



This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Musti Group Holding Ltd

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Musti Group Holding Ltd (business identity code 2659161-1) for the financial period 1.10.2016–30.9.2017. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities in the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on 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 good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.



- 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 parent company's or the group'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 the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group'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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 12 February 2018

KPMG OY AB

LASSE HOLOPAINEN

Authorized Public Accountant



Musti Group Holding Oy

**CONSOLIDATED FINANCIAL
STATEMENTS**

30th September 2017

(Translated copy)

Musti Group Holding Oy
Mäkitorpantie 3B, 00620 Helsinki
Business ID 2659161-1
Domicile Helsinki

CONSOLIDATED FINANCIAL STATEMENTS 1.10.2016 - 30.9.2017

	Page
Annual report	3 - 5
Financial statements	
Consolidated profit and loss statement	6
Consolidated balance sheet	7
Consolidated cash flow statement	8
Parent company profit and loss statement	9
Parent company balance sheet	10
Accounting principles	11-12
Notes to the accounts	13-20
Signatures	21
Auditor's note	21
List of accounting books and voucher classes, as well as archiving practices	22

Musti Group Holding Oy

business ID 2659161-1

REPORT OF OPERATIONS

Fiscal year 1.10.2016 – 30.9.2017

The information presented in the report of operations concerns the Group unless otherwise stated.

Musti Group Holding Group operates in pet retail industry in Finland, Sweden and Norway. In addition, it offers pet grooming services in both countries and veterinary services in Sweden.

The retail brands in Finland are Musti ja Mirri and Petenkoiratarvike.com. Both brands operate in web retail as well. In Sweden the retail brands are Arken Zoo, Djurmagazinet and Djurmagazinet, of which Arken Zoo also operates in web retail. The retail brand in Norway is Musli. The pet grooming service brands is Trimmis in all operating countries. The veterinary service brand is Vettris.

1. Significant events in the financial year**Network development**

At the end of the fiscal year the group had in total 240 stores (2015/14: 230), of which 165 (148) were corporate stores and 75 (82) franchise stores. In Finland the group had 99 (95) corporate stores and 20 (20) franchise stores. In Sweden the group had 57 (52) corporate stores and 55 (62) franchise stores.

During the fiscal year 3 (20) franchise stores were acquired to be corporate stores through asset deals.

During the fiscal year the operations in Norway started. At the end of the fiscal year the group had 9 stores in Norway.

Financial arrangements

During the fiscal year the group companies raised new senior debt financing worth EUR 27.400.000,00 for funding capital expenditure and asset deals.

2. Significant events after the end of the fiscal year

After the ending of the fiscal year, Musti Group has acquired a pet retail chain called Djurkompaniet and two web stores called Animail and Vetzoo, all in Sweden. In Norway Musti Group has acquired a pet retail store called Zoobua and two stores through asset deals.

After the ending of the fiscal year, the Musti ja Mirri chain and the Arken Zoo chain have opened three new corporate stores and one new corporate store respectively.

After the ending of the fiscal year, David Rönnerberg has been appointed to Group CEO.

3. Assessment of the financial position and the profit for the period

The key figures of Musti Group Holding Oy are presented in the table below.

	2017/16		2016/15		2015 (9 kk)	
	1 000 €	%	1 000 €	%	1 000 €	%
Revenue	0		0		0	
Operating profit	-84		-110		0	
Profit before extraordinary items	-97		-103		-26	
Profit of the period	42		45		-26	
Return on equity %		-0,1 %		-0,1 %		0,0 %
Equity ratio %		96,2 %		99,9 %		98,7 %

The key figures of the Group are presented in the table below.

	2017/16		2016/15		2015 (9 kk)	
	1 000 €	%	1 000 €	%	1 000 €	%
Revenue	169 579		145 498		79 052	
Operating profit	-10 495	-6,2 %	-10 691	-7,3 %	-7 227	-9,1 %
Profit before extraordinary items	-15 620	-9,2 %	-14 277	-9,8 %	-9 390	-11,9 %
Profit of the period	-16 630	-9,8 %	-15 453	-10,6 %	-9 824	-12,4 %
Return on equity %		-16,1 %		-16,9 %		-10,0 %
Equity ratio %		35,8 %		46,4 %		-55,9 %

4. Key figures regarding personnel

Key personnel figures regarding parent company

	2017/16	2016/15	2015/14
Average number of personnel	0	0	0
Salaries and remunerations total	0	0	0

Key personnel figures regarding group

	2017/16	2016/15	2015/14
Average number of personnel	868	849	664
Salaries and remunerations total	29 712 140	25 412 352	12 472 983

5. Assessment of the probable forthcoming development

All the chains in the group are expected to grow strongly due to opening of new stores and more tempting assortment of goods and services. The profitability is expected to improve both in absolute and relative terms.

