Hoshizaki Europe B.V.
Amsterdam

Annual Report 2022

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 5 May 2023

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1. MANAGEMENT BOARD'S REPORT

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1.1 Management Board's report

General
Hoshizaki Europe B.V. (“the Company”) is in the business of selling and distributing ice makers, manufacturing and selling refrigerators and other own branded products for the food service equipment industry. The products are sold through branches in the Netherlands, the UK, Belgium, France, Spain, Germany, Denmark, Norway, Sweden, Italy. Refrigerators are manufactured in an own factory in Denmark. The Company is a wholly owned subsidiary of Hoshizaki Corporation, Japan (“Corporation”). The parent company is listed at the stock exchange in Tokyo. Corporation is the direct and ultimate parent company of the Company. The two tier regime is not applicable for the Company.

Sales and results
Full year 2022 sales increased by 17% to EUR 109.217m compared to 2021. The main driver of increased sales is due to reopening of all markets where HEBV operates, driven by high demand after Covid-19 crisis.

Despite a result of increased sales, raw material price increases, energy price increases, increased warehouse costs due to inventory buildup in advance of the factory closure, cost inflation throughout the year and low productivity in the course of the Gram factory closure in December, operating profit has decreased by EUR 1.9m excluding the loss relating to the Gram factory closure costs. Operating loss of EUR 16.489m.

Factory closure
During FY2022, Hoshizaki Europe B.V. entered into a sale agreement to carve out and dispose of their Bio Line business and to close down the Gram factory which carried out all of the Group’s manufacturing operations for the Reach In business. The disposal was decided because of the Group no longer realising the synergies from the merger. The disposal was completed on 31 December 2022, on which date control of the Bio Line passed to the acquirer, Gram Scientific, a newly formed company headed up by the former Managing Director of Gram Commercial.

Business risks
Matters that can potentially have serious impact on decisions made, among issues relevant to status of business operations and accounting that are outlined in this document, include those that are described below. Forward looking statements contained in this document were prepared based on available information as determined by the Company, which were current as of the date this document was submitted.

(1) Political and economic conditions
The financial conditions, business performance and cash flows of the Company can potentially be impacted by deterioration of political climate, trends of economic environment and other political and economic conditions. Hoshizaki Europe B.V. have assessed the impact of the current war ongoing between Russia and Ukraine. We do not foresee any major impact as a result of the war. Supply chain has been stopped for sales to Russian customers. The impact of this is 1% of total sales value budgeted for FY2022 and the inventory has been reallocated to other branches in Europe to sell to other customers. Hoshizaki Europe B.V. have no branch office in Russia or Ukraine and trade is in Euro with these countries so we are not subject to inflation effects. As a result, Hoshizaki Europe B.V. have not updated the FY2023 sales and OP forecast due to this situation.
(2) Weather and disasters
The weather during seasons of demand has an impact on the core products of the Company, which are ice makers and refrigerators, among others. The decline in demand due to weather conditions that are difficult to predict can potentially have detrimental impact on the financial position, operational results and cash flows of the Company. Operation of our facilities and

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equipment, as well as our information systems, along with work operations of our business partners can also be exposed to potential risks from such natural disasters as earthquakes or intentional man made disasters from terrorism or biological threats from a spread of infectious diseases. Sales activities of the Company can potentially be subject to significant impact from such disasters if they occur and that can lead to detrimental effects on the financial position, operational results and cash flow of the Company. It is difficult to estimate the exact impact of this risk and further sensitivity analysis will need to be conducted in future. HEBV will also focus on strengthening this area in the future.

(3) Changes in exchange rates

Impact from fluctuating currency exchange associated with purchase and sales transactions can potentially lead to detrimental impact on the financial condition, business performance and cash flow of the Company. It is difficult to estimate the exact impact of this risk and further sensitivity analysis will need to be conducted in future. HEBV will also focus on strengthening this area in the future.

(4) Price competition

The competition with other companies is becoming increasingly difficult in the business environment that surrounds the Company, as the competition in the food service industry intensifies. The Company is constantly and proactively engaged in activities to improve the competitive edge above the competition in terms of product quality, cost, technology and service but should low pricing competition intensify beyond cost reduction efforts, then there is a potential for detrimental effects on the financial condition, business performance and cash flow of the Company.

(5) IT systems

Computer virus, cyber terrorism and/or damage by hackers can have a major impact on daily business resulting in lost revenue. Spam email messages reaching users is a high probability which can cause virus outbreaks. Loss or theft of information systems/devices (laptop/smart phone etc) can moderately affect the business. Failure of the phone lines can have a direct impact as customers would not be able to reach the Company and sales would be missed. Hardware failure on the servers would negatively impact the productivity of a certain department or the whole Company. A backup failure which is unlikely would have major impact due to the loss of data. The Company has actions in place to mitigate the IT risks mentioned. The company is also undergoing a process to upgrade its current ERP system to Dynamics 365 which is the upgraded version of Microsoft Axapta.

(6) COVID-19-pandemic

On 11 March 2020 the World Health Organization declared the worldwide outbreak of COVID-19 virus (‘corona virus’) as a pandemic. HEBV’s FY 2020 – 2021 result was largely affected by the COVID-19 outbreak. However, due to the reopening of markets, and more importantly horeca, in 2022 HEBV’s results have recovered. Management monitored the situation in all countries where HEBV operate in FY2022 and took responsible actions where necessary. Management are discussing various strategic response measures for further cost savings in 2023. Furthermore, with the current cash position and the positive equity of the Company, management is of the opinion that the going concern assumption is suitable for the preparation of the annual report.

