

# NORDIC CAPITAL

**CIDRON ROMANOV LIMITED  
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD 24 DECEMBER 2020 TO 31 DECEMBER 2021**

## **CIDRON ROMANOV LIMITED**

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## **CIDRON ROMANOV LIMITED**

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### **REPORT OF THE DIRECTORS**

The Directors present their first annual report and the audited financial statements (the "Financial Statements") of Cidron Romanov Limited (the "Company") for the period from 24 December 2020 (date of incorporation) to 31 December 2021.

#### **INCORPORATION**

The Company was incorporated in Jersey, Channel Islands on 24 December 2020 and is registered as a limited company under the Companies (Jersey) Law 1991, as amended.

#### **ACTIVITIES**

The principal activity of the Company is the issuance of Senior Secured Floating Rate Notes ("PIK Notes") and facilitation of debt to both Cidron Humber Limited and Cidron Xingu 3 Limited (the "Borrowers").

During the period, the Company issued Senior Secured Floating Rate Notes for a nominal amount of SEK 2,550,000,000 and NOK 2,500,000,000, each note accrues interest calculated on the aggregate of the margin of 9.3% and the 1-year SEK Mid-Swap rate for SEK notes and the 1-year NOK Mid-Swap rate for NOK notes respectively, both maturing on 21 October 2026. The PIK Notes are secured by security granted over the shares in NDX Intressenter Invest Holding AB and Nordax Holding AB (the "Nordax Group"). For further information refer to Note 9.

#### **RESULTS AND DIVIDENDS**

The net liability position of the Company as at 31 December 2021 was SEK 10,999,394.

The total comprehensive loss for the period amounted to SEK 10,999,414.

The Directors did not recommend a dividend for the period.

#### **GOING CONCERN**

The Company was established as a special purpose vehicle to facilitate the financing requirements of the Nordax Group. Although the Company's statement of financial position is in a net liability position of SEK 10,999,394, this arises largely from the issuance of the PIK notes and the related accrued interest. The PIK notes are not due for a minimum period of five years and it is expected that the proceeds from the Company's related party loans receivable along with additional financial support from the shareholders, as defined within the letter of support, will be sufficient to meet the Company's obligations. The Company expects to collect the related party loans receivable upon maturity of the loans or upon the sale of the Nordax Group, whichever is the earlier. The Company has the right, upon election, to request the Borrowers to prepay the loans at any time prior to the maturity date.

In the case where the Company is unable to pay the accrued interest from the PIK Notes then the Company has the right, not the obligation, to capitalise the accrued interest. Further, the Company's operating expenses are expected to be minimal and it also has the ability to recharge reasonable costs and expenses incurred to the Borrowers in line with the equalisation agreement. The Directors, therefore, continue to adopt the going concern basis in preparing the financial statements.

#### **FINANCIAL RISK MANAGEMENT**

The Directors can confirm that they have considered the applicable risks as disclosed in Note 12 to the financial statements.

## **CIDRON ROMANOV LIMITED**

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### **REPORT OF THE DIRECTORS - (CONTINUED)**

#### **DIRECTORS**

The Directors who held office during the period and subsequently are:

M. Kelly	(appointed 24 December 2020)
J. Le Creurer	(appointed 24 December 2020)
J. Purdy	(appointed 24 December 2020)

#### **SECRETARY AND ADMINISTRATOR**

Nordic Capital Limited is the appointed secretary and administrator to the Company.

#### **REGISTERED OFFICE**

26 Esplanade  
St Helier  
Jersey  
JE2 3QA

#### **INDEPENDENT AUDITOR**

PricewaterhouseCoopers CI LLP  
37 Esplanade  
St Helier  
Jersey  
JE1 4XA

PricewaterhouseCoopers CI LLP was appointed as auditor in the period and have expressed their willingness to continue in office.

