

# NORDIC CAPITAL

**CIDRON ROMANOV LIMITED  
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

## **CIDRON ROMANOV LIMITED**

---

### **TABLE OF CONTENTS**

	<u>Pages</u>
Report of the Directors	2 to 3
Statement of Directors' responsibilities in respect of the financial statements	4
Independent Auditor's Report	5 to 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 to 23

## **CIDRON ROMANOV LIMITED**

---

### **REPORT OF THE DIRECTORS**

The Directors present the annual report and the audited financial statements (the "Financial Statements") of Cidron Romanov Limited (the "Company") for the year ended 31 December 2022.

#### **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").

On 21 October 2021, 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 2022 was SEK 13,155,968 (period from 24 December 2020 to 31 December 2021: SEK 10,999,394).

The total comprehensive loss for the year amounted to SEK 2,156,574 (period ended 31 December 2021: SEK 10,999,414).

The Directors did not recommend a dividend for the year (period ended 31 December 2021: nil).

#### **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 13,155,968 (2021: 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 four 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 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.

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.

The Directors, noting the recent news regarding the Silicon Valley Bank (SVB) and other focus banks<sup>1</sup>, have conducted a high-level review of material counterparties which shows that the Company has no significant direct exposures to SVB and other focus banks. The Directors continue to monitor the situation, assess the direct and indirect exposure of the Company across the banking sector, including in relation to Credit Suisse, mapping potential secondary impacts, and manage these accordingly.

*1) Banks with elevated risk levels include Silicon Valley Bank ("SVB"), Pacific Western Bank ("PWB"), First Republic Bank ("First Rep"), Signature Bank and Western Alliance.*

#### **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**

---

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

**DIRECTORS**

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

M. Kelly  
J. Le Creurer (Resigned 11 November 2022)  
J. Purdy (Resigned 11 November 2022)  
D. McCue (Appointed 11 November 2022, resigned 3 March 2023)  
N. Lyons (Appointed 11 November 2022)  
I. Glynn (Appointed 11 November 2022)

**SECRETARY AND ADMINISTRATOR**

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

**REGISTERED OFFICE**

26 Esplanade  
St Helier  
Jersey  
JE2 3QA

**BANKING**

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

**INDEPENDENT AUDITOR**

PricewaterhouseCoopers CI LLP  
37 Esplanade  
St Helier  
Jersey  
JE1 4XA

PricewaterhouseCoopers CI LLP expressed their willingness to continue in office.

**BY ORDER OF THE BOARD**

  
Authorised Signatory  
Nordic Capital Limited  
Secretary

Date: **27 APRIL 2023**

## **CIDRON ROMANOV LIMITED**

---

### **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 for each year. Under that law the Directors have elected to prepare the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union ("EU IFRS"). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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 year and subsequently.

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

## Report on the audit of the financial statements

### 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 2022, and of its financial performance and its cash flows for the year then ended 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 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year 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.

### Our audit approach

#### Overview

---

##### Audit scope

- The company is registered in Jersey and is a funding vehicle within the Nordic Capital Funds group which provides finance to two underlying portfolio companies, as set out in Note 6 to the financial statements, with its Senior Secured Floating Rate Notes listed on the Oslo Børs as detailed in Note 9.
- We conducted our audit of the financial statements using information provided by Nordic Capital Limited (the "Administrator").
- Our audit work was performed in Jersey. We tailored the scope of our risk based audit taking into account the type of operations performed by the company, the accounting processes and controls and the industry in which the company operates.

---

##### Key audit matters

- Recoverability of Related Party Loans Receivable

---

##### Materiality

- Overall materiality: SEK 59,516,266 (2021: SEK 52,733,817) based on 1% of total assets.
  - Performance materiality: SEK 44,637,200 (2021: SEK 39,550,363).
-

