



CHRISTENSEN  
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

CVR: 15 91 56 41

TLF: 33 30 15 15

ØSTBANEGADE 123  
2100 KØBENHAVN Ø

E-MAIL: CK@CK.DK  
WEB: WWW.CK.DK

# ARCTIKO A/S

Oddesundvej 39, 6715 Esbjerg

Company reg. no. 26 28 60 77

## Annual report

**1 January - 31 December 2023**

The annual report was submitted and approved by the general meeting on the 1 July 2024.

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Robert Walker Martin  
Chairman of the meeting



## Contents

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	<b><u>Page</u></b>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 January - 31 December 2023</b>	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	14

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of ARCTIKO A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Esbjerg, 1 July 2024

### **Managing Director**

Robert Walker Martin

### **Board of directors**

Robert Walker Martin

John Daniel Sedlacek

Carleton Earl Saunders IV



## Independent auditor's report

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### To the Shareholders of ARCTIKO A/S

#### Opinion

We have audited the financial statements of ARCTIKO A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibilities for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent auditor's report

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.



## Independent auditor's report

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 1 July 2024

### **Christensen Kjarulff**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 15 91 56 41

### **Iver Haugsted**

State Authorised Public Accountant  
mne10678



## Company information

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### **The company**

ARCTIKO A/S  
Oddesundvej 39  
6715 Esbjerg

Company reg. no. 26 28 60 77  
Financial year: 1 January - 31 December

### **Board of directors**

Robert Walker Martin  
John Daniel Sedlacek  
Carleton Earl Saunders IV

### **Managing Director**

Robert Walker Martin

### **Auditors**

Christensen Kjørulff  
Statsautoriseret Revisionsaktieselskab  
Østbanegade 123  
2100 København Ø

### **Subsidiary**

Arctiko International ApS, Esbjerg



## Management's review

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### **Description of key activities of the company**

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 matters**

The gross profit for the year totals TDKK 7.555 against TDKK 15.000 last year. Income or loss from ordinary activities after tax totals TDKK -11.600 against TDKK -4.824 last year. The result is not satisfactory.

### **Uncertainties relating to going concern**

We draw attention to the fact that there is significant uncertainty about the company's ability to continue its operations. Please refer to the description in note 1.

### **Events occurring after the end of the financial year**

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





## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Gross profit</b>	<b>7.555.098</b>	<b>15.000.293</b>
2 Staff costs	-16.787.028	-18.792.469
Depreciation, amortisation, and impairment	-1.640.108	-698.317
<b>Profit before net financials</b>	<b>-10.872.038</b>	<b>-4.490.493</b>
Other financial income from group enterprises	0	70.507
Other financial income	88.397	0
3 Other financial expenses	-876.815	-676.876
<b>Pre-tax net profit or loss</b>	<b>-11.660.456</b>	<b>-5.096.862</b>
Tax on net profit or loss for the year	0	272.400
<b>Net profit or loss for the year</b>	<b>-11.660.456</b>	<b>-4.824.462</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-11.660.456	-4.824.462
<b>Total allocations and transfers</b>	<b>-11.660.456</b>	<b>-4.824.462</b>



## Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Development projects in progress and prepayments for intangible assets	1.056.183	768.278
Total intangible assets	<u>1.056.183</u>	<u>768.278</u>
5 Other fixtures, fittings, tools and equipment	5.865.508	4.620.064
6 Leasehold improvements	<u>247.715</u>	<u>356.147</u>
Total property, plant, and equipment	<u>6.113.223</u>	<u>4.976.211</u>
<b>Total non-current assets</b>	<b><u>7.169.406</u></b>	<b><u>5.744.489</u></b>
<b>Current assets</b>		
Manufactured goods and goods for resale	<u>14.991.675</u>	<u>21.707.170</u>
Total inventories	<u>14.991.675</u>	<u>21.707.170</u>
Trade receivables	5.123.313	4.536.748
Receivables from group enterprises	6.501.998	3.832.277
Deferred tax assets	296.020	296.020
Income tax receivables	30.009	0
Other receivables	732.860	410.266
Prepayments	<u>347.217</u>	<u>732.590</u>
Total receivables	<u>13.031.417</u>	<u>9.807.901</u>
Cash and cash equivalents	<u>2.217.274</u>	<u>213.776</u>
<b>Total current assets</b>	<b><u>30.240.366</u></b>	<b><u>31.728.847</u></b>
<b>Total assets</b>	<b><u>37.409.772</u></b>	<b><u>37.473.336</u></b>



## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Reserve for development costs	823.822	599.256
Retained earnings	-2.793.930	9.091.092
<b>Total equity</b>	<b>-1.470.108</b>	<b>10.190.348</b>
<b>Liabilities other than provisions</b>		
Other payables	1.201.970	1.175.258
Total long term liabilities other than provisions	1.201.970	1.175.258
Current portion of long term liabilities	2.276.509	2.822.420
Bank loans	19.170	76.341
Trade payables	9.685.752	3.691.950
Payables to group enterprises	25.305.807	18.745.139
Other payables	390.672	771.880
Total short term liabilities other than provisions	37.677.910	26.107.730
<b>Total liabilities other than provisions</b>	<b>38.879.880</b>	<b>27.282.988</b>
<b>Total equity and liabilities</b>	<b>37.409.772</b>	<b>37.473.336</b>

1 Uncertainties relating to going concern

7 Contingencies



## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Reserve for development costs</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2023	500.000	599.256	9.091.092	10.190.348
Retained earnings for the year	0	0	-11.660.456	-11.660.456
Transferred from retained earnings	0	918.429	0	918.429
Depreciations	0	-693.863	0	-693.863
Transferred to development costs	0	0	-918.429	-918.429
Depreciations	0	0	693.863	693.863
	<b>500.000</b>	<b>823.822</b>	<b>-2.793.930</b>	<b>-1.470.108</b>



## Notes

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All amounts in DKK.