#### **BANKING**

The Royal Bank of Scotland International  
Royal Bank House  
71 Bath Street  
St Helier  
Jersey  
JE4 8PJ

#### **BY ORDER OF THE BOARD**



Authorised Signatory  
**Nordic Capital Limited**  
Secretary

Date: 25 March 2022

## **CIDRON ROMANOV LIMITED**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Annual Report of the Directors and the financial statements of the Company in accordance with applicable laws and regulations.

The Companies (Jersey) Law 1991, requires the Directors to prepare financial statements which shall be in accordance with applicable law and regulations and International Financial Reporting Standards as adopted by the European Union ("EU IFRS") and show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period.

In preparing the financial statements the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and accounting estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- \* prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's independent auditors are unaware, and the Directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's independent auditors are aware of that information.

The Directors confirm they have complied with the above requirements throughout the period and subsequently.

# Independent auditor's report to the members of Cidron Romanov Limited

## Report on the audit of the financial statements

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Cidron Romanov Limited (the "company") as at 31 December 2021, and of its financial performance and its cash flows for the period from 24 December 2020 to 31 December 2021 (the "period") in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

### What we have audited

The company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended;
- the statement of cash flows for the period then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Material Uncertainty Relating to Going Concern

We draw attention to note 2 in the financial statements, which indicates that the company had a net liability of SEK10,999,394 at the period end, predominantly from expenses incurred during the first period of operation. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises all the information included in the Annual report and audited financial statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of Jersey law and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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## 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with ISAs, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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## Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## Report on other legal and regulatory requirements

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Michael Byrne  
For and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants  
Jersey, Channel Islands  
25 March 2022

**CIDRON ROMANOV LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

	<u>Notes</u>	<b>24 Dec 2020 to 31 Dec 2021 SEK</b>
<b>INCOME</b>	2	
Loan interest income	6	88,436,710
Recharges income		44,796,950
Net foreign exchange gain		230,645
<b>TOTAL INCOME</b>		<u>133,464,305</u>
<b>EXPENSES</b>	2	
Administration fees		59,544
Legal and professional fees		10,260
Audit fees		618,005
Transaction fees		43,937,570
<b>TOTAL OPERATING EXPENSES</b>		<u>44,625,379</u>
Finance expense	5	99,838,340
<b>LOSS BEFORE TAX</b>		<u>(10,999,414)</u>
Tax expense	4	-
<b>LOSS FOR THE PERIOD</b>		<u>(10,999,414)</u>
Other comprehensive income		-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u><u>(10,999,414)</u></u>

\*All results have been derived from continuing operations

*(The notes on pages 11 to 19 form an integral part of these audited financial statements).*

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**CIDRON ROMANOV LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	<u>Notes</u>	<u>2021</u> <u>SEK</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Related party loans receivable	6	5,117,200,000
		<u>5,117,200,000</u>
<b>Current assets</b>		
Accrued interest receivable	6	88,436,710
Accounts receivable	7	43,239,495
Cash and cash equivalents		24,505,513
		<u>5,273,381,718</u>
<b>TOTAL ASSETS</b>		<u><u>5,273,381,718</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	10	20
Accumulated deficit		(10,999,414)
		<u>(10,999,394)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>(10,999,394)</u>
<b>Current liabilities</b>		
Other payables and accrued expenses	8	67,514,343
Accrued interest on Senior Secured Floating Rate Notes	9	99,666,769
		<u>167,181,112</u>
<b>Non-current liabilities</b>		
Senior Secured Floating Rate Notes	9	5,117,200,000
		<u>5,117,200,000</u>
<b>TOTAL LIABILITIES</b>		<u>5,284,381,112</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>5,273,381,718</u></u>

The financial statements on pages 7 to 19 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Director:



Date: 25 March 2022

*(The notes on pages 11 to 19 form an integral part of these audited financial statements).*

**CIDRON ROMANOV LIMITED**

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**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