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

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

## Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Recoverability of Related Party Loans Receivable</b></p> <p><i>Refer to Note 6 Related Party Loans Receivable to the financial statements</i></p> <p>We focused on the recoverable value of the Related Party Loans Receivable ("the Loans") because this represents the principal element of total assets as disclosed in the statement of financial position.</p> <p>The recoverable value of the Loans drives a number of key performance indicators, such as the amounts available to repay the Senior Secured Floating Rate Notes.</p> <p>The Loans shall be repaid from proceeds received from the disposal of the unlisted Nordax group investment. The assessment of the recoverable value of the Loans at year end considers the liquidity position of the related parties, including the expected proceeds from disposal of the investment (fair value) and is therefore deemed complex.</p> <p>Due to the magnitude of the company's Loans and the complexity attributable to the assessment, the recoverable value of the Loans has been identified as an area of significance in the current year audit of the company's financial statements.</p>	<p>We have performed the following procedures in our assessment of the recoverable value of the Related Party Loans Receivable:</p> <ul style="list-style-type: none"><li>- We considered the appropriateness of the accounting policies and assessed the methodologies applied, comparing these to the requirements of International Financial Reporting Standards as adopted by the European Union ("IFRS");</li><li>- We held discussions with management to obtain an understanding and evaluate management's controls and the procedures in place surrounding the assessment of the recoverable value of the Loans for the current year end;</li><li>- We obtained written confirmation letters directly from the related parties agreeing the balances of Loans held as at 31 December 2022. We reconciled the confirmed balances to the accounting records;</li><li>- We challenged management's assessment of the liquidity position of the related parties and assessed their ability to pay back the respective Loans, including the current valuation of the Nordax group;</li><li>- We evaluated the judgements made and assumptions used by management when assessing the need for possible impairment or other adjustments required by IFRS .</li></ul> <p>No misstatements were identified by our testing which required reporting to those charged with governance.</p>

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

## How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall materiality</i>	SEK 59,516,266 (2021 SEK 52,733,817)
<i>How we determined it</i>	1% of total assets
<i>Rationale for the materiality benchmark</i>	We believe that total assets is the most appropriate benchmark because this is the key metric of interest to investors. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to SEK 44,637,200 (2021: SEK 39,550,363) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above SEK 2,975,813 (2021: SEK 2,636,691), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Reporting on other information

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

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 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 based on these responsibilities.



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

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors and those charged with governance for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of 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 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 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 over a period of at least twelve months from the date of approval of the financial statements. 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.

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

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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.

## Report on other legal and regulatory requirements

### Company Law exception reporting

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  
28 April 2023

The maintenance and integrity of the Cidron Romanov Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**CIDRON ROMANOV LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>Notes</u>	<b>1 Jan 2022 to 31 Dec 2022 SEK</b>	<b>24 Dec 2020 to 31 Dec 2021 SEK</b>
<b>INCOME</b>			
Loan interest income	6	615,705,705	88,436,710
Recharges income		3,935,355	44,796,950
<b>TOTAL INCOME</b>		<b>619,641,060</b>	<b>133,233,660</b>
<b>EXPENSES</b>			
Administration fees		1,733,778	59,544
Legal and professional fees		20,561	10,260
Audit fees		337,816	618,005
Regulatory fees		298,198	-
Transaction fees		1,526,348	43,937,570
Net foreign exchange loss/(gain)		415,684	(230,645)
<b>TOTAL OPERATING EXPENSES</b>		<b>4,332,385</b>	<b>44,394,734</b>
Finance expense	5	617,465,249	99,838,340
<b>LOSS BEFORE TAX</b>		<b>(2,156,574)</b>	<b>(10,999,414)</b>
Tax expense	4	-	-
<b>LOSS FOR THE YEAR/PERIOD</b>		<b>(2,156,574)</b>	<b>(10,999,414)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD</b>		<b>(2,156,574)</b>	<b>(10,999,414)</b>

\*All results have been derived from continuing operations

*(The notes on pages 14 to 23 form an integral part of these audited financial statements).*

