

To the general shareholders' meeting of

Pelikan Holding AG

Chaltenbodenstrasse 8
8834 Schindellegi

Report of the statutory auditor on the limited statutory examination of the financial statements for the year 2021

(for the year ended 31.12.2021)

29 April 2022
2110 3638 / FY/GSC

Report of the statutory auditor on the limited statutory examination
to the general shareholders' meeting of

Pelikan Holding AG, Feusisberg

As statutory auditor, we have examined the financial statements of Pelikan Holding AG, which comprise the balance sheet as at 31 December 2021, and the income statement, the statement of changes in equity and notes for the financial year then ended.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposal of the Board of Directors for the treatment of accumulated earnings do not comply with Swiss law and the company's articles of incorporation.

Zurich, 29 April 2022

BDO Ltd

Reto Frey
Auditor in Charge
Licensed Audit Expert

Guido Schwengeler
Licensed Audit Expert

Enclosure
Financial statements
Proposal of the Board of Directors for the treatment of accumulated earnings

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER**

| | Note | 2021 CHF(000) | 2020 CHF(000) |
|-------------------------|------|------------------|------------------|
| Income from investments | | 46,732 | - |
| Administration expenses | 2 | (114) | (106) |
| Exchange differences | | 3,804 | 58 |
| Interest income | | 87 | 78 |
| Interest expense | | (604) | (934) |
| Extraordinary income | 3 | - | 10 |
| Extraordinary expenses | 4 | (3,847) | (3,692) |
| Result before taxation | | <u>46,058</u> | <u>(4,586)</u> |
| Taxes | 5 | (7) | (12) |
| Net result for the year | | <u>46,051</u> | <u>(4,598)</u> |

BALANCE SHEET AS AT 31 DECEMBER

| | Note | 2021 CHF(000) | 2020 CHF(000) |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Bank | | 422 | 4 |
| Receivables from subsidiary companies | 6 | 17,286 | 3,898 |
| | | <u>17,708</u> | <u>3,902</u> |
| Non-current assets | | | |
| Investments | 7 | 117,707 | 117,707 |
| | | <u>117,707</u> | <u>117,707</u> |
| TOTAL ASSETS | | <u>135,415</u> | <u>121,609</u> |
| EQUITY AND LIABILITIES | | | |
| Current liabilities | | | |
| Interest-bearing payables to subsidiary companies | 8 | 20,897 | 33,320 |
| Other liabilities to third parties | | 32 | 40 |
| Short term provision | | 2,450 | 2,450 |
| Tax provision | | 4,362 | 4,362 |
| | | <u>27,741</u> | <u>40,172</u> |
| Non-current liabilities | | | |
| Interest-bearing payables to parent | 9 | - | 19,814 |
| | | <u>-</u> | <u>19,814</u> |
| Shareholders' equity | | | |
| Capital stock | 10 | 100,100 | 100,100 |
| Statutory reserves | 11 | 1,166 | 1,166 |
| Accumulated profit / (deficit) | | 6,408 | (39,643) |
| | | <u>107,674</u> | <u>61,623</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>135,415</u> | <u>121,609</u> |

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

| CHF (000) | Capital stock | Statutory reserves | Accumulated deficit | Total Equity |
|-----------------------------|------------------|-----------------------|------------------------|-----------------|
| Balance 1 Jan. 2020 | 100,100 | 1,166 | (35,045) | 66,221 |
| Result 2020 | - | - | (4,598) | (4,598) |
| Balance 31 Dec. 2020 | 100,100 | 1,166 | (39,643) | 61,623 |
| Result 2021 | - | - | 46,051 | 46,051 |
| Balance 31 Dec. 2021 | 100,100 | 1,166 | 6,408 | 107,674 |

NOTES TO THE FINANCIAL STATEMENTS 2021

1. Accounting policies and other information

Pelikan Holding AG is preparing its financial statements according to Swiss law especially the articles 957 to 962 OR. The changes in Swiss law were adapted in 2015 for the first time.

Pelikan Holding AG is not preparing consolidated financial statements. Pelikan Holding AG uses the exemptions of article 963a OR and is referring to the annual financial statements of its parent Pelikan International Corporation Berhad, Malaysia.

Furthermore, Pelikan Holding AG is preparing its financial statements with the exemptions of article 961d OR because the parent company Pelikan International Corporation Berhad prepares its consolidated financial statements in accordance with an accepted accounting standard (IFRS).

Pelikan Holding AG is an Aktiengesellschaft with its domicile in Feusisberg. Pelikan Holding AG has no direct employees.