6. Risks and uncertainties

The group risk profile follows the general risk level in retail and fast-moving consumer goods industry. The industry is not particularly sensitive to economic fluctuations or to rapid changes. Major part of group purchases is made in US dollars and UK pounds. Over 90% of these purchases were hedged through average forward hedges. The hedging strategy is continuing on same principles also on the next fiscal period. The EUR 29 million interest hedge executed in the previous fiscal year remains in force. Risks relating to ordinary operations are mitigated by accident and liability insurances.

7. Board of Directors, personnel, management and auditors

Mika Sutinen serves as the CEO of the company. In addition to him, the group management team consists of Group CFO, Logistics Director, Chain Director for Finland, Chain Director for Sweden, Chain Director for Norway, the Director of Services, the Director of Marketing, the Director of HR, the Commercial Director, the Purchasing Director, the Director of Development and the Director of Operations.

The members of the Board of Directors are Johan Dettel (chairman), Jarkko Murtoaro and Annika Schauman.

The auditor appointed for the company is the Authorised Accounting Firm KPMG Oy Ab. The auditor with the main responsibility is Lasse Holopainen, Authorised Public Accountant.

8. Shares of the company

The share capital of the company is EUR 11,001,853.68, divided into 1,090,459 no par value shares in six different classes of shares. The votes in the different classes of shares and the rights to dividends and assets of the company are based on the shareholder's agreements. The shares are being stressed by the consent clause and the redemption clause.

9. Key conditions of the convertible loan

Based on the authorization in force, the Board of Directors has raised a convertible loan of EUR 4,400,000 to finance acquisitions. The loan has been given by Millan Holding S.à.r.l on the 27th of September 2017. The loan is interest-free and can be fully or partly converted to equity if Millan Holding S.à.r.l so decides. If the loan is not converted, it is repaid in year 2066. After the ending of the fiscal year, the loan has been repaid.

10. Valid authorizations of the Board of Directors for the issue of shares and the emission of options and other special rights that entitle to shares

In the extraordinary shareholders' meeting held on the 13th of May 2016, it was decided to authorize the Board of Directors of the company to decide on directed share issues for a maximum of 300.00 shares.

The Board of Directors was authorized to decide to whom and in which order the shares are issued. The Board of Directors was also authorized to decide all the other terms and conditions regarding the share issues. The authorization is in force until the 1st of June 2017.

11. Suggestion for the distribution of profits

The loss of the period of Musti Group Holding Oy was EUR 42,387.47 and the distributable earnings EUR 99,048,021.65. The Board proposes that no dividend is distributed and the loss of the financial period will be transferred to retained earnings.

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

PROFIT AND LOSS STATEMENT	App.	1.10.2016 - 30.9.2017	1.10.2015 - 30.9.2016
NET SALES	1.1	169 579 198,94	145 424 928,47
Other operating income	1.2	1 069 580,43	809 776,11
Materials and services	1.3	-82 906 752,09	-70 106 437,67
Personnel expenses	1.4	-38 001 318,41	-33 121 084,67
Depreciation and amortization	1.5	-18 234 214,20	-18 307 249,26
Other operating expenses	1.6	-42 463 134,46	-35 362 848,44
Share of profit (loss) in associates		158 669,66	0,00
OPERATING LOSS		-10 797 970,13	-10 662 915,46
Financial income and expenses	1.7	-5 125 077,14	-3 585 818,18
LOSS BEFORE TAXES		-15 923 047,27	-14 248 733,63
Income taxes	1.9	-981 881,68	-1 206 226,35
Minority interest		-28 265,26	30 690,55
LOSS FOR THE FISCAL PERIOD		-16 933 194,21	-15 424 269,43