Hoshizaki Europe B.V. started to use the template called ‘risk register’ with which the Company manages identifying risks, risk categories, risk owner, corresponding control, indicator of effectiveness, and monitoring evaluation of effectiveness and progresses. Risk evaluation and risk appetite is also identified in the risk register. The Company also has the opportunity of discussing the risks with risk matrix material during the board meeting also.

Legal and compliance risk

The regulatory environment in which the Company operates is continuously changing with existing legislation being regularly updated or new laws being implemented. Our teams by department, along with external parties, are responsible for reviewing all changes in the legal and compliance environment and assisting with the implementation of these changes within our products, policies and processes.

Financial reporting and disclosure risk
Governance surrounding financial reporting and disclosure risk promotes the importance of accurate, timely and complete financial reporting. The finance department is responsible for financial reporting, internally (including management information) and externally (including statutory and regulatory reporting). Policies, procedures and controls are in place to prevent and detect both intentional and unintentional errors in the financial information and to reduce subjectively in terms of measurement and reporting.

Risk appetite
The group has a low appetite for financial and compliance risks. The Company has a strong commitment to comply with financial reporting requirements and to be compliant with laws and regulations in the jurisdictions where the Company is operating. The Company has a low to medium and a low to high appetite respectively for operational and strategic risks. While its corporate culture includes maintaining extensive policies and guidance relating to operations the Company is continuously looking for ways to improve efficiency which could lead to adopting new ways of operating its business. In trying to achieve its strategic objectives the Company would not hesitate to take on new and uncertain challenges if the long term benefits were to justify this.

Financial position
The total cash position decreased by EUR 11.7m mainly due to repayment of intercompany loan EUR 2.3m and decreased working capital of EUR 8.5m as a result of the Gram factory closure costs.

The liquidity of the Company expressed in the current ratio index decreases by 1,05 from 2,10 in 2021 to 1,05 in 2022.

For an overview of the objectives and policy with regard to risk management related to financial instruments, reference is made to the disclosure notes in the financial statements.

Environment
The Company is working actively on optimisation of the external and internal environment. This is done through focus on developing products with lower energy consumption, use of natural refrigerants and reusable materials where technically possible. Several countries have introduced product energy classification, where the Company today is amongst the market leaders for some of its product categories.

HEBV have started orientation discussions with external companies on the topic of Corporate Sustainability Reporting Directive (CSRD) with the aim to start this project internally in Q4 2023. HEBV have already started some initiatives internally to support ESG compliance; adding electric cars to the Company Car policy and starting a project to consider recycling spare parts as opposed to fully destroying them.

Furthermore, HEBV have been involved in a field countermeasure in Europe to remove any products which contain too high levels of the hazardous phthalates (this can cause cancer in humans). HEBV have reworked 3.000 machines with this substance in FY2022 to ensure we are compliant with the RoHS regulation.

Personnel
During 2022, the Company has continued to pay attention to its employees by focusing on improving the quality of personnel. The Company decided to pay a one-time payment to all employees to compensate for the effect of Covid-19 on employees wellbeing and working from home. All employees received the same amount (EUR 1.000) in 2022.

During 2022, we had an average of 348 employees on the payroll (2021: 352).

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Strategy
The strategy of the Company consists of the following:

(1) **Initiatives to expand business overseas**
The Company continuously tries to increase its participation in markets and focuses on emerging economies to increase sales. Product development, enhancement of distribution framework as well as increased number of sales bases that are rooted on domestic conditions and consumer trends in each region overseas will become essential for the Company's success. The Company will continue with our acquisition and merger strategies overseas and strive for business expansions through synergistic effects achieved with acquired companies.
(2) <u>Initiatives to strengthen a high profit structure</u>
The Company's current approach to the market is having sales and service personnel in house that can respond to a diverse range of customer needs. This is certainly a strength, but this is also a burden on the personnel expenses. The Company intend to overcome this challenge by implementing cost reduction strategies that can lead to cost reductions (distribution expenses, scaling, etc.). Furthermore, the Company continues with the effort to reduce other expenses by using IT to improve efficiency of work and through other means to enhance the framework to that of a highly profitable enterprise.
(3) <u>Initiatives for compliance and improvement of corporate governance</u>
The Company believes that gaining trust from society is extremely important in order to further expand their business operations and to enhance their corporate values. The Company will continue to gain common awareness regarding corporate ethics and compliance among all executives and employees to build a mechanism for nurturing the climate for making fair and accurate decisions while organizing a transparent management framework to enhance internal control scheme and intensify corporate governance in their organization.

Legislation on composition of the Board
Dutch legislation as per October 26, 2021, aims at making it a more balanced ratio between the number of men and women on the board of large public and private companies. This law replaces the regulations that expired on January 1, 2020. The law introduces the obligation for large companies to setting appropriate and ambitious targets in the form of a target to make the ratio between the number of men and women more balanced (art. 2:166 and 276 of the Dutch Civil Code). The Board of Directors did not change in composition regarding gender and currently has six male members. Gender is and will remain an important consideration in the selection process for appointments of Management Board members, but at the same time, key priorities will remain quality, expertise and experience of candidates. Although Hoshizaki Europe B.V. does not have women board member at this stage, key roles in the organization such as Finance, HR and General Affairs, Internal Control and Sales & Service Administration are led by women leaders. The Company appointed a woman as a branch manager (French Branch) in 2022 for the first time in the Company's history.

Outlook
For 2023 the Company expects its sales figures to reach around EUR 92.1m.

