

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

EPAS ID: PAT8154107

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	MERGER
<b>EFFECTIVE DATE:</b>	06/16/2023
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
REICHHOLD AS	06/16/2023
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	POLYNT COMPOSITES NORWAY AS
<b>Street Address:</b>	LILLEBORGGATA 4
<b>City:</b>	GAMLE FREDRIKSTAD
<b>State/Country:</b>	NORWAY
<b>Postal Code:</b>	1630
<b>PROPERTY NUMBERS Total: 2</b>	
<b>Property Type</b>	<b>Number</b>
<b>Patent Number:</b>	10017614
<b>Application Number:</b>	16345655
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(312)269-1747
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
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<b>ATTORNEY DOCKET NUMBER:</b>	025064-8553 AND 8660
<b>NAME OF SUBMITTER:</b>	MICHAEL B. HARLIN
<b>SIGNATURE:</b>	/Michael B. Harlin/
<b>DATE SIGNED:</b>	09/07/2023
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## **FUSJONSPLAN / MERGER PLAN**

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for fusjon mellom Polynt Composites Norway AS og Reichhold AS

for the merger of Polynt Composites Norway AS and Reichhold AS

UNOFFICIAL OFFICE TRANSLATION – IN CASE OF  
DISCREPANCY THE NORWEGIAN VERSION SHALL PREVAIL:

## FUSJONSPLAN

Styrene i Polynt Composites Norway AS (org.nr. 919 317 663) og Reichhold AS (org.nr. 939 378 103) har utarbeidet følgende felles fusjonsplan ("**Fusjonsplanen**") for fusjon mellom:

Polynt Composites Norway AS  
Org.nr. 919 317 663  
Lilleborggata 4, 1630 Gamle Fredrikstad

som overtakende selskap i fusjonen (heretter kalt "**Overtakende Selskap**"), og

Reichhold AS  
Org.nr. 939 378 103  
Lilleborggata 4, 1630 Gamle Fredrikstad

som overdragende selskap i fusjonen (heretter kalt "**Overdragende Selskap**").

Det Overtakende Selskapet og det Overdragende Selskapet omtales heretter samlet som "**Selskapene**".

Fusjonsplanen skal fremlegges for godkjenning i Selskapenes styrer.

### 1. FUSJONEN

Styrene i Selskapene er enige om at Overtakende Selskap og Overdragende Selskap fusjonerer etter reglene i aksjeloven ("**asl.**") kapittel 13, ved at det Overdragende Selskapets eiendeler, rettigheter og forpliktelser i sin helhet overføres til det Overtakende Selskapet uten vederlag ("**Fusjonen**").

Fusjonen vil bli gjennomført som en vederlagsfri fusjon mellom morselskap og heleid datterselskap, jf. aksjeloven §

## MERGER PLAN

The board of directors of Polynt Composites Norway AS (reg.no. 919 317 663) and Reichhold AS (reg.no. 939 378 103) have prepared the following joint merger plan (the "**Merger Plan**") for the merger between:

Polynt Composites Norway AS  
Reg.no. 919 317 663  
Lilleborggata 4, 1630 Gamle Fredrikstad

as the acquiring company of the merger (hereinafter the "**Acquiring Company**"), and

Reichhold AS  
Reg.no. 939 378 103  
Lilleborggata 4, 1630 Gamle Fredrikstad

as the transferor company of the merger (hereinafter the "**Transferor Company**").

The Acquiring Company and the Transferor Company are hereinafter jointly referred to as the "**Companies**".

The Merger Plan shall be presented to and approved by the board of the Companies.

### 1. THE MERGER

The board of directors of the Companies hereby agree that the Acquiring Company and the Transferor Company are merged pursuant to the provisions of the Norwegian Private Limited Liability Companies Act (the "**Companies Act**") Chapter 13, in that the Transferor Company's assets, rights and obligations are transferred in its entirety to the Acquiring Company without consideration (the "**Merger**").

The Merger shall be implemented as a merger between a parent company and a wholly owned subsidiary without consideration, in accordance with the Companies Act Section 13-23. After completion of

13-23. Etter gjennomføring av Fusjonen oppløses og slettes Overdragende Selskap.

Fusjonen skal gjennomføres på de vilkår som fremgår av denne Fusjonsplanen.

Fusjonen skal ha selskapsrettslig virkning fra det tidspunkt Fusjonen er registrert som gjennomført i Foretaksregisteret.

## 2. FORMÅLET MED FUSJONEN

Den planlagte Fusjonen er ledd i planen til Polynt-konsernet (som både det Overdragende Selskapet og det Overtakende Selskapet er en del av), ved gjennomføringen av en reorganisering i konsernet, med det formål å redusere antall operasjonelle selskaper i samme konsern for å oppnå operasjonell effektivitet, særlig ved at det overlevende selskapet i hver jurisdiksjon integreres i Polynt-konsernets ressursplanleggingssystem.

## 3. GJENNOMFØRING AV FUSJONEN

Etter at Fusjonen er godkjent i styremøte i Selskapene, skal beslutningene meldes til Foretaksregisteret i henhold til aksjeloven § 13-13.

Når kreditorfristen på 6 uker etter aksjeloven § 13-14 er utløpt, og forholdet til eventuelle kreditorer som har reist innsigelser mot Fusjonen er avklart, skal Fusjonen meldes til Foretaksregisteret for ikrafttredelse. Når meldingen er registrert i Foretaksregisteret, skal Overdragende Selskapets eiendeler, rettigheter og forpliktelser anses endelig overdratt til det Overtakende Selskapet. Fra samme tidspunkt oppløses Overdragende Selskap.

Ved ikrafttredelse av Fusjonen inntreer bl.a. følgende virkninger:

- (i) Samtlige av det Overdragende Selskapets eiendeler, rettigheter og forpliktelser overføres til det

the Merger, the Transferor Company shall be dissolved and deleted.

The Merger shall be implemented on the terms stated in this Merger Plan.

Pursuant to company law, the Merger shall be effective as of registration of completion in the Norwegian Register of Business Enterprises.

## 2. OBJECT OF THE MERGER

The planned Merger is part of the plans of the Polynt group (of which both the Transferor Company and the Acquiring Company are a part of) to carry out a reorganization to reduce the number of operating entities in the same jurisdiction to achieve operational efficiencies, in particular by allowing the surviving operating entity in each relevant jurisdiction to roll into the Polynt group enterprise resources planning system.

## 3. COMPLETION OF THE MERGER

After the Merger is approved in board meetings in the Companies, the Norwegian Register of Business Enterprises shall be notified of the resolutions, in accordance with the Companies Act Section 13-13.

When the six weeks creditor notice period has expired in accordance with the Companies Act Section 13-14, and the relations with any creditors that have raised objections to the Merger are determined, the Norwegian Register of Business Enterprises shall be notified of the Merger entering into force. When the notification has been registered in the Norwegian Register of Business Enterprises, the Transferor Company's assets, rights, and obligations are considered transferred to the Acquiring Company. From the same time, the Transferor Company are dissolved.

When the Merger enters into force the following, among others, enters into effect:

- (i) All assets, rights and obligations of the Transferor Company are transferred to the

Overtakende Selskapet i samsvar med Fusjonsplanens bestemmelser.

- (ii) Andre virkninger som fastsatt i aksjeloven, lovgivningen for øvrig, samt i fusjonsplanen.
- (iii) Det Overdragende Selskapet slettes.

#### **4. FUSJONSVEDERLAG**

Det Overdragende Selskapets eiendeler, rettigheter og forpliktelser overføres i sin helhet til det Overtakende Selskapet uten vederlag, jf. asl. § 13-23 (1). Tilleggsvederlag skal ikke utdeles.

Overføring av det Overdragende Selskapets eiendeler, rettigheter og forpliktelser finner sted på tidspunktet for Fusjonens ikrafttredelse.

#### **5. SELSKAPETS FORVALTING**

I samsvar med aksjeloven § 13-17 (2) skal det Overtakende Selskapet overta forvaltningen av det Overdragende Selskapet fra det tidspunkt Fusjonsplanen er godkjent av generalforsamlingen i Selskapene.

#### **6. SÆRLIGE FORDELER**

Det eksisterer ingen tegningsrettigheter, opsjoner eller andre særlige rettigheter knyttet til aksjene i det Overdragende Selskapet. Ingen slike rettigheter skal heller tildeles ved Fusjonen.

Det vil ikke tilfalle noen særlige rettigheter eller fordeler til styremedlemmer eller daglige ledere i forbindelse med Fusjonen.

#### **7. SELSKAPSRETTLIGE BESLUTNINGER**

##### **7.1 Det Overtakende Selskapet**

Styrene i Selskapene foreslår at det fattes følgende vedtak i generalforsamling i det Overtakende Selskapet:

Acquiring Company pursuant to this Merger Plan.