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

BALANCE SHEET	App.	30.9.2017	30.9.2016
ASSETS			
Non-current assets			
Intangible assets	2.1	128 373 760,22	135 376 325,47
Tangible assets	2.2	5 827 518,78	3 040 522,68
Investments	2.3	274 529,11	154 366,34
Non-current assets		134 475 808,11	138 571 214,49
Current assets			
Inventories		28 411 776,42	25 474 451,72
Long-term receivables	2.4	2 935 103,77	2 784 560,70
Short-term receivables	2.5	7 438 575,57	8 435 315,75
Cash in hand and at banks		8 192 403,48	6 009 856,17
Current assets		46 977 859,23	42 704 184,34
TOTAL ASSETS		181 453 667,34	181 275 398,83
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		11 001 853,68	10 905 910,00
Share premium fund		0,00	95 943,68
Free invested equity reserve		98 994 483,12	98 994 483,12
Retained loss/earnings		-28 363 570,62	-10 325 270,82
Loss for the fiscal period		-16 933 194,21	-15 424 269,44
Shareholders' equity	2.6	64 699 571,97	84 246 796,54
Minority interests		52 803,24	0,00
Liabilities			
Non-current liabilities	2.7	91 388 595,57	64 817 688,84
Current liabilities	2.8	25 312 696,56	32 210 913,45
Liabilities		116 701 292,13	97 028 602,29
SHAREHOLDERS' EQUITY AND LIABILITIES		181 453 667,34	181 275 398,83

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

	1.10.2016	1.10.2015
	- 30.9.2017	- 30.9.2016
CASH FLOW STATEMENT		
Cash flow from operations		
Profit / loss before extraordinary items	-15 923 047,27	-14 248 733,64
Planned depreciations	18 234 214,20	18 307 249,26
Financial income / expenses	4 966 407,48	3 585 818,18
Other adjustments	-47 839,63	131 095,75
Cash flow before change in working capital	7 229 734,78	7 775 429,54
Change in working capital		
Increase (-) / decrease (+) in current non-interest bearing receivables	826 336,33	-5 867 085,27
Increase (-) / decrease (+) in inventories	-6 194 612,83	-1 554 551,55
Increase (+) / decrease (-) in current non-interest bearing liabilities	-9 414 805,08	15 288 282,25
Cash flow from operations before financial items and taxes	-7 553 346,81	15 642 074,97
Interest paid and other financial expenses	-2 997 375,35	-3 842 259,38
Financial income received from operations	13 952,59	8 395,77
Direct taxes paid	-810 696,20	-1 047 197,52
Cash flow from operations	-11 347 465,76	10 761 013,85
Cash flow from investments		
Investments in tangible and intangible assets	-12 689 787,29	-12 708 468,00
Investments in subsidiary shares	0,00	-3 246,89
Cash flow from investments	-12 689 787,29	-12 711 714,89
Cash flow from financial operations		
Issue of shares	0,00	959 436,80
Drawings of current loans	-180 199,64	180 199,64
Drawings of non-current loans	27 400 000,00	9 124 877,41
Repayment on non-current loans	-1 000 000,00	-5 237 020,89
Cash flow from financial operations	26 219 800,36	5 027 492,96
Change in financial position	2 182 547,31	3 076 791,92
Financial resources at the beginning of the financial year	6 009 856,17	2 933 064,25
Financial resources at the beginning of the financial year	8 192 403,48	6 009 856,17

MUSTI GROUP HOLDING OY
2659161-1
EUR

PROFIT AND LOSS STATEMENT	App.	1.10.2016 - 30.9.2017	1.10.2015 - 30.9.2016
Other operating expenses	1.6	-84 477,91	-110 484,97
OPERATING LOSS		-84 477,91	-110 484,97
Financial income		29 835,00	24 202,21
Financial expenses		-42 333,12	-16 308,34
Financial income and expenses	1.7	-12 498,12	7 893,87
LOSS BEFORE APPROPRIATIONS		-96 976,03	-102 591,10
Appropriations	1.8	150 000,00	150 000,00
PROFIT/LOSS BEFORE TAXES		53 023,97	47 408,90
Income taxes	1.9	-10 636,50	-2 787,76
PROFIT/LOSS FOR THE FISCAL PERIOD		42 387,47	44 621,14

