

2022 Review

Norican Technologies

DISA

ItalPresseGauss

Monitizer

SIMPSON

StrikoWestofen

wheelabrator

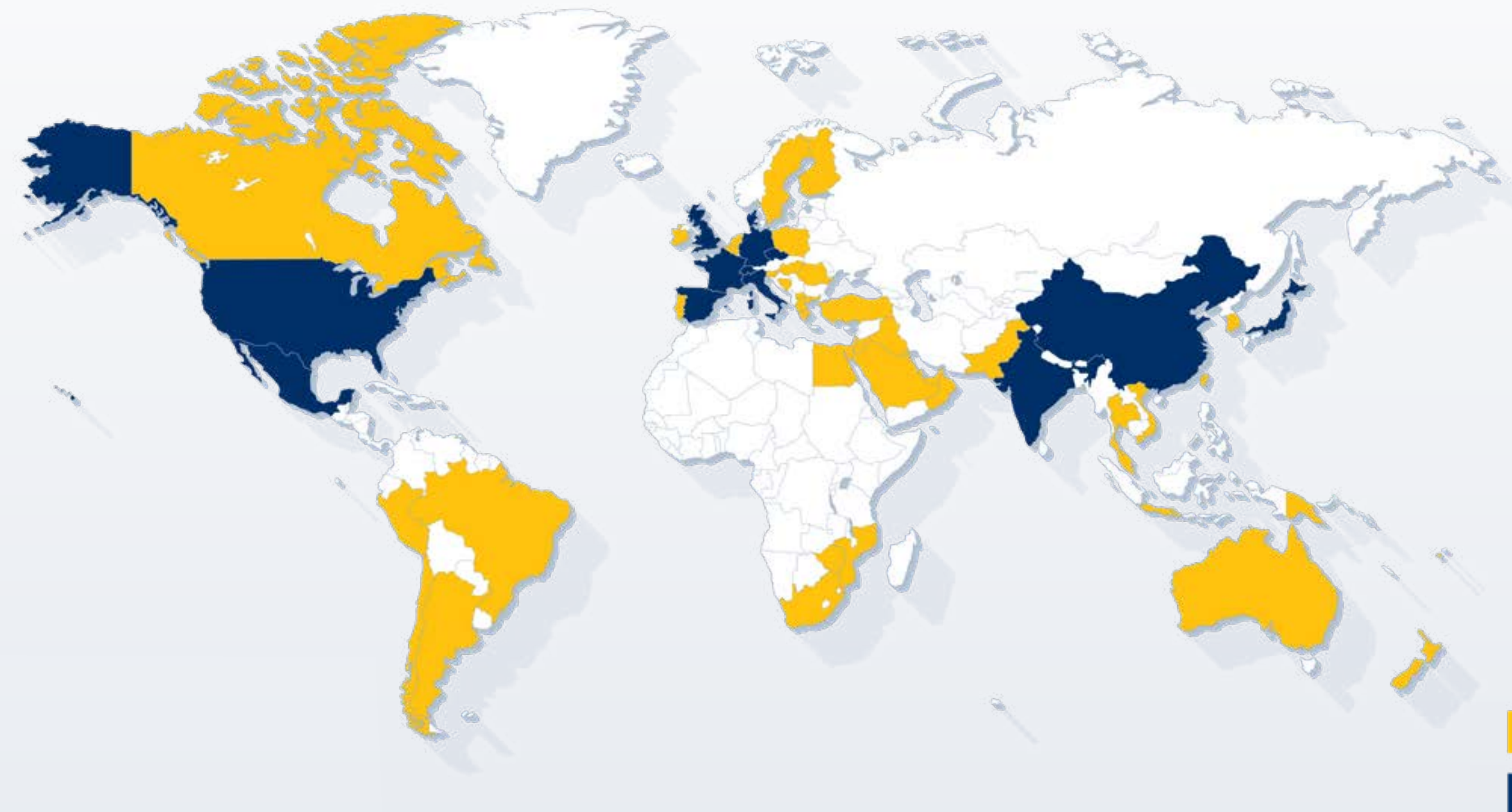
About us

We are a world-leading provider of technology for the formation and enhancement of metallic parts.

Norican consists of six leading international brands for parts production and treatment: DISA, ItalPressGauss, Simpson, StrikoWestofen and Wheelabrator and our brand agnostic digital solution brand; Monitizer. Together, we offer customers a broad spectrum of integrated solutions, spanning green sand molding, die casting, sand preparation, melting, transport and dosing, as well as surface preparation.

Operating globally, we have locations in Europe, North America and Asia.

We serve a wide range of industries, with foundries being the predominant customer group, through a global network of engineering experts, manufacturing capacity, aftermarket upgrades and local service support. As a single, strong, worldwide partner, Norican is always there for its customers, for the life of their equipment and beyond.