	<u>Note</u>	<u>Stated capital</u> SEK	<u>Accumulated</u> <u>deficit</u> SEK	<u>Total</u> SEK
As at 24 December 2020		-	-	-
Shares issued during the period	10	20	-	20
Total comprehensive loss for the period		-	(10,999,414)	(10,999,414)
<b>As at 31 December 2021</b>		<b>20</b>	<b>(10,999,414)</b>	<b>(10,999,394)</b>

*(The notes on pages 11 to 19 form an integral part of these audited financial statements).*

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**CIDRON ROMANOV LIMITED**

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**STATEMENT OF CASH FLOWS****FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

	<u>Notes</u>	<b>24 Dec 2020 to 31 Dec 2021 SEK</b>
<b>Cash flows from operating activities</b>		
Total comprehensive loss for the period		(10,999,414)
PIK note interest expense	9	99,666,769
Loan interest income	6	(88,436,710)
Increase in other payables and accrued expenses	8	67,514,343
Increase in accounts receivable	7	(43,239,495)
Loans provided	6	(5,124,097,500)
		<hr/>
Net cash used in operating activities		(5,099,592,007)
		<hr/>
<b>Cash flows from financing activities</b>		
PIK Notes issued	9	5,124,097,500
Issuance of shares	10	20
		<hr/>
Net cash provided from financing activities		5,124,097,520
		<hr/>
<b>Net movement in cash and cash equivalents</b>		24,505,513
<b>Cash and cash equivalents at the beginning of the period</b>		-
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<b>Cash and cash equivalents at the end of the period</b>		24,505,513
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*(The notes on pages 11 to 19 form an integral part of these audited financial statements).*

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

**1. GENERAL INFORMATION**

Cidron Romanov Limited (the "Company") is a private company, incorporated and domiciled in Jersey, Channel Islands on 24 December 2020. The registered office is located at 26 Esplanade, St Helier, Jersey, Channel Islands, JE2 3QA. The Company's principal activity is issuance of Senior Secured Floating Rate Notes ("PIK Notes"), which are secured by security granted over the shares in NDX Intressenter Invest Holding AB and Nordax Holding AB (the "Nordax Group"), and facilitation of debt to both Cidron Humber Limited and Cidron Xingu 3 Limited.

The Company was established as a special purpose vehicle to facilitate the financing requirements of the Nordax Group in support of its planned growth including the acquisition of Bank Norwegian during the period. The PIK Notes and related party loans receivable are both denominated in SEK and NOK and are under the same interest terms. Refer to Notes 6 and 9 for further information.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements, which give a true and fair view, have been prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and The Companies (Jersey) Law 1991.

The financial statements are prepared under the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and in accordance with the principal policies adopted, as set out below.

**New accounting standards, amendments to existing standards and/or new interpretations of existing standards (separately or together, "New Accounting Requirements")**

The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors, there were no mandatory New Accounting Requirements applicable in the current period that had any material effect on the reported performance, financial position or disclosures of the Company.

Certain New Accounting Requirements have been published that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the Company. None of these are expected to have a material effect on the financial statements of the Company.

**IFRS in issue but not yet effective:**

At the date of authorisation of the financial statements, the following Standards and Interpretations (which are applicable to the operations of the Company) have not been applied in the financial statements but were in issue and are not yet effective:

	<b>Effective date</b>
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	1 January 2022
Amendments to IAS 1: 'Classification of Liabilities as Current or Non-Current'	1 January 2023

**Going concern**

The Company meets its working capital requirements through (i) issuance of shares, (ii) cash proceeds received from related party loans receivable and (iii) issued Senior Secured Floating Rate Notes ("PIK Notes").

The Company was established as a special purpose vehicle to facilitate the financing requirements of the Nordax Group. Although the Company's statement of financial position is in a net liability position of SEK 10,999,394, this arises largely from the issuance of the PIK notes and the related accrued interest. The PIK notes are not due for a minimum period of five years and it is expected that the proceeds from the Company's related party loans receivable along with additional financial support from the shareholders as defined within the letter of support will be sufficient to meet the Company's obligations. The Company expects to collect the related party loans receivable upon maturity of the loans or upon the sale of the Nordax Group, whichever is the earlier. The Company has the right, upon election, request the borrowers to prepay the loans at any time prior to the maturity date.