### 1. Uncertainties relating to going concern

We draw attention to the fact that there is significant uncertainty about the company's ability to continue its operations.

The parent company has issued a Letter of subordination and support regarding subordination vis-a-vis other creditors regarding their receivables DKK 23.550.515. The parent company has also declared to contribute additional liquidity and capital for the company's continued operation. The declaration applies until the company's annual general meeting in 2025.

	<u>2023</u>	<u>2022</u>
<b>2. Staff costs</b>		
Salaries and wages	15.277.481	16.312.441
Pension costs	1.277.361	2.115.023
Other costs for social security	101.336	234.491
Other staff costs	130.850	130.514
	<u><b>16.787.028</b></u>	<u><b>18.792.469</b></u>
Average number of employees	<u>25</u>	<u>32</u>
<b>3. Other financial expenses</b>		
Financial costs, group enterprises	676.670	454.829
Other financial costs	200.145	222.047
	<u><b>876.815</b></u>	<u><b>676.876</b></u>



## Notes

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All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>4. Development projects in progress and prepayments for intangible assets</b>		
Cost 1 January 2023	1.117.864	603.055
Additions during the year	<u>1.177.473</u>	<u>514.809</u>
<b>Cost 31 December 2023</b>	<b><u>2.295.337</u></b>	<b><u>1.117.864</u></b>
Amortisation and write-down 1 January 2023	-349.586	-148.568
Amortisation and depreciation for the year	<u>-889.568</u>	<u>-201.018</u>
<b>Amortisation and write-down 31 December 2023</b>	<b><u>-1.239.154</u></b>	<b><u>-349.586</u></b>
<b>Carrying amount, 31 December 2023</b>	<b><u>1.056.183</u></b>	<b><u>768.278</u></b>
<p>Completed development projects consist of the development of an environmentally friendly refrigerant and verification of performance of products.</p>		
<b>5. Other fixtures, fittings, tools and equipment</b>		
Cost 1 January 2023	6.557.345	2.627.354
Additions during the year	1.884.225	3.929.991
Disposals during the year	<u>-225.450</u>	<u>0</u>
<b>Cost 31 December 2023</b>	<b><u>8.216.120</u></b>	<b><u>6.557.345</u></b>
Amortisation and write-down 1 January 2023	-1.937.281	-1.844.575
Amortisation and depreciation for the year	-638.781	-386.296
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>225.450</u>	<u>293.590</u>
<b>Amortisation and write-down 31 December 2023</b>	<b><u>-2.350.612</u></b>	<b><u>-1.937.281</u></b>
<b>Carrying amount, 31 December 2023</b>	<b><u>5.865.508</u></b>	<b><u>4.620.064</u></b>



## Notes

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All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>6. Leasehold improvements</b>		
Cost 1 January 2023	1.527.571	1.415.471
Additions during the year	<u>0</u>	<u>112.100</u>
<b>Cost 31 December 2023</b>	<b><u>1.527.571</u></b>	<b><u>1.527.571</u></b>
Depreciation and write-down 1 January 2023	-1.171.424	-1.060.421
Amortisation and depreciation for the year	<u>-108.432</u>	<u>-111.003</u>
<b>Depreciation and write-down 31 December 2023</b>	<b><u>-1.279.856</u></b>	<b><u>-1.171.424</u></b>
<b>Carrying amount, 31 December 2023</b>	<b><u>247.715</u></b>	<b><u>356.147</u></b>

## 7. Contingencies

### Contingent assets

The company has a deferred tax asset of TDKK 3.410 which has not been recognized.

### Contingent liabilities

	DKK in thousands
Total contingent liabilities	<u>82</u>

### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.



## Accounting policies

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The annual report for ARCTIKO A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Income statement

#### Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

#### Own work capitalised

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.





## Accounting policies

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### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Intangible assets

#### Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3 years.

### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.



## Accounting policies

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The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

### Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.



## Accounting policies

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The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### **Leasehold improvements**

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.



## Accounting policies

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The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### Equity

#### Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.



## Accounting policies

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### Income tax and deferred tax

As administration company, ARCTIKO A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.



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**Robert Walker Martin**  
Direktør  
IP-address: 68.107.8.157:61523  
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**Robert Walker Martin**  
Bestyrelsesmedlem  
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**John Daniel Sedlacek**  
Bestyrelsesmedlem  
IP-address: 71.234.204.169:27339  
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## Iver Haugsted

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The name returned by Danish MitID was:  
Iver Haugsted  
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On behalf of Christensen Kjærulff Statsautoriseret Revision...  
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**Robert Walker Martin**  
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