The conflict in Ukraine that started in February 2022 has led to a worldwide economic turmoil with wide ranging and severe impacts on financial markets, including stock, bond, and commodity markets. The full impact on and consequences of the conflict to business activities of HEBV resulted in EUR 1.2m less sales to Russian customers (sales which were originally included for Russian customers in budget 2022). HEBV blocked all sales to Russian customers as per February 2022 and any open orders for Russian customers at this time were reallocated to other Hoshizaki Europe branches. This meant that sales were quickly recovered as the goods were sold to other customers in Europe without issues due to the high demand in all other branches. As a result, HEBV are not concerned and did not have an apparent risk with the decrease in sales of EUR 1.2m because of the situation in Russia. Our Russian customers had no outstanding AR balances as at 31 December 2022 and hence HEBV have no financial risk as a result and do not foresee this as a risk for FY2023.

The current outlook suggests that ice machine sales is becoming under pressure due to supply chain issues and the lack of certain critical spare parts, manufactured in China, required to finalize machine production. As a result, HEBV see some dealers start moving towards the competition. Furthermore, reach-in sales are expected to slightly decrease in the Scandinavian market as a result of the factory closure in Denmark and products now being sourced from Turkey and India instead of Denmark. Despite an increase in interest rates in the Eurozone, HEBV is not impacted by interest rate increase as it does not have external borrowings.

Increased freight costs caused by driver shortage in Europe, inflation and energy price increases is expected to continue to have an impact on HEBV throughout FY2023. Additional price increases are expected from our sister companies in 2023 as a result of the energy and gas price increases at the factories.

As part of the Company's Strategy there will be investments made in IT to improve efficiencies and safeguard corporate governances. The Company will try to improve its IT environment as well in order to improve performance. In order to achieve this improvement, the Company will move forward with the plan to implement Dynamics 365 which will replace the current MS AX 2012 operating system. Workshops commenced in Q2 2022 to define what the needs of each department are for this new system. It is hoped that the new system will bring significant efficiencies in the ways of working. The capital expenditure for this project is expected to be EUR 1.100k.

No further significant increase in staff, major research and development, and financing activities is planned in the immediate future. HEBV have appointed a new Managing Director, Mr Robert Gehl. HEBV decided to appoint a European director to lead the company. Robert joined HEBV in August 2022 and comes to HEBV with more than 20 years of food service industry experience and 10 years' experience in water treatment industry which is directly correlated to the food service industry.

Amsterdam, 1 May 2023

Katsuhiro Kurimoto Director	Kazuya Jinno Director	Ryuichiro Seki Director
Akira Tashiro Director	Yosuke Matsunaga Director	Robert Gehl Director

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2. FINANCIAL STATEMENTS

2.1 Balance sheet as at 31 December 2022

(Before appropriation of result)

		31 December 2022		31 December 2021	
		€	€	€	€
Fixed assets					
Intangible assets	1		423		14.539
Tangible fixed assets	2		571.540		1.396.512
Financial assets					
Deferred tax assets	3		297.514		614.161
Current assets					
Inventories	4		16.857.937		15.901.375
Receivables					
Trade receivables	5	11.924.548		11.030.042	
Receivables from group companies		2.672.897		256.672	
Taxes and social security charges	6	1.423.151		99.040	
Other accounts receivable		404.756		278.524	
Accrued income and prepaid expenses		592.186		657.559	
			17.017.538		12.321.837
Cash and cash equivalents	7		2.349.887		14.082.880
Total assets			37.094.839		44.331.304

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		31 December 2022		31 December 2021	
		€	€	€	€
EQUITY AND LIABILITIES					
Equity	8				
Issued share capital		1.980.000		1.980.000	
Share premium reserve		66.298.836		66.298.836	
Other legal reserves		-402.409		-118.364	
General reserve		-48.024.702		-52.256.642	
Result for the year		-18.491.372		4.231.940	
			1.360.353		20.135.770
Provisions	9		1.360.858		1.263.436
Long-term liabilities	10		-		2.763.222
Short-term liabilities					
Trade payables		6.067.780		3.988.523	
Liabilities to group companies	11	13.493.367		6.862.671	
Taxes and social security contributions	12	1.749.789		1.863.104	
Liability due to pensions		209.133		183.770	
Other liabilities and accrued expenses	13	12.853.559		7.270.808	
			34.373.628		20.168.876
Total equity and liabilities			37.094.839		44.331.304

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2.2 Income statement for the year 2022

		2022		2021	
		€	€	€	€
Net turnover	14	109.217.375		93.375.982	
Cost of Sales		-74.881.977		-61.004.954	
Gross margin			34.335.398		32.371.028
Selling expenses		8.804.495		6.226.224	
General and administrative expenses	15	23.221.349		21.324.298	
Closure of factory costs	16	18.789.562		-	
Sum of expenses			50.815.406		27.550.522
Net margin			-16.480.008		4.820.506
Other operating income	17		60.676		3.315
Other interest and similar income	18	-		54.188	
Interest and similar expenses	19	-678.029		-54.273	
Financial income and expense			-678.029		-85
Result before taxation			-17.097.361		4.823.736
Taxation	21		-1.394.011		-591.796
Net result after taxation			-18.491.372		4.231.940

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2.3 Cash flow statement for the year 2022

		2022		2021	
		€	€	€	€
Cash flow from operating activities					
Operating result			-16.419.332		4.823.821
Adjustments for					
Depreciation			570.470		1.234.163
Increase (decrease) in provisions	9		97.422		-108.680
Exchange rate differences			15.070		-19.866
Changes in working capital					
Decrease (increase) in inventories	4	-956.562		-2.473.351	
Movements accounts receivable		-4.162.007		-1.603.736	
Increase (decrease) in other payables		13.771.852		3.332.270	
			8.653.283		-744.817
Cash flow from business activities			-7.083.087		5.184.621
Interest paid	19	-103.887		-54.273	
Income tax paid	21	-1.369.028		-336.550	
			-1.472.915		-390.823
Cash flow from operating activities			-8.556.002		4.793.798
Cash flow from investment activities					
Purchase of intangible assets	1	-		-14.032	
Purchase of property, plant and equipment	2	-268.955		-96.151	
Proceeds from sales of property, plant and equipment	2	20.971		10.154	
Cash flow from investment activities			-247.984		-100.029
transport			-8.803.986		4.693.769