In the case where the Company is unable to repay the accrued interest then the Company has the right, not the obligation, to capitalise the accrued interest. Further, the Company's operating expenses are expected to be minimal and it also has the ability to recharge reasonable costs and expenses incurred to the Borrowers in line with the equalisation agreement. The Directors, therefore, continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - (CONTINUED)**

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in accordance with EU IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Please refer to Note 3 for details of key judgements and major sources of estimation uncertainty.

**Foreign currency translation**

*a) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, the Company's functional currency. The financial statements are presented in Swedish Krona ("SEK") which is the Company's functional and presentation currency.

*b) Transaction balances*

Monetary assets and liabilities are translated into SEK at the rate of exchange ruling at the Statement of Financial Position date. Foreign currency transactions are translated in SEK using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Comprehensive Income.

**Financial Instruments**

*a) Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*b) Classification of financial assets*

The Company classifies its financial assets based on the Company's business model for managing those financial assets and the contractual cashflow characteristics of the financial assets.

The Company's related party loans receivable, accrued interest receivable and cash and cash equivalents are classified as subsequently measured at amortised cost as these are held to collect contractual cash flows which represent solely payments of principal and interest.

*c) Initial and subsequent measurement of financial assets*

All financial instruments are initially measured at fair value plus or minus transaction costs, in the case of a financial asset not at fair value through profit or loss.

Subsequent to initial recognition, related party loans receivable, accrued interest receivable and cash and cash equivalents are measured at amortised cost using the effective interest rate method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - (CONTINUED)**

**Financial Instruments - (continued)**

*d) Impairment of financial assets*

At the reporting date, the credit risk is reviewed, if the risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. The expected credit losses are estimated based on the Company's experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. The magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data based on previous loans held by the parent companies within the Nordax Group adjusted by forward-looking information, including the current valuation of the Nordax Group. At each reporting date, the Company shall measure the loss allowance on debt assets carried at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition.

*e) Classification and measurement of financial liabilities*

Financial liabilities are initially measured at fair value net of transaction costs that are directly attributable to their acquisition or issue, other than those classified as at fair value through profit or loss in which case transaction costs are recognised directly in profit or loss.

The Company does not have any financial liabilities classified as at fair value through profit or loss. Financial liabilities included in Other payables and accrued expenses are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Senior Secured Floating Rate Notes are initially recognised at fair value less directly attributable transaction costs. After initial recognition, these interest bearing financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments throughout the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

**Cash and cash equivalents**

Cash and cash equivalents include demand deposits and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**Stated capital**

Ordinary shares are classified as equity.

**Other expenses**

Other expenses are recognised on accrual basis.

**Recharges income**

Recharges income are expenses initially incurred by the Company and subsequently recharged to the Borrowers as outlined in the Report of the Directors. In line with the equalisation agreement, the Company has the ability to recharge reasonable costs and expenses incurred to the Borrowers.

**Interest income and interest expenses**

Interest income and expense are recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents and related party loans receivable. Interest expense includes interest from debt securities.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Directors make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors consider the items set out below to be the critical accounting estimates, judgements and sources of estimation in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - (CONTINUED)****Critical accounting estimations and assumptions**

The following are the critical judgements made in the process of applying the accounting policies that have the most significant effect on the financial statements:

**Going concern assumption**

In assessing whether the going concern assumption is appropriate, IAS 1 requires an entity to consider all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. When an entity is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, such uncertainties must be disclosed.