Norican Technologies

DISA

ItalPressGauss

Monitizer

SIMPSON

StrikoWestofen

wheelabrator

 Norican representative

 Norican office and production sites

About Norican

8 manufacturing centers

7 global technology centers

Over 100 customer countries

More than 30 industries served

24,000 machines in operation globally

2,000 strong Norican team

Shaping Industry

1 commitment to our planet



We have committed to Science Based Targets

1 mission

To exceed our customers' expectations

6 proud brands

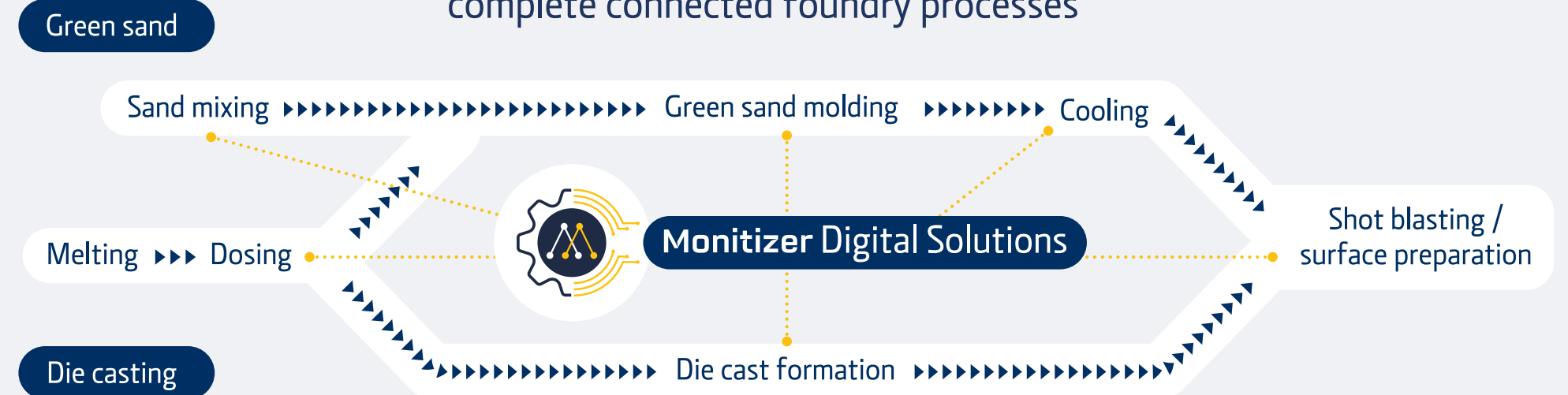
- DISA**
- ItalPresseGauss**
- Monitizer**
- SIMPSON**
- StrikoWestofen**
- wheelabrator**

Norican Technologies

10 ways we support performance

- Moulding technology
- Casting technology
- Furnace technology
- Shot blasting technology
- Sustainable innovations
- Foundry sand technology
- Mixing technology solutions
- Service
- IIoT & AI solutions
- Spare parts

2 complete connected foundry processes



Norican Group

Shaping Industry

2022 Key highlights

It has been another extraordinary year for Norican Group. Our customers, suppliers and the global Norican team once again faced new and unprecedented challenges. From the war in Ukraine and an ongoing energy crisis to continued supply chain difficulties and a very challenging COVID situation in China. All this has strengthened us further - we responded quickly and adapted intelligently. But more than anything, 2022 has been a year of positive, forward-looking action. Fueled by a record-breaking order backlog at the beginning of the year, we invested in our business and strengthened it strategically.



A global team to be proud of

As a corporate business we are held accountable for our actions and we take this responsibility very seriously.

These responsibilities run through three of our four core values as a business:

- leading for sustainability
- developing employee talent
- respecting diversity and teamwork

The fourth, **delivering on every commitment**, holds us to account on the other three and the promises we make to our communities.

In short, we strive to embed the highest standards of sustainable, ethical and good conduct deep in our culture, in our behaviors and practices.

It means we can and must always do better. Every year.



Strengthening our global team

Lars Priess joined as Executive Vice President at Wheelabrator, to lead our global wheel blast and European AM solutions.

Lars will manage Wheelabrator wheel operations globally with a focus on customer service, streamlining the processes of delivering high quality products at the right time and at competitive prices, while also promoting our cutting edge digital solutions.

To further boost our aluminium technology business, **Marco Gandini** joined the Norican team as Senior Vice President Global Aluminium with overall responsibility for ItalPresseGauss and StrikoWestofen.

Marco's appointment comes at a crucial moment of opportunity for our aluminium business, with the latest technology developments hitting a market shaped by the energy crisis and the transition to e-mobility.



