



Tel.: +45 75 18 16 66
esbjerg@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
John Tranums Vej 23, 1. sal
DK-6705 Esbjerg Ø
CVR no. 20 22 26 70

ARCTIKO A/S
ODDESUNDVEJ 39, 6715 ESBJERG N
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 29 June 2022**

Jens Peter Rønn Laugesen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 26 28 60 77

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
The Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-13
Accounting Policies.....	14-16

COMPANY DETAILS

Company	ARCTIKO A/S Oddesundvej 39 6715 Esbjerg N
	CVR No.: 26 28 60 77 Established: 8 October 2001 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	Eric Joseph Kownacki, chairman Donald Robert Jr. John Daniel Sedlacek
Executive Board	Jens Peter Rønn Laugesen
Auditor	BDO Statsautoriseret revisionsaktieselskab John Tranums Vej 23, 1. sal 6705 Esbjerg Ø

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of ARCTIKO A/S for the financial year 1 January - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Esbjerg, 22 June 2022

Executive Board

Jens Peter Rønn Laugesen

Board of Directors

Eric Joseph Kownacki
Chairman

Donald Robert Jr.

John Daniel Sedlacek

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ARCTIKO A/S

Conclusion

We have performed an extended review of the Financial Statements of ARCTIKO A/S for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

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

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

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

THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Esbjerg, 22 June 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Anders Noe
State Authorised Public Accountant
MNE no. mne41367

MANAGEMENT COMMENTARY

Principal activities

The company's activities consist of the delivery of cooling and freezing solutions to the pharmaceutical and laboratory segment. The greater part of the company's revenue is from world wide exports under its own trade mark Arctiko.

Development in activities and financial and economic position

Profit before taxes for the year was DKK 11.217 thousand, against profit last year of DKK 1.743 thousand before taxes. The result is satisfactory.

The company was through 2021 positive impacted from increasing demand arising from demand to support the roll out of global Covid-19 vaccine programmes.

The Company earlier reported about a potential law suit versus a former sub supplier. This law case was settled through 2021.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Environmental performance

Arctiko having partners world wide expect to play a key role in the cold chain supply chain as part of the fight against Covid19 - and as result of this a significant growth is expected in 2021.

Certification and investments

Arctiko A/S holds ISO9001, ISO13485 and CE marking, which means that Arctiko A/S can market and sell our products to our key channels worldwide; hospitals, research, pharma, life science.

Vision og mission

Arctiko A/S will continue to be a strong and competitive global sales & service partner within cooling and freezing solutions for hospitals and laboratories.

Our products shall have environmental and technological foresight and be competitive in quality and price.

"The Cooling Specialists" is stated as the company's mantra, which the management and employees seek to live up to daily

Future expectations

Also for 2022 the company has ambitious growth targets what could though be impacted as the demand for Covid-19 refrigeration and freezing capacity is predicted to slow down over the year.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
GROSS PROFIT		33.508.853	21.534.597
Staff costs.....	1	-21.008.835	-18.766.777
Depreciation, amortisation and impairment losses.....		-673.262	-617.900
OPERATING PROFIT		11.826.756	2.149.920
Other financial income.....	2	88.831	45.332
Other financial expenses.....	3	-697.809	-451.851
PROFIT BEFORE TAX		11.217.778	1.743.401
Tax on profit/loss for the year.....	4	-2.501.987	-389.222
PROFIT FOR THE YEAR		8.715.791	1.354.179
PROPOSED DISTRIBUTION OF PROFIT			
Extraordinary dividend.....		6.781.617	0
Retained earnings.....		1.934.174	1.354.179
TOTAL		8.715.791	1.354.179

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Development projects completed.....		454.487	257.645
Intangible assets.....	5	454.487	257.645
Other plant, machinery tools and equipment.....		1.076.369	1.445.042
Leasehold improvements.....		355.050	469.849
Property, plant and equipment.....	6	1.431.419	1.914.891
NON-CURRENT ASSETS.....		1.885.906	2.172.536
Finished goods and goods for resale.....		15.839.453	11.435.683
Inventories.....		15.839.453	11.435.683
Trade receivables.....		8.035.706	12.311.841
Receivables from group enterprises.....		5.194.375	4.162.994
Deferred tax assets.....		23.620	31.492
Other receivables.....		2.688.823	1.161.346
Prepayments.....		359.035	1.407.749
Receivables.....		16.301.559	19.075.422
Cash and cash equivalents.....		1.993.828	873.904
CURRENT ASSETS.....		34.134.840	31.385.009
ASSETS.....		36.020.746	33.557.545

