



Norican A/S

Højager 8
2630 Taastrup
CVR No. 36458771

Annual report 2023

The Annual General Meeting adopted the annual report on 12.06.2024

Ismail Wadee

Chairman of the General Meeting

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Entity details

Entity

Norican A/S

Højager 8

2630 Taastrup

Business Registration No.: 36458771

Registered office: Høje-taastrup

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Ulla Hartvig Plathe Tønnesen

Anders Wilhjelm

Peter Holm Larsen

Michael Declan Guerin

Lars Priess

Executive Board

Ulla Hartvig Plathe Tønnesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Norican A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 12.06.2024

Executive Board

Ulla Hartvig Plathe Tønnesen

Board of Directors

Ulla Hartvig Plathe Tønnesen

Anders Wilhjelm

Peter Holm Larsen

Michael Declan Guerin

Lars Priess

Independent auditor's report

To the shareholders of Norican A/S

Opinion

We have audited the financial statements of Norican A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 12.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Eskild Nørregaard Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne11681

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Revenue	20,058	13,616	12,563	12,359	13,339
Gross profit/loss	(4,120)	(2,566)	(2,133)	(1,662)	(953)
Operating profit/loss	(4,120)	(2,566)	(2,133)	(1,662)	(953)
Net financials	12,888	(2,177)	730	824	(244)
Profit/loss for the year	107,521	(4,378)	(1,680)	(1,348)	(963)
Total assets	566,231	513,598	492,001	473,468	486,662
Equity	207,397	100,152	104,530	106,210	104,864
Ratios					
Gross margin (%)	(20.54)	(18.85)	(16.98)	(13.45)	(7.14)
EBIT margin (%)	(20.54)	(18.85)	(16.98)	(13.45)	(7.14)
Net margin (%)	536.05	(32.15)	(13.37)	(10.91)	(7.22)
Return on equity (%)	69.92	(4.28)	(1.59)	(1.28)	(0.90)
Equity ratio (%)	36.63	19.50	21.25	22.43	21.55

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

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary 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 finances

The result for the year amounts to a profit of EUR 110,673K. The result is on level with prior years, when disregarding the income from investments in group enterprises. This is as expected.

Profit/loss for the year in relation to expected developments

The result for the year amounts to a profit of EUR 110,673K. The result is on level with prior years, when disregarding the income from investments in group enterprises. This is as expected.

Outlook

The result for 2024 is expected to be in line with 2023 aside from the income from investments in group enterprises.

Events after the balance sheet date

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

Income statement for 2023

		2023	2022
	Notes	EUR'000	EUR '000
Revenue		20,058	13,616
Other operating income		2,066	0
Other external expenses		(26,244)	(16,182)
Gross profit/loss		(4,120)	(2,566)
Income from investments in group enterprises		100,000	0
Other financial income	2	33,661	18,288
Other financial expenses	3	(20,773)	(20,465)
Profit/loss before tax		108,768	(4,743)
Tax on profit/loss for the year		(1,247)	365
Profit/loss for the year	4	107,521	(4,378)

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR'000	2022 EUR'000
Investments in group enterprises		134,180	134,180
Receivables from group enterprises		308,000	308,000
Financial assets	5	442,180	442,180
Fixed assets		442,180	442,180
Receivables from group enterprises	6	121,984	70,793
Other receivables		27	16
Receivables		122,011	70,809
Cash		2,040	609
Current assets		124,051	71,418
Assets		566,231	513,598

Equity and liabilities

	Notes	2023 EUR'000	2022 EUR'000
Contributed capital	7	1,535	1,535
Share premium		151,755	151,755
Retained earnings		54,107	(53,138)
Equity		207,397	100,152
Bank loans		210,000	0
Payables to group enterprises		48,903	0
Non-current liabilities other than provisions	8	258,903	0
Current portion of non-current liabilities other than provisions	8	10,000	0
Bank loans		77,102	400,803
Trade payables		2,581	122
Payables to group enterprises	9	580	717
Tax payable		1,361	300
Other payables		8,307	11,504
Current liabilities other than provisions		99,931	413,446
Liabilities other than provisions		358,834	413,446
Equity and liabilities		566,231	513,598
Events after the balance sheet date	1		
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Statement of changes in equity for 2023