**CIDRON ROMANOV LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	<u>Notes</u>	<u>2022</u> SEK	<u>2021</u> SEK
<b>ASSETS</b>			
<b>Non-current assets</b>			
Related party loans receivable	6	5,194,100,000	5,117,200,000
		<u>5,194,100,000</u>	<u>5,117,200,000</u>
<b>Current assets</b>			
Accrued interest receivable	6	708,406,213	88,436,710
Accounts receivable	7	47,174,847	43,239,495
Cash and cash equivalents		1,945,518	24,505,513
Total Current assets		<u>757,526,578</u>	<u>156,181,718</u>
<b>TOTAL ASSETS</b>		<u><u>5,951,626,578</u></u>	<u><u>5,273,381,718</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	10	20	20
Accumulated deficit		(13,155,988)	(10,999,414)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>(13,155,968)</u>	<u>(10,999,394)</u>
<b>Current liabilities</b>			
Other payables and accrued expenses	8	49,261,831	67,514,343
Accrued interest on Senior Secured Floating Rate Notes	9	721,420,715	99,666,769
		<u>770,682,546</u>	<u>167,181,112</u>
<b>Non-current liabilities</b>			
Senior Secured Floating Rate Notes	9	5,194,100,000	5,117,200,000
		<u>5,194,100,000</u>	<u>5,117,200,000</u>
<b>TOTAL LIABILITIES</b>		<u>5,964,782,546</u>	<u>5,284,381,112</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>5,951,626,578</u></u>	<u><u>5,273,381,718</u></u>

The financial statements on pages 10 to 23 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Director: *N. Lyad.*

Date: *27 APRIL 2023*

*(The notes on pages 14 to 23 form an integral part of these audited financial statements).*

**CIDRON ROMANOV LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	<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>
As at 1 January 2022		20	(10,999,414)	(10,999,394)
Total comprehensive loss for the year		-	(2,156,574)	(2,156,574)
<b>As at 31 December 2022</b>		<b>20</b>	<b>(13,155,988)</b>	<b>(13,155,968)</b>

*(The notes on pages 14 to 23 form an integral part of these audited financial statements).*

---

**CIDRON ROMANOV LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Notes</b>	<b>1 Jan 2022 to 31 Dec 2022 SEK</b>	<b>24 Dec 2020 to 31 Dec 2021 SEK</b>
<b>Cash flows from operating activities</b>			
Total comprehensive loss for the year/period		(2,156,574)	(10,999,414)
PIK note interest expense	5, 9	617,446,595	99,666,769
Loan interest income	6	(615,705,705)	(88,436,710)
Net unrealised foreign exchange loss/(gain)		415,684	(230,645)
(Decrease)/increase in other payables and accrued expenses		(18,252,511)	67,514,343
Increase in accounts receivable		(3,935,352)	(43,239,495)
Loans provided	6	-	(5,124,097,500)
Net cash used in operating activities		(22,187,863)	(5,099,822,652)
<b>Cash flows from financing activities</b>			
PIK Notes issued	9	-	5,124,097,500
Issuance of shares	10	-	20
Net cash provided from financing activities		-	5,124,097,520
<b>Net movement in cash and cash equivalents</b>		(22,187,863)	24,274,868
<b>Cash and cash equivalents at the beginning of the year/period</b>		24,505,513	-
Effects of exchange rate changes on cash and cash equivalents		(372,132)	230,645
<b>Cash and cash equivalents at the end of the year/period</b>		1,945,518	24,505,513

*(The notes on pages 14 to 23 form an integral part of these audited financial statements).*

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022****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. 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 year 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 2022 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>
Amendments to IAS 1: 'Classification of Liabilities as Current or Non-Current'	1 January 2024
Amendments to IAS 8: 'Definition of Accounting Estimates'	1 January 2023
Amendments to IAS 12: 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	1 January 2023
Amendments to IFRS 10 and IAS 28: 'Sale or Contribution of Assets between an investor and its Associate or Joint Venture'	Postponed indefinitely

**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 13,155,968 (2021: 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 four 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 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 YEAR ENDED 31 DECEMBER 2022**

**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 year-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 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 YEAR ENDED 31 DECEMBER 2022**

**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 an 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 YEAR ENDED 31 DECEMBER 2022**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - (CONTINUED)**

**Critical accounting estimates 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 13,155,968 (2021: 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 four 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 four 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. We have performed our assessment on the expected credit loss for the financial assets. The expected credit loss is deemed to be immaterial.

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% (2021: 0%).

