

Annual Financial Statements

2021

Thrace Polybulk AS

Statement of Profit and Loss
Statement of financial position
Statement of Changes in Equity
Statement of Cash Flows
Notes to Financial Statements
Audit Report

Brevik, 31.03.2022

Statement of Profit and Loss

Thrace Polybulk AS

Figures are stated in NOK 1 000

	Note	Year ended 31 December	
		2021	2020
Revenue	18	122 330	113 809
Cost of sales		(77 855)	(80 555)
Gross profit		44 474	33 254
Personnel expenses	2, 7	(17 774)	(16 004)
Depreciation and amortization	3, 4, 19	(1 122)	(1 122)
Other operating expenses	2, 6, 14	(22 979)	(11 188)
Personnel expenses and other operating expenses reimbursed by related parties	7	10 105	10 076
Other gains/losses (net)	11	(1 531)	1 108
Total Operating Expenses		(33 301)	(17 128)
Operating profit		11 173	16 126
Financial income		0	5
Profit before income tax		11 173	16 130
Income tax expense	5	(2 460)	(3 550)
Profit after tax		8 713	12 580
Statement of comprehensive income			
<u>Items that will not be reclassified to profit or loss</u>			
Actuarial gains and losses on defined benefit	14	(174)	(525)
Tax recognised on income and expenses	5	38	115
Total Other Income and Expense		(136)	(409)
Total comprehensive income for the year attributable to owners		8 577	12 171
Brevik, 31.03.2022			

Notes 1 to 19 are an integral part of the Annual Financial Statements

Statement of financial position

Thrace Polybulk AS

Figures are stated in NOK 1 000

ASSETS

Non-current assets	Note	31.12.2021	31.12.2020
Property, plant and equipment	3	1 879	2 712
Right-of-use asset	19	1 776	1 991
Intangible assets	4	7 641	7 641
Post Employment benefits	14	1 229	658
Total Non-current Assets		12 525	13 001
Current assets			
Inventories	12	24 135	12 410
Trade and other receivables	9, 16	40 713	30 703
Cash and equivalents	8, 16	476	9 156
Total Current Assets		65 324	52 269
Total Assets		77 849	65 270

Notes 1 to 19 are an integral part of the Annual Financial Statements

Statement of financial position

Thrace Polybulk AS

Figures are stated in NOK 1 000

EQUITY AND LIABILITIES	Note	31.12.2021	31.12.2020
Equity attributable to owners			
Ordinary shares	10	100	100
Share premium	10	2	2
Retained earnings		39 762	37 591
Total Equity		39 864	37 693
LIABILITIES			
Non-current liabilities			
Post-employment benefits	14	0	0
Deferred tax liabilities	5	1 823	1 765
Non-current lease liabilities	19	1 424	1 658
Total Non-current liabilities		3 247	3 423
Current liabilities			
Trade and other payables	13, 16	32 112	17 031
Current income tax liabilities	5	2 364	3 262
Current lease liabilities	19	262	267
Total Current liabilities		34 738	20 559
Total Liabilities		37 985	23 983
Total Equity and Liabilities		77 849	61 676

Brevik, 31.03.2022

Konstantinos Chalioris
Chairman of the Board

Ståle Hornthvedt
Managing Director

Notes 1 to 19 are an integral part of the Annual Financial Statements

Statement of Cash Flows

Thrace Polybulk AS

Figures are stated in NOK 1 000

	Note	2021	2020
Cash flows from operating Activities			
Profit before income tax		11 173	16 130
<i>Adjustments for:</i>			
Tax payable		(3 262)	(2 391)
Depreciation tangible/intangible assets	3	1 122	1 122
Lease payments	19	(297)	(292)
Lease interest	19	25	14
<i>Changes in working capital:</i>			
Changes in inventory		(11 725)	4 509
Changes in accounts receivable		(8 998)	(4 982)
Changes in accounts payable		10 174	(4 113)
Difference between pension cost and pension premium	14	(746)	(784)
Effect of changes in exchanges rates		0	
Changes in other assets and liabilities		(1 050)	749
Net cash generated from operating activities		(3 585)	9 962
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(41)	(32)
Net cash used in investing activities		(41)	(32)
Cash flows from financing activities			
Dividends paid to owners	10	(5 054)	(7 000)
Receipts from new borrowings		0	
Payments of debt with group company		0	
Payments on short term loans		0	
Payments on long term loans		0	
Payment of group contribution		0	
Changes in financial derivatives		0	
Changes in financial leases		0	
Brevik, 31.03.2022		0	
Net cash generated from financing activities		(5 054)	(7 000)
Net (decrease)/increase in cash and cash equivalents		(8 680)	2 930
Cash and cash equivalents at start of period		9 156	6 226
Exchange gains on cash and cash equivalents		0	0
Cash and Cash Equivalents at end of period	8	476	9 156

