

# Freeze BidCo ApS

Parkvej 5, 9352 Dybvad

CVR no. 38 62 76 51

## Annual report 2018

Approved at the Company's annual general meeting on *14 Mai 2019*

Chairman:



Heidi Lynnerup Larsen





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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Freeze BidCo ApS for the financial year 1 January - 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

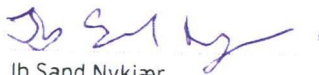
We recommend that the annual report be approved at the annual general meeting.

Dybvad, 5 March 2019  
Executive Board:

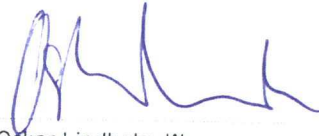


Lars Priess

Board of Directors:



Ib Sand Nykjær  
Chairman



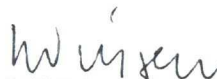
Oskar Lindholm-Wu



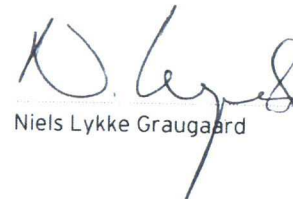
Tomas Håkan Therén



Lasse Viegand Hansen



Klaus Beyer Nielsen



Niels Lykke Graugaard

## Independent auditor's report

To the shareholders of Freeze BidCo ApS

### Opinion

We have audited the financial statements of Freeze BidCo ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

### Independent auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Aalborg, 5 March 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Søren V. Nejmänn  
State Authorised Public Accountant  
mne32775



Thomas S. Kallehaugen  
State Authorised Public Accountant  
mne35422



## Management's review

### Company details

Name	Freeze BidCo ApS
Address, Postal code, City	Parkvej 5, 9352 Dybvad
CVR no.	38 62 76 51
Established	8 May 2017
Registered office	Frederikshavn
Financial year	1 January - 31 December
Board of Directors	Ib Sand Nykjær, Chairman Oskar Lindholm-Wu Tomas Håkan Therén Lasse Viegand Hansen Klaus Beyer Nielsen Niels Lykke Graugaard
Executive Board	Lars Priess
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark



## **Management's review**

### **Business review**

The company's principal activities are to own equity investments in subsidiaries.

### **Unusual matters having affected the financial statements**

During the year, it was discovered that the purchase method was not correctly applied to acquisition of a business in the financial statements for 2017. Consequently, the financial statements for 2017 did not give a true and fair view. The error amounted to DKK 9,890 thousand and has been corrected as a material misstatement by restating comparatives for 2017 and opening equity figures in the current-year financial statements for 2018. See further description in the section on accounting policies.

### **Financial review**

The income statement for 2018 shows a loss of DKK 12,250 thousand against a loss of DKK 11,695 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 155,581 thousand.

Management considers the Company's financial performance in the year to be as expected.

### **Events after the balance sheet date**

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



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2018 12 months	2017 8 months
	<b>Gross margin</b>	1,912	578
2	Staff costs	-2,700	-1,265
	<b>Profit/loss before net financials</b>	-788	-687
	Income from investments in group enterprises	-2,176	-5,606
3	Financial income	278	271
	Financial expenses	-12,405	-7,387
	<b>Profit/loss before tax</b>	-15,091	-13,409
4	Tax for the year	2,841	1,714
	<b>Profit/loss for the year</b>	<u>-12,250</u>	<u>-11,695</u>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-12,250	-11,695
		<u>-12,250</u>	<u>-11,695</u>





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Investments</b>		
	Investments in group enterprises	325,519	337,620
		<u>325,519</u>	<u>337,620</u>
	<b>Total fixed assets</b>	<u>325,519</u>	<u>337,620</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group enterprises	7,804	17,434
	Deferred tax assets	373	156
	Joint taxation contribution receivable	2,684	1,622
		<u>10,861</u>	<u>19,212</u>
	<b>Cash</b>	286	1,077
	<b>Total non-fixed assets</b>	<u>11,147</u>	<u>20,289</u>
	<b>TOTAL ASSETS</b>	<u><u>336,666</u></u>	<u><u>357,909</u></u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	20,000	20,000
	Net revaluation reserve according to the equity method	0	0
	Retained earnings	135,581	148,041
	<b>Total equity</b>	<b>155,581</b>	<b>168,041</b>
	<b>Liabilities other than provisions</b>		
6	<b>Non-current liabilities other than provisions</b>		
	Bank debt	105,727	119,601
	Other credit institutions	58,284	54,005
		164,011	173,606
	<b>Current liabilities other than provisions</b>		
6	<b>Short-term part of long-term liabilities other than provisions</b>		
	Trade payables	15,000	15,000
	Other payables	16	40
		2,058	1,222
		17,074	16,262
	<b>Total liabilities other than provisions</b>	<b>181,085</b>	<b>189,868</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>336,666</b>	<b>357,909</b>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2018	20,000	4,284	153,647	177,931
Adjustment of equity through corrections of errors	0	-4,284	-5,606	-9,890
Adjusted equity at 1 January 2018	20,000	0	148,041	168,041
Transfer through appropriation of loss	0	0	-12,250	-12,250
Adjustment of hedging instruments at fair value	0	0	-270	-270
Tax on items recognised directly in equity	0	0	60	60
<b>Equity at 31 December 2018</b>	<b>20,000</b>	<b>0</b>	<b>135,581</b>	<b>155,581</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Freeze BidCo ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