Above: Marco Gandini, SVP Global Aluminum



Above: Lars Priess, Executive Vice President

2 new brands join our Norican family

SIMPSON A Norican Technology

In October 2022, we welcomed US-based Simpson Technologies to the Norican family. The Simpson brand is renowned worldwide for excellence in sand mixing, cooling, handling and reclamation, as well as in sand analysis. It's a natural extension of our complete green sand foundry offering, strengthening our capabilities in sand preparation, reclamation, and laboratory testing.



Monitizer

Our Monitizer digital brand stands for meaningful, practical and continuously developed solutions to help our customers digitally transform their industrial processes.

In 2022, we solidified the Monitizer technology platform and broadened its applications. The result: new deployments are underway across the world, all on new and improved IIoT infrastructure.

Recognizing the strategic value of Monitizer for all parts of our and our customers' business, we have elevated Monitizer to a brand of its own.



Financial update

Norican Group performed strongly in 2022 delivering revenues of €518.6m (+32%) and EBITDA of €67.5m (+38%). We recovered well from the effects of COVID19 and, following the rationalisation of the group's footprint and headcount, is now a stronger and more resilient business. We continue to grow our EBITDA margin, ending the year at 13.0% (+50 basis points), exceeding pre-COVID19 levels and from a lower revenue base.

Operating cashflow ended at healthy €32.1m, reflecting the significant increase in revenues which drove the need to increase inventories and work in progress. Norican has continued its disciplined approach to preserve liquidity and improve cash conversion. Despite the reduced cash flow versus previous years, and the acquisition of Simpson, our liquidity position therefore remained strong throughout 2022.

A testament to prudent management and significant cash generation in recent years, Norican successfully refinanced its debt in February 2023, redeeming the €340m bond and replacing it with €270m of new term loans, despite significant headwind in the financial markets. The combination of an improving EBITDA, and the ability to generate cash through the economic cycles, has enabled Norican to reduce its debt and create a solid foundation for Norican going forward.

€m	2022	2021	2020	2019	2018
Revenue	519	394	350	504	534
EBITDA	67	49	33	63	66
Margin %	13.0%	12.5%	9.4%	12.4%	12.4%
Operating cashflow	32	73	54	57	42

Environment

E is for: evidence and everyday efforts

As a technology and equipment provider to carbon-intensive industries around the world, we have the power to influence and shape those industries and help reduce their, and our, impact on the planet. As employers and citizens, we can make our world better every day. We take this role of influence seriously.

Our environmental, social and governance responsibilities are not add-ons, nice-to-haves or mere boxes to tick.

They are at the heart of all that we do.

We identified the impact of greenhouse gases (our supply chain, our customers, and our internal) as a risk to the environment which is why at the end of 2021, we committed to setting ambitious **emissions reduction targets** under the Science-Based Targets initiative (SBTi). In November 2022, ahead of our deadline and following significant work to understand our footprint and baseline, we submitted our targets for validation to the SBTi. In addition to over 50% reduction by 2032 reduction target for Scope 1 & 2 emissions, throughout 2023 we will engage our supply chain and customers to reduce their emissions (Scope 3).

We have an [environmental policy](#) to manage resources effectively and limit the environmental impact of activities from our business units. In addition to this we have our energy reduction policy, it encourages a responsible attitude towards energy use amongst all our employees. They are communicated internally and externally on our website.



How SBT are defined?

Calculating Norican's CO₂-equivalents emissions we followed the standard of the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard.

Scope 1:

Emissions are direct emissions of greenhouse gases and are measured as CO₂-equivalents. Scope 1 emissions for Norican include fuel and gas use for various operational activities involving three different categories: stationary combustion, mobile combustion and fugitive/process emissions.

Scope 2:

Emissions include indirect emissions from electricity, heat, steam and cooling purchased and consumed by Norican. We use location and market-based methods for calculations of Scope 2 emissions in line with the Greenhouse Gas Protocol Scope 2 guidance.


Scope 3:

Greenhouse gas emissions include indirect value chain greenhouse gas emissions, in line with the standards of the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We are working with our customers and suppliers to encourage them to join us in our mission to leave the planet in a better condition than we inherited it.






50.4%
our Scope 1 & 2 emission reduction target, awaiting validation by the SBTi



23
EV charging bays installed across three sites

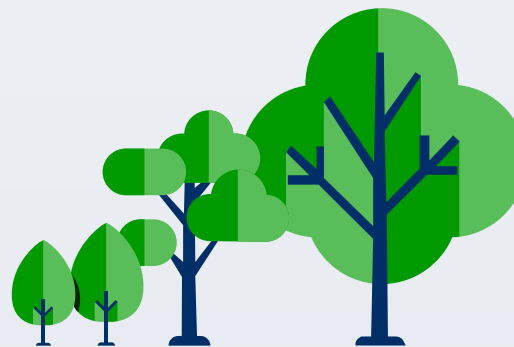


2m kWh
solar electricity our facility in India has committed to purchase to help fund the installation of solar power generation