**5. FINANCE EXPENSE**

	<u>2022</u>	<u>2021</u>
	SEK	SEK
Bank interest expense	18,654	171,571
PIK Notes interest expense	617,446,595	99,666,769
	<u>617,465,249</u>	<u>99,838,340</u>

PIK Notes interest expense is calculated as the aggregate of the Margin (meaning the Cash Margin (9.3%) for the relevant interest period plus, if the Company has exercised the right to roll-up the interest with respect to a tranche for the relevant interest period in accordance with Condition 9.2 (Interest), an additional 0.75% per annum with respect to that tranche for that interest period) 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 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 YEAR ENDED 31 DECEMBER 2022**

6. RELATED PARTY LOANS RECEIVABLE	<u>2022</u>		<u>2022</u>
	Cidron Humber Limited	Cidron Xingu 3 Limited	Total
<b>SEK Related party loans receivable</b>	<b>SEK</b>	<b>SEK</b>	<b>SEK</b>
Principal	1,125,559,288	1,424,440,712	2,550,000,000
Compounded interest	76,602,048	96,942,983	173,545,031
Accrued interest	70,476,040	89,190,274	159,666,314
Closing balance	<b>1,272,637,376</b>	<b>1,610,573,969</b>	<b>2,883,211,345</b>
<b>NOK Related party loans receivable</b>			
Principal	1,133,151,296	1,434,048,704	2,567,200,000
Net foreign exchange gain	33,943,337	42,956,663	76,900,000
Closing balance of principal	<b>1,167,094,633</b>	<b>1,477,005,367</b>	<b>2,644,100,000</b>
Compounded interest	86,074,606	108,930,887	195,005,493
Accrued interest	77,652,811	98,272,766	175,925,577
Net foreign exchange gain	1,882,022	2,381,776	4,263,798
Closing balance of compounded and accrued interest	<b>165,609,439</b>	<b>209,585,429</b>	<b>375,194,868</b>
Total principal of SEK and NOK loans receivable	<b>2,292,653,921</b>	<b>2,901,446,079</b>	<b>5,194,100,000</b>
Total compounded and accrued interest of SEK and NOK loans receivable	<b>312,687,527</b>	<b>395,718,686</b>	<b>708,406,213</b>
	<u>2021</u>	<u>2021</u>	<u>2021</u>
	Cidron Humber Limited	Cidron Xingu 3 Limited	Total
<b>SEK Related party loans receivable</b>	<b>SEK</b>	<b>SEK</b>	<b>SEK</b>
Principal	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	<b>1,143,941,782</b>	<b>1,447,704,499</b>	<b>2,591,646,281</b>
<b>NOK Related party loans receivable</b>			
Principal	1,136,195,823	1,437,901,677	2,574,097,500
Net foreign exchange loss	(3,044,527)	(3,852,973)	(6,897,500)
Closing balance of principal	<b>1,133,151,296</b>	<b>1,434,048,704</b>	<b>2,567,200,000</b>
Accrued interest	20,653,099	26,137,330	46,790,429
Closing balance of accrued interest	<b>20,653,099</b>	<b>26,137,330</b>	<b>46,790,429</b>
Total principal of SEK and NOK loans receivable	<b>2,258,710,584</b>	<b>2,858,489,416</b>	<b>5,117,200,000</b>
Total compounded and accrued interest of SEK and NOK loans receivable	<b>39,035,592</b>	<b>49,401,117</b>	<b>88,436,710</b>

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 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 (as defined in note 5) 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.

The borrowers also have the option to roll up the interest which incur an additional +75 bps on the interest rate and was exercised on 30 June 2022.

The total loan interest income for the year ended 31 December 2022 from SEK and NOK loans receivable amounted to SEK 615,705,705 (Period from 24 December 2020 to 31 December 2021: SEK 88,436,710).