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2.3 Cash flow statement for the year 2022

	2022		2021	
	€	€	€	€
Carry forward	-	-8.803.986	-	4.693.769
Cash flow from financing activities				
Repayments from borrowings		-2.300.000		-9.000.000
Net cash flow		-11.103.986		-4.306.231
Exchange rate and translation differences on cash		-629.007		-56.831
Movements cash		-11.732.993		-4.363.062

	2022	2021
	€	€
Turnover movement cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	14.082.880	18.445.942
Increase (decrease) cash and cash equivalents	-11.732.993	-4.363.062
Cash and cash equivalents at the end of the period	2.349.887	14.082.880

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2.4 Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Hoshizaki Europe B.V. is Burgemeester Stramanweg 101, 1101 AA in Amsterdam, Nederland. Hoshizaki Europe B.V. is registered at the Chamber of Commerce under number 33238845.

General notes

The most important activities of the entity

The main activities of Hoshizaki Europe B.V. consist of manufacturing, distribution, import and export of ice makers, refrigerators and various other food service equipment.

In 1995, the Company established a branch office in the United Kingdom. Furthermore, the Company established branch offices in Germany and France in 1996, in Belgium in 1999, in Spain in 2008, in The U.A.E. in 2011, in Denmark and Norway in 2017, in Italy in 2018 and in Sweden on 1 January 2020.

Hoshizaki Europe B.V. decided to close its branch in The U.A.E. in 2021 and transfer all the sales and operations to the Export branch of Hoshizaki. The U.A.E. branch office closed in September 2021 with three employees from the branch office being made redundant and one employee transferring back to the UK. This employee continues to work for Hoshizaki under the Export branch and focuses on the sales to U.A.E. customers.

The financial positions and results of the branch offices for the year ended 31 December 2022 have been included in the financial statements of the Company.

Name of the company as ultimate parent in the group structure

Hoshizaki Europe B.V. is a 100% subsidiary of Hoshizaki Europe Holdings B.V., Amsterdam, the Netherlands. The ultimate parent company is Hoshizaki Corporation, Japan. The financial data of the Company are included in the consolidated financial statements of Hoshizaki Corporation, a Japanese listed company.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Hoshizaki Europe B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Going concern assumption
During 2022 the results and consequently financial position of the Company have been impacted following the non-recurring event being the Gram factory closure. Given amongst others the current cash position and positive equity of the Company, management has applied the going concern assumption for the preparation of the financial statements.

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Disclosure of discontinued business activities that are not continued sustainably

On July 13, 2022, the Company entered into an agreement that the carving-out new company (currently called Gram Scientific A.p.S.) would acquire assets and activities and certain liabilities related to Bio business operated at Gram Commercial, located in Denmark, a manufacturing branch of Hoshizaki Europe B.V., which closed the operation at the end of December 2022. The transaction of carve-out was executed on 1 January 2023 with the sales price of EUR 1 (one euro).

On December 31, 2022, the carrying amount of the assets to be disposed amounts to EUR 12,2 million (2021: EUR 8,8 million) of inventory and EUR 0,5 million (2021: EUR 1,1 million) of fixed assets.

Over 2022 the turnover realised with Bio business amounted to EUR 10,9 million (2021: EUR 11,9 million), the costs amounted to EUR 7,7 million (2021: EUR 7,4 million), resulting of the manufacturing branch in a loss from ordinary operating activities before taxation of EUR 11,0 million (2021: (gain) EUR 0,2 million). The tax income on this loss is EUR 0,2 million (2021: EUR 0,0 million).
Over 2022 the cash flow from operating activities of this business amounted to EUR -3,0 million (2021: EUR -4,8 million).

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Basis of conversion and processing of exchange rate differences relating to foreign currency transactions for the balance sheet

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Foreign branches are treated as independent foreign entities. The balance sheets of foreign branches with reporting currencies other than the euro are translated at the year-end exchange rates and their profit and loss accounts are translated at the average rates for the year. The translation differences are recorded directly in shareholder's equity and are only included in income upon sale or liquidation of the underlying foreign branch.

Financial instruments

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Financial instruments can be both primary financial instruments, such as receivables and payables, and financial derivatives. The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet, the information on the fair value is disclosed in the notes to off-balance sheet obligations. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item.

The Company does not use derivative financial instruments to reduce exposure to fluctuations in foreign exchange rates, interest rates, etc.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant if the carrying amount of the asset is higher than its realisable value.

Intangible fixed assets are amortised from the date of initial use over the expected future economic life of the asset. Future amortisation is adjusted if there is a change in estimated future useful life.
Intangible fixed assets are amortised in 5 years.

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs plus additional costs less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets. Future depreciation is adjusted if there is a change in estimated future useful life.

Tangible fixed assets are depreciated as follows:
- Land and buildings including leasehold improvements (5-75 years)
- Other tangible fixed assets (3-10 years)

The cost of major maintenance for buildings are capitalized into the carrying amount of the asset (component approach) and depreciated over the expected useful life.

Financial assets

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax assets are stated under the financial assets if and to the extent it is probable that the tax claim can be realised in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character.