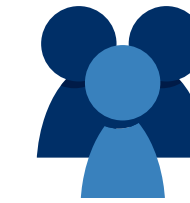
29
sustainability ambassadors appointed globally

750
trees planted




232
ideas on sustainability and climate action submitted by colleagues

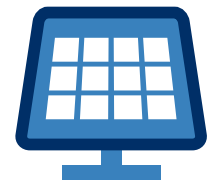

2022 saw the roll-out of our **Sustainability Ambassador program**, aimed at driving sustainability initiatives from the grassroots up. Sustainability Ambassadors report to the global leadership team and actions are shared and implemented globally and locally. Hundreds of ideas have been gathered and implemented already – from reducing plastic by switching to glass milk bottles to installing EV charging points. Throughout 2023 we will build on greenhouse gas reduction activities which have already been implemented and continue to share best practice throughout our global locations.



We have **embedded sustainability and energy efficiency objectives in all new product development** and have trained sales teams and the supply chain to engage our whole value chain in driving more sustainable production. All our digital technologies are geared towards helping our customers make quick progress in reducing energy consumption, waste, use of resources and travel.



All our locations around the world are, and will continue to be, encouraged to **recycle and reduce waste**. The canteen at our HQ in Denmark minimizes food waste by optimizing ingredient use and selling leftover meals to staff at the end of the day. Equipment and consumables are reused and recycled or donated wherever possible, and we reuse all packaging materials when shipping between Norican sites. In 2022, all payslips in the UK were moved to a digital system to save paper.

Switching our screens off every day would save 843kWh a month. **That's equivalent to 422 dishwashers running for an hour.**

Be part of #NoriCanChange #TeamNorican

Norican Group
Shaping Industry



Tumkur, India

We have clear guidelines to **actively reduce travel**; to limit business travel to instances where a clear need can be demonstrated. Not travelling is the default and we have invested in communication and collaboration tools to minimize travel requirements. We encourage people to cycle, carpool or use public transport to get to work when they need to and offer hybrid working where possible.



We have continued to **invest in making our facilities more sustainable** in 2022. This includes all-new, much more energy-efficient buildings in Metelen, Germany, and Tumkur, India, as well as initiatives to reduce the energy consumption and mix of existing facilities. For example, in Denmark, the solar panels on our HQ roof produced 42.000 kWh in 2022; in Slough, UK, we have changed all lighting to LED to save a significant amount of electricity.



Above: Metelen, Germany

Social

S is for: safe and sustainable communities

We strive to strengthen the communities we're part of – engaging our employees, involving, and giving back to local communities and contributing to our professional ecosystems.



In 2022, we've continued to **invest in future skills and education** across the world. In India, 59 graduate engineering students across Karnataka were sponsored by Norican FFE scholarship through the Non-Government Organization (NGO) Foundation for excellence. We partnered with the National Institute of Advanced Manufacturing Technology to provide five students with a grant whilst completing their bachelor's degree. To date approx 2,400 students in India have benefited from the Norican Scholarship which is provided to institutions in and around our manufacturing sites.



In China, we welcomed a student delegation to visit our Changzhou plant, which has this year been awarded training base status for technicians in the foundry and die casting industries.

In the US, the Simpson team has, for the 75th year running, provided financial support to the Foundry Educational Foundation (FEF). A Norican delegation went on to attend the FEF's Careers Fair in Chicago to meet the next generation of top engineering talent from over 30 universities.