Notes 1 to 19 are an integral part of the Annual Financial Statements

Statement of Changes in Equity

Thrace Polybulk AS

Figures are stated in NOK 1 000

	Ordinary	Share	Retained earnings	Total Equity
Balance as at 1 January 2020	100	2	36 014	36 116
Profit/loss for the year 2020	0	0	12 580	12 580
Other items in comprehensive income (Foreign currency rate changes)	0	0	(409)	(409)
			12 171	12 171
Dividends	0	0	(7 000)	(7 000)
Balance as at 31 December 2020	100	2	41 185	41 287
Profit/loss for the year 2021	0	0	8 713	8 713
Other comprehensive income	0	0	(136)	(136)
Total comprehensive income for the year 2021	0	0	8 577	8 577
Dividends	0	0	(10 000)	(10 000)
Balance as at 31 December 2021	100	2	39 762	39 864

Notes 1 to 19 are an integral part of the Annual Financial Statements

Thrace Polybulk AS

Notes to Financial Statements

Note 1

Accounting Principles

General information

Thrace Polybulk AS is a company incorporated and domiciled in Norway. The address of the Company's registered office is Strømtangvegen 15, 3950 Brevik.

The Company comprises the following main business segments:

- FIBC products – the sale of polypropylene FIBCs
- Other polypropylene products

Basis of preparation

The financial statement of Thrace Polybulk AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as adopted by the European Union.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

The Financial Statements have been prepared in accordance with the historical cost convention:

- Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.
- The defined benefit liability is recognised as the net total of the plan assets less the present value of the defined benefit obligation.

The Financial Statements are presented in NOK, which is the Company's functional currency. All financial information presented in NOK has been rounded to the nearest thousand.

The current global economic conditions continue to create widespread uncertainty, particularly in relation to the level of demand for the company's products.

The company's forecasts and projections, taking account of reasonable, possible changes in trading performance show that the company should be able to operate within the level of its current facilities and meet repayments as they become due.

The director has a reasonable expectation that the company have adequate resources to continue their operations for the foreseeable future, and the preparation of Director's report and financial statements is based on going concern.

Classification

Assets and liabilities related to the normal operating cycle are classified as current assets and current liabilities. Receivables and liabilities not related to the normal operating cycle are classified as current if they are of a short-term nature, normally due within one year. Other assets and liabilities are classified as non-current.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement as other gains/losses (net). Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Property, plant and equipment and intangible assets (except goodwill)

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment or intangible assets.

The useful lives are as follows:

- | | |
|-------------------------------------|-----------|
| • Equipment, computers and software | 3-5 years |
| • Cars | 5 years |

Note 1

Accounting Principles continued

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised but is tested annually for impairment.

Leases

When entering into a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease agreement if the contract conveys the right to use an asset for a period of time in exchange of consideration.

At the time of implementation of a lease agreement, the group recognizes a lease liability and a corresponding right-of-use for all its leases, with the

The company measures the right-of-use assets at acquisition cost, minus accumulated depreciation and impairment losses, adjusted for any new measurements of the lease liability. Acquisition cost for the right-to-use assets includes:

- The initial amount of the lease liability
- Any lease payments made to the lessor at, or before, the commencement date of the lease, less any lease incentives received
- All direct expenses for entering into agreements incurred by the group

The company applies IAS 16 "Property, plant and equipment" when depreciating the right-of-use asset, the right-of use asset is depreciated over the shorter of the assets's useful life and the lease term on a straight-line basis. The company applies IAS 36 "Impairment of assets" to ensure that the right-to-use assets are not carried at more than their recoverable amount, and to assess the possibility for future events or changes in circumstances that might indicate impairment losses.