Inventories

Inventories is stated at the lower of cost of net realizable value. Cost of merchandise is determined according to the specific identification method. Cost of spare parts is determined using the first-in-first-out method. Cost comprises costs of purchases and other costs incurred in bringing the inventories in their present location and condition. Net realizable value is determined by individual assessment of inventory items in determining the realisable value the obsolescence of the inventories is taken into account.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. Any provisions for doubtful accounts deemed necessary are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at banks and in hand is valued at nominal value.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

- Provisions for employee benefits:
The Company has various pension plans and benefits. The Dutch plans are financed through contributions to pension providers (defined contribution plan). In this plan a premium from the employer is made available to fund the pension. This premium is invested in one or more investment funds. Upon initiation the standard investment choice is a life cycle. On the retirement date the accrued investment value must be converted into a lifelong pension. The premium that the Company contributes for the Dutch Plans, is based on a premium scale (3%) and the Company’s contribution is 4,5% of the pension base.

The foreign pension plans can be compared to how the Dutch pension system has been designed. The pension obligations of both the Dutch and the foreign pension plans are valued according to the “valuation to pension fund approach”. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. As at year-end 2022 (and 2021), no pension receivables and no obligations existed for the Company in addition to the payment of the annual contribution due to the pension providers.

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the group and are included in a provision on the balance sheet. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as at balance sheet date.

Deferred tax liabilities

Deferred tax liabilities are recognised for all deductible temporary differences between the value of the

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assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other.

The calculation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax liabilities are valued at their nominal value.

Warranty provision

This provision relates to costs that must be reimbursed for products that have been sold or services that have been performed, if the legal entity has an obligation because the agreed quality standards have not been met.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Net revenue

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Cost of sales

Cost of sales represents the direct and indirect expenses attributable to revenue, purchase expenses related to the goods sold, employee cost, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales.

Other operating income

Other operating income regards turnover deriving from incidental business operations and comprise gains from disposal of tangible fixed assets.

Gains resulting from the disposal of tangible fixed assets are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer.

Operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

A deferred tax asset and liability has been recognized in respect of carry forward losses of foreign branches already utilized in the Netherlands less tax paid in foreign jurisdictions and loss carry forwards available for future compensation. The tax rates applied in determining the deferred tax asset and liability are based upon substantially enacted tax rates expected to apply to future taxable income. The deferred tax amounts are not discounted.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

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2.5 Notes to the balance sheet

Fixed assets

1 Intangible assets

	Other intangible assets
	€
Balance as at 1 January 2022	
Cost or manufacturing price	1.522.102
Accumulated amortization	-1.507.563
Book value as at 1 January 2022	14.539
Movements	
Amortisations	-14.116
Balance movements	-14.116
Balance as at 31 December 2022	
Cost or manufacturing price	1.522.102
Accumulated amortization	-1.521.679
Book value as at 31 December 2022	423

Amorisation percentages: 20%

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2 Tangible fixed assets

	Land and buildings	Machinery	Other fixed assets	Total
	€	€	€	€
Balance as at 1 January 2022				
Cost or manufacturing price	1.888.660	11.795.981	1.539.762	15.224.403
Accumulated depreciation	-1.392.034	-11.140.318	-1.295.539	-13.827.891
Book value as at 1 January 2022	496.626	655.663	244.223	1.396.512
Movements				
Additions	174.657	-	94.298	268.955
Depreciation	-93.042	-316.228	-147.084	-556.354
Impairments	-129.590	-339.435	-32.507	-501.532
Disposals	-133.450	-9.809	-30.782	-174.041
Depreciation on disposals	129.587	9.809	13.674	153.070
Exchange differrences	-15.534	-	464	-15.070
Balance movements	-67.372	-655.663	-101.937	-824.972
Balance as at 31 December 2022				
Cost or manufacturing price	1.890.857	11.786.172	1.603.278	15.280.307
Accumulated depreciation	-1.332.013	-11.446.737	-1.428.485	-14.207.235
Accumulated impairment losses	-129.590	-339.435	-32.507	-501.532
Book value as at 31 December 2022	429.254	-	142.286	571.540

Depreciation percentages:
- Land and buildings: 0-20%
- Machinery: 10-33,33%
- Other fixed assets: 10-33,33%

Financial assets

	31-12-2022	31-12-2021
	€	€
3 Deferred tax assets		
Deferred tax assets	297.514	614.161

Deferred tax assets

	2022	2021
	€	€
Book value as at 1 January	614.161	771.323
Income tax % change impact	-	-
Transfer from deferred tax liabilities	-	-34.101
Write-off tax asset GRAM	-320.776	-
Currency Translation Adjustment	1.234	-
Current year movement	-36.383	-123.061
Other movements	39.278	-
Total	297.514	614.161

The deferred tax assets relate to tax losses carry-forward for Spanish and Belgium branch and due to a temporary difference related to Norwegian and UK branches. The tax asset of the Danish manufacturing branch (former GRAM) of € 320.776 is written-down due to plant closure. Details as follows:

Branch **Measurement amount**		
Spain	247.980	231.110
Belgium	69.351	87.392
Norway	748	8.984
Denmark GRAM	-	320.776
United Kingdom	-20.565	-31.944
Italy	-	-1.758
Sweden	-	-399
Total	297.514	614.161

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All deferred tax balances are expected to be utilized in the foreseeable future.

The Company assesses its ability to realize deferred tax assets on a jurisdiction-by-jurisdiction basis. The assessment is based upon the weight of all available evidence, including factors such as the recent earnings history and expected future taxable income.

The MTBP has been prepared based on the information related to the possible future purchase price and possible increase of sales prices. The scenario has been prepared with utmost attempt by reading the current trend and circumstances but with exclusive speculative uncontrolled external conditions. The MTBP is presented to the top management of Hoshizaki Corporation in October 2022, and it was approved by the members of the board in the board meeting held at Hoshizaki Corporation on 16 December 2022. For FY2022, we have seen the market reopening with the release of lock-down restrictions and HORECA, which has made us good sales demand. We expect moderate growth from FY2023 onwards. Based on our analysis and considerations above, we deem that as at 31 December 2022 Hoshizaki should not reverse the write off of DTA.

