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SOURCE TECHNOLOGY APS
KORSVEJ 11, 6000 KOLDING
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 19 May 2021**

Kim Doctor Krintel

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COMPANY DETAILS

Company	SOURCE TECHNOLOGY ApS Korsvej 11 6000 Kolding CVR No.: 29 84 53 36 Established: 31 August 2006 Registered Office: Kolding Financial Year: 1 January - 31 December
Board of Directors	Jeffrey Dean Wenger, chairman Mitchell Scott Allen Megan Hill
Executive Board	Kim Doctor Krintel
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
Bank	Sydbank Kolding Åpark 8B 6000 Kolding
Law Firm	Bech Bruun Langelinie Allé 35 2100 Copenhagen Ø

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SOURCE TECHNOLOGY ApS for the financial year 1 January - 31 December 2020.

The Annual Report is presented 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Kolding, 19 May 2021

Executive Board

Kim Doctor Krintel

Board of Directors

Jeffrey Dean Wenger
Chairman

Mitchell Scott Allen

Megan Hill

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SOURCE TECHNOLOGY ApS

Conclusion

We have performed an extended review of the Financial Statements of SOURCE TECHNOLOGY ApS for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities 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 as 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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

THE INDEPENDENT AUDITOR'S REPORT

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion 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 extended review 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 extended review, 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 in the Management's Review.

Kolding, 19 May 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Henning Wiese
State Authorised Public Accountant
MNE no. mne27707

MANAGEMENT COMMENTARY

Principal activities

The company's activity comprises to conduct business with consulting as well as development and sale of machines and products primarily for the food industry.

Development in activities and financial and economic position

The income statement of the entity for 2020 shows a profit of DKK ('000) 14,436. Management considers the result for the year satisfactory.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK '000
GROSS PROFIT		42.789.734	31.100
Staff costs.....	1	-19.995.343	-16.007
Depreciation, amortisation and impairment losses.....		-3.553.784	-2.772
Other operating expenses.....		-228.537	-57
OPERATING PROFIT		19.012.070	12.264
Other financial income.....		191.820	530
Other financial expenses.....		-714.846	-511
PROFIT BEFORE TAX		18.489.044	12.283
Tax on profit/loss for the year.....	2	-4.052.751	-2.751
PROFIT FOR THE YEAR		14.436.293	9.532
PROPOSED DISTRIBUTION OF DIVIDEND			
Proposed dividend for the year.....		1.250.000	0
Retained earnings.....		13.186.293	9.532
TOTAL		14.436.293	9.532

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK '000
Development projects completed.....		3.570.121	4.842
Intangible fixed assets acquired.....		1.468.825	725
Development projects in progress and prepayments.....		474.395	0
Intangible assets.....	3	5.513.341	5.567
Land and buildings.....		28.836.394	29.566
Other plant, fixtures and equipment.....		7.606.289	6.365
Tangible fixed assets in progress and prepayment.....		370.701	259
Property, plant and equipment.....	4	36.813.384	36.190
Other receivables.....		2.210.029	0
Financial non-current assets.....	5	2.210.029	0
NON-CURRENT ASSETS.....		44.536.754	41.757
Raw materials and consumables.....		291.914	1.388
Work in progress.....		7.619.052	2.046
Finished goods and goods for resale.....		4.862.667	0
Inventories.....		12.773.633	3.434
Trade receivables.....		1.808.508	12.015
Receivables from group enterprises.....		313.260	729
Other receivables.....		1.839.395	1.951
Corporation tax receivable.....		685.772	260
Prepayments and accrued income.....		154.806	644
Receivables.....		4.801.741	15.599
Cash and cash equivalents.....		9.816.438	7.640
CURRENT ASSETS.....		27.391.812	26.673
ASSETS.....		71.928.566	68.430

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK '000
Share capital.....		1.000.000	1.000
Reserve for development costs.....		3.154.722	3.776
Retained earnings.....		32.130.703	18.323
Proposed dividend.....		1.250.000	0
EQUITY.....		37.535.425	23.099
Provision for deferred tax.....		2.501.114	1.272
PROVISIONS.....		2.501.114	1.272
Mortgage debt.....		7.354.797	7.815
Bank loan.....		0	4.956
Holiday allowance commitment.....		1.367.014	407
Non-current liabilities.....	6	8.721.811	13.178
Lease liabilities.....		42.755	308
Bank loan.....		0	645
Mortgage debt.....		472.659	469
Prepayments received from customers.....		14.960.857	19.545
Trade payables.....		1.202.733	2.757
Payables to group enterprises.....		0	3.683
Other liabilities.....		6.491.212	3.474
Current liabilities.....		23.170.216	30.881
LIABILITIES.....		31.892.027	44.059
EQUITY AND LIABILITIES.....		71.928.566	68.430
 Contingencies etc.	 7		
Charges and securities	8		