MUSTI GROUP HOLDING OY
2659161-1
EUR

BALANCE SHEET	App.	30.9.2017	30.9.2016
ASSETS			
Non-current assets			
Investments	2.3	109 048 800,00	109 048 800,00
Non-current assets		109 048 800,00	109 048 800,00
Current assets			
Long term roccivablos	2.4	0,00	895 173,00
Short-term receivables	2.5	5 402 512,96	160 084,36
Current assets		5 402 512,96	1 055 257,36
ASSETS		114 451 312,96	110 104 057,36
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		11 001 853,68	10 905 910,00
Share premium fund		0,00	95 943,68
Free invested equity reserve		98 994 483,12	98 994 483,12
Retained loss/earnings		11 151,06	-33 470,08
Loss for the fiscal period		42 387,47	44 621,14
Shareholders' equity	2.6	110 049 875,33	110 007 487,86
Liabilities			
Non-current liabilities	2.7	4 400 000,00	93 467,11
Current liabilities	2.8	1 437,63	3 102,39
Liabilities		4 401 437,63	96 569,50
SHAREHOLDERS' EQUITY AND LIABILITIES		114 451 312,96	110 104 057,36

MUSTI GROUP HOLDING OY - Group
2659161-1

ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS SEPTEMBER 30TH, 2017

Financial statements and annual report of Musti Group Holding Oy are prepared in accordance with Finnish laws and regulations. All group companies have been consolidated into group financial statements.

Scope of the consolidated financial statements

All group companies have been consolidated into the consolidated financial statements.

In addition to Musti Group Holding Oy, the financial statements include those subsidiaries where the Group directly controls over 50% of the voting rights.

More detailed information on the companies and associate companies that are part of the Group are given hereafter in the investments section of the notes to the financial statements.

Internal shareholding

The consolidated financial statements have been prepared using the acquisition cost method. The difference between the acquisition cost of the subsidiary companies and the equity that corresponds to the acquired share is presented as consolidated goodwill.

Internal transactions

Internal transactions, receivables and liabilities and the internal distribution of profits have been eliminated.

Minority interests

Minority interests have been separated from the Group's shareholders' equity and earnings and are presented as a separate item.

Foreign currency exchange rate

Foreign currency business transactions are recorded at the rates of exchange of the transaction date. At the end of the fiscal period open foreign currency transactions are valued at the average rates of exchange of the transaction date

The income statements of foreign subsidiaries have been converted into euros at the average rate and balance sheets at the rate on the balance sheet date. The exchange differences arising in the conversion and translation differences arising in the conversion of shareholders' equity of the foreign subsidiaries are presented in the item retained profit in the consolidated balance sheet.

Realized profit/losses of exchange rate agreements are reported as part of costs of goods sold and unrealized profit/losses as part of the notes to the financial statements.

Interest Swaps

Realized profit/losses of interest swaps are reported as financial income/expenses. Unrealized profit/losses are reported as part of notes to the financial statements.

MUSTI GROUP HOLDING OY - Group
2659161-1

Deferred taxes

The accumulated difference in planned depreciation and the depreciation shown in separate financial statements of the parent company and subsidiary companies is divided in the consolidated balance sheet into shareholders' equity and liabilities and deferred tax liability, and their change in the consolidated income statement in the change to deferred tax liabilities and in the earnings for the period. Deferred tax assets or liabilities are entered on the temporary differences between the accounting and taxation in so far as it is likely that they can be used.

Non current assets

Intangible and tangible assets are marked on the balance sheet at cost less accumulated scheduled depreciations. Depreciations according to plan are recognised on a straight-line bases over the economic lives. Depreciations has started on the 1st day of the month of the commissioning of the fixed assets.

Depreciation periods:

Goodwill	5	years
Group goodwill	10	years
Intangible assets	5	years
Other long term assets	5	years
Machinery and equipment	3 - 7	years
Other tangible assets	10	years

Inventories

Inventories are stated at the direct acquisition cost, or at the current selling price, if it is lower than the acquisition cost. The principle of undervaluation is used for the inventories in the company and it is based on the estimated storage period calculated for each article.

Financial assets

Financial assets are stated at the acquisition cost or at current market value if lower than the acquisition cost.

Adjustments to previous years

The Group's internal stock value of EUR 3.257.288 and the related change in deferred tax assets EUR 564.134,24 has been booked on the previous year's profit / loss account. Corresponding entry has also been made to the comparative balance sheet for the financial period 1.10.2015 - 30.9.2016.