**CIDRON ROMANOV LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>7. ACCOUNTS RECEIVABLE</b>	<b>2022</b>	<b>2021</b>
	<b>SEK</b>	<b>SEK</b>
Cidron Humber Limited	20,822,778	19,085,731
Cidron Xingu 3 Limited	26,352,069	24,153,764
	<b>47,174,847</b>	<b>43,239,495</b>
<b>8. OTHER PAYABLES AND ACCRUED EXPENSES</b>	<b>2022</b>	<b>2021</b>
	<b>SEK</b>	<b>SEK</b>
Nordic Capital Fund IX	47,959,266	40,729,266
Nordic Capital Limited	758,745	-
Nordic Capital Services Limited	-	10,260
Cidron Xingu Limited	183,935	-
Transaction costs on PIK notes	-	26,156,812
Audit fees	337,816	618,005
Other payables	22,069	-
	<b>49,261,831</b>	<b>67,514,343</b>
<b>9. SENIOR SECURED FLOATING RATE NOTES</b>	<b>2022</b>	<b>2021</b>
	<b>SEK</b>	<b>SEK</b>
PIK Notes issued: SEK 2,550,000,000	2,550,000,000	2,550,000,000
Compounded interest: SEK 179,258,446 (2021: nil)	179,258,446	-
Accrued interest: SEK 160,001,260 (2021: SEK 46,934,698)	160,001,260	46,934,698
Closing balance	<b>2,889,259,706</b>	<b>2,596,934,698</b>
PIK Notes issued: NOK 2,500,000,000	2,567,200,000	2,574,097,500
Net foreign exchange gain/(loss)	76,900,000	(6,897,500)
PIK Notes issued closing balance	<b>2,644,100,000</b>	<b>2,567,200,000</b>
Compounded interest: NOK 194,612,095 (2021: nil)	201,522,245	-
Accrued interest: NOK 166,721,638 (2021: NOK 51,351,736)	176,331,412	52,732,071
Net foreign exchange gain	4,307,352	-
Compounded and accrued interest closing balance	<b>382,161,009</b>	<b>52,732,071</b>
<b>Total NOK and SEK PIK Notes issued</b>	<b>5,194,100,000</b>	<b>5,117,200,000</b>
<b>Total NOK and SEK compounded and accrued interest</b>	<b>721,420,715</b>	<b>99,666,769</b>

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 (as defined in note 5) 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, to which an additional 0.75% is incurred. On 30 June 2022, the Company elected to capitalise the accrued interest of SEK 380,780,691.

The PIK Notes are secured by security granted over the shares in NDX Intressenter Invest Holding 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 Invest Holding 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.

The total NOK and SEK PIK Notes interest expense for the year ended 31 December 2022 amounted to SEK 617,446,595 (Period from 24 December 2020 to 31 December 2021 SEK 99,666,769)

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>10. STATED CAPITAL</b>	<b>2022</b>	<b>2021</b>
	<b>SEK</b>	<b>SEK</b>
AUTHORISED:		
Unlimited shares of no par value	-	-
ISSUED AND FULLY PAID:		
1,000 no par value shares	20	20
	Number of shares	Number of shares
Opening balance	1,000	-
Issuance of shares	-	1,000
Redemption of shares	-	-
	1,000	1,000

**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. Below is a non-exhaustive summary of the risks that the Company is exposed to as a result of its use of financial instruments:

**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 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.

The Company's Board of Directors monitor the Company's variable interest rate risk exposure on an annual basis. At 31 December 2022, the Board of Directors considered that a 100 bps movement in market interest rates was reasonably possible. Had the interest rates increased or decreased by 100 bps the net effect on profit or loss would be an increase or decrease of SEK 130,145 (2021: SEK 112,301).

**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.

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. FINANCIAL RISK MANAGEMENT - (CONTINUED)**

**Currency risk - (continued)**

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

Concentration of assets:

(amounts presented in equivalent amounts of SEK)

<b>As at 31 December 2022</b>	<b>SEK</b>	<b>GBP</b>	<b>EUR</b>	<b>NOK</b>	<b>Total SEK</b>
<b>Assets</b>					
<b>Monetary</b>					
Cash and cash equivalents	908,962	-	-	1,036,556	1,945,518
Related party loans receivable (including accrued interest)	2,883,211,345	-	-	3,019,294,868	5,902,506,213
Accounts receivable	47,174,847	-	-	-	47,174,847
<b>Total assets</b>	<b>2,931,295,154</b>	<b>-</b>	<b>-</b>	<b>3,020,331,424</b>	<b>5,951,626,578</b>
<b>Liabilities</b>					
<b>Monetary</b>					
Other payables and accrued expenses	(22,471,200)	(337,816)	(758,745)	(25,694,070)	(49,261,831)
Senior Secured Floating Rate Notes (including accrued interest)	(2,889,259,706)	-	-	(3,026,261,009)	(5,915,520,715)
<b>Total liabilities</b>	<b>(2,911,730,906)</b>	<b>(337,816)</b>	<b>(758,745)</b>	<b>(3,051,955,079)</b>	<b>(5,964,782,546)</b>
<b>Total net assets/(liabilities)</b>	<b>19,564,248</b>	<b>(337,816)</b>	<b>(758,745)</b>	<b>(31,623,656)</b>	<b>(13,155,968)</b>