The Company was established as a special purpose vehicle to facilitate the financing requirements of the Nordax Group. Although the Company's statement of financial position is in a net liability position of SEK 10,999,394, this arises largely from the issuance of the PIK notes and the related accrued interest. The PIK notes are not due for a minimum period of five years and it is expected that the proceeds from the Company's related party loans receivable along with additional financial support from the shareholders as defined within the letter of support will be sufficient to meet the Company's obligations. The Company expects to collect the related party loans receivable upon maturity of the loans or upon the sale of the Nordax Group, whichever is the earlier. The Company has the right, upon election, request the borrowers to prepay the loans at any time prior to the maturity date. An impairment assessment of the related party loans receivable was made, as referenced below.

Based on these factors, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence and meet its obligations for the foreseeable future.

The key sources of estimation uncertainty at the reporting period that may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

**Impairment of Financial Assets**

IFRS 9 requires an expected credit loss (ECL model) which requires the Company to account for expected credit losses and changes in these at each reporting date to reflect changes in credit risk since initial recognition.

If the credit risk has not increased significantly since initial recognition the Company measures the loss allowance at an amount equal to the 12 month expected credit loss.

The expected credit losses are estimated based on the Company's experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. The magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data based on previous loans held by the parent companies within the Nordax group structure (a collective reference applied for NDX Intressenter AB, Nordax Holding AB and their subsidiaries) adjusted by forward-looking information, including the current valuation of the Nordax group structure. The related party loans receivable are not due for a minimum period of five years and the borrowers may elect to roll up the accrued interest on an annual basis, therefore, no default is expected before the maturity date.

Please refer to Note 2 for the accounting policy on impairment and Note 12 for the sensitivity analysis.

**4. TAXATION**

Profits arising in the Company are subject to tax at the rate of 0%.

**5. FINANCE EXPENSE**

	<b>2021</b>
	<b>SEK</b>
Bank interest expense	171,571
PIK Notes interest expense	99,666,769
	<b>99,838,340</b>

PIK Notes interest expense is calculated as the aggregate of the margin of 9.3% and the 1-year SEK Mid-Swap rate for SEK notes and the 1-year NOK Mid-Swap rate for NOK notes, respectively. The interest is payable on the 30 June each year, however, in line with the agreements the Company may elect the option to capitalise the accrued interest.

**CIDRON ROMANOV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

**6. RELATED PARTY LOANS RECEIVABLE**

	<u>2021</u>	<u>2021</u>	<u>2021</u>
	Cidron Humber Limited	Cidron Xingu 3 Limited	Total
	SEK	SEK	SEK
<b>SEK Related party loans receivable</b>			
Opening balance	-	-	-
Loans provided	1,125,559,288	1,424,440,712	2,550,000,000
Accrued interest	18,382,494	23,263,787	41,646,281
Closing balance	<u>1,143,941,782</u>	<u>1,447,704,499</u>	<u>2,591,646,281</u>
<b>NOK Related party loans receivable</b>			
Opening balance	-	-	-
Loans provided	1,136,195,823	1,437,901,677	2,574,097,500
Accrued interest	20,653,099	26,137,330	46,790,429
Foreign exchange loss - unrealised	(3,044,527)	(3,852,973)	(6,897,500)
Closing balance	<u>1,153,804,395</u>	<u>1,460,186,034</u>	<u>2,613,990,429</u>

On 29 October 2021, the Company provided an unsecured loan of SEK 1,125,559,288 and NOK 1,103,489,498 to Cidron Humber Limited which accrues interest calculated on the aggregate of the margin of 9.3% and the 1-year SEK Mid-Swap rate for SEK notes and the 1-year NOK Mid-Swap rate for NOK notes, respectively. The final repayment date of the loan is on 29 October 2026, however, the Company may also request the borrowers to prepay the loans at any time prior to the maturity date.

On 29 October 2021, the Company provided an unsecured loan of SEK 1,424,440,712 and NOK 1,396,510,502 to Cidron Xingu 3 Limited which accrues interest calculated on the aggregate of the margin of 9.3% and the 1-year SEK Mid-Swap rate for SEK notes and the 1-year NOK Mid-Swap rate for NOK notes, respectively. The final repayment date of the loan is on 29 October 2026, however, the Company may also request the borrowers to prepay the loans at any time prior to the maturity date.