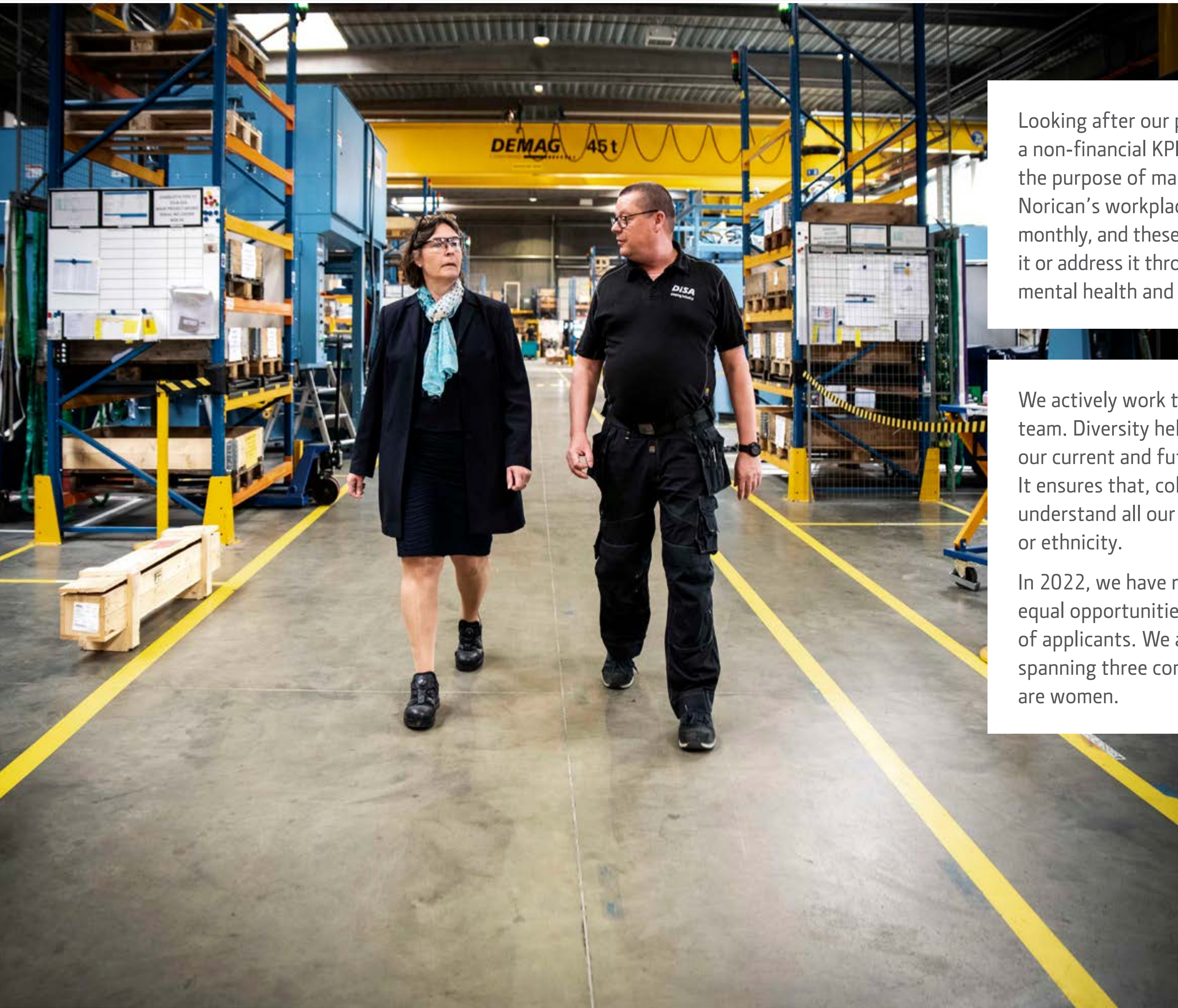


Above: Hohai University delegation, China

We **engage with our local workforces and their families**. For example, over 400 people joined our family open day in Changzhou, China, and more than 100 former or retired workshop technicians were welcomed to our DISA HQ in Denmark to say hello and reconnect. During 2022, our US employees completed an engagement survey to give feedback and ensure the voice of our people is captured and heard. Following the success and learnings from this pilot we will roll out our first ever global employee survey in 2023, with learnings shared, and actions created to introduce improvements and eliminate problems.



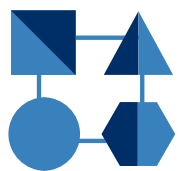
Above: DISA HQ in Denmark



Looking after our people means **keeping them and their world safe**. We have a non-financial KPI to eliminate all work-related injuries for our employees with the purpose of maintaining a safe and healthy work environment throughout Norican's workplaces. All our locations now report health and safety statistics monthly, and these are tracked against targets. When we identify a particular risk, we remove it or address it through training, awareness days and refreshers. We also raised awareness of mental health and wellbeing by training employees as mental health first aiders.



We actively work towards **building a more diverse workforce** and leadership team. Diversity helps us think and act in high-performing teams that reflect our current and future customer audiences, as well as the world we live in. It ensures that, collectively, we have better ideas, make better decisions and understand all our customers, not just the ones that share our gender, age, background or ethnicity.



In 2022, we have reworked our online recruitment pages to ensure we remain visible as an equal opportunities employer, and our recruitment brief is to encourage a diverse range of applicants. We are proud that our 15 strong global leadership team includes people spanning three continents and 10 different nationalities. 20% of our global executive team are women.

UK

Our Altrincham office provided laptops that are older but in perfect working condition to a local primary school.