Taxable losses as at 31 December 2022 (for the fiscal unity as a whole):

- 2015	€ 529.329
- 2017	€ 1.618.447
- 2018	€ 1.564.962
- 2019	€ 809.152
- 2020	€ 3.248.948
- 2022	€ 10.331.764

Taxable losses that have not expired by 31 December 2021, based on the offsetting possibilities up to and including 2021, are indefinitely offsettable in the future.

Significant judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual results may differ from these estimates and forward-looking statements of future taxable profits are not guarantees of future performance and involve risks, uncertainties, assumptions, and other factors that are difficult to predict. Therefore, actual results may differ from those expressed in or indicated by the Company's forward-looking statements of expected future taxable income. Factors include, among others:

(i) the impact of the economy on demand for ice makers, refrigerators and other own branded products for the food service equipment industry and fluctuations in consumer demand generally for the Company's products;
(ii) the Company's ability and shareholder's support to timely and effectively prioritize its strategic initiatives, and its related ability to timely implement, transition, and maintain the necessary information technology systems and infrastructure to support these initiatives and provide the required funding;
(iii) actions of competitors, including without limitation pricing, consolidation and alliance activities; (v) the impact of governmental regulations on the Company's operations and costs;
(iv) the impact of changes in tax laws on the Company's ability to utilize net operating losses carried forward;
(v) other factors.

Current assets

4 Inventories

	31-12-2022	31-12-2021
	€	€
Raw materials and consumables		
Raw materials and consumables	1.335.336	6.671.094
Work in progress		
Work in progress	-	490.948
Finished products and goods for resale		
Machines	16.186.189	7.335.947
Products	-	1.274.262
Spare parts	389.990	1.022.514
	16.576.179	9.632.723
Provision for obsolete goods for resale	-1.053.578	-893.390
	15.522.601	8.739.333

The amount of write-down and loss of inventories during 2022 was EUR 6.731.670 (2021: nil). Management made a decision to dispose of all raw material and work in progress inventory balances remaining at year end which related to the Gastro business as a result of the factory closure in Denmark.

Receivables

5 Trade receivables

	31-12-2022	31-12-2021
	€	€
Trade debtors	11.980.477	11.132.374
Bad debts	-55.929	-102.332
	11.924.548	11.030.042

6 Taxes and social security charges

	31-12-2022	31-12-2021
	€	€
VAT	889.457	99.040
Corporate income tax	533.694	-
	1.423.151	99.040

7 Cash and cash equivalents

The availability of cash balances amounting to EUR 2.349.887 (2021: EUR 14.082.880) is at the free disposal of the Company.

8 Equity

Movements in equity can be specified as follows:

	Issued share capital	Share premium reserve	Other legal reserves	General reserve	Result for the year
	€	€	€	€	€
Balance as at 1 January 2022	1.980.000	66.298.836	-118.364	-52.256.642	4.231.940
Change from net income	-	-	-	4.231.940	-4.231.940
Result for the year	-	-	-	-	-18.491.372
Currency translation differences	-	-	-284.045	-	-
Balance as at 31 December 2022	1.980.000	66.298.836	-402.409	-48.024.702	-18.491.372

	Total
	€
Balance as at 1 January 2022	20.135.770
Change from net income	-
Result for the year	-18.491.372
Currency translation differences	-284.045
Balance as at 31 December 2022	1.360.353

The authorized share capital amounts to EUR 9.000.000 and consists of 75.000.000 shares with a nominal value of EUR 0,12 each. As at 31 December 2022, 16.500.000 shares were issued and paid in. All shares are held by Hoshizaki Europe Holdings B.V., the Netherlands.

The other legal reserves include a currency translation reserve of an amount of EUR -402.409. This reserve is a non-distributable reserve.

Appropriation of result for the financial year 2021
The annual report 2021 was adopted in the general meeting of shareholders held on April 22, 2022. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

Proposal appropriation of result 2022
The management of the company proposes to appropriate the result as follows:

The appropriation of loss for the period 2022 in the amount of EUR -18.491.372 will be deducted from the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2022 for the company.

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	31-12-2022	31-12-2021
	€	€
9 Provisions		
Other provisions	1.360.858	1.263.436

	31-12-2022	31-12-2021
	€	€
Other provisions		
Warranty provision	1.360.858	1.263.436

	31-12-2022	31-12-2021
	€	€
10 Long-term liabilities		
Liabilities to group companies	-	2.763.222

Long-term liabilities

	Balance as at 31 December 2022	Repayment due	Remaining pay-back time > 1 year	Remaining pay-back time > 5 year	Interest percentage
	€	€	€	€	%
Liabilities to group companies	2.763.222	2.763.222	-	-	0,01

Repayment of the liabilities is as follows:
- EUR 2.763.222 in 2023 will be quarterly repaid.

	2022	2021
	€	€
Long term loan payable group company		
Balance as at 1 January	5.063.222	7.063.222
Repayment of liability to group company	-2.300.000	-2.000.000
	2.763.222	5.063.222
Short-term liability to group company	-2.763.222	-2.300.000
Balance as at 31 December	-	2.763.222

Short-term liabilities

	31-12-2022	31-12-2021
	€	€
11 Liabilities to group companies		
Liability to group company (affiliated)	6.844.218	4.367.024
Liability to group company (holding)	3.885.927	195.647
Repayment obligation long term payable (holding)	2.763.222	2.300.000
	13.493.367	6.862.671

	31-12-2022	31-12-2021
	€	€
12 Taxes and social security contributions		
Value added tax	1.128.023	999.943
Payroll tax and social security contributions	621.766	832.839
Corporation income tax	-	30.322
	1.749.789	1.863.104

	31-12-2022	31-12-2021
	€	€
13 Other liabilities and accrued expenses		
Personnel obligation closure of plant	5.559.569	-
Accrued expenses	6.086.483	6.001.452
Advance payments	1.207.507	1.115.687
Other short-term liabilities	-	153.669
	12.853.559	7.270.808

Accrued expenses mainly include amounts payable for bonuses, salary related expenses and professional fees.