At the commencement date, the company measures the lease liability at the present value of the lease payments that have not been yet paid at that date. The lease period represents the non-cancellable lease term, in addition to periods included by an option to either extend or terminate the lease, in case the group is reasonably certain to exercise that option. The lease payments that are used to measure the lease liability at commencement date include the following:

- Fixed lease payments, less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially included in the lease liability using the index or rate at the commencement date of the lease
- Amounts expected to be payable by the group under residual value guarantees.
- The exercise price of a purchase option if the group is reasonably certain to exercise that option.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect leased payments and measuring the carrying amount again to reflect any revaluations or changes to the lease agreement, or to reflect adjustments in lease payments which follows from adjustments in indexes or rates.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment

The carrying amounts of the company's assets, other than stocks and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans

The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Note 1

Accounting Principles continued

Taxes

Income taxes are calculated from the profit (loss) before tax and comprise taxes payable and the change in deferred taxes.

Deferred tax assets and liabilities

are calculated in accordance with the liability method without discounting and provided for all differences between the carrying amount in the balance sheet

and the tax base of assets and liabilities, and for unused tax losses. Deferred tax assets are recognised only when it is expected that the benefit can be utilised

through sufficient taxable profits from expected future earnings.

Financial instruments

Financial instruments are classified into the following categories:

Fair value through profit or loss (FVTPL) and amortised costs. The classification of financial assets is determined in accordance with IFRS 9 *Financial Instruments* and is dependent on the business model for managing the financial assets and the characteristics of the cash flows as solely payments of principle and interest (SPPI) or not SPPI. Management determines the classification of all financial assets at initial recognition.

a) Financial assets at fair value over profit or loss

Financial assets at fair value through profit or loss do not meet the SPPI criteria. Derivatives are also always measured at fair value in the balance sheet and over the profit or loss if not designated in a cash flow hedge. Derivatives designated as hedging instruments are at FVOCI. Derivatives designated as hedge accounting instruments are accounted for in accordance with IFRS 9.

b) Amortised cost

Financial assets are initially recognised at fair value. Financial assets subsequently measured at amortised cost meet the SPPI criteria and are managed with a business model of Hold to collect. All financial assets, except derivatives, meet these criteria. The Group's financial assets at amortised cost include accounts receivable, other current receivables and cash and cash equivalents.

Recognition and Measurement

Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership.

Financial assets are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets

A financial asset or a group of financial assets is impaired using the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9.

Revenue

Thrace Polybulk AS recognises revenue from customer in accordance with IFRS 15 Revenue from contracts with customers. The entity sells industry packaging. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customers acceptance of the products. Delivery occurs when the products have been shipped to the specific location, and the risks of obsolescence and loss have been transferred to the customer.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, net of returns and volume rebates. The fixed transaction price, which represents the stand alone selling price of each product, is separately stated for each product or batch of products within the contract.

A receivable is recognised when the goods are delivered as this is the point in time when the entity transfer a sold product to the customer. Control of the good transfers immediately at the point of delivery. A receivable is recognised for the delayed payment terms, which is included in the line item Accounts receivable in the balance sheet. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

Net financing costs

Net financing costs comprise interest payable and interest receivable on funds invested. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Trade receivables

Trade receivables are measured at fair value including expected credit loss.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

Note 1**Accounting Principles continued****Changes in accounting policies****New and amended standards adopted by the Company**

They have not identified other standards or interpretations that will take effect after January 1st, 2021 and will have a significant impact on Thrace Polybulk's consolidated financial statements.

Significant management judgment in applying accounting policies

When preparing the Financial Statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 2 Employee remuneration

(Amounts in NOK 1.000)

Employee benefit expenses	2021	2020
Wages, salaries	12 496	12 040
Social security costs	2 212	2 008
Pension expenses	1 872	1 533
Other benefits	1 195	422
Total	17 774	16 004

Average number of employees	10	10
Selling	4	4
Administration	6	6

The following benefits were provided to the Managing Director:	2021	2020
Salary	1 236	2 304
Other remuneration	85	207
Pension	204	470
Total remuneration	1 525	2 981

There were no loans or guarantees given to the Managing Director, Chairman of the Board or other related parties.