Concentration of assets:

(amounts presented in equivalent amounts of SEK)

<b>As at 31 December 2021</b>	<b>SEK</b>	<b>GBP</b>	<b>EUR</b>	<b>NOK</b>	<b>Total SEK</b>
<b>Assets</b>					
<b>Monetary</b>					
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>					
<b>Monetary</b>					
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 2022, the Board of Directors considered that a 10% movement in market currency was 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 75,875 (2021: 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 33,782 (2021: 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 3,162,366 (2021: SEK 2,973,349).

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	<u>2022</u>	<u>2021</u>
	SEK	SEK
Cash and cash equivalents	1,945,518	24,505,513
Accounts receivable	47,174,847	43,239,495
Related party loans receivable (including accrued interest)	5,902,506,213	5,205,636,710
	<u>5,951,626,578</u>	<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 four 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 2022**

	<u>1 year or less</u>	<u>2 - 4 years</u>	<u>4 - 5 years</u>	<u>Total</u>
	SEK	SEK	SEK	SEK
<b>Financial assets</b>				
Related party loans receivable	-	5,194,100,000	-	5,194,100,000
Accrued interest	1,479,517,793	2,652,348,223	-	4,131,866,016
Cash and cash equivalents	1,945,518	-	-	1,945,518
Accounts receivable	47,174,847	-	-	47,174,847
<b>Financial liabilities</b>				
Other payables and accrued expenses	(49,261,831)	-	-	(49,261,831)
Senior Secured Floating Rate Notes	-	(5,194,100,000)	-	(5,194,100,000)
Accrued interest on Senior Secured Floating Rate Notes	(1,494,234,510)	(2,634,764,683)	-	(4,128,999,193)
<b>Total</b>	<u>(14,858,183)</u>	<u>17,583,540</u>	<u>-</u>	<u>2,725,357</u>

**31 December 2021**

	<u>1 year or less</u>	<u>2 - 4 years</u>	<u>4 - 5 years</u>	<u>Total</u>
	SEK	SEK	SEK	SEK
<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>

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. RELATED PARTY TRANSACTIONS**

M. Kelly, D. McCue (resigned 3 March 2023) and I. Glynn was/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 and D. McCue (resigned 3 March 2023) was/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 paid some Project Romanov related costs amounting to SEK 7,230,000 (2021 : SEK 40,729,266), on behalf of the Company during the year. Refer to Note 8 for the outstanding period end balances.

M. Kelly is also a Director of Nordic Capital Limited, which provides ongoing secretarial and administration services to the Company which amounted to SEK 1,733,778 in the year (2021: SEK 59,544). Nordic Capital Limited also recharged transaction fees amounting to nil (2021: SEK 1,021,474 (EUR 100,000)), which it initially paid on behalf of the Company. Refer to Note 8 for the outstanding year end balances.

M. Kelly is also a Director of Nordic Capital Services Limited which recharges third party services to the Company, refer to Note 8 for the year end balances outstanding.

M. Kelly, D. McCue (resigned 3 March 2023), N. Lyons and I. Glynn was/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 year end balances outstanding. The Company also recharged some administrative costs amounting to SEK 3,935,355 (2021: 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 year 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.

The Directors noting the recent news regarding the Silicon Valley Bank (SVB) and other focus banks<sup>1</sup>, have conducted a high-level review of material counterparties which shows that the Company has no significant direct exposures to SVB and other focus banks. The Directors continue to monitor the situation, assess the direct and indirect exposure of the Company across the banking sector, including in relation to Credit Suisse, mapping potential secondary impacts, and manage these accordingly.

*1) Banks with elevated risk levels include Silicon Valley Bank ("SVB"), Pacific Western Bank ("PWB"), First Republic Bank ("First Rep"), Signature Bank and Western Alliance.*

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 2022 to the date of approval of these financial statements and noted no other items requiring adjustment or additional disclosure.