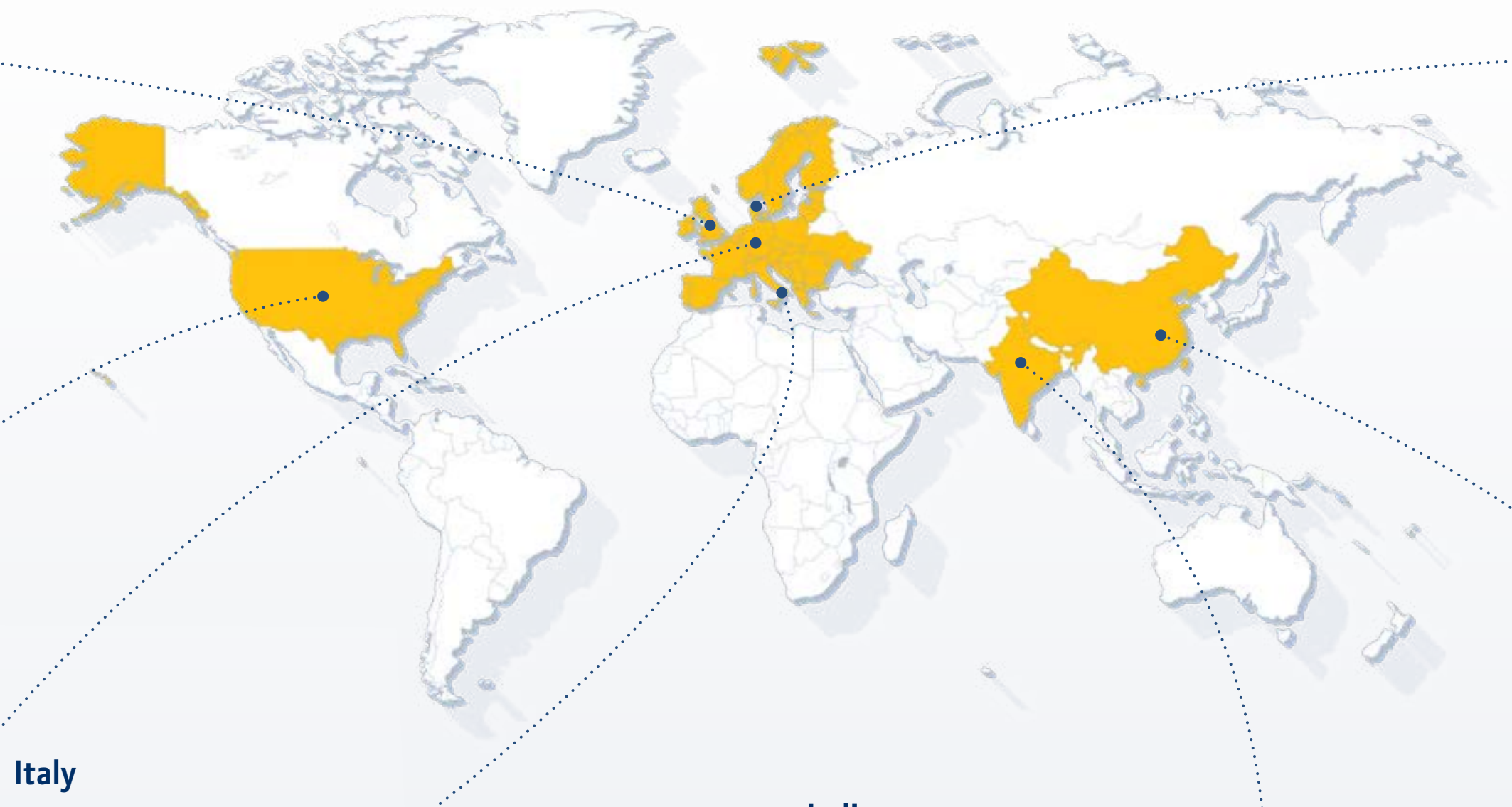
This donation was made in the hope of enabling young children to learn vital digital skills and thrive in an increasingly digital world.

US

The Wheelabrator and Simpson teams made equipment donations to two local universities. At Georgia Southern University, Wheelabrator gave a surplus shot blast machine, and Simpson gave a sand mixer; their global product team also shared their green sand cost savings knowledge with students in a seminar. Simpson also installed a mixer at Purdue University for their foundry laboratory.

Germany

We provided a local football team close to our Wheelabrator Technology Center in Metelen with new football kits.



Italy

At Christmas the ItaltresseGauss team supported a charity called TeamLife which is local to our Technology Center in Brescia. TeamLife is an amateur sports charity committed to sending a message of hope and supporting young people diagnosed with cancer.

India

In addition to scholarships, we gave donations to improve facilities such as clean water, sanitation and laboratory equipment at institutions close to our manufacturing plants in Tumkur and Hosakote.

Denmark

The purchasing department of our HQ in Denmark made two furniture donations to give big ticket items a new lease of life.

Office furniture and equipment of good quality that hadn't been used for some time was picked up for free – and, as we later found out, several of the items donated, such as white boards, found a second home at a local football club, a horse stable and at a retired people's club.

China

In October 2022, a team of Norican Changzhou employees along with their families, took part in the 'Trudge for a Bag of Milk', a traditional fundraising activity where people walk along a course to raise money for children who need milk. This year, the Norican team managed 14 kilometers - with everyone completing the course.