- (ii) All other effects that will enter into force pursuant to the Companies Act, other relevant legislature and the Merger plan.
- (iii) The Transferor Company is dissolved.

#### **4. MERGER CONSIDERATION**

All assets, rights and obligations of the Transferor Company are transferred to the Acquiring Company without consideration, in accordance with Section 13-23 (1) of the Companies Act. Additional compensation shall not be distributed.

The transfer of the Transferor Company's assets, rights and obligations takes place at the time of the Merger's entry into force.

#### **5. MANAGEMENT**

In accordance with the Companies Act Section 13-17 (2), the Acquiring Company shall manage the Transferor Company from the time the Merger is approved by the general meetings of the Companies.

#### **6. SPECIAL RIGHTS**

There are no subscription rights, share options or other special rights attached to the shares in the Transferor Company. Nor shall any such right be assigned through the Merger.

No special rights or benefits will be given to directors of the board or the management in connection with the Merger.

#### **7. COMPANY RESOLUTIONS**

##### **7.1 The Acquiring Company**

The board of directors of the Companies propose that the following resolution is approved in a general meeting of the Acquiring Company:

- (i) *Fusjonsplan for fusjon av Selskapet som overtakende selskap, og med Reichhold AS (org.nr. 939 378 103) som overdragende selskap, godkjennes.*
- (ii) *Fusjonen gjennomføres som en vederlagsfri fusjon mellom morselskap og heleid datterselskap, jf. aksjeloven § 13-23. Etter gjennomføring av fusjonen oppløses og slettes det overdragende selskapet.*
- (iii) *Styret godkjenner alle handlinger nødvendig for gjennomføring av Fusjonen.*

## **7.2 Overdragende Selskap**

Styrene i Selskapene foreslår at det fattes følgende vedtak i styremøte i det Overdragende Selskapet:

- (i) *Fusjonsplan for fusjon av Polynt Composites Norway AS (org.nr. 919 317 663) som overtakende selskap, og med Selskapet som overdragende selskap, godkjennes.*
- (ii) *Fusjonen gjennomføres som en vederlagsfri fusjon mellom morselskap og heleid datterselskap, jf. aksjeloven § 13-23. Etter gjennomføring av fusjonen oppløses og slettes Selskapet.*
- (iii) *Styret melder beslutningen om fusjon til Foretaksregisteret.*
- (iv) *Styret godkjenner alle handlinger nødvendig for gjennomføring av Fusjonen.*

## **8. FUSJONENS BETYDNING FOR DE ANSATTE**

Det Overtakende Selskapet har 17 ansatte før Fusjonen. Det Overdragende Selskapet har 49 ansatte før Fusjonen.

- (i) *The merger plan for the merger of the Company as the acquiring company, and Reichhold AS (reg.no 939 378 103) as the transferor company, is approved.*
- (ii) *The merger shall be implemented as a merger between a parent company and a wholly owned subsidiary without consideration, in accordance with the Companies Act Section 13-23. After completion of the merger, the transferor company shall be dissolved and deleted.*
- (iii) *The board approves all actions necessary in order to complete the Merger.*

## **7.2 Transferor Company**

The board of directors of the Companies propose that the following resolution is approved in a board meeting of the Transferor Company:

- (i) *The merger plan for the merger of Polynt Composites Norway AS (reg.no. 919 317 663) as the acquiring company, and the Company as the transferor company, is approved.*
- (ii) *The merger shall be implemented as a merger between a parent company and a wholly owned subsidiary without consideration, in accordance with the Companies Act Section 13-23. After completion of the merger, the Company shall be dissolved and deleted.*
- (iii) *The board of directors shall notify the Norwegian Register of Business Enterprises of the merger.*
- (iv) *The board approves all actions necessary in order to complete the Merger.*

## **8. THE SIGNIFICANCE OF THE MERGER FOR THE EMPLOYEES**

The Acquiring Company has 17 employees before the merger. The Transferor Company has 49



Samtlige ansatte i det Overdragende Selskapet vil overføres til det Overtakende Selskapet ved Fusjonen.

Det er ikke planlagt omstillings- eller nedbemanningstiltak eller andre endringer som medfører geografisk relokalisering eller endringer i stillingsnivåer eller betegnelser i forbindelse med fusjonen. De ansatte vil i henhold til arbeidsmiljølovens regler beholde de samme rettigheter og forpliktelser de har som ansatte på tidspunktet for overføringen. Det Overtakende Selskapet vil videreføre det Overdragende Selskapets pensjons- og forsikringsordninger, slik at det ikke blir noen endringer for de ansatte. Overføringen forventes således ikke å forårsake vesentlige endringer for de ansatte eller for øvrig å få vesentlig betydning for de ansatte.

I samsvar med aksjeloven og arbeidsmiljøloven har de ansatte blitt gjort kjent med fusjonen og blitt gitt rett til drøfting i samsvar med arbeidsmiljøloven § 16-5.

## **9. SKATTEMESSIG OG REGNSKAPSMESSIG VIRKNING**

Fusjonen skal gjennomføres med regnskapsmessig virkning fra og med den 1. januar 2023.

Skattemessig gjennomføres Fusjonen fra ikrafttredelsestidspunktet.

Fusjonen gjennomføres med regnskapsmessig og skattemessig kontinuitet slik at det Overtakende Selskapet overtar det Overdragende Selskapets regnskapsmessige og skattemessige posisjoner i tilknytning til de overførte eiendeler, rettigheter og forpliktelser.

Fusjonen skal gjennomføres som en skattefri fusjon i samsvar med kapittel 11 i skatteloven.

employees before the merger. All employees in the Transferor Company are to be transferred to the Acquiring Company through the Merger.

A restructuring or downsizing measures or other changes which involve geographical relocation or changes in level of employment positions or titles in connection with the merger are not planned. The merger will, pursuant to the Working Environment Act, not impair or otherwise affect the employees' rights or obligations as employees at the time of completion of the merger. The Transferee Company will continue the Transferor Company's pension and insurance schemes, so that there will be no changes for the employees. The transfer is this not expected to cause any significant changes to the employees or otherwise have material bearing on the employees.

In accordance with the requirements of the Companies Act and the Norwegian Working Environment Act (the "WEA"), the employees have been made aware of the merger and given the opportunity to discuss the merger in accordance with the WEA Section 16-5.

## **9. TAX AND ACCOUNTING EFFECTS**

For accounting purposes, the Merger will be completed with effect as of 1 January 2023.

The Merger will have tax effect from the completion date.

The Merger will be carried out with accounting and tax continuity. The Acquiring Company will take over all accounting and tax positions in relation to the transferred assets, rights and obligations.

The Merger shall be considered as a tax-free merger according to Chapter 11 of the Norwegian Taxation Act.

## 10. FORUTSETNINGER

Gjennomføringen av Fusjonen er betinget av at alle lovbestemte betingelser for gjennomføring av Fusjonen er oppfylt, herunder gyldige styrevedtak og registrering i Foretaksregisteret.

## 11. TRANSAKSJONSKOSTNADER

Kostnader knyttet til Fusjonens gjennomføring skal dekkes av det Overtakende Selskapet.

## VEDLEGG

1. Bekreftelse fra aksjonæren i det Overtakende Selskapet
2. Siste årsregnskap, årsberetning og revisjonsberetning for Selskapene
3. Vedtekter for det Overtakende Selskapet

## 10. CONDITIONS

The implementation of the Merger is conditioned upon the fulfilment of all statutory requirements for the Merger, including valid board resolutions and registration with the Norwegian Register of Business Enterprises.

## 11. TRANSACTION COSTS

All costs related to the Merger shall be covered by the Acquiring Company.