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital.....		500.000	500.000
Reserve for development costs.....		354.500	200.963
Retained earnings.....		14.160.310	12.379.671
Proposed dividend.....		0	500.000
EQUITY.....		15.014.810	13.580.634
Frozen holiday pay.....		1.137.438	1.173.549
Non-current liabilities.....	7	1.137.438	1.173.549
Bank debt.....		138.923	166.722
Lease liabilities.....		0	154.570
Prepayments from customers.....		3.093.818	3.549.595
Trade payables.....		5.849.439	8.135.374
Debt to Group companies.....		6.362.025	1.055.273
Corporation tax payable.....		2.380.954	355.383
Joint tax contribution payable.....		113.161	0
Other liabilities.....		1.925.178	5.381.445
Deposits.....		5.000	5.000
Current liabilities.....		19.868.498	18.803.362
LIABILITIES.....		21.005.936	19.976.911
EQUITY AND LIABILITIES.....		36.020.746	33.557.545
Contingencies etc.	8		
Charges and securities	9		

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2021.....	500.000	0	12.580.636	500.000	13.580.636
Change of equity due to correction of errors.....		200.963	-200.963		0
Adjusted equity at 1 January 2021.....	500.000	200.963	12.379.673	500.000	13.580.636
Proposed profit allocation.....			1.934.174	6.781.617	8.715.791
Transactions with owners					
Dividend paid.....				-500.000	-500.000
Extraordinary dividend paid.....				-6.781.617	-6.781.617
Other legal bindings					
Capitalized development costs.....		267.149	-267.149		0
Transfers					
Depreciations.....		-113.612	113.612		0
Equity at 31 December 2021.....	500.000	354.500	14.160.310	0	15.014.810

NOTES

	2021 DKK	2020 DKK	Note
Staff costs			1
Average number of employees	31	29	
Wages and salaries.....	17.947.357	16.114.694	
Pensions.....	2.369.678	2.091.659	
Social security costs.....	356.518	215.732	
Other staff costs.....	335.282	344.692	
	21.008.835	18.766.777	
Other financial income			2
Group enterprises.....	88.831	45.332	
	88.831	45.332	
Other financial expenses			3
Group enterprises.....	44.945	25.827	
Other interest expenses.....	652.864	426.024	
	697.809	451.851	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	2.494.115	355.383	
Adjustment of deferred tax.....	7.872	33.839	
	2.501.987	389.222	
Intangible assets			5
		Development projects completed	
Cost at 1 January 2021.....		260.556	
Additions.....		342.499	
Cost at 31 December 2021.....		603.055	
Amortisation at 1 January 2021.....		2.911	
Amortisation for the year.....		145.657	
Amortisation at 31 December 2021.....		148.568	
Carrying amount at 31 December 2021.....		454.487	

Completed development projects consist of the development of an environmentally friendly refrigerant and verification of performance of products.

NOTES

			Note
Property, plant and equipment			6
	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2021.....	2.876.811	1.415.471	
Additions.....	191.018	0	
Disposals.....	-440.475	0	
Cost at 31 December 2021.....	2.627.354	1.415.471	
Depreciation and impairment losses at 1 January 2021.....	1.431.769	945.622	
Reversal of depreciation of assets disposed of.....	-293.590	0	
Depreciation for the year.....	412.806	114.799	
Depreciation and impairment losses at 31 December 2021...	1.550.985	1.060.421	
Carrying amount at 31 December 2021.....	1.076.369	355.050	
 Long-term liabilities			 7
	31/12 2021 total liabilities	Debt outstanding after 5 years	31/12 2020 total liabilities
Frozen holiday pay.....	1.137.438	0	1.173.549
	1.137.438	0	1.173.549
 Contingencies etc.			 8
Contingent liabilities			
Security has been provided for the bank debt of LOBI Ejendom ApS at SparNord. The Company has been released of the security in 2022.			
The Company has entered into lease agreements with a 6-60 months' notice, the annual rent amounting to DKK ('000) 1.646.			
Liabilities under rental or lease agreements until maturity amount to DKK ('000) 2.350.			
Joint liabilities			
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.			
Tax payable of the group's jointly taxed income amounts to DKK ('000) 24 at the Balance Sheet date.			
 Charges and securities			 9
Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor of DKK 6,000 thousand nominal.			
Mortgage deed includes intangible assets, property, plant and equipment, inventories and trade receivables. The carrying amount of mortgaged assets is DKK ('000) 25.761.			

ACCOUNTING POLICIES

The Annual Report of ARCTIKO A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

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

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprises interest income, payables and transactions in foreign currencies.

Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

BALANCE SHEET

Intangible fixed assets

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

ACCOUNTING POLICIES

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years. The amortisation periods used are 3 years

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Tangible fixed assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	32 %
Leasehold improvements.....	5 years	11 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets

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

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company’s total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

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

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.