2. Administration expenses

| CHF (000) | 2021 | 2020 |
|---|------|------|
| Audit Fees / Legal and consulting charges | 54 | 56 |
| Charges from subsidiaries | 39 | 35 |
| Share register | 15 | - |
| Annual General Meeting | 1 | 6 |
| Other | 5 | 9 |
| Total | 114 | 106 |

3. Extraordinary income

| CHF (000) | 2021 | 2020 |
|---------------------------------------|------|------|
| Gain from liquidation of a subsidiary | - | 10 |
| Total | - | 10 |

4. Extraordinary expenses

| CHF (000) | 2021 | 2020 |
|---|-------|-------|
| Value adjustment for waiver of loan with debt warrant to a subsidiary | 2,947 | 3,299 |
| Value adjustment for receivables from a subsidiary | 845 | - |
| Value adjustment for waiver of loan to subsidiaries | 55 | 138 |
| Provision for guarantee for a subsidiary | - | 255 |
| Total | 3,847 | 3,692 |

5. Taxes

| CHF (000) | 2021 | 2020 |
|-------------|------|------|
| Capital tax | 7 | 7 |
| Stamp tax | - | 5 |
| Total | 7 | 12 |

6. Short-term receivables from subsidiary companies

| CHF (000) | 2021 | 2020 |
|---|--------|-------|
| Pelikan Group GmbH and its subsidiaries | 16,450 | 3,040 |
| Pelikan Austria GesmbH | 836 | 858 |
| Total | 17,286 | 3,898 |

7. Investments

| Country and location | Name | | Capital stock in 1000 | Group Holding in % | thereof directly held by Pelikan Holding AG in % | Operation |
|------------------------|---|--|-----------------------|--------------------|--|-----------|
| EUROPE | | | | | | |
| Austria | | | | | | |
| Wiener Neudorf | Pelikan Austria GesmbH | | EUR 872 | 100 | 100 | D |
| France | | | | | | |
| Les Ulis | Pelikan France SAS | | EUR 250 | 100 | 100 | O |
| Germany | | | | | | |
| Berlin | Pelikan Group GmbH | | EUR 50,000 | 51.4 | 51.4 | H |
| Brilon | Linea GmbH i.L. | | EUR 237 | 100 | 90 | O |
| Hanover | Kreuzer Produktion + Vertrieb GmbH | | EUR 26 | 20 | 0 | O |
| Hanover | Pelikan GmbH | | EUR 7,670 | 100 | 0 | S |
| Hanover | Pelikan Hardcopy Distribution Verwaltung GmbH | | EUR 25 | 100 | 100 | O |
| Hanover | Pelikan PBS-Produktion Verwaltungs-GmbH | | EUR 26 | 100 | 100 | O |
| Hanover | Pelikan PBS-Produktionsgesellschaft mbH & Co. KG | | EUR 1,100 | 100 | 100 | P |
| Greece | | | | | | |
| Markopoulo-Attica | Pelikan Hellas E.P.E. | | EUR 497 | 100 | 100 | D |
| LATIN-AMERICA | | | | | | |
| Venezuela | | | | | | |
| Caracas | Artof C.A. | | VEB 50,020 | 25 | 25 | O |
| OTHER COUNTRIES | | | | | | |
| Malaysia | | | | | | |
| Shah Alam | Pelikan Asia Sdn. Bhd. | | MYR 10,500 | 100 | 100 | D |
| Turkey | | | | | | |
| Istanbul | Pelikan Ofis Ve Kirtasiye Malzemeleri Ticaret Ltd Sirketi | | TRY 100 | 60 | 60 | D |

Operation: P = Production companies
D = Distribution companies
S = Service/Real estate companies
H = Holding companies
O = Companies without operational activity

The subsidiary Pelikan Costa Rica S.A. has been liquidated on 17 April 2020.

Furthermore, ReMerch GmbH has been liquidated on 30 September 2020.

7. Investments (contd.)

The indirect investments via the subsidiary Pelikan Group GmbH, Berlin are included in the following table.