## APPENDICES

1. Confirmation from the shareholder of the Acquiring Company
2. The latest annual accounts, annual report, and the auditor's statement for the Companies
3. Articles of Association of the Acquiring Company

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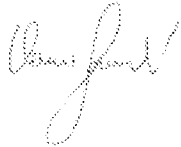
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\* \* \*

16 June  
Fredrikstad, ..... 2023

**For Polynt Composites Norway AS**



Signature: .....  
Name: Maurizio Leonardi  
Title: Styrets leder / Chairman of the board

Signature: .....  
Name: Terje Hauge  
Title: Styremedlem / Board member

**For Reichhold AS**

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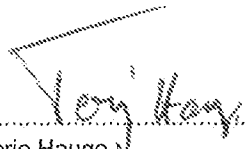
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[A22 Merger Plan -- (PC Norway / Reichhold Norway)]

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Fredrikstad, ..... 16 June 2023

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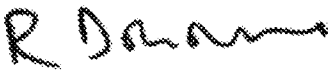
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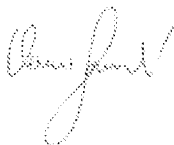
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Signaturside for fusjonplan / Signature page for merger plan

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Fredrikstad, 16 June 2023

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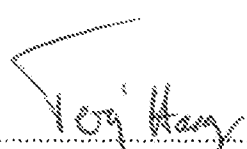
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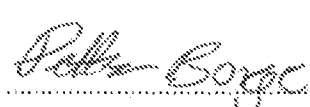
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[A22 Merger Plan -- (PC Norway / Reichhold Norway)]



**Vedlegg 1 – Bekreftelse fra aksjonær i Polynt Composites Norway AS**

**Appendix 1 – Confirmation from the shareholders of Polynt Composites Norway AS**

UNOFFICIAL OFFICE TRANSLATION – IN CASE OF DISCREPANCY  
THE NORWEGIAN VERSION SHALL PREVAIL:

**BEKREFTELSE**

Det vises til den planlagte fusjonen mellom Polynt Composites Norway AS (org.nr. 919 317 663) og Reichhold AS (org.nr. 939 378 103). Som eneaksjonær i Polynt Composites Norway AS, samtykker undertegnede med dette til at den lovbestemte fristen for utsendelse av fusjonsdokumentasjon etter aksjeloven § 13-23 (2) nr. 3, fravikes.

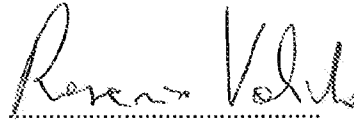
**CONFIRMATION**

Reference is made to the planned merger of Polynt Composites Norway AS (reg.no. 919 317 663) and Reichhold AS (reg.no. 939 378 103). As the sole shareholder of Polynt Composites Norway AS, the undersigned hereby consent to waive the statutory notice period under Section 13-23 (2) nr. 3 of the Norwegian Private Limited Liability Companies Act.

16 juni  
16 June  
..... 2023

**For Polynt S.p.A.**

Signature:



Name:

Rosario Valido

Title:

Director - Chairman & Chief Executive Officer

[A24 Shareholder written consent – (PC Norway)]

**Vedlegg 2** - Årsregnskap, årsberetning og revisjonsberetning for Selskapene

**Appendix 2** - Annual accounts, annual report, and the auditor statements for the Companies

# **Annual Report 2022**

## **Polynt Composites Norway AS**

**Revenue statement**  
**Balance sheet**  
**Cash flows**  
**Notes to the Accounts**

**Org.no.: 919 317 663**

**PATENT**  
**REEL: 064831 FRAME: 0175**

## Revenue statement

Polynt Composites Norway AS

Operating income and operating expenses	Note	2022	2021
Revenue	2	712 935 298	664 016 165
Other income		1 743 687	1 960 991
<b>Total income</b>		<b>714 678 985</b>	<b>665 977 157</b>
Cost of goods sold		505 926 550	442 825 385
Employee benefits expense	3, 4	16 768 238	18 622 023
Depreciation and amortisation expenses	5	180 197	145 627
Other expenses	3	138 453 774	148 582 847
<b>Total expenses</b>		<b>661 328 759</b>	<b>610 175 882</b>
<b>Operating profit</b>		<b>53 350 226</b>	<b>55 801 275</b>
<b>Financial income and expenses</b>			
Other interest income		326 188	0
Other financial income		16 154 289	8 682 140
Interest expense to group companies		0	15 159
Other financial expenses	6	7 871 133	10 883 238
<b>Net financial items</b>		<b>8 609 344</b>	<b>-2 216 257</b>
Net profit before tax		61 959 570	53 585 019
Income tax expense	7	13 631 271	11 388 753
<b>Net profit after tax</b>		<b>48 328 299</b>	<b>42 196 266</b>
<b>Annual net profit / loss (-)</b>	<b>8</b>	<b>48 328 299</b>	<b>42 196 266</b>
<b>Allocations and distributions</b>			
Additional dividend		75 200 000	0
Transferred to other equity	8	0	42 196 266
Transferred from other equity		26 871 701	0
<b>Total</b>		<b>48 328 299</b>	<b>42 196 266</b>

## Balance sheet

Polynt Composites Norway AS

<b>Assets</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Non-current assets</b>			
<b>Intangible and fixed assets</b>			
Equipment and other movables	5	216 748	396 945
Deferred tax assets	7	1 557 162	1 443 704
<b>Total intangible and fixed assets</b>		<b>1 773 910</b>	<b>1 840 649</b>
<b>Current assets</b>			
Inventories		0	454 536
<b>Debtors</b>			
Accounts receivables	6	76 195 266	82 200 182
Other short-term receivables	6	16 580 653	12 924 728
Receivables from group companies	6	33 435 622	51 171 074
<b>Total receivables</b>		<b>126 211 541</b>	<b>146 295 984</b>
Cash and cash equivalents	9	64 351 633	72 469 817
<b>Total current assets</b>		<b>190 563 175</b>	<b>219 220 337</b>
<b>Total assets</b>		<b>192 337 085</b>	<b>221 060 986</b>

## Balance sheet

Polynt Composites Norway AS

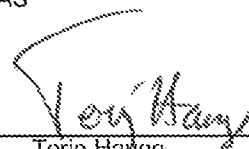
Equity and liabilities	Note	2022	2021
<b>Equity</b>			
Share capital	8, 10	60 000	60 000
Other paid in equity		29 970 000	29 970 000
<b>Total paid in equity</b>		<u>30 030 000</u>	<u>30 030 000</u>
<b>Retained earnings</b>			
Other equity	8	48 229 558	74 649 604
<b>Total retained earnings</b>		<u>48 229 558</u>	<u>74 649 604</u>
<b>Total equity</b>		<u>78 259 558</u>	<u>104 679 604</u>
<b>Liabilities</b>			
<b>Provisions</b>			
Employee benefit obligations	4	4 496 395	4 997 291
<b>Current liabilities</b>			
Trade payables		439 680	500 718
Tax payable	7	13 872 118	12 000 169
Public duties payable		1 147 018	1 057 504
Liabilities to group companies	6	90 120 094	93 869 420
Other current liabilities		4 002 224	3 956 281
<b>Total current liabilities</b>		<u>109 581 133</u>	<u>111 384 091</u>
<b>Total liabilities</b>		<u>114 077 528</u>	<u>116 381 382</u>
<b>Total equity and liabilities</b>		<u>192 337 085</u>	<u>221 060 986</u>

Fredrikstad, 05.06.2023

The board of Polynt Composites Norway AS



Maurizio Leonardi  
chairman of the board



Terje Haøge  
member of the board

## Indirect cash flow

Polynt Composites Norway AS

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit/loss before tax		61 959 570	53 585 019
Taxes paid		-12 000 169	-9 810 263
Ordinary depreciation		180 197	145 627
Change in inventory		454 536	-352 556
Change in accounts receivable		6 004 915	9 898 639
Change in accounts payable		-61 038	155 163
Change in provisions, accruals and other		-7 617 116	-7 445 828
<b>Net cash flows from operating activities</b>		<b><u>48 920 894</u></b>	<b><u>46 175 800</u></b>
<b>Cash flows from investment activities</b>			
Investments in fixed assets		0	-237 403
Changes in receivables on group companies		18 014 364	-49 928 948
<b>Net cash flows from investment activities</b>		<b><u>18 014 364</u></b>	<b><u>-50 166 351</u></b>
<b>Cash flows from financing activities</b>			
Payment of dividend		-75 200 000	0
<b>Net cash flows from financing activities</b>		<b><u>-75 200 000</u></b>	<b><u>0</u></b>
Net change in cash and cash equivalents		-8 264 742	-3 990 551
Cash and cash equivalents at the start of the period		72 469 817	76 460 368
<b>Cash and cash equivalents at the end of the period</b>		<b><u>64 205 075</u></b>	<b><u>72 469 817</u></b>

# Polynt Composites Norway AS

## Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Standards in Norway.

### **Assets and liabilities**

Fixed assets are valued at the acquisition cost, and depreciated over the assets expected useful life. The asset is written down to the recoverable amount value if a decrease in value is not expected to be temporary.

Long-term liabilities are recorded in the balance sheet at nominal value at the time of establishment.

Current assets are valued at the lower of historical cost and fair value. Other long-term liabilities and current liabilities are carried at nominal value.

### **Fixed assets**

Tangible fixed assets are capitalized and depreciated on a linear basis over the expected useful life of the assets. If the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Cost of maintenance of assets is expensed as incurred.

### **Revenue recognition**

Revenues from sales of goods are recognized when goods are delivered and significant risks and rewards of the goods have passed over to the customer. Revenue is measured at fair value of the consideration received for the sold goods, less rebates, bonuses, sales-freight etc. Revenue from delivery of services is recognized when the service is performed.



## Polynt Composites Norway AS

### **Foreign currency**

Receivables and liabilities in foreign currency are at the exchange rate of prevailing at the balance date. Exchange gains and losses are recorded as financial income and financial expenses, respectively.