The Managing Director and the Board do not have any agreement for compensation upon termination or change of employment / directorship.

The Managing Director is a part of the companys bonus program.

Board of directors remuneration

The other directors received no remuneration during the year or in the previous year in respect of services provided to the Company.

Pension

The company is required to have a compulsory pension in accordance with the Mandatory occupational pension scheme §7-30a.

The company has a pension plan that fulfills this requirement, which covers all employees and is a defined contribution plan.

Note 3 Property, plant and equipment

(Amounts in NOK 1.000)

	Vehicles and machinery	Furniture, fittings and equipment	Total
At 1 January 2020			
Acquisition cost	6 174	1 837	8 010
Accumulated depreciation	(3 304)	(1 149)	(4 453)
Net book amount	2 870	688	3 558
Year ended 31 December 2020			
Opening net book amount	2 870	688	3 558
Additions	0	32	32
Disposals	0	0	0
Depreciation charge	(732)	(146)	(878)
Other	0	0	0
Closing net book amount	2 138	573	2 712
At 31 December 2020			
Acquisition cost	6 174	1 869	8 042
Accumulated depreciation	(4 036)	(1 295)	(5 331)
Net book amount	2 138	573	2 711
Year ended 31 December 2021			
Opening net book amount	2 138	573	2 712
Additions	0	41	41
Disposals	0	0	0
Depreciation charge	(723)	(151)	(874)
Other	0	0	0
Closing net book amount	1 415	464	1 879
At 31 December 2021			
Acquisition cost 01.01.2021	6 174	1 869	8 042
Addition/disposals	0	41	41
Accumulated depreciation	(4 759)	(1 446)	(6 205)
Net book amount	1 415	464	1 879
Useful life	5 years	3-5 years	
Depreciation method	Straight-line	Straight-line	

Note 4 Intangible assets

(Amounts in NOK 1.000)

	Web page	Goodwill	Total
Cost			
At 1 January 2020	47	7 641	7 688
Additions	0	0	0
As at 31 December 2020	47	7 641	7 688
Additions	0	0	0
As at December 2021	47	7 641	7 688
Accumulated amortisation and impairment			
At 1 January 2020	(47)	0	(47)
Amortisation charge	0	0	0
As at 31 December 2020	(47)	0	(47)
Impairment charge	0	0	0
Amortisation charge	0	0	0
As at 31 December 2021	(47)	0	(47)
Net book value			
Cost	47	7 641	7 688
Accumulated amortisation and impairment	(47)	0	(47)
As at 31 December 2020	0	7 641	7 641
Cost	47	7 641	7 688
Accumulated amortisation and impairment	(47)	0	(47)
As at 31 December 2021	(0)	7 641	7 641

Impairment test for goodwill

Goodwill is from the demerger from Hydro and considered significant in comparison to the Company's total carrying amount of such assets and has been allocated to cash generating unit Thrace Polybulk AS.

The recoverable amount of the above has been calculated with reference to the value in use at the end of 2021. The key features of this calculation are shown below:

	2021	2020
Period on which management approved forecasts are based	1 year	1 year
Growth rate applied beyond approved forecast period	0,0 %	0,0 %
Discount rate (pre-tax)	5,3 %	6,0 %

The growth rates used in the value in used calculations reflect a conservative view on the expected industry growth rate. The growth rate in the terminal period is 0,0 % (0,0 % in 2020). The EBIT margin in the forecast period (2021-2025) is 11 %.

The discount rate is calculated using the CAPM-model with risk free rate of 0,0 % (0,0 % in 2020), beta equal to 1,0 (1,0 in 2020) and a normal market premium on 5,0 % (5,0 % in 2020). In addition there is a small company premium of 1,0 % (1,0 % in 2020).

The impairment test at year end 2021 support the value of the goodwill in the financial statements.

Sensitivity analysis for key assumptions:

Goodwill was tested for a worst case scenario where WACC and EBIT were set to 15% and 3%, respectively. There were no reasonable possible changes in any of the those assumptions that would have resulted in an impairment write-down for goodwill.