**7. ACCOUNTS RECEIVABLE**

	<u>2021</u>
	SEK
Cidron Humber Limited	19,085,731
Cidron Xingu 3 Limited	24,153,764
	<u>43,239,495</u>

**8. OTHER PAYABLES AND ACCRUED EXPENSES**

	<u>2021</u>
	SEK
Nordic Capital Fund IX	40,729,266
Audit fees	618,005
Nordic Capital Services Limited	10,260
Transaction costs on PIK notes	26,156,812
	<u>67,514,343</u>

**9. SENIOR SECURED FLOATING RATE NOTES**

	<u>2021</u>
	SEK
PIK Notes issued: SEK 2,550,000,000	2,550,000,000
Accrued interest: SEK 46,934,698	46,934,698
Closing balance	<u>2,596,934,698</u>



**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

<b>9. SENIOR SECURED FLOATING RATE NOTES - (CONTINUED)</b>	<b><u>2021</u></b> <b>SEK</b>
PIK Notes issued: NOK 2,500,000,000	2,574,097,500
Accrued interest: NOK 51,351,736	52,732,071
Foreign exchange gain - unrealised	(6,897,500)
Closing balance	<u><u>2,619,932,071</u></u>

On 21 October 2021, the Company issued Senior Secured Floating Rate Notes for a total value of SEK 2,550,000,000 and NOK 2,500,000,000, each note accrues interest based on the aggregate of the margin of 9.3% and the 1-year SEK Mid-Swap rate for SEK notes and the 1-year NOK Mid-Swap rate for NOK notes, respectively. The final repayment date is 21 October 2026 and interest is payable on the 30 June each year. The Company has the right to capitalise the accrued interest in case it is unable to pay the amount.

The PIK Notes are secured by security granted over the shares in NDX Intressenter AB and Nordax Holding AB held by Cidron Xingu SARL and Cidron Humber SARL (the "Pledgors"), relationship to the Company as defined in Note 13. The Pledgors guarantee, as a first priority pledge, all the rights, title and interest over the shares in NDX Intressenter AB and Nordax Holding AB. The security constituted shall be a continuing security, and shall extend to the ultimate balance of the secured obligations and shall continue in force notwithstanding any intermediate payments or discharges until the maturity of the PIK Notes. No guarantee commission has been charged for this pledge, but it is implicitly reflected in the borrowing rate.

<b>10. STATED CAPITAL</b>	<b><u>2021</u></b> <b>SEK</b>
AUTHORISED:	
Unlimited shares of no par value	-
ISSUED AND FULLY PAID:	
1,000 no par value shares	<u>20</u>
	Number of shares
Opening balance	-
Issuance of shares	1,000
Redemption of shares	-
	<u><u>1,000</u></u>

**11. CAPITAL RISK MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital of the Company mainly consists of net debt (borrowings disclosed in Note 9 after deducting cash and cash equivalents) and stated capital. There are no externally imposed capital requirements. The Company may issue new shares from time to time to support its capital management. Further, there is a letter of support received from the shareholders should the Company require additional financial support.

**12. FINANCIAL RISK MANAGEMENT**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. Detailed in the next page is a non-exhaustive summary of the risks that the Company is exposed to as a result of its use of financial instrument.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021

12. FINANCIAL RISK MANAGEMENT - (CONTINUED)

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's related party loans receivable and Senior Secured Floating Rate Notes interest are calculated on the aggregate of the margin of 9.3% and the 1-year SEK Mid-Swap rate for SEK notes and the 1-year NOK Mid-Swap rate for NOK notes, which are both highly regulated markets. The negative interest on cash and cash equivalents is deemed marginal. Accordingly, the Directors believe that there is no material net interest rate risk to the Company.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's related party loans receivable and Senior Secured Floating Rate Notes are also principally denominated in SEK and NOK. On the maturity of the PIK Notes, any shortfall from the related party loans receivable shall be covered by the shareholders as provided by the letter of support. This includes any exposure to the NOK fluctuation, however, since the related party loans receivable are also denominated in SEK and NOK any exposure will be minimal.