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE PROFIT AND LOSS STATEMENTS

	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
1.1 Net sales				
Finland	99 040 850,86	89 161 253,14	0,00	0,00
Sweden	67 992 868,82	56 263 675,33	0,00	0,00
Norway	2 545 479,26	0,00	0,00	0,00
Total	169 579 198,94	145 424 928,47	0,00	0,00
1.2 Other operating income				
Rental income	142 458,56	358 643,06	0,00	0,00
Provisions from insurance sales	53 231,73	10 964,20	0,00	0,00
Other operating income	873 890,14	440 168,85	0,00	0,00
Total	1 069 580,43	809 776,11	0,00	0,00
1.3 Material and services				
Purchases during the financial year	71 965 627,91	73 172 171,03	0,00	0,00
Change in stock	6 194 612,83	-5 867 085,27	0,00	0,00
External services	4 746 511,35	2 801 351,91	0,00	0,00
Total	82 906 752,09	70 106 437,67	0,00	0,00
1.4 Notes to the personnel and to the members of actuators				
Personnel expenses and average amount of personnel				
Personnel costs				
Salaries and remunerations	29 796 052,06	25 398 629,81	0,00	0,00
Pension costs	4 042 298,39	3 457 583,54	0,00	0,00
Other	4 162 967,96	4 264 871,32	0,00	0,00
Total	38 001 318,41	33 121 084,67	0,00	0,00
Salaries and remunerations paid to CEO and for the members of Board of Directors				
CEO and Board of directors	815 662,08	645 876,23	0,00	0,00
The average amount of personnel during the accounting period				
	868	849	0	0
1.5 Depreciations according to plan				
Group goodwill	14 909 397,14	14 947 388,25	0,00	0,00
Goodwill	297 990,71	523 653,84	0,00	0,00
Other intangible assets	1 194 600,88	1 929 128,01	0,00	0,00
Other depreciations	1 832 225,47	907 079,16	0,00	0,00
Total	18 234 214,20	18 307 249,26	0,00	0,00

MUSTI GROUP HOLDING OY -Group
2659161-1
EUR

	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
1.6 Auditor fees				
Auditing	163 256,11	208 819,25	8 155,64	8 155,64
Other services	0,00	22 606,80	0,00	0,00
Total	163 256,11	231 426,05	8 164,54	8 164,54
1.7 Financial income and expenses				
Interest income				
From group companies	0,00	0,00	24 202,21	24 202,21
From other	12 599,93	13 148,67	0,00	0,00
Interest expenses				
For group companies	0,00	0,00	-3 467,11	-3 467,11
For other	-5 137 677,06	-3 598 966,85	-12 841,23	-12 841,23
Total	-5 125 077,13	-3 585 818,18	7 893,87	7 893,87
1.8 Extraordinary items				
Group contributions	0,00	0,00	150 000,00	150 000,00
Total	0,00	0,00	150 000,00	150 000,00
1.9 Taxes				
Income taxes	-973 279,47	-1 216 006,54	-10 636,50	-2 787,76
Other taxes	-8 602,47	9 780,19	0,00	0,00
Total	-981 881,94	-1 206 226,35	-10 636,50	-2 787,76

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

NOTES TO BALANCE SHEET

2.1 Intangible assets, group	Intangible rights	Goodwill	Other long term assets	Group goodwill	Advance payments	Total
Acquisition cost 1.10.	4 311 894,30	6 480 766,83	2 981 970,81	149 092 124,30	1 237 117,50	164 103 873,74
Translation differences	0,00	-17 478,95	-792,22	-43 304,48		-61 575,66
Additions	341 634,21	0,00	1 291 379,63	0,00	7 761 648,05	9 394 661,89
Disposals	-2 563 405,12	-523 358,29	-279 472,48	0,00		-3 366 235,88
Acquisition cost 30.9.	2 090 123,39	5 939 929,59	3 993 085,74	149 048 819,82	8 998 765,55	161 071 958,54
Accumulated depreciation 1.10.	-2 244 457,41	-634 381,02	-757 605,07	-25 091 104,77	0,00	-28 727 548,27
Translation differences	0,00		0,00	10 877,29	0,00	10 877,29
Depreciation for the fiscal period	-513 922,06	-297 990,71	-680 678,82	-14 909 397,14	0,00	-16 401 988,73
Reclassifications	2 182 013,63	489 876,30	749 805,91	0,00	0,00	3 421 695,84
Accumulated depreciation 30.9.	-576 365,84	-442 495,43	-688 477,98	-39 989 624,62	0,00	-41 696 963,87
Book value 30.9.2017	1 513 757,55	5 497 434,16	3 304 607,76	109 059 195,20	8 998 765,55	128 373 760,22
Book value 30.9.2016	2 067 436,89	5 846 385,81	2 224 365,74	124 001 019,53	1 237 117,50	135 376 325,47