Note 5 Income tax expense and deferred income tax

(Amounts in NOK 1.000)

Components of the income tax expense for the year	2021	2020
Tax payable in Norway	2 364	3 262
Change in deferred tax/deferred tax benefit	96	288
Total income tax expense	2 460	3 550
Explanation of difference between Norwegian statutory tax rate of 22 % in 2019 and 23 % in 2018, and the effective tax	2021	2020
Profit before income taxes	11 173	16 130
22 % of profit before income taxes (tax rate in Norway)	2 458	3 549
Permanent differences in Norway 22%	(166)	(518)
Other differences	167	520
Total income tax expense	2 460	3 550

Note 5 Income tax expense and deferred income tax continued

Basis for income tax expense, changes in deferred tax/deferred tax benefit and tax payable	2021	2020
Profit before taxes	11 173	16 130
IFRS differences	(24)	(34)
Permanent differences	(166)	(518)
Basis for the tax expense for the year	10 983	15 578
Change in temporary differences	(238)	(752)
Basis for payable taxes in the income statement	10 746	14 826
Taxable income (basis for payable taxes in the balance sheet)	10 746	14 826

Payable taxes in the balance sheet	2021	2020
Tax payable in the tax charge in Norway	2 364	3 262
Tax payable in the balance sheet	2 364	3 262

Deferred income tax

	2021	2020
Temporary differences		
Intangible assets	7 641	7 641
Fixed assets	(319)	15
Inventory	0	0
Accounts receivables	(356)	(356)
Pension funds	1 229	658
IFRS differences	90	66
Net temporary differences	8 285	8 024
Tax losses carried forward	0	0
Basis for deferred tax	8 285	8 024
Deferred tax	1 823	1 765
Deferred tax benefit not shown in the balance sheet	0	0
Deferred tax in the balance sheet	1 823	1 765

The analys of deferred tax assets and deferred liabilities is as follows:

	2021	2020
Deferred tax liabilities:		
- Deferred tax liabilities to be recovered after more than 12 months	1 823	1 765
- Deferred tax liabilities to be recovered within than 12 months	0	0
Deferred tax liabilities (net)	1 823	1 765

The gross movement on the deferred income tax account is as follows:

	2021	2020
At 1 January	1 765	1 592
Income statement charge	96	288
Tax charged/(credited) directly to equity	(38)	(115)
At 31 December	1 823	1 765

Deferred tax assets (-) / liabilities are presented net for Norwegian entities.

Note 6 Expenses and auditors' remuneration

(Amounts in NOK 1.000)

Other operating expence	2021	2020
Office cost	0	660
Rental cost	418	552
External services	1 331	1 272
Maintenance, repair, vehicle cost, office supplies	173	97
Internal cost	1 630	1 139
Travel cost	299	303
Insurance cost	543	527
Freight cost	18 089	6 231
Other cost	495	408
Total other operating expences	22 979	11 188

Audit Fees

Divided by type of service (exclusive of VAT)	2021	2020
Statutory audit (incl. preparation of financial statements)	225	223
Other attestation services	74	26
Tax related services (incl. technical assistanse with tax returns)	20	20
Other services	112	142
Total fees	430	410

Note 7 Related parties

(Amounts in NOK 1.000)

The Company is controlled by Synthetic Holdings Ltd (incorporated in Ireland) as parent and Thrace Plastics Co SA (listed on the Athen Stock Exchange) as the ultimate controlling party. The company also trades with other group subsidiaries and jointly controlled entities of Thrace Plastics Co SA. The related party transactions during the year and the balances as at the year end with these related parties are shown below:

(a) Sales of goods and services

	2021	2020
Sale of goods:		
- Associates of Thrace Pastics Co SA	8	41
Sale of services:		
- Associates of Thrace Pastics Co SA	9 661	9 671
Total	9 669	9 712

(b) Purchases of goods and services

	2021	2020
Purchase of goods:		
- Associates of Thrace Pastics Co SA	0	0
Purchase of services:		
- Ultimate parent	1 630	1 602
Total	1 630	1 602

Note 7 Related parties continued

(c) Year-end balances arising from sales/purchase of goods/services

	2021	2020
Other receivables from related parties (note 9):		
- Associates of Thrace Pastics Co SA	83	168
Payables to related parties (note 13):		
- Associates of Thrace Pastics Co SA	105	0

Transactions with related parties are on normal commercial terms and amounts due are unsecured. Directors of the Company and their immediate relatives hold no shares in the company. Transactions with the employee pension schemes involve the payment of employer's contributions as disclosed in note 14.

