Varimixer A/S

Elementfabrikken 9, 2605 Brøndby

CVR no. 73 31 44 10

Annual report 2021

Approved at the Company's annual general meeting on 17 May 2022

Chair of the meeting:

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The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Varimixer A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Brondby, 17 May 2022
Executive Board:

Paw Soe

Board of Directors:

Jan Kristian Zimmermann Chair	Bryan E. Mittelman	Michael D. Thompson
Paw Soe	Jesper Holmegaard Olsen	Mickael Silberg Jensen

Independent auditor's report

To the shareholders of Varimixer A/S

Opinion

We have audited the financial statements of Varimixer A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations as well as the cash flows 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion 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 audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 17 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lone Nørgaard Eskildsen
State Authorised Public Accountant
mne32085

Management's review

Company details

Name	Varimixer A/S
Address, Postal code, City	Elementfabrikken 9, 2605 Brøndby
CVR no.	73 31 44 10
Established	26 August 1983
Registered office	Brøndby
Financial year	1 January - 31 December
Website	www.varimixer.com
Telephone	+45 43 44 22 88
Board of Directors	Jan Kristian Zimmermann, Chair Bryan E. Mittelman Michael D. Thompson Paw Søe Jesper Holmegaard Olsen Mickael Silberg Jensen
Executive Board	Paw Søe
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Nordea Swedbank

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Key figures					
Revenue	147,606	116,576	128,529	127,793	129,535
Operating profit/loss	25,838	11,862	21,160	20,109	18,238
Net financials	-358	-1,798	-242	330	-1,559
Profit for the year	19,870	10,427	16,248	15,935	12,973
Total assets	82,076	66,359	74,246	81,902	70,843
Equity	47,051	47,181	46,754	60,506	44,571
Cash flows from operating activities	23,047	29,101	481	18,923	21,859
Amount relating to investments in property, plant and equipment	-416	-441	-1,644	-586	-1,195
Cash flows from financing activities	-13,172	-28,342	-2,746	-16,436	-17,706
Total cash flows	9,459	318	-3,909	1,901	2,955
Financial ratios					
Return on assets	34.8%	16.9%	27.1%	26.3%	25.1%
Equity ratio	57.3%	71.1%	63.0%	73.9%	62.9%
Return on equity	42.2%	22.2%	30.3%	30.3%	29.8%
Average number of full-time employees	48	54	57	56	58

For terms and definitions, please see the accounting policies.

*The figures have not been restated for the effect of the implementation of IFRS 15 and IFRS 16 and are therefore not comparable.

Management's review

Business review

Varimixer A/S is a production company which develops, produces and brands a complete program of industrial mixers under the brand BEAR Varimixer and Teddy.

BEAR Varimixer mixers are used for kneading, whipping and stirring of a wide range of products within the catering sector and the bakery sector. The mixers are also used in supermarkets, butcher shops, industrial bakeries, industrial food companies as well as laboratories within chemical and mechanical industries.

Varimixer A/S markets its products world wide. Of total production, the majority is sold to export markets on all continents. The Company markets its products through local dealers.

Financial review

The income statement for 2021 shows a profit of DKK 19,870 thousand against a profit of DKK 10,427 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 47,051 thousand.

The Company's net profit has been at a satisfactory level.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Outlook

The Company's revenue for 2022 is expected to increase due to high demand and inflation. On this basis, a EBITDA in the range of 28-35 million DKK is expected for 2022. The expectations are based on the assumption that the exchange rates for the currencies to which the Company is exposed will remain unchanged.

Cash generated from operations in 2022 is expected to be positive as a result of the expected profit growth.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
	Revenue	147,606	116,576
11	Production costs	-102,694	-88,448
	Gross profit	44,912	28,128
11	Distribution costs	-6,654	-8,233
11	Administrative costs	-12,420	-8,032
	Operating profit	25,838	11,863
	Other operating income	0	3,224
	Profit before net financials	25,838	15,087
2	Financial income	66	17
3	Financial expenses	-424	-1,815
	Profit before tax	25,480	13,289
4	Tax for the year	-5,610	-2,862
	Profit for the year	19,870	10,427

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	4,378	4,950
	Plant and machinery	1,242	1,873
	Fixtures and fittings, other plant and equipment	1,534	1,887
	Right-of-use assets	1,087	501
		8,241	9,211
	Total fixed assets	8,241	9,211
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	26,375	23,116
	Work in progress	865	539
	Finished goods and goods for resale	2,253	2,801
		29,493	26,456
	Receivables		
	Trade receivables	17,620	16,205
	Receivables from group enterprises	7,832	4,844
	Other receivables	276	398
6	Prepayments	152	242
		25,880	21,689
	Cash	18,462	9,003
	Total non-fixed assets	73,835	57,148
	TOTAL ASSETS	82,076	66,359

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	10,000	10,000
	Retained earnings	37,051	17,181
	Dividend proposed	0	20,000
	Total equity	47,051	47,181
	Provisions		
	Provisions for pensions and similar liabilities	491	560
8	Deferred tax	908	1,169
10	Other provisions	967	1,150
	Total provisions	2,366	2,879
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Lease liabilities	798	286
	Other payables	0	3,325
		798	3,611
	Current liabilities other than provisions		
9	Short-term part of long-term liabilities other than provisions	309	248
	Trade payables	8,439	4,645
	Payables to group enterprises	10,231	108
	Corporation tax payable	3,871	152
	Other payables	8,377	7,343
	Deferred income	634	192
		31,861	12,688
	Total liabilities other than provisions	32,659	16,299
	TOTAL EQUITY AND LIABILITIES	82,076	66,359