2.1 Intangible assets, group	Intangible rights	Goodwill	Other long term assets	Group goodwill	Advance payments	Total
Acquisition cost 1.10.	1 642 792,22	661 470,12	1 896 737,50	149 368 470,34	341 439,31	153 910 909,49
Translation differences	-16 231,08	-162 528,17	-8 110,36	-323 152,43		-510 022,04
Additions	2 686 333,16	5 981 824,88	1 093 343,67	46 806,39	895 678,19	10 702 986,29
Disposals			0,00	0,00		0,00
Acquisition cost 30.9.	4 311 894,30	6 480 766,83	2 981 870,81	149 092 124,30	1 237 117,50	162 866 756,24
Accumulated depreciation 1.10.	-815 752,75	-23 526,45	-414 650,02	-10 199 323,68	0,00	-28 727 548,27
Translation differences	544,81	11 464,04	-2 160,36	55 607,16	0,00	65 455,65
Depreciation for the fiscal period	-1 429 249,47	-523 653,84	-499 878,54	-14 947 388,25	0,00	-17 400 170,10
Reclassifications	0,00	-98 664,77	159 083,85	0,00	0,00	60 419,08
Accumulated depreciation 30.9.	-2 244 467,41	-634 381,02	-767 605,07	-25 091 104,77	0,00	-28 727 548,27
Book value 30.9.2017	2 067 436,89	5 846 385,81	2 224 365,74	124 001 019,53	1 237 117,50	135 376 325,47
Book value 30.9.2016	827 039,47	637 943,67	1 482 087,48	139 169 146,66	341 439,31	142 457 656,59

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

NOTES TO BALANCE SHEET

2.2 Tangible assets, group	Machinery and equipment	Other tangible assets	Advance payments	Total
Acquisition cost 1.10.	5 895 287,82	212 649,83	15 607,50	6 123 545,15
Translation differences	-41 316,77	-679,95	0,00	-41 996,72
Additions	4 711 340,65	19 889,11	12 916,67	4 744 146,43
Disposals and reorganisations	-1 236 436,99	0,00	0,00	-1 236 436,99
Acquisition cost 30.9.	9 328 874,71	231 858,99	28 524,17	9 589 257,87
Accumulated depreciation 1.10.	-3 013 833,19	-69 189,28	0,00	-3 083 022,47
Translation differences	-83 546,90	618,77	0,00	-82 928,13
Depreciation for the fiscal period	-1 699 990,38	-132 235,09	0,00	-1 832 225,47
Reclassifications	1 236 436,97	0,00	0,00	1 236 436,97
Accumulated depreciation 30.9.	-3 560 933,50	-200 805,60	0,00	-3 761 739,10
Book value 30.9.2017	5 767 941,21	31 053,39	28 524,17	5 827 518,77
Book value 30.9.2016	2 881 454,63	143 460,55	15 607,50	3 040 522,68

2.2 Tangible assets, group	Machinery and equipment	Other tangible assets	Advance payments	Total
Acquisition cost 1.10.	4 279 895,35	164 338,30	0,00	4 444 233,65
Translation differences	-97 916,33	-5 106,74	0,00	-103 023,07
Additions	1 857 992,33	131 882,40	15 607,50	2 005 482,23
Disposals and reorganisations	-144 683,53	-78 464,13	0,00	-223 147,66
Acquisition cost 30.9.	5 895 287,82	212 649,83	15 607,50	6 123 545,15
Accumulated depreciation 1.10.	-2 190 046,77	-5 262,91	0,00	-3 083 022,47
Translation differences	58 002,17	1 933,12	0,00	59 935,29
Depreciation for the fiscal period	-830 668,65	-76 410,51	0,00	-907 079,16
Reclassifications	-51 119,94	10 551,02	0,00	-40 568,92
Accumulated depreciation 30.9.	-3 013 833,19	-69 189,28	0,00	-3 083 022,47
Book value 30.9.2016	2 881 454,63	143 460,55	15 607,50	3 040 522,68
Book value 30.9.2015	2 089 848,58	159 075,39	0,00	2 248 923,97

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

2.3 Investments

Group	Other shares	Other receivables	Total
Acquisition cost 1.10.	154 366,34	0,00	154 366,34
Additions	120 162,77	0,00	120 162,77
Disposals	0,00	0,00	0,00
Book value 30.9.2017	274 529,11	0,00	274 529,11
Book value 30.9.2016	154 366,34	0,00	154 366,34