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2020.....	1.000.000	3.776.719	18.322.413	0	23.099.132
Proposed profit allocation.....			13.186.293	1.250.000	14.436.293
Other legal bindings					
Capitalized development costs.....		-621.997	621.997		0
Equity at 31 December 2020.....	1.000.000	3.154.722	32.130.703	1.250.000	37.535.425

NOTES

	2020 DKK	2019 DKK '000	Note
Staff costs			1
Average number of employees	22	17	
Wages and salaries.....	17.223.013	14.448	
Pensions.....	2.266.624	1.172	
Social security costs.....	74.505	56	
Other staff costs.....	431.201	331	
	19.995.343	16.007	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	2.824.228	82	
Adjustment of deferred tax.....	1.228.523	2.669	
	4.052.751	2.751	
Intangible assets			3
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2020.....	10.530.592	969.550	0
Additions.....	59.951	876.008	474.395
Cost at 31 December 2020.....	10.590.543	1.845.558	474.395
Amortisation at 1 January 2020.....	5.688.645	244.935	0
Amortisation for the year.....	1.331.777	131.798	0
Amortisation at 31 December 2020.....	7.020.422	376.733	0
Carrying amount at 31 December 2020.....	3.570.121	1.468.825	474.395

Development projects

The capitalized development cost all comprises unique technologies for production of pet food- and human food products, and analysis for the same. There is expected to continue to be a big market for the products, that is strongly driven by strategic signalling effects like food control, healthier products etc.

NOTES

				Note
Property, plant and equipment				4
	Land and buildings	Other plant, fixtures and equipment	Tangible fixed assets in progress and prepayment	
Cost at 1 January 2020.....	32.214.711	8.410.981	258.738	
Transferred.....	0	0	-258.738	
Additions.....	87.927	2.780.958	370.701	
Disposals.....	0	-843.748	0	
Cost at 31 December 2020.....	32.302.638	10.348.191	370.701	
Depreciation and impairment losses at 1 January 2020.....	2.647.881	2.046.467		
Reversal of depreciation of assets disposed of..	0	-576.411		
Depreciation for the year.....	818.363	1.271.846		
Depreciation and impairment losses at 31 December 2020.....	3.466.244	2.741.902		
Carrying amount at 31 December 2020.....	28.836.394	7.606.289	370.701	
Finance lease assets.....		25.727		
Financial non-current assets			Other receivables	5
Additions.....			3.336.152	
Disposals.....			-1.126.123	
Cost at 31 December 2020.....			2.210.029	
Carrying amount at 31 December 2020.....			2.210.029	
Long-term liabilities				6
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Mortgage debt.....	7.827.456	472.659	5.548.067	8.282.793
Bank loan.....	0	0	0	5.601.313
Lease liabilities.....	42.755	42.755	0	307.837
Holiday allowance commitment.....	1.367.014	0	1.367.014	406.523
	9.237.225	515.414	6.915.081	14.598.466

NOTES**Note****Contingencies etc.****7****Contingent liabilities**

The company has entered into operating lease agreements which have not been recognised in the financial statement. The liability is DKK ('000) 234 at 31 December 2020. The agreement have an average residual term of 10 months.

The Company has warranties for delivered goods and services.

Charges and securities**8**

The buildings have been charged as security for mortgage debt. The carrying amount of the assets is DKK ('000) 28,836 at 31 December 2020.

A letter of indemnity worth DKK ('000) 5,000 has been issued towards a financial institute to secure bank debt. The letter of indemnity is secured by way of pledge in goodwill, instangible property rights, other plant, fixtures and equipment, inventories and trade receivables (company pledge).

The carrying amount of pledged assets is DKK ('000) 27,793.

ACCOUNTING POLICIES

The Annual Report of SOURCE TECHNOLOGY ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of manufactured goods and goods for resale is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement during the continuance of the contract. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 20 years.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company’s development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	26-30 years	0-19 %
Other plant, fixtures and equipment.....	3-7 years	0-70 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company’s other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

ACCOUNTING POLICIES

Fixed asset investments

Other receivables are recognised and measured at amortised cost.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

Cost consist of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials and consumables and direct payroll cost.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.