Redistribution of costs to Thrace Polybulk AB is presented as Employee benefit expense and other operating expense reimbursed by related parties. The redistribution of costs is due to the fact that nearly all of The Company's employees are working for both the Company and Thrace Polybulk AB. The Companies has for 2021 agreed that Thrace Polybulk AB will be invoiced for 44 % of the staff costs that arise as a result of this collaboration and administrative costs related to Thrace Polybulk AS.

Note 8 Cash and cash equivalents

(Amounts in NOK 1.000)

Cash and equivalents include the following items:	2021	2020
Bank deposits (restricted tax withholding account)	439	600
Bank deposits (unrestricted, available liquidity)	37	8 556
Total cash and cash equivalents	476	6 226

Note 9 Trade and other receivables

(Amounts in NOK 1.000)

	2021	2020
Trade receivables third parties	39 448	30 450
Less: expected credit loss on trade receivables	(356)	(356)
Trade receivables - net	39 093	30 094
Prepayments	1 537	441
Receivables from related parties	83	168
Total trade and other receivables	40 713	30 703

The table below shows the aging analysis of trade receivables per 31.12

Year	1 - 30 days	>30 days	>90 days	>180 days
2021	2 564	0	0	0
2020	1 043	0	0	0

The groups historical credit loss on trade receivables are insignificant, in 2021 and 2020 booked credit loss are TNOK 0 and TNOK 0. Expected credit losses is also insignificant, there are no forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, booked expected credit loss are TNOK 356.

Note 10 Share capital and shareholder information

At 31 December 2021 the share capital of NOK 100 000 consists of the following:

Classes of shares	Face value	Amount
Ordinary shares	1,0	100 000
Sum		100 000

The number of shares outstanding at the beginning and end of the financial year was 100,000 shares. The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Overview of the major shareholders of 31 December 2021:

	Amount of ordinary shares	Ownership	Voting right
Synthetic Holdings Ltd., Ireland	100 000	100 %	100 %
Sum	100 000	100 %	100 %

Ordinary shares have 1 vote.

	2021	2020
Dividends paid out to shareholders	5 054	7 000

Note 11 Other gains/losses

(Amounts in NOK 1.000)

	2021	2020
Foreign exchange gain	2 953	5 616
Total other gains	2 953	5 616

Foreign exchange loss	(4 456)	(4 490)
Other losses	(28)	(19)
Total other losses	(4 485)	(4 509)
Net other gains/losses	-1 531	1 108

Note 12 Inventories

	2021	2020
Finished goods	24 135	12 410
Provision for obsolescence	0	0
Net book amount	24 135	12 410

Note 13 Trade and other payables

(Amounts in NOK 1.000)

	Note	2021	2020
Trade payables		17 046	6 872
Trade payables due to related parties	7		0
Social security and other taxes		5 867	5 951
Accrued benefit expense		9 060	4 096
Accrued expenses		138	111
Total trade and other payables		32 112	17 031

Note 14**Post-employment benefits**

(Amounts in NOK 1.000)

The defined benefit scheme is covered by Storebrand Life Insurance; it is an ordinary pension scheme effective from the age of 67.

The amounts recognised in the balance sheet are determined as follows:

	2021	2020
Present value of funded obligations	12 491	15 940
Fair value of plan assets	(13 720)	(16 597)
Liability in the balance sheet	(1 229)	(658)

The movement in the defined benefit liability over the year is as follows:

	Present value of	Fair value of plan	Total
At 1 January 2020	16 699	(17 097)	(398)
Current service cost	1 669	0	1 669
Interest expense/(income)	44		44
Total	18 412	(17 097)	1 315
Remeasurements:			
- Actuarial losses/(gains)	525		525
- Payroll tax of employer contribution	302	(302)	0
- Employer contribution incl. payroll tax		(2 497)	(2 497)
- Other			0
At 31 December 2020	19 238	(19 896)	(658)
At 1 January 2021	19 238	(19 896)	(658)
Current service cost	1 887	0	1 887
Interest expense/(income)	40		40
Total	21 165	(19 896)	1 269
Remeasurements:			
- Actuarial losses/(gains)	174		174
- Payroll tax of employer contribution	324	(324)	0
- Employer contribution incl. payroll tax		(2 673)	(2 673)
- Other			0
At 31 December 2021	21 663	(22 893)	(1 229)

Components of Net Periodic Pension Cost recognised in P&L:

	2021	2020
Current service cost at boy	1 452	1 383
Change in pensionplan	149	0
Interest	25	32
Payroll tax	208	199
Current service cost incl. interest and payroll tax	1 834	1 614
Administration cost	47	48
Payroll tax	7	7
Total service cost (income)	1 887	1 669
Interest cost (income) on net obligation	40	44
Payroll tax		0
Financial cost (income)	40	44
Net periodic pension cost (income)	1 927	1 713

Other Comprehensive Income – OCI during period:

	2021	2020
Actuarial loss (gain) – change in discount rate	(467)	1 881
Actuarial loss (gain) – change in other financial assumptions	469	(1 428)
Actuarial loss (gain) – change in mortality table	0	0
Actuarial loss (gain) – experience DBO	(4 010)	(2 135)
Loss (gain) – experience Assets	3 968	1 905
Investment management cost	273	242
Asset ceiling - asset adjustment	(59)	59
Remeasurements (loss) gain	174	525

The fair value of the plan assets as at balance sheet date are estimated by Storebrand Livsforsikring AS since the defined benefit plans are held in that life insurance company. The assumptions used are in compliance with the guidance set by the The Norwegian Accounting Standards Board. The company has used the interest rate of covered bonds as discount rate as of December 31, 2021.

The significant actuarial assumptions were as follows:

	2021	2020
Discount rate	1,90 %	1,70 %
Expected return on assets	1,90 %	1,70 %
Inflation rate	2,50 %	1,75 %
Salary growth rate	2,75 %	2,00 %
Pension growth rate	0,00 %	0,00 %

Note 15**Financial risk management**

(Amounts in NOK 1.000)

The Company is exposed to interest rate risk, credit risk, foreign currency risk and market price risk associated with the price of polymer raw material arises in the normal course of the Company's business. No derivatives are used by the Company.

FINANCIAL RISK FACTORS**Interest rate risk**

The Company does not have any interest bearing debt in either years or no covenants related to any debt.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers. Mostly of the credit risk is managed by an insurance arrangement.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2021	2020
Trade and other receivables	40 713	30 703
Cash and cash equivalents	476	9 156
Total	41 189	39 859

The maximum exposure to credit risk for trade receivables from third parties at the reporting date by geographic region was:

	2021	2020
Norway	39 463	31 122
Total	39 463	31 122

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. For details about expected credit loss and the ageing of trade receivables see note 9.

The vast majority of the trade receivables are related to significant customers in Norway that have a good payment record with the company. Of the trade receivables as of 31 December 2021, 70 % (2020: 88 %) referred to its three largest customers. All the customers are companies with limited liabilities. The three largest customers are entirely managed by the insurance arrangement, i.e. the company has no credit risk due to these three.

Liquidity risk

The maturities of financial liabilities were:

	2021	2020
Trade payables aging less than one year	17 046	6 872
Other payables aging less than one year	17 691	13 687
Total	34 738	20 559

The Company has no financial obligations other than from operating activities. The working capital in the Company is considered to be strong. Hence the liquidity risk from the Company's activities is considered to be low.

Foreign currency risk

The Company incurs foreign currency risk on purchases that are denominated in a currency other than NOK. The currencies giving rise to this are primarily Euros, THB and US Dollars. The Company also receives Euros from sales to their largest customers. No formal hedging instruments are used.