19 EV charge points were added across Norican sites in China saving more than 8,000kg of CO₂ per year in commuting.



Altrincham, UK



Georgia Southern University, US



Georgia Southern University, US



Metelen, Germany



Brescia, Italy



Hosakote, India



Norican Changzhou, China



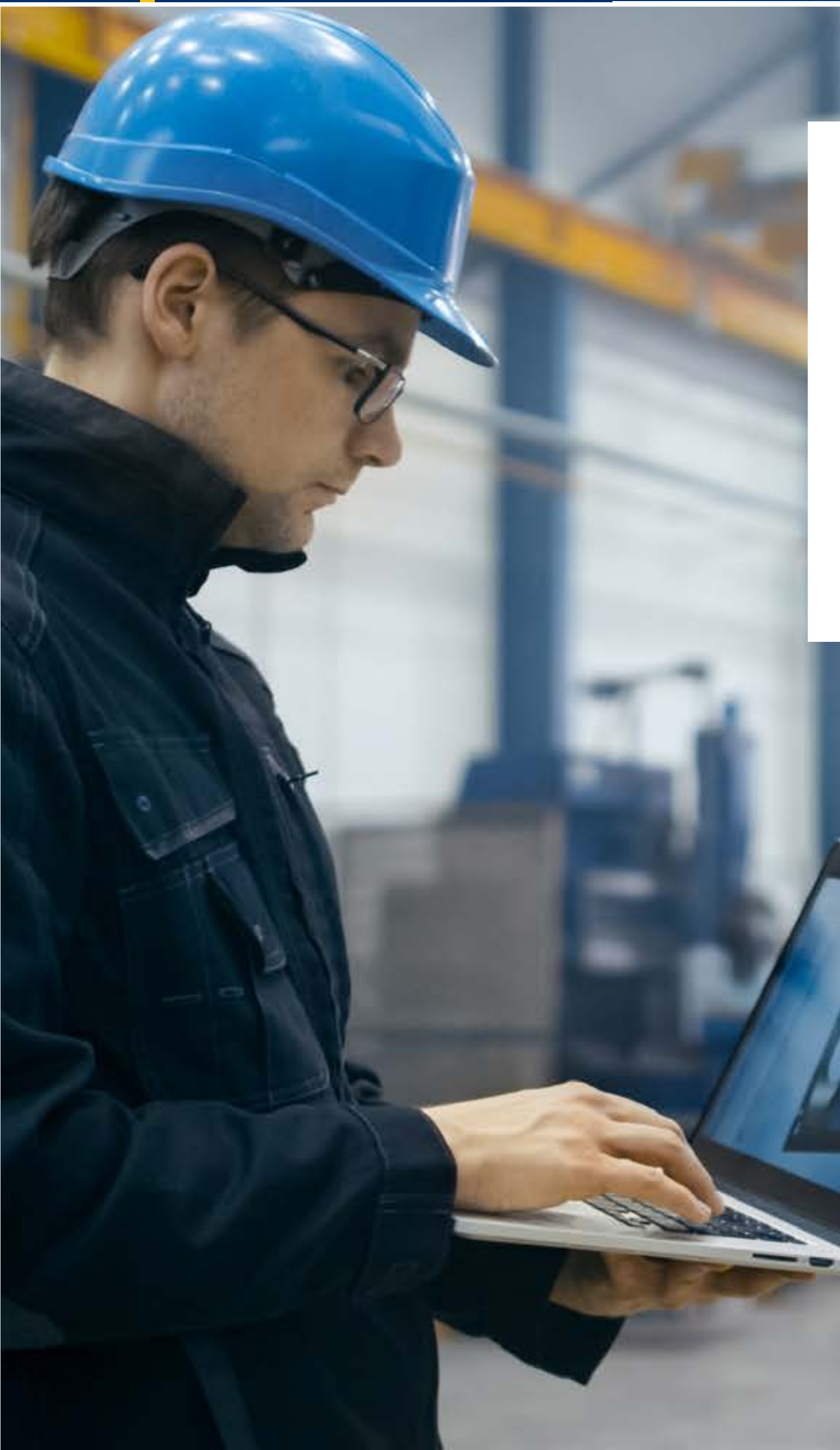
China

Governance

G is for: GDPR and good conduct

Good governance to us is more than compliance with local laws. We hold ourselves to high standards and we want those high standards to apply in all our communities.





We take the **protection of personal data** extremely seriously, going above and beyond local regulations. In 2022, we were awarded Binding Corporate Rules (BCR) approval, which means we commit to adhering to GDPR in all countries. GDPR sets one of the highest standards for protecting personal data – both for employees and business contacts.



As a business, we have a strong moral compass and we **demonstrate our ethics through clear action**. When Russia invaded Ukraine in February 2022, we had stopped all commercial activity with Russia within a week. In addition to leading by example, we ensure our employees understand the ethics underpinning our values and receive training on what's right and wrong.