1 Accounting policies
12 Related parties
13 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2021	10,000	17,181	20,000	47,181
13	Transfer, see "Appropriation of profit"	0	19,870	0	19,870
	Dividend distributed	0	0	-20,000	-20,000
	Equity at 31 December 2021	10,000	37,051	0	47,051

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2021	2020
	Profit for the year	19,870	10,427
14	Adjustments	7,982	7,729
	Cash generated from operations (operating activities)	27,852	18,156
15	Changes in working capital	-2,295	15,963
	Cash generated from operations (operating activities)	25,557	34,119
	Interest received, etc.	66	17
	Interest paid, etc.	-424	-1,815
	Income taxes paid	-2,152	-3,220
	Cash flows from operating activities	23,047	29,101
	Additions of property, plant and equipment	-416	-441
	Cash flows to investing activities	-416	-441
	Dividends paid	-20,000	-10,000
	Proceeds of debt, group entities	7,135	0
	Repayments, leases	-307	-431
	Repayments, borrowings from group enterprises	0	-17,911
	Cash flows from financing activities	-13,172	-28,342
	Net cash flow	9,459	318
	Cash and cash equivalents at 1 January	9,003	8,685
	Cash and cash equivalents at 31 December	18,462	9,003

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Varimixer A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it controls the goods before transferring them to the customer.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	25-40 years
Plant and machinery	5-10 years
Fixtures and fittings, other plant and equipment	3-10 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Fixtures and fittings, other plant and equipment 3-10 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities:
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets:
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 2 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature more than one year after the balance sheet date are discounted at average bond yields.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax and interests.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2021	2020
2	Financial income		
	Other financial income	66	17
		66	17
3	Financial expenses		
	Interest expenses, group entities	15	86
	Other financial expenses	409	1,729
		424	1,815
4	Tax for the year		
	Estimated tax charge for the year	5,871	3,322
	Deferred tax adjustments in the year	-261	-390
	Tax adjustments, prior years	0	-70
		5,610	2,862

5 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Right-of-use assets	Total
Cost at 1 January 2021	24,052	29,189	24,459	1,362	79,062
Additions	0	0	416	880	1,296
Cost at 31 December 2021	24,052	29,189	24,875	2,242	80,358
Impairment losses and depreciation at 1 January 2021	19,102	27,316	22,572	861	69,851
Depreciation	572	631	769	294	2,266
Impairment losses and depreciation at 31 December 2021	19,674	27,947	23,341	1,155	72,117
Carrying amount at 31 December 2021	4,378	1,242	1,534	1,087	8,241

6 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

7 Share capital

Analysis of the share capital:

	2021	2020
10,000 A shares of DKK 1,000.00 nominal value each	10,000	10,000
	10,000	10,000

The Company's share capital has remained DKK 10,000 thousand in the past year.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2021	2020
8	Deferred tax		
	Deferred tax at 1 January	1,169	1,437
	Deferred tax adjustment for the year	-261	-268
	Deferred tax at 31 December	908	1,169

9 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	1,107	309	798	0
	1,107	309	798	0

10 Other provisions

	2021	2020
Opening balanceat1 January	1,150	500
Warranty adjustment for the year	-183	650
Other provisions at 31 December	967	1,150

Warranty provision includes expected costs for repair of sold products within the warranty period. The warranty period is 1 to 2 years.

11 Staff costs

	2021	2020
Wages/salaries	29,108	29,964
Pensions	2,105	2,448
Other social security costs	533	248
Other staff costs	26	26
	31,772	32,686

Staff costs are recognised as follows in the financial statements:

	2021	2020
Production	20,201	22,989
Distribution	4,837	5,720
Administration	6,734	3,977
	31,772	32,686
Average number of full-time employees	48	54

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Related parties

Varimixer A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Middleby corporation	Ultimate owner	Participating interest
Sveba Dahlen Group AB	Parent company	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Middelby Corporation	Ultimate owner	Middleby Corporation 1400 Toastmaster Drive Elgin, IL 60120 USA
Sveba-Dahlén Group AB	Parent company	Sveba-Dahlén Group AB Industrivägen 8 513-82 Fristad Sweden

Related party transactions

Varimixer A/S was engaged in the below related party transactions:

DKK'000	2021
Sales to group enterprises	29,654
Purchace from group enterprises	18,626
Financial expenses from group enterprises	16
Paid dividend to owners	20,000
Receivables from group enterprises	7,832
Payables to group enterprises	10,321

	DKK'000	2021	2020
13	Appropriation of profit		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	0	20,000
	Retained earnings/accumulated loss	19,870	-9,573
		19,870	10,427
14	Adjustments		
	Amortisation/depreciation and impairment losses	2,266	2,488
	Financial income	-66	-17
	Financial expenses	424	1,815
	Tax for the year	5,610	2,862
	Other adjustments	-252	581
		7,982	7,729

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2021	2020
15	Changes in working capital		
	Change in inventories	-3,037	2,096
	Change in receivables	-1,203	8,655
	Change in trade and other payables	1,945	5,212
		-2,295	15,963