

NORICAN A/S
HØJAGER 8, 2630 TAASTRUP
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 6 June 2023**

Ismail Wadee

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COMPANY DETAILS

Company	Norican A/S Højager 8 2630 Taastrup
	CVR No.: 36 45 87 71 Established: 11 December 2014 Municipality: Høje-Taastrup Financial Year: 1 January - 31 December
Board of Directors	Anders Wilhjelm Peter Holm Larsen Ulla Hartvig Plathe Tønnesen Michael Declan Guerin
Executive Board	Ulla Hartvig Plathe Tønnesen
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Norican A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

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

Taastrup, 6 June 2023

Executive Board

Ulla Hartvig Plathe Tønnesen

Board of Directors

Anders Wilhjelm

Peter Holm Larsen

Ulla Hartvig Plathe Tønnesen

Michael Declan Guerin

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Norican A/S

Opinion

We have audited the Financial Statements of Norican A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant 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 assets, liabilities and financial position of the Company 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

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.

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.

INDEPENDENT AUDITOR'S REPORT

- 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen S, 6 June 2023

Deloitte Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Eskild Norregaard Jakobsen
State Authorised Public Accountant
MNE no. mne11681

FINANCIAL HIGHLIGHTS

	2022 EUR '000	2021 EUR '000	2020 EUR '000	2019 EUR '000	2018 EUR '000
Income statement					
Net revenue.....	13.616	12.563	12.359	13.339	12.729
Gross profit/loss.....	-2.566	-2.133	-1.662	-953	-1.087
Operating profit/loss of main activities...	-2.566	-2.133	-1.662	-953	-1.087
Financial income and expenses, net.....	-2.177	730	824	-244	-773
Profit/loss for the year.....	-4.378	-1.680	-1.348	-963	-952
Balance sheet					
Total assets.....	513.598	492.001	473.468	486.662	479.552
Equity.....	100.152	104.530	106.210	104.864	107.262
Investment in property, plant and equipment.....	0	0	0	0	0
Key ratios					
Gross margin.....	-18.8	-17.0	-13.4	-7.1	-8.5
Operating margin.....	-18.8	-17.0	-13.4	-8.8	93.6
Equity ratio.....	19.5	21.2	22.4	21.5	22.4
Return on equity.....	-4.3	-1.6	-1.3	-0.9	-0.9
Net margin:.....	-32.2	-13.4	-10.9	-7.2	-7.5

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Net margin:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$

MANAGEMENT COMMENTARY

Principal activities

The Company's primary activity is to possess ownership in subsidiaries in which the primary activities consist of business related to trade and industry and activities associated herewith and to provide for management services in Norican.

Development in activities and financial and economic position

The result for the year amounts to a loss of EUR 4,378K and is as expected.

Profit/loss for the year compared to the expected development

The result for the year amounts to a loss of EUR 4,378K and is as expected.

Significant events after the end of the financial year

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

Future expectations

The result for 2023 is expected to be in line with 2022.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 EUR '000	2021 EUR '000
NET REVENUE		13.616	12.563
Other external expenses.....		-16.182	-14.696
GROSS PROFIT/LOSS		-2.566	-2.133
OPERATING LOSS		-2.566	-2.133
Other financial income.....	1	18.288	17.715
Other financial expenses.....	2	-20.465	-16.985
LOSS BEFORE TAX		-4.743	-1.403
Tax on profit/loss for the year.....		365	-277
LOSS FOR THE YEAR	3	-4.378	-1.680

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 EUR '000	2021 EUR '000
Investments in group enterprises.....		134.180	134.180
Receivables from group companies.....		308.000	308.000
Financial non-current assets.....	4	442.180	442.180
NON-CURRENT ASSETS.....		442.180	442.180
Receivables from group enterprises.....	5	71.402	49.821
Other current assets.....		16	0
Receivables.....		71.418	49.821
CURRENT ASSETS.....		71.418	49.821
ASSETS.....		513.598	492.001
EQUITY AND LIABILITIES			
Share capital.....	6	1.535	1.535
Share Premium.....		151.755	151.755
Retained earnings.....		-53.138	-48.760
EQUITY.....		100.152	104.530
Borrowings.....		0	339.536
Non-current liabilities.....	7	0	339.536
Borrowings.....		339.748	0
Trade payables.....		122	63
Payables to Group enterprises.....	8	61.771	43.033
Corporation tax payable.....		300	649
Other liabilities.....		11.505	4.190
Current liabilities.....		413.446	47.935
LIABILITIES.....		413.446	387.471
EQUITY AND LIABILITIES.....		513.598	492.001
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EQUITY

	Share capital	Share Premium	Retained earnings	Total
Equity at 1 January 2022.....	1.535	151.755	-48.760	104.530
Proposed profit allocation, see note 3.....			-4.378	-4.378
Equity at 31 December 2022.....	1.535	151.755	-53.138	100.152