Parent company	Subsidiary shares	Loan receivables	Total
Acquisition cost 1.10.	109 048 800,00	0,00	109 048 800,00
Additions	0,00	0,00	0,00
Disposals	0,00	0,00	0,00
Book value 30.9.2017	109 048 800,00	0,00	109 048 800,00
Book value 30.9.2016	109 048 800,00	0,00	109 048 800,00

Subsidiary shares	Domicile	Group Ownership %	Parent company Ownership %
Musli Group Oy	Helsinki	100 %	100,00
Musti Group Nordic Oy	Helsinki	100 %	0,00
Musti ja Mirri Oy	Tampere	100 %	0,00
Arken Zoo Syd AB	Helsingborg	100 %	0,00
Grizzly Zoo AB	Helsingborg	100 %	0,00
Peten Koiratarvike Oy	Porvoo	100 %	0,00
Arken Zoo Nord AB	Rättvik	100 %	0,00
Djurfriskvård Borlänge AB	Rättvik	100 %	0,00
Djurfriskvård Falun AB	Rättvik	70 %	0,00
Djurfriskvård Västerås AB	Rättvik	70 %	0,00
Aeris Häst & Hund AB	Luleå	100 %	0,00
Arken Zoo Holding AB	Stockholm	100 %	0,00
Arken Zoo Support Scandinavia AB	Täby	100 %	0,00
Musti Norge AS	Oslo	100 %	0,00

Other shares	Domicile	Group Ownership %	Parent company Ownership %
Premium Pet Food Suomi Oy	Paimio	40 %	0,00

Financial statements 30th June 2017	Equity	Profit for the financial year
Premium Pet Food Suomi Oy, Paimio	454 030,56	276 310,32

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
2.4 Non current receivables				
Receivables from group companies	0,00	0,00	0,00	895 173,00
Other receivables	945 518,02	1 346 360,46	0,00	0,00
Deferred tax assets	1 989 585,75	2 002 334,48	0,00	0,00
Total	2 935 103,77	3 348 694,94	0,00	895 173,00
2.5 Current receivables				
Sales receivables	3 393 110,58	3 017 054,67	0,00	0,00
Loan receivables	67 246,03	180 355,84	0,00	0,00
Other receivables	366 382,56	152 781,31	0,00	0,00
Receivables from group companies	0,00	0,00	5 402 512,96	160 084,36
Accrued income				
Tax receivables	158 539,95	102 460,04	0,00	0,00
Other accrued income	3 453 296,46	4 982 663,89	0,00	0,00
Total accrued income	3 611 836,41	5 085 123,93	0,00	0,00
Total	7 438 575,56	8 435 315,75	5 402 512,96	160 084,36

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
2.6 Shareholders' equity				
Restricted equity				
Share capital 1.10.	10 905 910,00	10 905 910,00	10 905 910,00	10 905 910,00
Additions	95 943,68	0,00	0,00	0,00
Share capital 30.9.	11 001 853,68	10 905 910,00	10 905 910,00	10 905 910,00
Share issues 1.10.	0,00	95 943,68	0,00	0,00
Issue of shares	0,00	0,00	95 943,68	95 943,68
Share issues 30.9.	0,00	95 943,68	95 943,68	95 943,68
Restricted equity total	11 001 853,68	11 001 853,68	11 001 853,68	11 001 853,68
Free equity				
Free invested equity reserve 1.10.	98 994 483,12	98 130 990,00	98 994 483,12	98 130 990,00
Issue of shares	0,00	863 493,12	0,00	863 493,12
Free invested equity reserve 30.9.	98 994 483,12	98 994 483,12	98 994 483,12	98 994 483,12
Retained earnings / losses 1.10.	-28 442 695,16	-10 117 352,26	-66 940,16	-33 470,08
Translation differences	79 123,54	-207 919,56	0,00	0,00
Other changes *)	0,00	-2 693 153,90	0,00	0,00
Retained earnings / losses 1.10.	-28 363 571,62	-13 018 425,72	-66 940,16	-33 470,08
Profit / Loss for the financial year	-16 933 194,21	-15 424 269,44	0,00	-33 470,08
Free equity total	53 697 717,29	70 551 787,96	98 927 542,96	98 927 542,96
Total equity	64 699 571,97	81 553 642,64	109 929 396,64	109 929 396,64

*) The Group's internal stock inventory value and the related deferred tax asset are recognized in the previous financial years retained earnings.