### **Cash and cash equivalents**

Cash and cash equivalents include cash and bank deposits.

### **Accounts receivable**

Accounts receivables and other receivables are recorded at nominal value less provision for expected loss. An estimate is made for doubtful account receivables based on a review of all outstanding amounts at period-end.

### **Product guarantees, services and complaints**

Provisions for future warranties and services related to goods sold is estimated at balance date and accounted for separately from the sales transaction.

### **Pensions**

In the defined benefit pension schemes, the obligation is expensed over the service life according to the actuarial calculations of the terms and conditions in the defined benefit plan . The net pension obligation is the difference between the present value of the pension obligations and the value of plan assets. Plan assets are recognized at fair value. Social security expences is included in the calculations.

### **Cost of sales and other expenses**

Costs of goods sold and other expenses are recognized in the same period as the related revenue is recognized.

### **Tax**

The tax charge in the profit and loss statement includes both current taxes payable for the period and changes in deferred taxes. Deferred taxes is calculated at rate of 22 % on the basis of the temporary differences which exist between accounting book values and tax values, and any carry forward losses for tax purposes at year-end. Tax increasing or tax reducing temporary differences, which are reversed or may be reversed in the same period, giving rise to deferred taxes have been eliminated and are presented net. Deferred tax assets are recognized in the balance sheet in the extent that there are positive evidence supporting the future utilization.

## Polynt Composites Norway AS

### Note 2 Sales by area

<b>Per business area</b>	<b>2022</b>	<b>2021</b>
Polyester	525 714 000	494 866 000
Gelcoat og additives	47 517 000	47 410 000
Other	139 704 298	121 740 165
<b>Sum</b>	<b>712 935 298</b>	<b>664 016 165</b>

<b>Per geographical market</b>	<b>2022</b>	<b>2021</b>
Nordic	314 067 000	278 514 000
Rest of Europa	397 216 000	380 535 000
Outside Europa	1 652 298	4 967 165
<b>Sum</b>	<b>712 935 298</b>	<b>664 016 165</b>

### Note 3 Payroll costs, number of employees, benefits, loan to employees etc.

<b>Payroll cost</b>	<b>2022</b>	<b>2021</b>
Salary	13 220 046	12 641 239
Sosial Security Tax	2 012 495	2 137 187
Pension costs (Note 8)	1 248 610	2 029 676
Other benefits	287 088	1 813 921
<b>Total</b>	<b>16 768 238</b>	<b>18 622 023</b>

Average number of man years during the year	17	20
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#### **Auditor**

Remuneration expensed to the auditors is as follows (excl. VAT):

	<b>2022</b>
Audit according to law	272 250
Other services	164 615
Sum	436 865

## Polynt Composites Norway AS

### Note 4 Defined-benefit pensions

22 members are covered through the group's defined-benefit pension scheme as at 31.12.2022. The scheme covers an old age pension from reaching the age of 67 which runs until death. The pension funds are valued at fair value at the end of year.

The pension obligations (the net present value of the pension benefit earned at the balance sheet date adjusted for future salary increases) is valued on the basis of the best estimate based on assumptions as at the balance sheet date.

<b>Calculation of the year's pension cost:</b>	<b>2022</b>	<b>2021</b>
Present value of the year's pension earnings	867 303	1 135 131
Net interest cost	65 696	69 457
Administration costs	343 052	273 893
Employment tax	179 923	208 465
<b>Pension cost for the year for defined-benefit pension scheme</b>	<b>1 455 974</b>	<b>1 686 946</b>

<b>Reconciliation of Defined Benefit Obligation (PBO)</b>	<b>2022</b>	<b>2021</b>
Defined Benefit Obligation (PBO) - beginning of year	30 777 783	31 111 732
Current Service cost (SCC)	867 303	1 135 131
Interest Cost	461 667	528 899
Benefits paid - funded and unfunded plans	-669 793	-542 731
Liability (gain), loss	1 388 968	-1 455 248
<b>Defined Benefit Obligation (PBO) - end of year</b>	<b>32 825 928</b>	<b>30 777 783</b>

<b>Reconciliation of fair value of Plan Assets</b>	<b>2022</b>	<b>2021</b>
Fair value of Plan Assets - beginning of year	26 393 037	27 026 040
Expected return on Plan Assets	395 971	459 443
Employer Contributions, excluding administrative expenses	864 509	1 730 805
Benefits paid - funded plans	-669 793	-542 731
Asset gain, (loss)	1 896 456	-2 275 520
<b>Fair value of plan assets - end of year</b>	<b>28 880 180</b>	<b>26 398 037</b>

<b>Reconciliation of funded status:</b>	<b>2022</b>	<b>2021</b>
Gross pension obligations	-32 825 928	-30 777 783
Fair value of pension funds	28 885 179	26 398 037
<b>Net pension obligations</b>	<b>-3 940 749</b>	<b>-4 379 746</b>
Employment tax	-555 646	-617 544
<b>Pension obligations posted to the balance sheet</b>	<b>-4 496 395</b>	<b>-4 997 290</b>

<b>Movement in Balance Sheet - end of year</b>	<b>2022</b>	<b>2021</b>
Net pension obligations 1.1.	-4 997 288	-4 661 773
Pension cost posted to the profit and loss account	-1 455 974	-1 686 946
Premium payments	1 207 561	2 004 698
Remeasurment booked through OCI	579 044	-935 930
Employment tax of premium payments	170 266	282 662
<b>Net pension obligation posted to the balance sheet 31.12.</b>	<b>-4 496 390</b>	<b>-4 997 288</b>

## Polynt Composites Norway AS

<b>In calculating the pension cost and net pension obligations the following assumptions have been used:</b>	<b>2022</b>	<b>2021</b>
Discount rate	3,20%	1,50%
Return on pension funds	1,55%	2,90%
Salary growth	3,75%	2,50%
Long term inflation	2,00%	1,50%
Social security escalation rate	3,50%	2,25%
Pension increase	1,70%	0,00%
Local tax rate	14,10%	14,10%

Polynt Composites Norway AS

Note 5 Fixed assets

	<b>Software</b>	<b>IT-equipment</b>	<b>Sum</b>
Acquisition cost as at 01.01.2022	417 130	495 581	912 711
Addition of plant and equipment purchased	0	0	0
Disposal of plant and equipment sold	0	0	0
<b>Acquisition cost 31.12.2022</b>	<b>417 130</b>	<b>495 581</b>	<b>912 711</b>
Accumulated depreciation as at 31.12.2022	417 130	278 832	695 962
<b>Book value as at 31.12.2022</b>	<b>0</b>	<b>216 748</b>	<b>216 748</b>
The year's depreciation	69 522	110 675	180 197
Expected lifetime	3-5 years	3-5 years	
Depreciation rate ordinary depreciation	Linear	Linear	
<b>Operating leases that are not capitalized Machinery</b>			
Lease cost in 2022	222 313		
Duration	1 - 4 years		

## Polynt Composites Norway AS

### Note 6 Related parties

#### Account receivables

<b>Counterpart</b>	<b>Relationship</b>	<b>2022</b>	<b>2021</b>
Group companies	Other related parties	1 521 038	1 242 126
<b>Sum</b>		<b>1 521 038</b>	<b>1 242 126</b>

#### Other receivables

<b>Counterpart</b>	<b>Relationship</b>	<b>2022</b>	<b>2021</b>
Group companies	Parent Company - cash pool	31 914 584	49 928 948
<b>Sum</b>		<b>31 914 584</b>	<b>49 928 948</b>

Participants in the cashpool arrangement are joint and severable liable for any net credit balances drawn on this arrangement by any of the participants under the arrangement.