The currency risk profile of the Company is detailed on the table below.

Concentration of assets:

(amounts presented in equivalent amounts of SEK)

As at 31 December 2021	SEK	GBP	EUR	NOK	Total SEK
<b>Assets</b>					
Monetary					
Cash and cash equivalents	3,698,524	-	21	20,806,968	24,505,513
Related party loans receivable (including accrued interest)	2,591,646,281	-	-	2,613,990,429	5,205,636,710
Accounts receivable	43,239,495	-	-	-	43,239,495
<b>Total assets</b>	<b>2,638,584,300</b>	<b>-</b>	<b>21</b>	<b>2,634,797,397</b>	<b>5,273,381,718</b>
<b>Liabilities</b>					
Monetary					
Other payables and accrued expenses	( 22,287,266)	( 618,005)	( 10,260)	( 44,598,812)	( 67,514,343)
Senior Secured Floating Rate Notes (including accrued interest)	( 2,596,934,698)	-	-	( 2,619,932,071)	( 5,216,866,769)
<b>Total liabilities</b>	<b>( 2,619,221,964)</b>	<b>( 618,005)</b>	<b>( 10,260)</b>	<b>( 2,664,530,883)</b>	<b>( 5,284,381,112)</b>
<b>Total net assets/(liabilities)</b>	<b>19,362,336</b>	<b>( 618,005)</b>	<b>( 10,239)</b>	<b>( 29,733,486)</b>	<b>( 10,999,394)</b>

The Company's Board of Directors monitor the Company's monetary and non-monetary foreign exposure on an annual basis. At 31 December 2021, the Board of Directors consider that a 10% movement in market currency is reasonably possible, based on historical market analysis and current market conditions.

Had the exchange rates between the Swedish Kroner and the Euro weakened/strengthened by 10% with all other variables held constant, the increase or decrease in net liabilities of the Company would amount to approximately SEK 1,024.

Had the exchange rates between the Swedish Kroner and the Pound Sterling weakened/strengthened by 10% with all other variables held constant, the increase or decrease in net liabilities of the Company would amount to approximately SEK 61,801.

Had the exchange rates between the Swedish Kroner and the Norwegian Krone weakened/strengthened by 10% with all other variables held constant, the increase or decrease in net liabilities of the Company would amount to approximately SEK 2,973,349.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021

12. FINANCIAL RISK MANAGEMENT - (CONTINUED)

**Credit risk, including counterparty risk**

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfil contracted obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

The Company's financial assets exposed to credit risks are as follows:

	<b>2021</b>
	<b>SEK</b>
Cash and cash equivalents	24,505,513
Accounts receivable	43,239,495
Related party loans receivable (including accrued interest)	5,205,636,710
	<u>5,273,381,718</u>

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The PIK Notes are not due for repayment for a minimum period of five years and in case the Company has insufficient liquidity to cover the interest repayment it has the right to capitalise the accrued interest on an annual basis. The Company also expects to collect the related party loans receivable upon maturity of the loans or upon the sale of the Nordax Group, whichever is the earlier, or to otherwise refinance the PIK Notes at or before maturity. The Company has the right, upon election, request the borrowers to prepay the loans at any time prior to the maturity date.