We ensure the utmost **security of our, our customers' and suppliers' data and systems**.



We have now implemented a cloud-first approach across our systems, allowing us to have an overarching governance and compliance regime across all of them.

Our **health & safety management system** has been updated with a new reporting system for accidents and near misses and clear targets for recordable incidents and lost time. This is audited regularly, by internal and external auditors. Maintaining a healthy and safe work environment will remain a focus for all employees throughout 2023. The global health & safety team conducts monthly calls to plan training and awareness activity against reported risks and incidents to continuously make progress towards our goal ZERO incidents.



Governance:

Policies, certifications and processes

Certification



Company policies regarding environment and climate have been implemented at a site-specific level and include ISO 14001:2015 certification, which specifies the requirements for an environmental management system that can be used to enhance environmental performance based on mapping the environmental impact from the site-specific activities.

We also have:

- ISO9001:2015 Quality Management System at 14 sites;
- ISO14001:2015 Environmental Management System at 7 sites.
- ISO45001:2018 Health and Safety Management System at 2 sites.

We have had our **sustainability management system** independently assessed by EcoVadis who reviewed our performance in 4 key areas: Environment; Ethics; Labor and Human Rights; and Sustainable Procurement. EcoVadis evaluated business conduct, implemented activities and current key performance indicators (KPIs) within the sustainability management system, this resulted in Norican awarded a bronze rating in recognition of our sustainability achievement globally.



Code of Conduct

The Norican Code of Conduct is guided by our values. It has group level policies related to ethics and with respect to compliance with applicable laws in each jurisdiction. These policies apply to each subsidiary in Norican Group.

We have procedures in place for reporting and have a multilingual whistleblowing hotline 'Speak Up', which is provided by a third party, WhistleB, and is available 24 hours a day, 7 days a week, 365 days a year. It allows anyone to anonymously report any behavior which contravenes our Code of Conduct.

Modern Slavery / Human Rights



Our zero-tolerance approach to modern slavery, including forced labor, human trafficking, and child labor, is described in our Code of Conduct. We have identified potential risks within the business and have effective systems in place to ensure modern slavery or child labor is not taking place in our business or our supply chain. We do supplier risk assessments based on 3 criteria; geography, business type and spend.

Anti-Bribery and Anti-Corruption



We want to compete fairly wherever we operate and do not tolerate bribery, kickbacks, fraud, money-laundering, or any other improper payment. We have a clear Anti-Bribery Policy and will comply with all applicable local anti-bribery and anti-corruption laws.

Looking ahead

In 2023 we will build on our achievements from 2022 – no room for complacency.



Final thoughts

2023 and beyond

The Simpson business will be fully integrated into the Norican infrastructure, and we expect to see benefits both in terms of cost and additional sales. Growing and strengthening our aluminum technology business remains a key focus, where electrification and light-weighting in the automotive industry is an important demand driver for our customers. However, we will also continue to broaden our direct and indirect exposure to further reduce Norican's dependency on any one application field. The recent success in broadening the application use in DISA has given us appetite for more.

Monitizer digital solutions remain a key focus for longer term growth, and it remains an important differentiator. Norican will also welcome more OEMs to use the hardware agnostic Monitizer platform.

Over the past two years, we have made significant, ambitious ESG commitments, especially around our environmental and climate impact. In 2022, we developed targets and put systems in place to better track our progress. We will continue to work on our direct impact, but also with our suppliers and with customers to support them in reducing their CO₂ emissions. Keeping sustainability at the heart of projects within Norican, we expect our targets validated by SBT in Q2, and will build on the EcoVadis rating to improve further.

We look forward to attending the large global foundry show, GIFA in Germany in June. It will be great to engage with customers and other stakeholders on a bigger stage again. We have decided to participate with as low a carbon footprint as possible, so new developments will mostly be on digital display. We believe in trade shows as opportunities to exchange knowledge and network, not as the hardware exhibitions of yesteryear.

Thank you

Our colleagues around the world have been dedicated and worked incredibly hard in the face of continuing challenges... again. Not only have supply chain difficulties, political unrest and inflation tested us all, but competitive pressures and technological change have also intensified. Norican has not only operated efficiently but we have continued to innovate and build the business – and helped our customers and partners build theirs.

We thank all our customers, suppliers and financial stakeholders for their continued trust, commitment, and collaboration, and for the value they place on our products and services.

Norican is a strong business with great technology brands, but we are only as good as our team. A special thank you goes out to our almost 2,000 Noricans for having delivered yet again. Our employees make us confident that whatever challenges lies ahead in 2023 will be handled, and handled well.



Norican Executive Team, above left to right: Declan Guerin, Anders Wilhelm, Ulla Tønnesen, Lars Priess, Peter Holm Larsen.