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Kolding Åpark 8A, 7. sal
DK-6000 Kolding
CVR no. 20 22 26 70

SOURCE TECHNOLOGY APS

KORSVEJ 11, 6000 KOLDING

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 14 March 2022

Kim Doctor Krintel

CVR NO. 29 84 53 36

CONTENTS

COMPANY DETAILS

Company	SOURCE TECHNOLOGY ApS Korsvej 11 6000 Kolding	
	CVR No.:	29 84 53 36
	Established:	31 August 2006
	Municipality:	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	

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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 2 March 2022

Executive Board

Kim Doctor Krintel

Board of Directors

Jeffrey Dean Wenger Chairman	Mitchell Scott Allen	Megan Hill

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SOURCE TECHNOLOGY ApS

Opinion

We have audited the Financial Statements of SOURCE TECHNOLOGY ApS for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Matters concerning the audit

With effect from the current financial year, the Company has changed from extended review to audit.

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 Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Kolding, 2 March 2022

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 2021 shows a profit of DKK ('000) 14,453. 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	2021 DKK	2020 DKK '000
GROSS PROFIT		**42.092.652**	**42.875**
Staff costs	1	-19.642.395	-20.081
Depreciation, amortisation and impairment losses		-3.816.114	-3.554
Other operating expenses		0	-229
OPERATING PROFIT		**18.634.143**	**19.011**
Other financial income		248.166	192
Other financial expenses		-353.718	-714
PROFIT BEFORE TAX		**18.528.591**	**18.489**
Tax on profit/loss for the year	2	-4.075.519	-4.053
PROFIT FOR THE YEAR		**14.453.072**	**14.436**

PROPOSED DISTRIBUTION OF PROFIT

Proposed dividend for the year		1.300.000	1.250
Extraordinary dividend		1.250.000	0
Retained earnings		11.903.072	13.186
TOTAL		**14.453.072**	**14.436**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK '000
Development projects completed		2.871.541	3.570
Intangible fixed assets acquired		1.343.760	1.469
Development projects in progress and prepayments		32.880	474
Intangible assets	3	**4.248.181**	**5.513**
Land and buildings		28.714.907	28.837
Other plant, fixtures and equipment		7.822.762	7.606
Tangible fixed assets in progress and prepayment		0	371
Property, plant and equipment	4	**36.537.669**	**36.814**
Other receivables		1.444.105	2.210
Financial non-current assets	5	**1.444.105**	**2.210**
NON-CURRENT ASSETS		**42.229.955**	**44.537**
Raw materials and consumables		405.211	291
Work in progress		3.621.048	7.618
Finished goods and goods for resale		8.606.590	4.863
Inventories		**12.632.849**	**12.772**
Trade receivables		6.577.713	1.809
Receivables from group enterprises		549.741	313
Receivables from associated enterprises		102.423	0
Other receivables		1.815.351	1.839
Corporation tax receivable		289.882	686
Prepayments and accrued income		662.834	155
Receivables		**9.997.944**	**4.802**
Cash and cash equivalents		**4.915.595**	**9.817**
CURRENT ASSETS		**27.546.388**	**27.391**
ASSETS		**69.776.343**	**71.928**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK '000
Share capital		1.000.000	1.000
Reserve for development costs		2.265.448	3.155
Retained earnings		44.923.049	32.130
Proposed dividend		1.300.000	1.250
EQUITY		**49.488.497**	**37.535**
Provision for deferred tax		2.454.515	2.501
PROVISIONS		**2.454.515**	**2.501**
Mortgage debt		6.895.359	7.356
Holiday allowance commitment		0	1.367
Non-current liabilities	6	**6.895.359**	**8.723**
Bank loan		0	43
Mortgage debt		475.376	473
Prepayments received from customers		2.385.632	14.961
Trade payables		4.051.803	1.202
Other liabilities		4.025.161	6.490
Current liabilities		**10.937.972**	**23.169**
LIABILITIES		**17.833.331**	**31.892**
EQUITY AND LIABILITIES		**69.776.343**	**71.928**

Contingencies etc.	7
Charges and securities	8

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2021	1.000.000	3.154.722	32.130.703	1.250.000	37.535.425
Proposed profit allocation			11.903.072	2.550.000	14.453.072
Transactions with owners					
Dividend paid				-1.250.000	-1.250.000
Extraordinary dividend paid				-1.250.000	-1.250.000
Other legal bindings					
Capitalized development costs		-889.274	889.274		0
Equity at 31 December 2021	**1.000.000**	**2.265.448**	**44.923.049**	**1.300.000**	**49.488.497**

NOTES

	2021 DKK	2020 DKK '000	Note
Staff costs			1
Average number of employees	22	22	
Wages and salaries	17.339.361	17.222	
Pensions	1.600.444	2.267	
Social security costs	74.666	75	
Other staff costs	627.924	517	
	19.642.395	**20.081**	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year	4.122.118	2.824	
Adjustment of deferred tax	-46.599	1.229	
	4.075.519	**4.053**	

Intangible assets 3

	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021	10.590.543	1.845.558	474.395
Transferred	601.468	0	-693.186
Additions	46.050	190.215	251.671
Cost at 31 December 2021	**11.238.061**	**2.035.773**	**32.880**
Amortisation at 1 January 2021	7.020.422	376.733	0
Amortisation for the year	1.346.098	315.280	0
Amortisation at 31 December 2021	**8.366.520**	**692.013**	**0**
Carrying amount at 31 December 2021	**2.871.541**	**1.343.760**	**32.880**

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 2021	32.302.638	10.348.191	370.701
Transferred	0	1.587.551	-1.515.164
Additions	739.510	749.860	1.144.463
Disposals	0	-952.852	0
Cost at 31 December 2021	**33.042.148**	**11.732.750**	**0**
Depreciation and impairment losses at 1 January 2021	3.466.244	2.741.902	
Reversal of depreciation of assets disposed of	0	-125.653	
Depreciation for the year	860.997	1.293.739	
Depreciation and impairment losses at 31 December 2021	**4.327.241**	**3.909.988**	
Carrying amount at 31 December 2021	**28.714.907**	**7.822.762**	**0**

Financial non-current assets 5

	Other receivables
Cost at 1 January 2021	2.210.029
Additions	18.000
Disposals	-783.924
Cost at 31 December 2021	**1.444.105**
Carrying amount at 31 December 2021	**1.444.105**

Long-term liabilities 6

	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Mortgage debt	7.370.735	475.376	5.256.299	7.827.457
Lease liabilities	0	0	0	42.755
Holiday allowance commitment	0	0	0	1.367.014
	7.370.735	**475.376**	**5.256.299**	**9.237.226**

NOTES

Note

Contingencies etc. 7

Contingent liabilities
The company has warranties for delivered goods and services.

Operating leases
The company has entered into operating lease agreements which have not been recognised in the financial statement. The liability is DKK ('000) 300 at 31 December 2021. The agreement have an average residual term of 3 to 12 month.

Rent obligations
The company has entered into an agreement to rent with term of notice on 3 months.

Charges and securities 8
The buildings have been charged as security for mortgage debt. The carrying amount of the assets is DKK ('000) 28,715 at 31 December 2021.

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) 30,946.

ACCOUNTING POLICIES

The Annual Report of SOURCE TECHNOLOGY ApS for 2021 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 3-5 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
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar 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.