#### Trade payables

<b>Counterpart</b>	<b>Relationship</b>	<b>2022</b>	<b>2021</b>
Group companies	Associated	-88 170 486	-92 184 719
Group companies	Parent company	-1 950 058	-1 684 701
<b>Sum</b>		<b>-90 120 544</b>	<b>-93 869 420</b>

#### Sales

<b>Counterpart</b>	<b>Relationship</b>	<b>2022</b>	<b>2021</b>
Group companies	Associated	6 654 489	8 392 251
Group companies	Parent company	64 115	86 276
<b>Sum</b>		<b>6 718 604</b>	<b>8 478 527</b>

#### Costs

<b>Counterpart</b>	<b>Relationship</b>	<b>2022</b>	<b>2021</b>
Group companies	Parent Company	6 323 189	5 734 889
Group companies	Other related parties	626 595 380	560 677 661
<b>Sum</b>		<b>632 918 569</b>	<b>566 412 550</b>

Polynt Composites Norway AS

Note 7 Tax

<b>This year's tax expense</b>	<b>2022</b>	<b>2021</b>
Payable tax	13 872 119	12 000 169
Changes in deferred tax assets	-240 848	-611 416
<b>Tax expense on ordinary profit/loss</b>	<b>13 631 271</b>	<b>11 388 753</b>
Taxable income:		
Ordinary result before tax	61 959 570	53 585 019
Permanent differences	579 794	-931 692
Changes in temporary differences	515 717	1 892 897
<b>Taxable income</b>	<b>63 055 080</b>	<b>54 546 222</b>
Payable tax in the balancesheet:		
Payable tax on this year's result	13 872 119	12 000 169
<b>Total payable tax in the balance</b>	<b>13 872 119</b>	<b>12 000 169</b>
Calculation of effective tax rate		
Profit before tax	61 959 570	53 585 019
Calculated tax on profit before tax	13 631 105	11 788 704
Tax effect of permanent differences	165	933
Effect of deferred tax (not recognized)	0	-400 884
<b>Total</b>	<b>13 631 270</b>	<b>11 388 753</b>
Effective tax rate	22,0 %	21,3 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2022</b>	<b>2021</b>	<b>Difference</b>
Tangible assets	68 386	184 999	116 613
Accounts receivable	-2 650 000	-1 750 000	900 000
Net pension liabilities	-4 496 395	-4 997 291	-500 896
<b>Total</b>	<b>-7 078 009</b>	<b>-6 562 292</b>	<b>515 717</b>
<b>Basis for deferred tax assets</b>	<b>-7 078 009</b>	<b>-6 562 292</b>	<b>515 717</b>
<b>Deferred tax assets (22 %)</b>	<b>1 557 162</b>	<b>1 443 704</b>	<b>-113 458</b>

Note 8 Equity

	<b>Share capital</b>	<b>Other paid-in capital</b>	<b>Other equity</b>	<b>Total equity</b>
Equity 01.01.2021	60 000	29 970 000	74 649 604	104 679 604
Actuarial gains/(losses) net of tax	0	0	451 655	451 655
Dividends paid		0	-75 200 000	-75 200 000
Net profit/loss for the financial year			48 328 299	48 328 299
<b>Equity 31.12.2022</b>	<b>60 000</b>	<b>29 970 000</b>	<b>48 229 558</b>	<b>78 259 558</b>

## Polynt Composites Norway AS

### Note 9 Bank deposits

Cash and cash equivalents includes restricted cash of kr 604 489 for withheld employee taxes.

### Note 10 Equity and shareholders

The share capital in the company at 31.12.2022 consists of one share class:

	<b>Number</b>	<b>Face value</b>	<b>Book value</b>
Ordinary	60 000	1	60 000
<b>Total</b>	<b>60 000</b>	<b>1</b>	<b>60 000</b>

There is no regulation regarding limitation in voting rights. Each share carries one vote.

#### **Owner structure**

Shareholders at 31.12.2022

	<b>Ordinary Shares</b>	<b>Total</b>	<b>Share</b>	<b>Votes</b>
Polynt S.P.A	60 000	60 000	100 %	100 %
<b>Total numbers of shares</b>	<b>60 000</b>	<b>60 000</b>	<b>100 %</b>	<b>100 %</b>

The Board of directors does not own shares in the company.  
Polynt Composites Norway AS is owned by Polynt S.P.A, Italy

The consolidated financial statements are being prepared by Specialty Chemicals International BV.

### Note 11 Subsequent events

Subsequent to the date of the financial statement, the board of directors have decided to merge the company with Reichhold AS, as part of the implementation of a larger reorganization of the group, with the aim of simplifying the corporate structure of the group. Polynt Composites Norway AS will be acquiring the shares in Reichhold AS prior to the merger that will be made effective as per 1 January 2023. In the merger Polynt Composites Norway AS will take over all accounting and tax positions at carry over values in relation to the transferred assets, rights and obligations.



# **Annual Report 2022**

## **Reichhold AS**

**Revenue statement**  
**Balance sheet**  
**Cash flows**  
**Notes to the Accounts**

**Org.no.: 939 378 103**

**PATENT**  
**REEL: 064831 FRAME: 0189**

## Revenue statement

Reichhold AS

	Note	2022	2021
Revenue	2, 3	623 062 032	565 545 521
Other income		0	270 333
<b>Total income</b>		<u>623 062 032</u>	<u>565 815 854</u>
Raw materials and consumables used	3	479 618 210	431 973 677
Employee benefits expense	5, 6	35 348 239	35 910 245
Depreciation and amortisation expenses	4	6 813 831	6 307 221
Other expenses	3, 5	84 070 997	75 988 794
<b>Total expenses</b>		<u>605 851 277</u>	<u>550 179 937</u>
<b>Operating profit</b>		<u>17 210 756</u>	<u>15 635 917</u>
<b>Financial income and expenses</b>			
Other interest income		1 505 735	130 665
Other financial income		38 793 427	5 241 945
Other interest expenses		108 649	139 902
Other financial expenses		8 896 023	5 152 003
<b>Net financial items</b>		<u>31 294 491</u>	<u>80 705</u>
Net profit before tax		48 505 247	15 716 622
Income tax expense	7	4 355 567	2 996 347
<b>Net profit after tax</b>		<u>44 149 680</u>	<u>12 720 275</u>
<b>Net profit or loss</b>		<u>44 149 680</u>	<u>12 720 275</u>
<b>Allocations and distributions</b>			
Additional dividend		100 000 000	0
Transferred from other equity		55 850 320	0
Transferred to other equity		0	12 720 275
<b>Total</b>	12	<u>44 149 680</u>	<u>12 720 275</u>

## Balance sheet

Reichhold AS

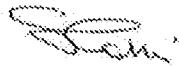
	Note	2022	2021
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Buildings and land	4	53 149 792	55 126 203
Machinery and equipment	4	36 066 557	32 403 851
Equipment and other movables	4	888 933	560 353
<b>Total property, plant and equipment</b>	4	<b>90 105 282</b>	<b>88 090 408</b>
<b>Financial fixed assets</b>			
Investments in other group companies	8	38 680 747	4 000 000
Net pension assets	6	3 333 078	2 835 741
<b>Total non-current financial assets</b>		<b>42 013 825</b>	<b>6 835 741</b>
<b>Total non-current assets</b>		<b>132 119 107</b>	<b>94 926 149</b>
<b>Current assets</b>			
Inventories	9	82 611 970	89 653 552
<b>Debtors</b>			
Accounts receivables		20 511	0
Receivables from group companies	3	129 182 405	172 528 480
Other short-term receivables		254 814	527 026
<b>Total receivables</b>		<b>129 457 730</b>	<b>173 055 507</b>
Cash and cash equivalents	10	18 781 847	13 030 392
<b>Total current assets</b>		<b>230 851 547</b>	<b>275 739 450</b>
<b>Total assets</b>		<b>362 970 654</b>	<b>370 665 599</b>

## Balance sheet

Reichhold AS

	Note	2022	2021
<b>Paid-in capital</b>			
Share capital	11, 12	32 000 000	32 000 000
Share premium reserve	12	105 296 884	105 296 883
Other paid in equity	12	77 948 383	8 400 000
<b>Total paid in equity</b>		<b>215 245 267</b>	<b>145 696 883</b>
<b>Retained earnings</b>			
Other equity	12	59 430 548	115 024 674
<b>Total retained earnings</b>		<b>59 430 548</b>	<b>115 024 674</b>
<b>Total equity</b>		<b>274 675 815</b>	<b>260 721 557</b>
<b>Liabilities</b>			
<b>Provisions</b>			
Deferred tax liabilities	7	3 749 568	3 034 372
Other provisions		1 221 244	2 005 740
<b>Total provisions</b>		<b>4 970 812</b>	<b>5 040 112</b>
<b>Current liabilities</b>			
Short term payables to group companies	3	19 950 050	26 644 942
Trade payables		35 101 549	51 884 291
Tax payable	7	3 712 631	4 640 344
Public duties payable		19 058 202	16 375 630
Other current liabilities		5 501 595	5 358 724
<b>Total current liabilities</b>		<b>83 324 027</b>	<b>104 903 930</b>
<b>Total liabilities</b>		<b>88 294 839</b>	<b>109 944 042</b>
<b>Total equity and liabilities</b>		<b>362 970 654</b>	<b>370 665 599</b>

Fredrikstad, 05.06.2023  
The board of Reichhold AS



\_\_\_\_\_  
Sergio Mario Conni  
Chairman of the board

\_\_\_\_\_  
Richard Thomas Donovan  
Member of the board



\_\_\_\_\_  
Maurizio Leonardi  
Member of the board



\_\_\_\_\_  
Terje Hauge  
Member of the board/General Manager

\_\_\_\_\_  
Petter Norman Borge  
Member of the board


## Balance sheet

Reichhold AS

	Note	2022	2021
<b>Paid-in capital</b>			
Share capital	11, 12	32 000 000	32 000 000
Share premium reserve	12	105 296 684	105 296 883
Other paid in equity	12	77 948 383	8 400 000
<b>Total paid in equity</b>		<b>215 245 267</b>	<b>145 696 883</b>
<b>Retained earnings</b>			
Other equity	12	59 430 548	115 024 674
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Fredrikstad, 05.06.2023  
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Maurizio Leonardi  
Member of the board

