Tel.: +45 76 35 56 00
kolding@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
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 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 30 June 2023

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	Arni Sigurjonsson, chairman Jesper Hjortshøj Linda Jonsdottir	
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 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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, 28 June 2023

Executive Board

Kim Doctor Krintel

Board of Directors

Arni Sigurjonsson Chairman	Jesper Hjortshøj	Linda Jonsdottir

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 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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.

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.
- 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.

INDEPENDENT AUDITOR'S REPORT

- 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, 28 June 2023

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 2022 shows a profit of DKK ('000) 15,986. 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	2022 DKK	2021 DKK '000
GROSS PROFIT		**47.975.898**	**42.090**
Staff costs	1	-24.098.126	-19.640
Depreciation, amortisation and impairment losses		-4.054.310	-3.816
OPERATING PROFIT		**19.823.462**	**18.634**
Other financial income		1.536.883	248
Other financial expenses		-854.440	-354
PROFIT BEFORE TAX		**20.505.905**	**18.528**
Tax on profit/loss for the year	2	-4.520.194	-4.075
PROFIT FOR THE YEAR		**15.985.711**	**14.453**

PROPOSED DISTRIBUTION OF PROFIT

Proposed dividend for the year		0	1.300
Extraordinary dividend		0	1.250
Retained earnings		15.985.711	11.903
TOTAL		**15.985.711**	**14.453**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK '000
Development projects completed		1.670.344	2.872
Intangible fixed assets acquired		1.029.194	1.344
Development projects in progress and prepayments		141.870	33
Intangible assets	3	**2.841.408**	**4.249**
Land and buildings		29.166.673	28.716
Other plant, fixtures and equipment		5.571.577	7.823
Property, plant and equipment	4	**34.738.250**	**36.539**
Other receivables		611.831	1.444
Financial non-current assets	5	**611.831**	**1.444**
NON-CURRENT ASSETS		**38.191.489**	**42.232**
Raw materials and consumables		416.870	405
Work in progress		6.173.613	3.621
Finished goods and goods for resale		9.145.908	8.607
Inventories		**15.736.391**	**12.633**
Trade receivables		12.448.207	6.577
Receivables from group enterprises		338.577	550
Receivables from associated enterprises		80.117	102
Other receivables		1.716.195	1.815
Corporation tax receivable		0	290
Prepayments and accrued income		438.735	663
Receivables		**15.021.831**	**9.997**
Cash and cash equivalents		**16.801.991**	**4.916**
CURRENT ASSETS		**47.560.213**	**27.546**
ASSETS		**85.751.702**	**69.778**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK '000
Share capital		1.000.000	1.000
Reserve for development costs		1.413.527	2.266
Retained earnings		61.760.681	44.923
Proposed dividend		0	1.300
EQUITY		**64.174.208**	**49.489**
Provision for deferred tax		2.191.887	2.455
PROVISIONS		**2.191.887**	**2.455**
Mortgage debt		6.042.476	6.896
Non-current liabilities	6	**6.042.476**	**6.896**
Mortgage debt		398.149	475
Prepayments received from customers		912.792	2.386
Trade payables		3.294.343	4.052
Corporation tax		4.298.822	0
Other liabilities		4.439.025	4.025
Current liabilities		**13.343.131**	**10.938**
LIABILITIES		**19.385.607**	**17.834**
EQUITY AND LIABILITIES		**85.751.702**	**69.778**

Contingencies etc.	7		
Charges and securities	8		

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022	1.000.000	2.265.448	44.923.049	1.300.000	49.488.497
Proposed profit allocation			15.985.711		15.985.711
Transactions with owners					
Dividend paid				-1.300.000	-1.300.000
Other legal bindings					
Capitalized development costs		-851.921	851.921		0
Equity at 31 December 2022	**1.000.000**	**1.413.527**	**61.760.681**	**0**	**64.174.208**

NOTES

	2022 DKK	2021 DKK '000	Note
Staff costs			1
Average number of employees	24	22	
Wages and salaries	19.810.483	17.337	
Pensions	3.634.359	1.600	
Social security costs	81.072	75	
Other staff costs	572.212	628	
	24.098.126	**19.640**	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year	4.782.822	4.122	
Adjustment of deferred tax	-262.628	-47	
	4.520.194	**4.075**	

Intangible assets 3

	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2022	11.238.061	2.035.773	32.880
Additions	88.529	10.189	108.990
Cost at 31 December 2022	**11.326.590**	**2.045.962**	**141.870**
Amortisation at 1 January 2022	8.366.519	692.015	0
Amortisation for the year	1.289.727	324.753	0
Amortisation at 31 December 2022	**9.656.246**	**1.016.768**	**0**
Carrying amount at 31 December 2022	**1.670.344**	**1.029.194**	**141.870**

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.

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Property, plant and equipment 4

	Land and buildings	Other plant, fixtures and equipment
Cost at 1 January 2022	33.042.148	11.732.749
Additions	1.410.500	99.492
Disposals	0	-1.370.355
Cost at 31 December 2022	**34.452.648**	**10.461.886**
Depreciation and impairment losses at 1 January 2022	4.327.241	3.909.988
Reversal of depreciation of assets disposed of	0	-500.775
Depreciation for the year	958.734	1.481.096
Depreciation and impairment losses at 31 December 2022	**5.285.975**	**4.890.309**
Carrying amount at 31 December 2022	**29.166.673**	**5.571.577**

Financial non-current assets 5

	Other receivables
Cost at 1 January 2022	1.444.105
Disposals	-832.274
Cost at 31 December 2022	**611.831**
Carrying amount at 31 December 2022	**611.831**

Long-term liabilities 6

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Mortgage debt	6.440.625	398.149	4.645.552	7.370.731
	6.440.625	**398.149**	**4.645.552**	**7.370.731**

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) 415 at 31 December 2022. The agreement have an average residual term of 1 to 12 month.

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

NOTES

Note

Charges and securities 8

The buildings have been charged as security for mortgage debt. The carrying amount of the assets is DKK (’000) 29,167 at 31 December 2022.

A letter of indemnity worth DKK ('000) 1,541 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) 36,598.

As security for debt to Sydbank of DKK 0, the company has pledged a corporate mortgage of a norminal amount of DKK ('000) 5,000. The company mortgage includes the following assets, whose accounting value on the balance sheet date amounts to:

Intangible fixed assets acquired	1.029.194
Other plant, fixtures and equipment	5.571.577
Trade receivables	12.448.207
Inventories	15.736.391

ACCOUNTING POLICIES

The Annual Report of SOURCE TECHNOLOGY ApS for 2022 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 income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

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.

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..	10-30 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

Financial non-current assets
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.