

Freeze BidCo ApS

Parkvej 5, 9352 Dybvad

CVR no. 38 62 76 51

Annual report 2021

Approved at the Company's annual general meeting on 27 June 2022

Chair of the meeting:

.....
Lars Priess

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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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 27 June 2022
Executive Board:

.....
Lars Priess

Board of Directors:

.....
Klaus Beyer Nielsen
Chair

.....
Niels Lykke Graugaard

.....
Oskar Emanuel Lindholm-
Wu

.....
Ib Sand Nykjær

.....
Andreas Steinacher

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 2021, 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 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 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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, 27 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren V. Nejmann
State Authorised Public Accountant
mne32775

Thomas S. Kallehauge
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	Klaus Beyer Nielsen, Chair Niels Lykke Graugaard Oskar Emanuel Lindholm-Wu Ib Sand Nykjær Andreas Steinacher
Executive Board	Lars Priess
Auditors	EY 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.

Financial review

The income statement for 2021 shows a loss of DKK 51,030 thousand against a loss of DKK 25,611 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 174,435 thousand.

The 2021 result is however affected by significant on-off expenses related to the acquisitions process and the subsequent integration effort in subsidiaries. These costs amounted to DKK 23.8 million and is included in "Income from investments in group enterprises" in the income statement.

2021 was a turbulent year characterized by significant uncertainties in global markets caused by Covid-19 pandemic and significant M&A activities resulting in the acquisition of two major companies.

The uncertainty has mainly been caused by the continued Covid-19 pandemic, which has resulted in significant challenges in relation to carrying out business development activities and completing project installations and commissioning. The pandemic has also affected the global supply chains, resulting in significant price increases on raw materials, shortage of certain components and extended delivery times.

In 2021 the DSI Dantech completed two major acquisitions of Cryogenic Equipment and Services NV with production, sales and service facilities in Belgium and the US, and Dantech Holding ApS. and Dantech Freezing Systems Pte. Ltd. with main production, sales and service facilities in Aalborg, Singapore and Germany. By acquiring these companies, DSI Dantech has become the only global supplier offering both Mechanical, Cryogenic and Plate freezing technologies with associated handling systems.

The integration of the acquired companies has been successful, and the expected synergies has been achieved both from an operational as well as a market point of view, where customers have been positive towards the consolidation of the activities. Following the acquisition, the company has revised its strategy towards 2024, and have set ambitious and specific growth targets.

In the annual report for 2020, Management expected a slightly positively development of the Group's commercial basis and earnings. The results for the year are down on expectations.

Despite the result for 2021 being below budget then, considering the challenges described above faced in 2021, management considers the result for the year as satisfactory.

Events after the balance sheet date

The recent tragic events in Ukraine might affect the 2022 result of the group negatively. Russia is identified as a key market in the group strategy and the group has a sales and service office in Moscow. However currently expectation is that all business activities in Russia will come to a stand-still. Furthermore, the sanctions imposed on Russia is expected to further increase raw material prices. This and the overall uncertainty related to the situation might result in customers holding back major investments.

No other 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	2021	2020
	Gross profit	2,595	2,527
2	Staff costs	-3,256	-3,034
	Profit/loss before net financials	-661	-507
	Income from investments in group enterprises	-41,085	-15,789
3	Financial income	119	432
4	Financial expenses	-11,036	-12,431
	Profit/loss before tax	-52,663	-28,295
5	Tax for the year	1,633	2,684
	Profit/loss for the year	-51,030	-25,611
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-51,030	-25,611
		-51,030	-25,611

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group enterprises	349,347	263,023
		349,347	263,023
	Total fixed assets	349,347	263,023
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	1,450	942
	Deferred tax assets	3,234	3,220
		4,684	4,162
	Cash	1	45
	Total non-fixed assets	4,685	4,207
	TOTAL ASSETS	354,032	267,230

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	20,000	20,000
	Retained earnings	154,435	83,602
	Total equity	174,435	103,602
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Bank debt	164,157	75,438
	Other credit institutions	0	67,046
		164,157	142,484
	Current liabilities other than provisions		
7	Short-term part of long-term liabilities other than provisions	0	15,000
	Bank debt	80	0
	Trade payables	19	18
	Payables to group enterprises	14,161	3,943
	Other payables	1,180	2,183
		15,440	21,144
	Total liabilities other than provisions	179,597	163,628
	TOTAL EQUITY AND LIABILITIES	354,032	267,230

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	20,000	83,602	103,602
Transfer through appropriation of loss	0	-51,030	-51,030
Adjustment of investments through foreign exchange adjustments	0	-137	-137
Contribution from group company	0	122,000	122,000
Equity at 31 December 2021	20,000	154,435	174,435

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Freeze BidCo ApS for 2021 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.