\_\_\_\_\_  
Terje Hauge  
Member of the board/General Manager

  
Pelter Norman Borge  
Member of the board

## Cash flow

Reichhold AS

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit/loss before tax		48 505 247	15 716 622
Taxation paid		-4 640 344	-1 106 974
Ordinary depreciation	4	6 813 830	6 307 221
Change in inventory	9	7 041 581	-42 018 273
Change in accounts receivable		-20 511	4 184 291
Change in accounts payable		-16 782 742	7 297 015
Difference in expensed pension payments and payment	6	-506 228	232 461
Changes in intercompany		3 926 281	15 372 578
Change in accruals and other items		17 077 121	13 978 691
<b>Net cash flows from operating activities</b>		<b>61 414 235</b>	<b>19 963 632</b>
<b>Cash flows from investment activities</b>			
Investments in fixed assets	4	-8 828 705	-7 668 636
Changes in cash-pool	3	53 104 457	-22 456 847
<b>Net cash flows from investment activities</b>		<b>44 275 752</b>	<b>-30 125 483</b>
<b>Cash flows from financing activities</b>			
Payment of dividend		-100 000 000	0
<b>Net cash flows from financing activities</b>		<b>-100 000 000</b>	<b>0</b>
Cash from merger		61 464	0
Net change in cash and cash equivalents		5 751 451	-10 161 851
Cash and cash equivalents at the start of the period		13 030 392	23 192 744
<b>Cash and cash equivalents at the end of the period</b>		<b>18 781 843</b>	<b>13 030 892</b>

## Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Standards in Norway.

### **Valuation and classification of assets and liabilities**

Fixed assets are valued at the acquisition cost, and depreciated over the assets expected useful life. The asset is written down to the recoverable amount value if a decrease in value is not expected to be temporary.

Long-term liabilities are recorded in the balance sheet at nominal value at the time of establishment.

Current assets are valued at the lower of historical cost and fair value. Other long-term liabilities and current liabilities are carried at nominal value.

### **Fixed assets**

Tangible fixed assets are capitalized and depreciated on a linear basis over the expected useful life of the assets. If the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Cost of maintenance of assets is expensed as incurred.

### **Investments in subsidiary company**

Shares in subsidiaries are valued at the lowest of acquisition cost and fair value. Dividends received are recognized as financial income.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. For raw materials and work in progress net realisable value is based on estimated selling price, less the estimated cost of completion and the estimated costs necessary to make the sale. Finished goods are measured at the lower of full cost of conversion and net realisable value.

### **Revenue recognition**

Revenues from sales of goods are recognized when goods are delivered and significant risks and rewards of the goods have passed over to the customer. Revenue is measured at fair value of the consideration received for the sold goods, less rebates, bonuses, sales-freight etc. Revenue from delivery of services is recognized when the service is performed.

### **Foreign currency**

Receivables and liabilities in foreign currency are at the exchange rate of prevailing at the balance date. Exchange gains and losses are recorded as financial income and financial expenses, respectively

### **Cash and cash equivalents**

Cash and cash equivalents include cash and bank deposits.

### **Accounts receivables**

Accounts receivables and other receivables are recorded at nominal value less provision for expected loss. An estimate is made for doubtful account receivables based on a review of all outstanding amounts at period-end.

## Reichhold AS

### **Product guarantees, services and complaints**

Provisions for future warranties and services related to goods sold is estimated at balance date and accounted for separately from the sales transaction.

### **Pensions**

In the defined benefit pension schemes, the obligation is expensed over the service life according to the actuarial calculations of the terms and conditions in the defined benefit plan . The net pension obligation is the difference between the present value of the pension obligations and the value of plan assets. Plan assets are recognized at fair value. Social security expences is included in the calculations.

### **Cost of sales and other expenses**

Costs of goods sold and other expenses are recognized in the same period as the related revenue is recognized.

### **Income taxes**

The tax charge in the profit and loss statement includes both current taxes payable for the period and changes in deferred taxes. Deferred taxes is calculated at rate of 22 % on the basis of the temporary differences which exist between accounting book values and tax values, and any carry forward losses for tax purposes at year-end. Tax increasing or tax reducing temporary differences, which are reversed or may be reversed in the same period, giving rise to deferred taxes have been eliminated and are presented net. Deferred tax assets are recognized in the balance sheet in the extent that there are positive evidence supporting the future utilization.

### **Group**

Reichhold AS does not prepare concolidated financial statemens, as the company is part of the consolidated accounts of Speciality Chemical International BV, Netherland. The consolidated accounts can be obtained by request to adress: Fascinatio Boulevard 220, 3065 WB Rotterdam - Netherland

### **Merger**

Reichhold AS and the owner company Reichhold Norway AS merged in 2022, and all assets, rights and obligations in Reichhold Norway AS was transferred to Reichhold AS. The merger is implemented with tax continuity, to the effect that Reichhold AS assumes the tax positions connected to the transferred assets, rights and obligations from Reichhold Norway AS. Thus, the merger will not trigger any immediate tax consequences. Further, the merger is accounted for according to the continuity method whereby assets and liabilities is transferred at their net book values.



Reichhold AS

Note 2 Sales by area  
(NOK 1.000)

<b>Per business area</b>	<b>2022</b>	<b>2021</b>
Polyester	472 272	512 004
Gelcoat og additives	34 918	18 563
Bonding paste/vinylester	115 873	34 979
<b>Sum</b>	<b>623 063</b>	<b>565 546</b>

<b>Per geographical market</b>	<b>2022</b>	<b>2021</b>
Nordic	621 814	564 338
Rest of Europa	730	1 069
Outside Europa	518	139
<b>Sum</b>	<b>623 062</b>	<b>565 546</b>

Note 3 Related party transactions and balances  
(NOK 1.000)

**Related party transactions, profit and loss**

<b>Transaction/transaction type</b>	<b>Line item in the P&amp;L</b>	<b>Counterpart</b>	<b>Relationship to the counterpart</b>	<b>2022</b>	<b>2021</b>
Sales	Op income	Group com. EU	Sister company	506 676	444 994
Sales	Op income	Group com. Other	Sister company	162	-8 368
COGS	COGS	Group com. EU	Sister company	117 014	98 228
COGS	COGS	Group com. Other	Sister company	1 253	2 507
Management fee income	Other op inc.	Group com. EU	Sister company	868	0
Management fee expense	Other op exp.	Group com. USA	Sister company	122	935
Management fee expense	Other op exp.	Group com. EU	Sister company	7 156	6 551
<b>Sum</b>				<b>382 161</b>	<b>328 404</b>

Trade to related parties are made in accordance with special agreements at arm`s length.

**Receivables**

<b>Counterpart</b>	<b>Relationship to the counterpart</b>	<b>2022</b>	<b>2021</b>
Group companies Europe	Sister company - Accounts receivables	86 952	90 821
Group companies Europe	Sister company - Reichhold Group cashpool	42 230	81 664
Group companies Other	Sister company - Accounts receivables	0	44
<b>Total</b>		<b>129 182</b>	<b>172 529</b>

Participants in the cashpool arrangement are joint and severable liable for any net credit balances drawn on this arrangement by any of the participants under the arrangement.

**Accounts payable**

<b>Counterpart</b>	<b>Relationship to the counterpart</b>	<b>2022</b>	<b>2021</b>
Group companies Europe	Sister company - Accounts payable	19 918	26 607
Group companies Other	Sister company - Accounts payable	32	37
<b>Total</b>		<b>19 950</b>	<b>26 645</b>

Reichhold AS

Note 4 Fixed assets  
(NOK 1.000)

	<b>Buildings and land</b>	<b>Machinery and construction</b>	<b>Operating equipment</b>	<b>Total plant and equipment</b>
Acquisition cost 01.01.2022	94 158	195 574	44 143	333 875
Addition of plant and equipment purchased	81	8 061	687	8 829
Disposal of plant and equipment sold	0			0
<b>Acquisition cost 31.12.2022</b>	<b>94 239</b>	<b>203 635</b>	<b>44 830</b>	<b>342 703</b>
Accumulated depreciation 31.12.2022	41 089	182 916	28 593	252 598
<b>Book value as at 31.12.2022</b>	<b>53 150</b>	<b>20 719</b>	<b>16 237</b>	<b>90 105</b>
The year's depreciation	2 058	2 204	2 552	6 814
Expected Lifetime	20-40 years	5-15 years	3-10 years	
Depreciation plan	Linear	Linear	Linear	
<b>Operating leases not capitalized</b>	<b>Buildings and land</b>	<b>Machinery and construction</b>	<b>Operating equipment</b>	
Lease costs in 2022	281	1 130	96	
Duration	Renewed every 6 months	1-5 years	2-5 years	

## Reichhold AS

Note 5 Payroll costs, number of employees, benefits, loan to employees etc.  
(NOK 1.000)

<b>Payroll costs</b>	<b>2022</b>	<b>2021</b>
Salary	28 269	28 869
Sosial security costs	4 303	4 277
Pension costs (Note 10)	1 503	1 696
Other benefits	1 273	1 068
<b>Total</b>	<b>35 348</b>	<b>35 910</b>

Average number of man years during the year	52	54
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The managing director is employed in Reichhold UK and receives his salary from this company.  
The management of Reichhold is part of the groups performance-related bonus plan. There are no loans or guarantees granted to or in favor of employees or to members of the Board of Directors.

