Cash and cash equivalents are immediately accessible. Deposits included under cash and cash equivalents only represent deposits that are available on demand.

## 6 Shareholders' equity

	Issued Capital EUR	Other Reserves EUR	Total EUR
Balance as at 1 January 2021	18,200	8,747,516	8,765,716
Appropriation of result	-	838,978	838,978
Balance as at 31 December 2021	<u>18,200</u>	<u>9,586,494</u>	<u>9,604,694</u>

Pursuant to the articles of Association of the company, the profit at the disposal of the general meeting of shareholders can be appropriated, in whole or in part, to formation of - or deposit in - one or more other special reserve funds.

## 7 Issued capital

With reference to Article 178c, paragraph 1, Book 2 of the Dutch Civil Code, the company's authorised capital amounts to EUR 90,756 consisting of 200 shares, each worth EUR 453,78. Each share shall be, according to the Articles of Association, translated into NLG 1,000 (Dutch guilders per 1-1-2002 converted to EUR 0,45). EUR 18,200 of the authorised share capital has been issued and paid. No changes have occurred in the issued capital during 2021.

## 8 Current liabilities

	2021 EUR	2020 EUR
Trade creditors	2,130,221	1,828,845
Liabilities to group companies	-	-
Taxes and social security contributions	49,770	37,865
Other liabilities and accrued expenses	378,302	603,693
	<u>2,558,293</u>	<u>2,470,403</u>

### Taxes and social security premiums

	2021 EUR	2020 EUR
Wage tax	49,770	37,865
	<u>49,770</u>	<u>37,865</u>

## Financial instruments

### General

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

### Credit risk

For the credit risk on accounts receivable, the company has a credit insurance. This insurance covers the credit risk for 90%, up to the credit limit to which each debtor agreed. With this credit insurance, 95% of the outstanding money is covered. The progress of group companies is reported as fully collectible given the solvency of these group companies.

### Liquidity risk

The company monitors the liquidity position through successive budgets. Management shall ensure that sufficient liquidity for the company is available to meet the financial obligations.

### Fair value

The fair value of most of the financial instruments recognised on the balance sheet, including receivables, securities, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.



## Off-balance sheet assets and liabilities

### Disclosure of off-balance sheet commitments

The company has a rental agreement with Elephas Vastgoed B.V. regarding ground rent and building rent of the office and warehouse at the A. van Leeuwenhoekstraat at Harderwijk. The rental agreement is ending on 1 January 2024. The rent is indexed each year, where the rent for the coming fiscal year amounts to approximately EUR 200,732.

The company also has a rental agreement with Bedrijvencentra Utrecht regarding building rent of the office at the Vondellaan 14 in Utrecht.

The rental agreement has a remaining maturity of five years ending on 1 July 2025.

The rent is indexed each year, where the rent for the coming fiscal year amounts to approximately EUR 22,863.

The rental agreement can be terminated prematurely and the maximum obligation is 6 months.

The company entered into an agreement for the development of the webshop during 2022 of EUR 60,000.

The company entered into a purchase agreement with suppliers of raw materials. The minimum purchase obligation for 2022 amounts to EUR 1,848,250.

There is no purchase obligation with a maturity longer than one year.

### Other off-balance sheet liabilities relating to the fiscal unity

The company forms a fiscal unity with the parent company YOPF Holding B.V. for corporate income tax and value added tax purposes. The corporate income tax is included in each of the companies for areas that the company as an independent taxpayer would owe, taking into account applicable fiscal facilities. The companies are therefore jointly and severally liable for the full tax liability of the tax unit.

### Disclosure of operating lease

The company has operational lease contracts for its fleet. The operational lease contracts covers nine passenger cars.

The total lease obligation for 2022 is EUR 297,728.

The lease obligation with a maturity longer than one year is EUR 214,340.

### KBC Bank Agreement

Yarrah Organic Petfood B.V. has a joint credit agreement with YOPF Holding B.V. as of 23 December 2016 at the KBC Bank. The KBC Bank has provided a current account credit of EUR 1,000,000 to Yarrah Organic Petfood B.V. The 3-month EURIBOR is calculated on the current account credit with a 3% surcharge.

The securities provided with respect to the credit granted and the loan from KBC Bank N.V. concern the following and apply to YOPF Holding B.V. as Yarrah Organic Petfood B.V.:

- .
- right of pledge on insurance;
- right of pledge on inventory;
- right of pledge on equipment;
- right of pledge on debtors;
- right of pledge on contracts;
- right of pledge on shares.

### Subsequent Events

No significant subsequent events took place after the balance sheet date.

### Proposed appropriation of result

The Management Board proposes to the General Meeting to appropriate the profit after tax for 2021 as follows:

To add the profit 2021 for their full amount of EUR 838,982 to the other reserves.

This proposal has already been incorporated in the 2021 financial statements of the company in anticipation of the approval by the shareholders.

The company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as (1) the company can continue to meet its payment obligations after the distribution (the so-called distribution test) and (2) shareholders' equity exceeds the statutory reserves and reserves required by the articles of association (the so-called balance sheet test). Should that not be the case, the Management Board may not approve the distribution.

## Notes to the Profit and loss account

### 9 Wages and salaries

	2021 EUR	2020 EUR
Gross wages and salaries	1,763,267	1,445,086
	<u>1,763,267</u>	<u>1,445,086</u>

#### Staffing level

During the 2021 financial year, the average number of staff employed in the company in the Netherlands, converted into full-time equivalents, amounted to 23,1 (2020: 16,4 FTE). In addition to these full-time equivalents there are also 2,5 full time equivalents employed outside the Netherlands.

### 10 Social security and pension charges

	2021 EUR	2020 EUR
Social security charges	186,303	151,916
Pension costs	69,363	42,708
	<u>255,666</u>	<u>194,624</u>

#### Other staff expenses

	2021 EUR	2020 EUR
Other staff expenses	363,899	161,091
	<u>363,899</u>	<u>161,901</u>

## 11 Amortisation and depreciation on intangible and tangible fixed assets

	EUR	2021 EUR	EUR	2020 EUR
Tangible fixed assets				
Other fixed assets	37,796		42,259	
Less: Book gain/loss on sale	-		642	
		37,796		42,901

## 12 Other operating expenses

	2021 EUR	2020 EUR
Housing expenses	290,272	256,374
Selling expenses	3,121,691	3,067,371
Office expenses	129,798	120,466
General expenses	240,516	232,935
	3,782,277	3,677,146

## 13 Interest expenses and similar income

	2021 EUR	2020 EUR
Paid bank interest	-3,022	-1,925
Other interest expenses	-18,286	-9,785
Interest income	-	-
	-21,308	-11,710

## 14 Tax on result

	2021 EUR	2020 EUR
Corporate income tax	-243,037	-483,862
	<u>-243,037</u>	<u>-483,862</u>

## 15 Subsequent events

No significant subsequent events took place after the balance sheet date.

Harderwijk,  
Yarrah Organic Petfood B.V.

De heer D.J.H. Slijkhuis  
Director

B.W.G. van Tongeren  
Director