Financial instruments

General
The main financial risks the Company is exposed to are the currency risk, the interest rate risk, the liquidity risk and the credit risk. The Company's financial policy is aimed at mitigating the impact of currency and interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The Company does not hold derivatives.

Currency risk
The main currencies causing such risk are American dollars and British pound sterling. Any risks ensuing from currency positions are regularly analysed. The Company doesn't hold currency forward contracts.

Interest rate risk
The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of the Company and optimizing the net interest expenses at the same time. This policy translates into a desired profile of fixed-interest and variable-interest positions including cash, with which in principle the variable-interest position does not exceed -0,51% of the net liability.

The following is the information on the interest rate risks of the group:
- Long-term liabilities - Intercompany loan (term: December 31, 2023)

The interest revision date of this liability is December 15, 2018. Nominal interest rate is: 0,01% and effective interest: -0,51%.

Liquidity risk and cash flow risk
Periodically, liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring and possible adjustments. The liquidity budgets take account of restricted availability of cash, among which bank guarantees and margin calls in respect of derivatives concluded.

By the end of year 2022 the Company has 2 credit facilities from MUFG as follows:
- Hoshizaki Europe BV (The Netherlands): EUR 1.000.000 available for short term working funds and EUR 93.475,41 available for long term working funds. These credit facilities have not been utilized.

Credit risk
The Company mitigates the credit risk through credit limits for each financial institution and debtors by exclusively engaging financial institutions and debtors with a high creditworthiness. No significant concentrations of credit risk existed as at balance sheet date.

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Off-balance-sheet rights, obligations and arrangements

Disclosure of contingent liabilities on behalf of group companies

Between Hoshizaki Europe B.V. and other companies belonging to the group of Hoshizaki Corporation companies, there is a direct and indirect relation regarding development, manufacturing and purchase of the products. The main part of all our products has its origin from one of the Hoshizaki Group factories in Japan, USA, UK, India, China and Denmark (refrigerators). For all products from Hoshizaki, the warranty of 2 years on labour and spare parts is applicable, given by the manufacturer.

The off-balance sheet liabilities relating to the fiscal unity

Hoshizaki Europe B.V. forms a fiscal unity for corporate income tax and VAT purposes with its parent Hoshizaki Europe Holdings B.V. and for this reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

Disclosure of operating leases

Operating lease are as follows:

- lease for cars (within 1 year: EUR 338.790 - between 1 and 5 years: EUR 410.713, over 5 years: none)
- lease for house and offices (within 1 year: EUR 210.451 - between 1 and 5 years: EUR 453.296, over 5 years: none)

Total lease expenses for 2022 were EUR 1.128.937 (2021: EUR 1.183.650)

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2.6 Notes to the income statement

	2022	2021
	€	€
14 Net turnover		
Machines and accessories	98.518.319	86.141.092
Parts	9.110.084	5.497.276
Services	1.218.554	1.091.644
Others	370.418	645.970
	109.217.375	93.375.982

Geographic segmentation turnover

Europe	100.735.543	87.899.082
Americas	130.252	103.734
Asia	8.289.781	5.299.096
Africa	61.799	74.070
	109.217.375	93.375.982

15 General and administrative expenses

	2022	2021
	€	€
Personnel expenses		
Wages and salaries	13.622.122	12.693.649
Social security premiums and pensions cost	2.224.093	2.454.359
	15.846.215	15.148.008

Included in the social security charges for 2022 is an amount of EUR 572.933 (2021: EUR 580.063) with respect to pension costs.

Personnel expenses are part of the general and administrative expenses of EUR 23.221.349 in 2022 in the statement of income and expenses (2021: EUR 21.324.298).

Amortisation/depreciation of intangible and tangible fixed assets

Amortisation of intangible fixed assets	14.116	182.159
Depreciation of tangible fixed assets	574.246	1.055.196
	588.362	1.237.355

Depreciation of tangible fixed assets in 2022 includes € 17.892 loss on sale of tangible fixed assets (2021: € 3.192).

	2022	2021
	€	€
Other reductions in value of intangible and tangible assets		
Other reductions in value of property, plant and equipment	501.532	-

Other reductions in value of property, plant and equipment		
Impairment loss machinery	339.435	-
Impairment loss buildings and land	129.590	-
Impairment loss other fixed equipment	32.507	-
	501.532	-

	2022	2021
	€	€
16 Closure of factory costs		
Factory closure expenses	18.789.562	-

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	31-12-2022	31-12-2021
	€	€
Closure of factory costs		
Total sales	51.621.890	37.563.483
Cost of goods sold	-38.185.681	-32.548.492
Sales, administration and general expenses	-4.949.328	-4.766.220
Non operating income	-	32.732
Non operating expenses	-360.929	-41.375
Impairment loss	-501.532	-
Loss on disposal of Bio Line	-18.607.588	-
Loss before tax	-10.983.168	240.128
Attributable tax expense	-520.776	-53.121
Net loss attributed to the discontinued operation	-11.503.944	187.007

Financial income and expense

	2022	2021
	€	€
17 Other operating income		
Gains on sale of tangible fixed assets	60.676	3.315

	2022	2021
	€	€
18 Other interest and similar income		
Other interest received	-	54.188
Other interest received		
Changes in value financial instruments	-	54.188