The maturity profile of the Company's financial assets and liabilities is as follows:

**31 December 2021**

	<u>1 year or less</u>	<u>2 - 4 years</u>	<u>4 - 5 years</u>	<u>Total</u>
	<b>SEK</b>	<b>SEK</b>	<b>SEK</b>	<b>SEK</b>
<b>Financial assets</b>				
Related party loans receivable	-	-	5,117,200,000	5,117,200,000
Accrued interest	615,280,858	1,872,825,502	620,685,682	3,108,792,042
Cash and cash equivalents	24,505,513	-	-	24,505,513
Accounts receivable	43,239,495	-	-	43,239,495
<b>Financial liabilities</b>				
Other payables and accrued expenses	( 67,514,343)	-	-	( 67,514,343)
Senior Secured Floating Rate Notes	-	-	( 5,117,200,000)	( 5,117,200,000)
Accrued interest on Senior Secured Floating Rate Notes	( 627,650,908)	( 1,876,879,908)	( 604,493,403)	( 3,109,024,219)
<b>Total</b>	<u>( 12,139,385)</u>	<u>( 4,054,406)</u>	<u>16,192,279</u>	<u>( 1,512)</u>

13. RELATED PARTY TRANSACTIONS

M. Kelly, J. Le Creurer and J. Purdy are Directors of Nordic Capital VIII Limited, the General Partner of Nordic Capital VIII Alpha, L.P. and Nordic Capital VIII Beta, L.P. (collectively known as "Nordic Capital Fund VIII"), are the counterparties to the letter of support.

M. Kelly, J. Le Creurer and J. Purdy are Directors of Nordic Capital IX Limited, the General Partner of Nordic Capital IX Alpha, L.P. and Nordic Capital IX Beta, L.P. (collectively known as "Nordic Capital Fund IX"), are the counterparties to the letter of support. Nordic Capital Fund IX also recharged some Project Romanov related costs amounting to SEK 40,729,266, which it initially paid in behalf of the Company.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD FROM 24 DECEMBER 2020 TO 31 DECEMBER 2021**

**13. RELATED PARTY TRANSACTIONS - (CONTINUED)**

M. Kelly and J. Le Creurer are also Directors of Nordic Capital Limited, which provides ongoing secretarial and administration services to the Company which amounted to SEK 59,544 in the period. Nordic Capital Limited also recharged transaction fees amounting to SEK 1,021,474 (EUR 100,000), which it initially paid in behalf of the Company.

M. Kelly and J. Le Creurer are also Directors of Nordic Capital Services Limited which recharges third party services to the Company, refer to Note 8 for the period end balances outstanding.

M. Kelly, J. Le Creurer and J. Purdy are Directors of Cidron Xingu 3 Limited and Cidron Humber Limited, fellow subsidiaries alongside the Company, which are the counterparties to the related party loans receivable. Refer to Note 6 for the period end balances outstanding. The Company also recharged some administrative costs amounting to SEK 44,796,950 to Cidron Xingu 3 Limited and Cidron Humber Limited, in line with the agreed splits according to the equalisation agreement. Refer to Note 7 for the outstanding period end balances.

Cidron Xingu SARL and Cidron Humber SARL, affiliates under a common structure as the Company, provided the guarantee for the PIK Notes by security granted over their respective shares in NDX Intressenter Invest Holding AB and Nordax Holding AB. Refer to Note 9 for further details.

**14. IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

Cidron Xingu 2 Limited and Cidron Humber MidCo Limited, companies incorporated in Jersey, are the immediate holding parties which are majority owned by Nordic Capital Fund IX and Nordic Capital Fund VIII, respectively. In the opinion of the Directors, there is no ultimate controlling party.

**15. SUBSEQUENT EVENTS**

The Directors note the regrettable development of the Ukrainian conflict and would like to extend their thoughts to all those affected. The Directors can confirm that the Company does not have any material exposures to Russia. As a result of the conflict, a heightened period of geopolitical risk and economic disruption is expected. The Directors will therefore seek to adopt a conservative approach through the coming period.

At the time of signing there have been no indicators of a significant change in the Company's financial instruments, and therefore, no adjustments have been made post the statement of financial position date.

The Directors have evaluated the events and transactions that have occurred from 31 December 2021 to the date of approval of these financial statements and noted no other items requiring adjustment or additional disclosure.