	Contributed capital EUR'000	Share premium EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	1,535	151,755	(53,138)	100,152
Other entries on equity	0	0	(276)	(276)
Profit/loss for the year	0	0	107,521	107,521
Equity end of year	1,535	151,755	54,107	207,397

Notes

1 Events after the balance sheet date

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

2 Other financial income

	2023 EUR'000	2022 EUR'000
Financial income from group enterprises	28,753	18,288
Other interest income	4,908	0
	33,661	18,288

3 Other financial expenses

	2023 EUR'000	2022 EUR'000
Other interest expenses	20,773	20,465
	20,773	20,465

4 Proposed distribution of profit and loss

	2023 EUR'000	2022 EUR'000
Retained earnings	107,521	(4,378)
	107,521	(4,378)

5 Financial assets

	Investments in group enterprises EUR'000	Receivables from group enterprises EUR'000
Cost beginning of year	134,180	308,000
Cost end of year	134,180	308,000
Carrying amount end of year	134,180	308,000

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Norican Holdings ApS	Denmark	ApS	100.00

6 Receivables from group enterprises

Receivables from group enterprises comprise cash and bank overdrafts of EUR 23,739 thousand (2022: EUR 16,812 thousand) held under the cash pool arrangement with the Norican Group and receivables from group enterprises on EUR 98,245 thousand (2022: EUR 53,981 thousand).

7 Share capital

	Number	Nominal value EUR'000
Ordinary shares	11,435,179	1,535
	11,435,179	1,535

8 Non-current liabilities other than provisions

	Due within 12 months 2023 EUR'000	Due after more than 12 months 2023 EUR'000
Bank loans	10,000	210,000
Payables to group enterprises	0	48,903
	10,000	258,903

Refinancing of the Group's debt

On 28 February 2023, the Group completed the refinancing of its debt. The €340m Senior Secured Notes, issued in 2017, were redeemed in full at par, plus accrued interest. New loans totalling €270m from a consortium of Nordic banks and investment funds, including a €45m shareholder loan, plus a new €60m revolving credit facility ("RCF") provided by certain members of the financing consortium, were put in place.

Bank loan

The weighted average maturity of the term loans is greater than four years and the weighted average interest margin is under six per cent. The interest rate is variable, based on EURIBOR and the margin; the margin may be increased or decreased based on the Group's leverage ratio and certain sustainability targets.

Covenants

The terms of the bank loans include financial covenants, leverage ratio and interest cover ratio, which the Group must demonstrate compliance with on a quarterly basis.

Shareholder loan

The shareholder loan is a deferred payment loan, under which all principal and interest payments are deferred until the maturity date of the loan, at which time the outstanding principal loan balance and all accrued interest is due and payable. The maturity date is 31 December 2028. The interest rate is fixed at 7% for the term of the loan. There are no financial covenants and no assets of the Group are secured against the shareholder loan.

RCF

Cash availability within the new RCF is €60,000k and interest is variable based on the IBOR relevant to the currency of utilisation and the performance of the Group. There was no cash amount outstanding under the RCF as of 31 December 2023, nor under the previous Revolver as of 31 December 2022. Commercial guarantees have been issued at 31 December 2023 which reduced the availability of the Revolver by €18,268k (31 December 2022: €24,411k).

9 Payables to group enterprises

Payables to group enterprises comprise payables to group enterprises on EUR 580 thousand (2022: EUR 717 thousand).

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Norte Administration ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Tax payable on the Group's joint taxable income is stated in the annual report of Norte Administration ApS, which serves as management company for the joint taxation.

The company participates in cash pool arrangement with Norican Group and have together with other participating entities provided guarantee of payment for the Groups financing facility.

11 Assets charged and collateral

Bank Loans, including undrawn facilities in Norican A/S are secured by first-priority pledges of the shares of certain significant subsidiaries of the Entity with an accounting value of EUR 134,180k, a first priority security of cash with an accounting value of EUR 2,040k and fixed charge over the intra-group receivables between certain subsidiaries with an accounting value of EUR 429,984k. Reference to note 5 and 6.

12 Related parties with controlling interest

Norican Global A/S, 2630 Taastrup, owns all shares in the Entity, thus exercising control.

13 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Norican Global A/S, Højager 8, Taastrup, Danmark, CVR no. 36 45 87 55

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those 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

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 operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group

enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, exchange gains on payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, exchange losses on payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of the group.