	2022	2021
	€	€
19 Interest and similar expenses		
Interest expense	103.456	53.446
Interest liabilities to group companies	431	827
Other interest expenses	574.142	-
	678.029	54.273
Other interest expenses		
Changes in value financial instruments	574.142	-

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20 Related party transactions

During the year, the company entered into the following transactions with related group companies or affiliated companies:

	2022 Income from related parties	2022 Purchases and charges from related parties	2022 Amount owed to related parties	2022 Amount receivable from related parties
Hoshizaki Corporation - Japan	392.667	1.459.800	141.516	58.633
Hoshizaki America - USA	29.308	260.860	37.372	397
Hoshizaki Europe LTD - Telford UK	218.582	24.642.878	4.379.084	27.879
Hoshizaki Korea	9.195	-	-	-
Hoshizaki Europe Holdings	4.266.052	1.917.258	6.507.633	2.505.254
Hoshizaki Hongkong	-	-	-	-
Hoshizaki Shanghai - Thailand	284	-	-	-
Hoshizaki Suzhou - China	5.335	940.257	-	2.002
LANCER	227.958	-	-	-
HOSHIZAKI VIETNAM	3.521	-	-	-
Jackson	-	-	3.886	-
Öztiryakiler	672.457	7.867.966	1.774.214	78.732
Western Refrigeration	2.975	670.565	649.662	-
	5.828.334	**37.759.584**	**13.493.367**	**2.672.897**

	2021 Income from related parties	2021 Purchases and charges from related parties	2021 Amount owed to related parties	2021 Amount receivable from related parties
Hoshizaki Corporation - Japan	141.452	1.039.553	176.919	77.085
Hoshizaki America - USA	30.097	288.297	24.422	8.300
Hoshizaki Europe LTD - Telford UK	112.828	18.454.761	3.756.255	33.586
Hoshizaki Europe Holdings	-	-	5.081.950	-
Hoshizaki Hongkong	-	-	-	-
Hoshizaki Shanghai - Thailand	-	-	-	-
Hoshizaki Suzhou - China	-	855.602	356.825	1.724
LANCER	295.448	20.121	3.497	56.068
HOSHIZAKI VIETNAM	14.979	-	-	-
Öztiryakiler	282.586	2.630.108	215.674	79.909
Western Refrigeration	13.491	101.641	10.351	-
	890.881	**23.390.083**	**9.625.893**	**256.672**

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21 Taxation

	2022	2021
	€	€
Breakdown		
Deferred income tax expense	-513.278	-67.177
Income tax expense from current financial year	-880.733	-524.619
Total of income tax expense	-1.394.011	-591.796
Analysis tax charge		
Tax over result before tax against Dutch rate	-1.599.696	-1.526.651
Differences in tax rates	-64.960	22.410
Tax related to permanent differences	118.846	-41.744
Change in tax rates	-2.655	-6.529
Prior year adjustments	-94.848	-27.193
Non taxable income	-	494.143
Movement deferred taxes	3.037.237	592.043
Other tax adjustments	87	-98.275
Total	1.394.011	-591.796

Taxable profits of foreign branches are subject to local tax rates varying from 19% to 25,8%.

Disclosure of fiscal unity for income tax

Hoshizaki Europe B.V. (HEBV) forms a fiscal unity for corporate income tax and VAT purposes with its parent Hoshizaki Europe Holdings B.V. (HEHD) and for this reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity. HEHD is the tax payer and head of the fiscal unity but HEBV bears and accounts for the tax charges and/or benefits of the entire fiscal unity on behalf of HEHD. Subsequently HEBV settles on the basis of the fiscal result of the entities within the fiscal unity taking into account an allocation of the benefits of the fiscal unity to the various companies that are part of it.

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2.7 Other notes

Average number of employees

	2022	2021
Average number of employees over the period working in the Netherlands	62,00	61,00
Average number of employees over the period working outside the Netherlands	286,00	291,00
Average number of employees over the period	348,00	352,00

	2022	2021
Average number of employees per segment		
Sales	72	78
Service	31	36
Administration	91	88
Production	154	150
Total	348	352

Remuneration of managing and supervisory directors

	2022	2021
	€	€
Total of remuneration of managing and supervisory directors	454.602	615.357

A part of the directors remuneration is borne by Hoshizaki Europe Holdings B.V. and Hoshizaki Corporation.

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Auditors fees

Deloitte Accountants B.V.

	2022	2021
	€	€
Audit of the financial statements	197.688	196.885
Total	197.688	196.885

Other Deloitte network organisations

	2022	2021
	€	€
Audit of the financial statements	35.395	41.555
Tax advisory services	35.625	11.742
Other non-audit services	45.607	92.813
Total	116.627	146.110

Subsequent events

The Company has evaluated events from 1 January 2023 through the date the financial statements were issued. There were no subsequent events that needs disclosure.

Amsterdam, 1 May 2023

Katsuhiro Kurimoto Director	Kazuya Jinno Director	Ryuichiro Seki Director
Akira Tashiro Director	Yosuke Matsunaga Director	Robert Gehl Director

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3. Other information

Reference to the auditor's opinion

The independent auditor’s report is recorded on the next page.

Provisions of the Articles of Association relating to profit appropriation

In accordance with Article 21 of the Company’s statutory regulations, the appropriation of the result is at the disposal of the General Meeting. Dutch law stipulates that distributions may only be made to the extent the company’s equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be able to fulfil its financial obligations in the foreseeable future.

Branch offices

The Company has branch offices in the United Kingdom, Denmark, Norway, Sweden, Germany, France, Belgium, Spain, Italy and a factory in Denmark (factory closed at December 31, 2022).

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