	Parent	Parent
	30.9.2017	30.9.2016
Calculation of distributable funds		
Retained earnings / losses	-66 940,16	-33 470,08
Profit / Loss for the financial year	0,00	-33 470,08
Free invested equity reserve	98 994 483,12	98 994 483,12
Total	98 927 542,96	98 927 542,96

	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
2.7 Non current liabilities				
Loans from group companies	0,00	0,00	0,00	93 467,11
Loans from financial institutions	74 246 442,90	52 619 401,74	0,00	0,00
Convertible bonds	4 400 000,00	0,00	4 400 000,00	0,00
Other loans	11 500 000,00	12 193 915,20	0,00	0,00
Deferred tax liabilities	0,00	0,00	0,00	0,00
Accrued expenses	1 242 152,67	4 371,90	0,00	0,00
Total	91 388 595,57	64 817 688,84	4 400 000,00	93 467,11

MUSTI GROUP HOLDING OY - Group
2659161-1
EUR

	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
2.8 Current liabilities				
Loans from financial institutions	1 336 000,00	1 197 635,56	0,00	0,00
Saadut ennakot	86 879,94	7 986,27	0,00	0,00
Accounts payable	10 772 175,68	17 308 437,71	0,00	0,00
Other liabilities	4 402 647,50	5 639 793,93	0,00	0,00
Accrued expenses				
Personnel related expenses	5 987 074,75	4 761 480,28	0,00	0,00
Interest liabilities	121 113,05	52 989,82	0,00	0,00
Tax liabilities	70 428,08	282 952,13	0,00	0,00
Other	2 536 377,56	2 959 637,75	3 102,39	3 102,39
Total	8 714 993,44	8 057 059,98	3 102,39	3 102,39
Total	25 312 696,58	32 210 913,45	3 102,39	3 102,39

Pledges given	Group	Group	Parent	Parent
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
Liabilities for which mortgages and pledges have been granted				
Loans from financial institutions	75 582 442,90	53 619 401,74	0,00	0,00
Corporate mortgages granted	20 582 060,08	20 582 060,08	0,00	0,00
Pledged shares by book value	186 087 837,29	186 087 837,29	0,00	0,00
Total	206 668 897,37	206 668 897,37	0,00	0,00

All group companies have given absolute guarantee for Musti Group Holding - group's loans.
Also subsidiary company shares have been pledged for the security of the loans from financial institutes.
Loans from financial institutes 30.9.2017, EUR 75.582.442,90 (30.9.2016, EUR 53.619.401,7)

Other pledges given on own behalf				
Rental securities	676 748,78	647 174,41	0,00	0,00
Rental guarantees	2 228 322,17	1 929 630,02	0,00	0,00
Other guarantees	1 197 770,46	582 060,00	0,00	0,00

Securities and contingent liabilities

Leasing liabilities				
To be paid during the next fiscal period	1 139 084,00	1 093 477,46	0,00	0,00
To be paid during the next fiscal periods after that	1 693 866,37	1 607 393,76	0,00	0,00
Total	2 832 950,37	2 700 871,22	0,00	0,00

Rent liabilities				
To be paid during the next fiscal period	13 020 749,42	12 098 818,63	0,00	0,00
To be paid during the next fiscal periods after that	25 070 793,31	30 681 495,58	0,00	0,00
Total	38 091 542,73	42 780 314,21	0,00	0,00

Forward exchange agreements

Current value	-199 474,00	-757 660,00	0,00	0,00
Value for the underlying instrument	8 688 266,00	22 735 428,00	0,00	0,00

Interest rate swaps

Current value	-178 924,00	-396 272,00	0,00	0,00
Value for the underlying instrument	29 118 000,00	29 118 000,00	0,00	0,00

DATE AND SIGNATURES

In Helsinki 12th January 2018

Johan Anders Dettel
Chairman of the Board

Jarkko Juhana Murtoaro
member of the Board

Annika Saija Sofia Schauman
member of the Board

THE AUDITOR'S NOTE

Our auditor's report has been issued today

In Helsinki 12th January 2018

KPMG Oy AB
KHT-yhteisö

Lasse Holopainen
KHT

A LIST OF ACCOUNTING BOOKS AND VOUCHER CLASSES AND ARCHIVING PRACTICES

Journal and general ledger	On CD
Account payables	On CD
Account receivables	On CD
Payroll accounting	On CD
Memo receipts and other journals	On CD / Paper receipts
Balance sheet book	Separately bound
Balance sheet specifications	Separately bound