The company's exposure to foreign currency risk was as follows based on notional terms:

(Amounts in foreign currency)

	Trade receivables	Trade payables	Bank Accounts	Net exposure
At 31 December 2020				
Euro	2 731	(530)	552	2 753
USD	101	(87)	25,1	39
THB		(27)		(27)
At 31 December 2021				
Euro	3 853	(1 281)	123	2 694
USD		(198)	121	(77)
THB		(1 577)		(1 577)

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2021	2020	2021	2020
Euro	10,16	10,72	9,99	10,47
USD	8,60	9,40	8,82	8,53
SEK	1,00	1,02	0,97	1,04
THB	0,27	0,30	0,27	0,29

Note 15**Financial risk management continued****Fair values**

The fair values of financial instruments are not significantly different to the carrying amounts shown in the balance sheet.

Market price risk

The principal market risk relates to fluctuations in the price of polymer raw material. A clause in sales agreement enables the Company to pass on some of the market price risk to its larger customers.

Sensitivity analysis

In managing currency and market risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. See above for more details concerning how this is managed.

It is estimated that a general increase of one percentage point in the value of the NOK against other foreign currencies would have an immaterial effect on the company's financial income in the income statement for both 2021 and 2020.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder or sell assets to reduce debt. The Company does not have any interest bearing debt. The working capital of the Company is considered to be strong. The equity is also considered to be strong.

The gearing ratios at December 2021 and 2020 were as follows:	2021	2020
Trade and other payables	32 112	17 031
Less: cash and cash equivalents	(476)	(9 156)
Net debt	31 636	7 875
Total equity	39 864	41 287
Total capital	71 500	49 162
Gearing ratio	44 %	16 %

Note 16**Categories of financial instruments**

(Amounts in NOK 1,000)

	31 December 2021		
	At fair value	At amortized costs	Total
Assets as per balance sheet			
Trade and other receivables excluding pre-payments	-	39 176	39 176
Cash and cash equivalents	-	476	476
Total	-	39 651	39 651

	At fair value	At amortised cost	Total
Liabilities as per balance sheet	-		
Trade and other payables excluding non-financial liabilities	-	32 374	32 374
Total	0	32 374	32 374

	31 December 2020		
	At fair value	At amortized costs	Total
Assets as per balance sheet			
Trade and other receivables excluding pre-payments	-	30 262	30 262
Cash and cash equivalents	-	9 156	9 156
Total	-	39 419	39 419

	At fair value through profit or loss	At amortised cost	Total
Liabilities as per balance sheet	-		
Trade and other payables excluding non-financial liabilities	-	17 031	17 031
Total	-	17 031	17 031

The carrying amount of cash and a cash equivalents is fair value. The carrying amount of other current loans and receivables approximates fair value as the impact of discounting is not significant. There is no financial instruments categorized as FVTPL.

The group's exposure to various risks associated with the financial instruments is discussed in note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Note 17**Commitments****Capital commitments**

There were no capital commitments outstanding as of the end of 2021 or 2020.

Note 18**Specification of Revenue**

Thrane Polybulk AS recognises revenue from customer in accordance with IFRS 15 Revenue from contracts with customers. The entity has one revenue stream from sale of industry packaging, and there is no disaggregation of revenue other than to geographical areas.

Geographical distribution	2021	2020
Norway	121 592	113 542
Other countries	738	267
Total	122 330	113 809

Note 19**Leases**

The Group implemented IFRS 16 1 January 2019. The implementation is further presented in note 1.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Amounts in TNOK	31.12.2021	01.01.2021
Right of use assets		
Properties	1 776	1 991
Amounts in TNOK	31.12.2021	01.01.2021
Lease liabilities		
Current	262	267
Non-Current	1 424	1 658
Total lease liabilities	1 686	1 925

Additions to the right-of-use assets in 2021 were NOK 0

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Amounts in TNOK	2021	2020
Depreciation charge of right-of-use assets		
Properties	248	244
	248	244
Interest expense	25	14
Total amounts recognised in the statement of profit or loss	25	14

The total cash outflow for leases in 2021 was NOK 296 880.



To the General Meeting of Thrace Polybulk AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Thrace Polybulk AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Tassebekkveien 354, 3160 Stokke, Postboks 211 Sentrum, 0103 Oslo

T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Vestfold, 31 March 2022

PricewaterhouseCoopers AS

Tom Nilsen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.