

Freeze BidCo ApS

Parkvej 5
DK-9352 Dybvad

CVR no. 38 62 76 51

Annual report 2022

The annual report was presented and adopted at the
Company's annual general meeting

on _____ 20 ____

chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Freeze BidCo ApS for the financial year 1 January – 31 December 2022.

The annual report has been prepared 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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, 21 April 2023
Executive Board:

Henrik Ziegler

Michael Bohl Brinks

Board of Directors:

Klaus Beyer Nielsen
Chair

Ib Sand Nykjær

Andreas Steinacher

Oskar Emmanuel Lindholm-
Wu

Marianne Groven

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 2022 comprising 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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 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 responsibility 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, that 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.

Independent auditor's report

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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these 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 company 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.

Independent auditor's report

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, 21 April 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Freeze BidCo ApS
Annual report 2022
CVR no. 38 62 76 51

Management's review

Company details

Freeze BidCo ApS
Parkvej 5
DK-9352 Dybvad

CVR no.	38 62 76 51
Established:	8 May 2017
Registered office:	Aalborg
Financial year:	1 January – 31 December

Board of Directors

Klaus Beyer Nielsen, Chairman
Ib Sand Nykjær
Andreas Steinacher
Oskar Emanuel Lindholm-Wu
Marianne Groven

Executive Board

Henrik Ziegler
Michael Bohl Brinks

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 31 May 2023.

Management's review

Operating review

Principal activities

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

Development in activities and financial position

2022 was a difficult year for the Group, where in particular the impact of the sanctions towards Russia and the global turbulence on cost prices has had severe negative impact on both sales and cost levels. Furthermore earnings were impacted by one-off items relating to integration of companies acquired in 2021.

The Company reported a loss of DKK 121.5 million for 2022.

Management considers results for the year dissatisfactory. However, to mitigate the loss-making activities several adjustments were made during 2022 in relation to organization, structure and procedures, and the basis for a strong 2023 has thus been set.

End of 2022 the Group's capital resources are strengthened through shareholder loan and new bank agreement.

On that basis, Management considers current cash resources to be sufficient.

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

DKK'000	Note	2022	2021
Gross profit/loss		-1,579	2,595
Staff costs	2	-4,312	-3,256
Profit/loss before financial income and expenses		-5,891	-661
Income from equity investments in subsidiaries		-110,571	-41,085
Other financial income	3	331	119
Other financial expenses	4	-7,241	-11,036
Profit/loss before tax		-123,372	-52,663
Tax on profit/loss for the year		1,855	1,633
Profit/loss for the year		<u>-121,517</u>	<u>-51,030</u>
 Proposed profit appropriation/distribution of loss			
Retained earnings		-121,517	-51,030
		<u>-121,517</u>	<u>-51,030</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Investments			
Equity investments in subsidiaries	5	239,109	349,347
Total fixed assets		<u>239,109</u>	<u>349,347</u>
Current assets			
Receivables			
Deferred tax assets		4,024	3,234
Receivables from group entities		30,580	1,450
Other receivables		4,852	0
		<u>39,456</u>	<u>4,684</u>
Cash at bank and in hand		<u>614</u>	<u>1</u>
Total current assets		<u>40,070</u>	<u>4,685</u>
		<u>279,179</u>	<u>354,032</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		20,000	20,000
Retained earnings		33,251	154,435
Reserve for hedge		3,776	0
Total equity		57,027	174,435
Liabilities			
Non-current liabilities			
Bank debt	6	163,014	164,157
		163,014	164,157
Current liabilities			
Short-term part of long-term liabilities		0	0
Bank debt		0	80
Trade payables		18	19
Payables to subsidiaries		57,647	14,161
Other payables, including taxes payable		1,473	1,180
		59,138	15,440
Total liabilities		222,152	179,597
TOTAL EQUITY AND LIABILITIES		279,179	354,032

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Reserve for hedging instruments	Total
Balance at 1 January 2022	20,000	154,435	0	174,435
Adjustments of investments through foreign exchange adjustments	0	333	0	333
Distribution of loss	0	-121.517	0	-121,517
Value adjustment of hedging instruments:				
Value adjustment for the year	0	0	4,841	4,841
Tax on items under equity	0	0	-1,065	-1,065
Balance at 31 December 2022	<u>20,000</u>	<u>33,251</u>	<u>3,776</u>	<u>57,027</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Freeze BidCo ApS for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act and elective choice of certain provisions applying to report class C entities.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Freeze BidCo ApS and group entities are included in the consolidated financial statements of Freeze HoldCo ApS, CVR no. 38 60 61 31.

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 presented as separate items in the balance sheet.

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

Income statement

Gross profit/ loss

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

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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/loss 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, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax on profit/loss for the year

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Equity 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.

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 15 years. Negative goodwill is recognised in the income statement.

Dividends received are 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 equity investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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.

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

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

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

1 Accounting policies (continued)

Equity

Dividends

Dividends proposed for the year are 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".

Reserve for hedging instruments

Adjustment of hedging instruments (cash flow hedge) is recognised as a separate reserve in equity. The reserve is dissolved and recognised in the income statement as the amounts are realised. The reserve is distributable and available for dividend distribution.

Corporation tax and deferred tax

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 other than provisions

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

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	2022	2021
DKK'000		
2 Staff costs		
Wages and salaries	4,232	3,176
Pensions	78	78
Other social security costs	2	2
	<u>4,312</u>	<u>3,256</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
3 Other financial income		
Interest income from group entities	0	66
Other interest income	331	53
	<u>331</u>	<u>119</u>
4 Other financial expenses		
Interest expense to subsidiaries	0	308
Other interest expenses	7,241	10,728
	<u>7,241</u>	<u>11,036</u>

Financial statements 1 January – 31 December

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5 Investments

DKK'000	Equity invest- ments in subsidiaries
Cost at 1 January 2022	470,846
Additions	0
Disposals	0
Cost at 31 December 2022	470,846
Value adjustments at 1 January 2022	-121,499
Foreign exchange adjustments	333
Profit/loss for the year	-110,571
Value adjustments at 31 December 2022	-231.737
Carrying amount at 31 December 2022	239.109

Goodwill and other excess values are included at an carrying amount of DKK 161,291 thousand.

Name/legal form	Registered office	Equity interest
Subsidiaries:		
DSI Dantech A/S	Frederikshavn	100%

6 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2022	Outstan- ding debt after 5 years
Bank debt	164,157	0

Financial statements 1 January – 31 December

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7 Contractual obligations, contingencies, etc.

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.

8 Collateral

Equity investments in group entities at a carrying amount of DKK 239,109 thousand at 31 December 2022 have been put up as collateral for the Company's engagement with credit institutions.

9 Related party disclosures

Procuritas Capital Investors VI AB, Stockholm, Sweden controls the majority of the share capital in the Company through Freeze HoldCo ApS, Frederikshavn.

Freeze Bidco ApS is part of the consolidated financial statements of Freeze HoldCo ApS, Frederikshavn, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Freeze HoldCo ApS can be obtained by contacting the company at the above address.

In addition to above parent companies Freeze Bidco ApS' related parties furthermore comprise sister companies controlled by above parent companies and its Executive Board and Board of directors as well as their close family members and controlled companies.