### Auditor

Remuneration for audit services (excl VAT) are expensed as follows:

	<b>2022</b>
Audit according to law	380
Other services	350

## Note 6 Pension funds and obligations

(NOK 1.000)

**Defined benefit plan**

The company is obliged according to Norwegian legislation to have a mandatory pension scheme for all Norwegian employees. The company has a defined benefit plan that fulfills these obligations. All plans give a right to defined future benefits. These are mainly dependent on the number of years of service, the level of salary at the retirement age and the level of the government funded pension benefits. The obligations are funded through an insurance company.

<b>Pension costs:</b>	<b>2022</b>	<b>2021</b>
Current service cost	1 156	920
Interest cost	-43	-52
Expected return on plan assets	0	0
Amortization of unrecognized gains/losses	0	0
Other pension cost	647	538
<b>Net pension costs (before social security tax)</b>	<b>1 761</b>	<b>1 406</b>
Accrued social security tax	272	248
<b>Net pension costs (after sac.sec.tax)</b>	<b>2 033</b>	<b>1 654</b>
<b>Reconciliation of Defined Benefit Obligation (PBO)</b>	<b>2022</b>	<b>2021</b>
Defined Benefit Obligation (PBO) - beginning of year	41 858	41 053
Current Service cost (SCC)	1 156	920
Interest Cost	628	698
Benefits paid - funded and unfunded plans	-2 590	-2 617
Liability (gain), loss	520	1 805
<b>Net amount (liability)/ asset recognized in the balance sheet - end of year</b>	<b>41 572</b>	<b>41 858</b>
<b>Reconciliation of fair value of Plan Assets</b>	<b>2022</b>	<b>2021</b>
Fair value of Plan Assets - beginning of year	44 694	44 121
Expected return on Plan Assets	670	750
Employer Contributions, excluding administrative expenses	1 282	1 225
Benefits paid - funded plans	-2 590	-2 617
Asset gain, (loss)	848	1 216
<b>Net amount (liability)/ asset recognized in the balance sheet - end of year</b>	<b>44 905</b>	<b>44 694</b>
<b>Reconciliation of funded status</b>	<b>2022</b>	<b>2021</b>
Present value of Defined Benefit Obligations - end of year (-)	-41 572	-41 858
Fair value of Plan Assets - end of year (+)	44 905	44 694
<b>Funded status of the plan before tax - end of year</b>	<b>3 333</b>	<b>2 836</b>
Local tax	0	0
<b>Funded status of the plan after tax - end of year</b>	<b>3 333</b>	<b>2 836</b>
<b>Net amount (liability)/ asset recognized in the balance sheet - end of year</b>	<b>3 333</b>	<b>2 836</b>

## Reichhold AS

	<b>2022</b>	<b>2021</b>
<b>Movement in net pension asset</b>		
Net amount (liability)/ asset recognized in the balance sheet - beginning of year	2 836	3 068
Net Expense/ (Income) recognized in the Income Statement	-2 033	-1 654
Remeasurment of the net defined benefit liability (assets)	328	-589
Employer Contributions	1 930	1 762
Local tax of Employer Contributions	272	248
<b>Net pension costs (before social security tax)</b>	<b>3 333</b>	<b>2 836</b>
<b>Financial assumptions</b>	<b>1.1.2022</b>	<b>1.1.2021</b>
Discount rate	3,20%	1,50%
Expected return on plan assets	4,90%	2,90%
Expected increase in salaries	3,75%	2,50%
Expected increase in base amount for national insurance (G)	3,50%	2,25%
Expected increase in yearly pension increase	1,70%	0,00%
Expected increase in long term inflation	2,00%	1,50%
<b>Total active members</b>		
Employees	46	48
Pensioners	79	81
<b>Total</b>	<b>125</b>	<b>129</b>

Reichhold AS

Note 7 Tax  
(NOK 1.000)

<b>This year's tax expense</b>	<b>2022</b>	<b>2021</b>
Payable tax	3 713	4 640
Changes in deferred tax	643	-1 644
<b>Tax expense on ordinary profit/loss</b>	<b>4 356</b>	<b>2 996</b>

Taxable income:		
Ordinary result before tax	48 505	15 717
Permanent differences	-28 279	122
Changes in temporary differences	-3 351	5 253
<b>Taxable income</b>	<b>16 876</b>	<b>21 092</b>

Payable tax in the balance:		
Payable tax on this year's result	3 713	4 640
<b>Total payable tax in the balance</b>	<b>3 713</b>	<b>4 640</b>

Calculation of effective tax rate		
Profit before tax	48 505	15 717
Calculated tax on profit before tax	10 671	3 328
Tax effect of permanent differences	-6 221	27
Effect of deferred tax not included in the balance sheet	-94	-359
<b>Total</b>	<b>4 356</b>	<b>2 996</b>
Effective tax rate	9,0 %	19,1 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	<b>2022</b>	<b>2021</b>
Tangible assets	20 512	19 321
Inventories	-3 602	-5 243
Provisions and other temporary differences	-3 200	-3 121
Net pension assets / (liabilities)	3 333	2 836
<b>Total</b>	<b>17 043</b>	<b>13 793</b>
<b>Basis for deferred tax</b>	<b>17 043</b>	<b>13 793</b>
<b>Deferred tax (22 %)</b>	<b>3 750</b>	<b>3 034</b>

## Reichhold AS

### Note 8 Subsidiaries, associated companies etc.

(NOK 1.000)

<b>Company</b>	<b>Time of acquisition</b>	<b>Registered office</b>	<b>Votes</b>	<b>Shares</b>
Reichhold CZ s.r.o	07.01.1993	Usti Nad Labem, Tsjekkia	50 %	50 %
Reichhold Danmark AS	01.09.1997	Copenhagen	100 %	100 %
Reichhold GmbH	01.09.1997	Hamburg	100 %	100 %

<b>Company</b>	<b>Equity 31.12.2021</b>	<b>Book value at 31.12.2022</b>
Reichhold CZ s.r.o	55 175	4 000
Reichhold Danmark AS	48 048	33 171
Reichhold GmbH	28 489	1 510

Equity balances is translated using the year end exchange rates. Net profit (loss) are translated using the average exchange rates for the year.

In the merger between Reichhold AS and Reichhold Norway AS, RNAS ownership in Reichhold Danmark A/S and Reichhold GmbH was transferred to Reichhold AS. Both companies will be liquidated in 2023. Liquidation dividends of TNOK 10 200 have been recognized as financial income in 2022, from Reichhold GmbH.

It has been decided to liquidate Reichhold CZ s.r.o to create a more efficient structure. The liquidation will be completed in 2023. In 2022, RAS have received TNOK 22 000 in liquidation dividends, recognized as financial income, as the remaining liquidation dividends in 2023 exceeds the booked value of the company.

The liquidation of the subsidiary is not expected to generate any loss compared to booked values as of 31.12.2022.

### Note 9 Inventories

(NOK 1.000)

	<b>2022</b>	<b>2021</b>
Raw materials	47 778	56 910
Finished goods	38 845	40 027
Provision for obsolence	-4 011	-7 283
<b>Total</b>	<b>82 612</b>	<b>89 654</b>

Inventories are valued at the cost of purchase and production cost less any provisions for obsolescence.

### Note 10 Bank deposits

(NOK 1.000)

Cash and cash equivalents includes restricted cash of NOK 1 083 for withheld employee taxes.

## Reichhold AS

### Note 11 Equity and shareholders information (NOK 1.000)

The share capital in the company at 31.12.2022 consists of one share class:

	Number	Face value	Book value
Ordinary	32	1 000	32 000
<b>Total</b>	<b>32</b>	<b>1 000</b>	<b>32 000</b>

There is no regulation regarding limitation in voting rights. Each share carries one vote.