| Country and location | Name | Capital stock in 1000 | Pelikan Holding AG Group Holding in % | thereof directly held by Pelikan Holding AG in % |
|-----------------------------|--|-----------------------|---------------------------------------|--|
| Germany | | | | |
| Berlin | Convex Schreibwaren-Handels GmbH | EUR 26 | 51.4 | 0 |
| Falkensee | eCom Logistik GmbH | EUR 25 | 51.4 | 0 |
| Hanover | Pelikan Vertriebsgesellschaft mbH & Co. KG | EUR 2,100 | 51.4 | 0 |
| Hanover | Pelikan Vertrieb Verwaltungs GmbH | EUR 26 | 51.4 | 0 |
| Belgium | | | | |
| Groot-Bijgaarden | Pelikan N.V./S.A. | EUR 837 | 51.4 | 0 |
| Bulgaria | | | | |
| Sofia | Herlitz Bulgaria EooD | BGN 5 | 51.4 | 0 |
| Czech Republic | | | | |
| Cestlice | Herlitz Spol. s.r.o. | CZK 200 | 51.4 | 0 |
| Hungaria | | | | |
| Budapest | Herlitz Hungaria Kft | HUF 3,000 | 51.4 | 0 |
| Italy | | | | |
| Milan | Pelikan Italia S.p.A. | EUR 900 | 51.4 | 0 |
| Poland | | | | |
| Przezmierowo | Herlitz Spolka z o.o. | PLN 20,547 | 51.4 | 0 |
| Romania | | | | |
| Targu Mures | Herlitz Romania srl | RON 462 | 26.2 | 0 |
| Switzerland | | | | |
| Feusisberg | Pelikan (Schweiz) AG | CHF 500 | 51.4 | 0 |
| LATIN-AMERICA | | | | |
| Argentina | | | | |
| Buenos Aires | Pelikan Argentina S.A. | ARS 30,000 | 51.4 | 0 |
| Colombia | | | | |
| Bogota | Pelikan Colombia S.A.S. | COP 15,487,749 | 51.4 | 0 |
| Mexico | | | | |
| Puebla | Pelikan Mexico S.A. | MXP 20,120 | 51.4 | 0 |
| OTHER COUNTRIES | | | | |
| Japan | | | | |
| Tokyo | Pelikan Japan K.K. | JPY 100,000 | 51.4 | 0 |
| Malaysia | | | | |
| Shah Alam | Pelikan Procurement SDN BHD | MYR 1,000 | 51.4 | 0 |
| United Arab Emirates | | | | |
| Sharjah | Pelikan Middle East FZE | USD 501 | 51.4 | 0 |
| Taiwan | | | | |
| Taipeh | Pelikan Taiwan Co. LTD | TWD 2,500 | 51.4 | 0 |

The subsidiary Pelikan S.A. (Spain) has been liquidated on 24.01.2020. Furthermore, Herlitz Slovakia s.r.o. has been liquidated on 03.12.2020.

8. Interest-bearing payables to subsidiary companies

| CHF (000) | 2021 | 2020 |
|---|--------|--------|
| Pelikan PBS Produktionsgesellschaft mbH & Co.KG | 15,843 | 25,406 |
| Pelikan Group GmbH and its subsidiaries | 4,829 | 7,677 |
| Pelikan Ofis Ve Kirtasiye Malzemeleri Ticaret Ltd Sirketi | 219 | 224 |
| Pelikan Hardcopy Distribution Verwaltungs GmbH | 6 | 13 |
| Total | 20,897 | 33,320 |

9. Payables to parent

At the end of 2020, these are payables to the parent, Pelikan International Corporation Berhad.

10. Capital stock

At 31 December 2021, the capital stock of CHF 100.1 million comprises the following shares:

1,540,000 Registered shares of nominal CHF 65

11. Statutory reserves

Statutory reserves are not distributable to shareholders.

12. Contingent liabilities/ Guarantees

Pelikan Holding AG granted letters of comfort, guarantees and an additional assumption of debt to banks and financial institutions in favour of its subsidiaries for credit line of a maximum of CHF 2.2 million (2020: CHF 2.3 million).

13. Business Environment

As at 31 January 2020, World Health Organization (WHO) has named the spread of COVID-19 (so called Corona) a Public Health Emergency of International Concern. Board of Directors and Management of Pelikan Holding AG are looking on the development with care and decide on necessary measures if needed.

Financial risks for Pelikan Holding AG could arise due to the investment in Pelikan Group GmbH and the corresponding investment valuation for this subsidiary. A significant impact to this sub-group could then weaken the equity position of Pelikan Holding AG. Board of Directors and Management do not expect significant impacts for Pelikan Holding AG at this stage, but this can change during the course of the pandemic.

14. Events after the balance sheet date

These statutory financial statements were approved by the Board of Directors on 29 April 2022.

No other significant events have occurred since the balance sheet date and up to 29 April 2022, which could have an impact on these financial statements or which are required to be disclosed.

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE TREATMENT OF ACCUMULATED EARNINGS AS OF 31 DECEMBER 2021

| CHF (000) | 2021 | 2020 |
|---|-----------------|----------|
| Accumulated deficit at 1 January | (39,643) | (35,045) |
| Net result for the year | 46,051 | (4,598) |
| Distribution to legal reserve | (320) | |
| Accumulated earnings / (deficit) at 31 December to be carried forward | 6,088 | (39,643) |