#### Material misstatements

The purchase method requires that the acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. During the year, it was discovered that the purchase method was not correctly applied to acquisitions of new businesses in the financial statements for 2017.

As a result, the Company's other excess values were not correctly separated from goodwill and depreciations were not applied correctly. Consequently, the financial statements for 2017 did not give a true and fair view. Therefore, the error has been corrected as a material misstatement by restating comparatives for 2017 and opening equity figures in the current-year financial statements for 2018.

In consequence of the restatement, the result of 2017 has been adversely affected by DKK 9,890 thousand. In total, the balance sheet total at 31 December 2017 has been affected by DKK 9,890 thousand, and equity has been adversely affected by DKK 9,890 thousand.

#### Reporting currency

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

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Gross margin

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

###### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

###### Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

###### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and amortisation of financial assets and liabilities.

###### Tax

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

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

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

##### Balance sheet

###### Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Goodwill is depreciated over an expected useful life of 10 years. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

#### Impairment of fixed assets

The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis.

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

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

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

#### Receivables

Receivables are measured at amortised cost.

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

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *Proposed dividends*

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

##### Income taxes

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

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

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

##### Liabilities

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

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2018 12 months	2017 8 months
<b>2 Staff costs</b>		
Wages/salaries	2,430	1,265
Pensions	270	0
	<u>2,700</u>	<u>1,265</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
<b>3 Financial income</b>		
Interest receivable, group entities	278	271
	<u>278</u>	<u>271</u>
<b>4 Tax for the year</b>		
Estimated tax charge for the year	-2,624	-1,622
Deferred tax adjustments in the year	-217	-92
	<u>-2,841</u>	<u>-1,714</u>
<b>5 Investments</b>		
DKK'000		<u>Investments in group enterprises</u>
Cost at 1 January 2018		343,225
Purchase price adjustments		75
Cost at 31 December 2018		<u>343,300</u>
Value adjustments at 1 January 2018		-5,605
Dividend received		-10,000
Profit/loss for the year		31,106
Value adjustments for the year		-33,282
Value adjustments at 31 December 2018		<u>-17,781</u>
<b>Carrying amount at 31 December 2018</b>		<u>325,519</u>

The carrying amount of group enterprises comprises the entities' net asset value of DKK 51,561 thousand and goodwill and other excess values at a carrying amount of total DKK 273,958 thousand.

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>				
DSI Freezing Solutions A/S	Dybvad	100.00%	51,561	31,106



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	120,727	15,000	105,727	0
Other credit institutions	58,284	0	58,284	0
	<u>179,011</u>	<u>15,000</u>	<u>164,011</u>	<u>0</u>

Loan from other credit institutions is subordinated in relation to bank debt. The term to maturity is November 2022. The interest is partly added to the principal and does not fall due for payment until the principal does.

#### 7 Contractual obligations and contingencies, etc.

##### Contingent liabilities

The Company has issued a guarantee for group enterprises' engagement with Danske Bank A/S. The guarantee is maximised to DKK 93,000 thousand at 31 December 2018.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Freeze HoldCo ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

##### Other financial obligations

Rent and lease liabilities include operating leases for cars, totalling DKK 327 thousand, with remaining contract terms of 3-4 years.

#### 8 Collateral

Investment in group enterprises at a carrying amount of DKK 325,519 thousand at 31 December 2018 have been put up as security for the Company's debt to credit institutions.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Related parties

Freeze BidCo ApS' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Procuritas Capital Investors VI AB	Stockholm, Sweden	Participating interest
Freeze HoldCo ApS	Dybvad, Denmark	Participating interest

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Freeze HoldCo ApS	Dybvad	<a href="http://www.CVR.dk">www.CVR.dk</a>