Effective from the financial year 2021, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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.

Income statement

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit 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/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, exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Dividend received is deducted 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.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Equity

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	2021	2020
2 Staff costs		
Wages/ salaries	3,176	2,953
Pensions	78	78
Other social security costs	2	3
	<u>3,256</u>	<u>3,034</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
3 Financial income		
Interest receivable, group entities	66	164
Other financial income	53	268
	<u>119</u>	<u>432</u>
4 Financial expenses		
Interest expenses, group entities	308	28
Other financial expenses	10,728	12,403
	<u>11,036</u>	<u>12,431</u>
5 Tax for the year		
Deferred tax adjustments in the year	-927	-2,672
Tax adjustments, prior years	913	-12
Refund in joint taxation	-1,619	0
	<u>-1,633</u>	<u>-2,684</u>
6 Investments		
		Investments in group enterprises
DKK'000		
Cost at 1 January 2021		343,300
Additions		127,546
Cost at 31 December 2021		<u>470,846</u>
Value adjustments at 1 January 2021		-80,277
Profit/loss for the year		-17,947
Adjustments in equity		137
Depreciation of excess values for the year		<u>-23,412</u>
Value adjustments at 31 December 2021		<u>-121,499</u>
Carrying amount at 31 December 2021		<u>349,347</u>

The carrying amount of group enterprises comprises the entities' net asset value of DKK 165,372 thousand and goodwill and other excess values at a carrying amount of total DKK 183,974 thousand.

Name	Domicile	Interest
Subsidiaries		
DSI Dantech A/S	Dybvad	100.00%

Financial statements 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	164,157	0	164,157	0
	164,157	0	164,157	0

8 Contractual obligations and contingencies, etc.

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 175 thousand, with remaining contract terms of 1-2 years.

9 Collateral

Investment in group enterprises at a carrying amount of DKK 349,347 thousand at 31 December 2021 have been put up as security for the Company's debt to credit institutions.

10 Related parties

Freeze BidCo ApS' related parties comprise the following:

Parties exercising control

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

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Freeze HoldCo ApS	Dybvad	www.CVR.dk

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"By my signature I confirm all dates and content in this document."

Lars Priess

Executive Board

On behalf of: Freeze BidCo ApS

Serial number: PID:9208-2002-2-785322482169

IP: 213.237.xxx.xxx

2022-06-27 11:38:01 UTC



Lars Priess

Chairman

On behalf of: Freeze BidCo ApS

Serial number: PID:9208-2002-2-785322482169

IP: 213.237.xxx.xxx

2022-06-27 11:38:01 UTC



Klaus Beyer Nielsen

Board of Directors

On behalf of: Freeze BidCo ApS

Serial number: 19591101xxxx

IP: 212.98.xxx.xxx

2022-06-27 13:59:44 UTC



OSKAR LINDHOLM-WU

Board of Directors

On behalf of: Freeze BidCo ApS

Serial number: 19820217xxxx

IP: 98.128.xxx.xxx

2022-06-27 21:34:39 UTC



Ib Sand Nykjær

Board of Directors

On behalf of: Freeze BidCo ApS

Serial number: 681787d1-79cb-4ada-963d-6c33d758805a

IP: 80.208.xxx.xxx

2022-06-28 08:09:49 UTC



Niels Lykke Graugaard

Board of Directors

On behalf of: Freeze BidCo ApS

Serial number: PID:9208-2002-2-243086402806

IP: 80.208.xxx.xxx

2022-06-29 11:56:22 UTC



Andreas Steinacher

Board of Directors

On behalf of: Freeze BidCo ApS

Serial number: 19900117xxxx

IP: 194.182.xxx.xxx

2022-06-29 12:58:34 UTC



Søren V. Nejmann

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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Thomas Kallehaug

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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