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SOURCE TECHNOLOGY APS
KORSVEJ 11, 6000 KOLDING
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 11 July 2024**

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 Municipality: Kolding Financial Year: 1 January - 31 December
Board of Directors	Arni Sigurjonsson, chairman Jesper Hjortshøj John David Pierson
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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 11 July 2024

Executive Board

Kim Doctor Krintel

Board of Directors

Arni Sigurjonsson
Chairman

Jesper Hjortshøj

John David Pierson

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder 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 2023, 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 2023 and of the results of the *Company's* operations for the financial year 1 January - 31 December 2023 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' 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 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.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

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

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 in the Management Commentary.

Kolding, 11 July 2024

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 2023 shows a loss of DKK ('000) 1,144. Management considers the result for the year acceptable.

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	2023 DKK	2022 DKK '000
GROSS PROFIT		21.934.006	47.431
Staff costs.....	1	-19.455.389	-23.553
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-3.288.578	-4.055
Other operating expenses.....		-62.884	0
OPERATING LOSS		-872.845	19.823
Other financial income.....		56.855	1.537
Other financial expenses.....		-591.766	-854
LOSS BEFORE TAX		-1.407.756	20.506
Tax on profit/loss for the year.....	2	263.282	-4.520
LOSS FOR THE YEAR		-1.144.474	15.986
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-1.144.474	15.986
TOTAL		-1.144.474	15.986

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK '000
Development projects completed, including patents and similar rights originating from development projects.....		1.120.427	1.670
Acquired concessions, patents, licences, trademarks and similar rights.....		786.743	1.029
Development projects in progress and prepayments for intangible assets.....		117.924	142
Intangible assets.....	3	2.025.094	2.841
Land and buildings.....		28.551.893	29.167
Other plant, fixtures and equipment.....		3.945.029	5.572
Property, plant and equipment.....	4	32.496.922	34.739
Rent deposit and other receivables.....		18.000	612
Financial non-current assets.....	5	18.000	612
NON-CURRENT ASSETS.....		34.540.016	38.192
Expenses for raw materials and consumables.....		668.722	416
Work in progress.....		6.539.558	6.173
Finished goods and goods for resale.....		18.518.762	9.146
Inventories.....		25.727.042	15.735
Trade receivables.....		10.335.483	12.447
Receivables from group enterprises.....		0	339
Receivables from associated enterprises.....		0	80
Other receivables.....		1.111.731	1.716
Prepayments.....		635.553	439
Receivables.....		12.082.767	15.021
Cash and cash equivalents.....		5.601.501	16.803
CURRENT ASSETS.....		43.411.310	47.559
ASSETS.....		77.951.326	85.751

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK '000
Share Capital.....		1.000.000	1.000
Reserve for development costs.....		965.915	1.413
Retained earnings.....		61.063.818	61.761
EQUITY.....		63.029.733	64.174
Provision for deferred tax.....		1.854.741	2.192
PROVISIONS.....		1.854.741	2.192
Debt to mortgage credit institution.....		5.719.646	6.042
Non-current liabilities.....	6	5.719.646	6.042
Mortgage debt.....		361.726	398
Bank debt.....		604	0
Prepayments from customers.....		829.616	913
Trade payables.....		2.109.862	3.293
Corporation tax payable.....		73.843	4.299
Other liabilities.....		3.971.555	4.440
Current liabilities.....		7.347.206	13.343
LIABILITIES.....		13.066.852	19.385
EQUITY AND LIABILITIES.....		77.951.326	85.751
 Contingencies etc.	 7		
Charges and securities	8		

EQUITY

DKK	Share Capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023.....	1.000.000	1.413.527	61.760.680	64.174.207
Proposed profit allocation.....			-1.144.474	-1.144.474
Other legal bindings				
Capitalized development costs.....		-447.612	447.612	0
Equity at 31 December 2023.....	1.000.000	965.915	61.063.818	63.029.733

NOTES

	2023 DKK	2022 DKK '000	Note
Staff costs			1
Average number of full time employees	22	24	
Wages and salaries.....	17.019.123	19.809	
Pensions.....	2.349.784	3.634	
Social security costs.....	76.233	81	
Other staff costs.....	10.249	29	
	19.455.389	23.553	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	73.864	4.783	
Adjustment of deferred tax.....	-337.146	-263	
	-263.282	4.520	
Intangible assets			3
	Development projects completed, including patents and similar rights originating from development projects	Acquired concessions, patents, licences, trademarks and similar rights	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2023.....	11.326.590	2.045.962	141.869
Transferred.....	138.013	0	-138.013
Additions.....	128.066	0	114.068
Cost at 31 December 2023.....	11.592.669	2.045.962	117.924
Amortisation at 1 January 2023.....	9.656.246	1.016.768	0
Amortisation for the year.....	815.996	242.451	0
Amortisation at 31 December 2023.....	10.472.242	1.259.219	0
Carrying amount at 31 December 2023.....	1.120.427	786.743	117.924

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	
Cost at 1 January 2023.....	34.452.648	10.461.886	
Additions.....	256.600	1.006.898	
Disposals.....	0	-2.469.529	
Cost at 31 December 2023.....	34.709.248	8.999.255	
Depreciation and impairment losses at 1 January 2023.....	5.285.975	4.890.309	
Reversal of depreciation of assets disposed of.....	0	-1.194.834	
Depreciation for the year.....	871.380	1.358.751	
Depreciation and impairment losses at 31 December 2023....	6.157.355	5.054.226	
Carrying amount at 31 December 2023.....	28.551.893	3.945.029	
 Financial non-current assets			 5
		Rent deposit and other receivables	
Cost at 1 January 2023.....		611.831	
Disposals.....		-593.831	
Cost at 31 December 2022.....		18.000	
Carrying amount at 31 December 2023.....		18.000	
 Long-term liabilities			 6
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years total liabilities
Debt to mortgage credit institution.....	6.081.372	361.726	4.257.892 6.440.627
	6.081.372	361.726	4.257.892 6.440.627

NOTES

Note

Contingencies etc.

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Contingent liabilities

The company has warranties for delivered goods and services.

Sydbank has provided payment guarantees for DKK ('000) 5,758 for prepayments from customers.

Operating leases

The company has entered into operating lease agreements which have not been recognised in the financial statement. The liability is DKK ('000) 134 at 31 December 2023. The agreement have an residual term of 1 to 7 month.

Rent obligations

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

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of MAREL A/S, which serves as management Company for the joint taxation.

Charges and securities

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The buildings have been charged as security for mortgage debt. The carrying amount of the assets is DKK ('000) 28,552 at 31 December 2023.

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) 51,105.

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

Acquired concessions, patents, licences, trademarks and similar rights.....	786.743
Other plant, fixtures and equipment.....	3.945.029
Trade receivables.....	10.335.483
Inventories.....	25.727.042

ACCOUNTING POLICIES

The Annual Report of SOURCE TECHNOLOGY ApS for 2023 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.

Changes in inventories of finished goods and goods in process

Changes in inventories of finished goods and goods in process comprise decrease or increase of inventories for the year as a result of costs of raw materials and consumables as well as staff costs. Additionally, normal impairment of inventories of finished goods is included.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated 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 other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, 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.

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.

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.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

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.