NOTES

	2022 EUR '000	2021 EUR '000	Note
Other financial income			
Group enterprises.....	18.288	17.715	1
	18.288	17.715	
Other financial expenses			
Other interest expenses.....	20.465	16.985	2
	20.465	16.985	
Proposed distribution of profit			
Retained earnings.....	-4.378	-1.680	3
	-4.378	-1.680	

NOTES

			Note
Financial non-current assets			4
	Investments in group enterprises	Receivables from group companies	
Cost at 1 January 2022.....	134.180	308.000	
Cost at 31 December 2022.....	134.180	308.000	
Carrying amount at 31 December 2022.....	134.180	308.000	
Investments in subsidiaries			
Name and domicil		Ownership	
Norican Holdings ApS, Taastrup.....		100 %	
Receivables from group enterprises			5
Receivables from group enterprises comprise cash and bank overdrafts of EUR 17,421 thousand (2021: EUR 15,103 thousand) held under the cash pool arrangement with the Norican Group and receivables from group enterprises on EUR 53,981 thousand (2021: EUR 34,718 thousand).			
	2022	2021	
	EUR '000	EUR '000	
Share capital			6
Allocation of share capital:			
Ordinary Shares, 11.435.179 unit in the denomination of 0 EUR.	1.535	1.535	
	1.535	1.535	

NOTES

Note

Long-term liabilities

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	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Borrowings.....	0	339.748	0	339.536
	0	339.748	0	339.536

On 17 May 2017, the Company issued €340,000 in 4.5% Senior Secured Notes due 2023. The Notes were admitted to trading on the Official List of The International Stock Exchange on 21 June 2017.

The Notes are secured by first-priority pledges of the shares of certain significant subsidiaries of the Company and a first-priority security interest over the intragroup receivables between certain subsidiaries in addition to the majority of assets of Company guarantors, as defined in the indenture.

On 28 February 2023, the company completed the refinancing of its debt. New loans totalling €270m from a consortium of Nordic banks and investment funds, including a €45m loan from Altor, Norican's majority shareholder, plus a new €60m revolving credit facility ("RFC") provided by certain members of the financing consortium, were put in place. The weighted average maturity of the terms loans is greater than four years and the weighted average interest margin is under six per cent.

The €340m Senior Secured Notes were redeemed in full at par, plus accrued interest.

Cash availability within the new RFC is €60,000k and interest is variable based on the IBOR relevant to the currency of utilisation and the performance of the company. There was no cash amount outstanding under the previous Revolver as of 31 December 2022. Commercial guarantees have been issued at 31 December 2022 which reduced the availability of the Revolver by €24,411k (31 December 2021: €22,644k).

Net finance cost of €20,465 includes net interest expense and amortisation of debt issuance costs of €20,253 and €212, respectively, for the year ended 31 December 2022. Net finance cost of €16,985 includes net interest expense and amortisation of debt issuance costs of €16,763 and €212, respectively, for the year ended 31 December 2021.

Payables to Group enterprises

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Payables to group enterprises comprise cash and bank overdrafts of EUR 61,054 thousand (2021: EUR 42,320 thousand) held under the cash pool arrangement with the Norican Group and payables to group enterprises on EUR 717 thousand (2021: EUR 713 thousand).

NOTES

	Note
Contingencies etc.	9
Joint liabilities	
<p>The Company participates in a Danish joint taxation arrangement in which Nortre Administration ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the joint taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration Company's financial statements.</p> <p>Tax payable on the Group's joint taxable income is stated in the annual report of Nortre Administration ApS, which serves as management company for the joint taxation.</p>	
Charges and securities	10
<p>Notes and Revolver facilities in the Norican Global A/S Group are secured by first-priority pledges of the shares of certain significant subsidiaries of the Entity and a first-priority security interest over the intra-group receivables between certain subsidiaries.</p>	
Related parties	11
<p>Norican Global A/S, 2630 Taastrup, owns all shares in Norican A/S and thereby has controlling interest of the Company.</p>	
Transactions with related parties	
<p>The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.</p>	
Significant events after the end of the financial year	12
<p>The company completed the refinancing of its debt on 28 February 2023. The €340m Senior Secured Notes were redeemed at par. The company has taken on new debt in the form of €270m of term loans and a €60m revolving credit facility.</p>	
Group relations	13
<p>Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Norican Global A/S, Højager 8, 2630 Taastrup, Danmark, CVR no. 36 45 87 55</p>	

ACCOUNTING POLICIES

The Annual Report of Norican A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

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

Consolidated Financial Statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

INCOME STATEMENT

Net revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts and operating lease expenses, etc.

Income from investments in subsidiaries

Dividend from subsidiaries is recognised in the financial year when the dividend is declared.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Financial non-current assets

Equity investments in are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

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

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

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

Tax payable and deferred tax

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

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

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost for short-term liabilities usually corresponds to the nominal value.

ACCOUNTING POLICIES

Foreign currency translation

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

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

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

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.