#### Owner structure

Shareholders at 31.12.2022:

	Ordinary Shares	Total	Share	Votes
Reichhold Holdings International BV	32	32	100 %	100 %
<b>Total numbers of shares</b>	<b>32</b>	<b>32</b>	<b>100 %</b>	<b>100 %</b>

Neither the Board of directors nor Managing director own shares in the company. Reichhold AS is owned by Reichhold Holdings International BV, Netherland.

### Note 12 Equity (NOK 1.000)

	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
<b>Equity 01.01.2022</b>	<b>32 000</b>	<b>105 297</b>	<b>8 400</b>	<b>115 025</b>	<b>260 722</b>
Additional dividends paid				-100 000	-100 000
Merger effect on equity			69 548		69 548
Actuarial gains/losses net of tax				256	256
Net profit 2022				44 150	44 150
<b>Equity 31.12.2022</b>	<b>32 000</b>	<b>105 297</b>	<b>77 948</b>	<b>59 431</b>	<b>274 676</b>

### Note 13 Subsequent events

Subsequent to the date of the financial statement, the board of directors have decided to merge the company with Polynt Composites Norway AS, as part of the implementation of a larger reorganization of the group, with the aim of simplifying the corporate structure of the group. Polynt Composites Norway AS will be acquiring the shares in Reichhold AS prior to the merger that will be made effective as per 1 January 2023. In the merger Polynt Composites Norway AS will take over all accounting and tax positions at carry over values in relation to the transferred assets, rights and obligations.



## MANAGEMENT REPORT 2022

### **The nature of the business and its operating**

Polynt Composites Norway AS is located and having its legal seat in Fredrikstad, Norway. The operations consist of the development, sales and distribution of unsaturated polyester, gelcoat, and related products to the composite industry

In May 2017, the Reichhold Group completed a merger with Polynt Group. The new group Polynt-Reichhold Group is a global company within Intermediates, Coating and Composite Resins, Thermoset Compounds, Gelcoats, and niche specialties with revenues of more than 2 billion euros. The Company is indirectly wholly held/controlled by Specialty Chemicals International Ltd., itself equally held by an indirect subsidiary of Black Diamond Capital Management, with other shareholders holding minority positions.

Following this merger, a reorganization took place in the Norwegian part of the business. Polynt Composites Norway AS was established on November 1, 2017, and Reichhold's Sandefjord branch (Technology, Sales and administration) was transferred into the new sales company.

On June 1, 2019, the Company closed the Sandefjord office and lab and relocated at Reichhold's facility in Fredrikstad.

### **Comments related to the financial statements.**

The Board of Directors believes that the financial statements present fairly the Company's assets and liabilities, financial position and result as of December 31<sup>st</sup>, 2022. To date, no incidents that might be of importance for assessing the company's position have occurred after the closing of the accounting year.

The company's operating income for 2022 was NOK 715 million, up from NOK 666 million in 2021 (7,36%) increase, which is in large part caused by high demand and strong margins.

Operating profit ended at NOK 53,35 million in 2022 against NOK 55,80 million in 2021.

The commodity prices increased in 2021 compared to 2020 but stabilized in the second half of the year. due to strong demand in the market and the strategic position of the Polynt Group as market leader, Polynt Composites Norway AS were able to retain strong margins throughout the year. This continued in the first half of 2022. At the beginning of 2022, the war in Ukraine began, which has temporarily affected turnover and profit beyond the autumn of 2022. Due to sanctions against Russia from the EU - EEA, which Polynt Group is covered by, raw materials have become more expensive for the countries participating in these sanctions. This has affected turnover and result in the last months of 2022.

Total assets at year-end 2022 was NOK 192 million, against NOK 221 million in 2021.

The equity ratio decreased from 47,35% at year-end 2021 to 40,68% at yearend 2022. This due to the payment of a dividend of NOK 75 200 000,- in 2022.

Net cash flow from operations in 2022 were NOK 48,9 million versus NOK 46,2 million in 2021.

## **Polynt Composites Norway AS**

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### **Future Challenges**

Throughout the year, the management team has monitored the situation with the Russian invasion in Ukraine and hence economic boycott of Russia closely and implemented necessary measures.

In February 2022 with the Russian invasion in Ukraine and hence economic boycott of Russia from EU – EØS, and other, led to a strong negative impact of parts of the world economy. This have made prospects very uncertain with what the consequences would bring.

After the downward-trending commodity prices in 2020, we experienced an increase in commodity-prices in Q1 and Q2 2021, before the commodity prices stabilized more in the second half of 2021. In Q1 and Q2 2022, we have again experienced an upward-trend of commodity prices compared to the 2021 levels. But as a result of the war in Ukraine and boycott of Russia in the second half of 2022 the commodity prices and sales prices have been very challenging. There are competitors in the market that are not covered by the boycott and can buy cheaper raw materials from Russia, and as a result of this, pressures the market prices.

This will continue in 2023 and together with higher energy prices than usual will create more uncertainty in the market. In addition, the competition in our market is increasing, which might lead to less volume and/or lower prices.

To simplify the group company structure there are plans for a merger between Reichhold AS and its sister company Polynt Composites Norway AS during 2023.

### **Financial Risk.**

The company is exposed to financial risk in various areas, especially exchange rate risk, as approx. 80% of the company's turnover is in foreign currency. Overall exposure is limited due to intercompany settlements in EUR The goal is to reduce the financial risk as much as possible. Current strategy does not include the use of financial instrument. The company has no loans, and the liquidity risk is limited.

The company is exposed to some credit risk. Outstanding receivables are therefore assessed continuously both overall, and on customer level. There are established routines for credit rating on many levels.

### **Going Concern**

In accordance with the Accounting Act § 3–3a of the Norwegian Financial Reporting Act, the Board of Directors confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit for the year 2021 and the company's long-term strategic forecasts. The company's economic and financial position is sound.

### **Research and development activities**

The R&D department has its main activities in research and development, maintenance and improvement of existing products, training and significant technical customer and production support.

## **Polynt Composites Norway AS**

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### **Working environment, equality**

Of Polynt Composites Norway AS' 20 employees throughout 2022, there are eight women. There is no discrimination in the workplace, and the company facilitates full equality between women and men. The company has employees from several nationalities and ethnic groups. There are notification routines in connection with matters worthy of criticism, including possible harassment and bullying.

The management in Polynt Composites Norway AS emphasizes EHS activities to prevent sick leave and injuries. Reporting systems are in place to register near misses and analyze incidents and accidents. The absence statistics show an average sick leave of 3,90% in 2022, a decrease from 5,30% in 2021. Long term sick leave (duration more than 16 days) counts for 3,1% of this total. During 2022 there have been reported zero work accidents classified as injury with treatment and lost time.

### **Equal opportunities and discrimination.**

Women and men have equal opportunities to qualify for all types of tasks and the career opportunities are the same. The salary system reflects the individual's area of responsibility and qualifications.

Polynt Composites AS has a recruitment and personnel policy that supports equal opportunities and rights and prevents discrimination on the grounds of ethnicity, national origin, descent, skin color, language, religion, and outlook on life.

Based on the daily work anchored i.e., in Polynt Composites AS values, ethical policy and recruitment policy, the company is established to support the work of the company that employees and jobseekers have equal opportunities as described in section 26 of the Equality and Discrimination Act.

The salary survey for employees is carried out as part of the annual salary determination. The activity obligation will be followed up by examining whether there is a risk of discrimination or other obstacles to gender equality.

The company has better arrangements for home offices, which were also particularly relevant during the corona measures. This should make it easier to combine work with family life.

There has been one employee that has had parental leave in 2022, that was a man, and this was for 5 weeks.

### **External environment**

The company is continually working on projects aimed at the environment and has involved actively in the development of more environmentally friendly products and processes.

### **Insurance for members of the Board and General Manager**

The company has special liability insurance for its Board Members or General Manager. The insurance is taken out for the entire company group in AIG Europa SA.

## Polynt Composites Norway AS

### Net income and profit and loss allocation

The company has for 2022 had a net profit of NOK 48 328 299. The Board of Polynt Composites Norway proposes the following allocation of the profit:

Additional dividend:	NOK 75 200 000
Transferred from other equity:	NOK 26 871 701
<b>Total allocation:</b>	<b>NOK 48 328 299</b>

### The transparency Act

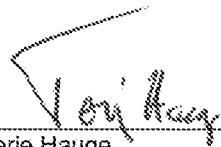
The transparency act entered into force on the 1<sup>st</sup> of July 2022. The purpose of the act is to promote respect for basic human rights and decent working conditions by business, and to ensure the public's access to information. Polynt Composites Norway AS is covered by the law and has implemented measures to comply with the transparency act.

The law requires the entity to carry out due diligence assessments to uncover actual or potential negative consequences for basic human rights and decent working conditions in its own operations and in the supply chain. Polynt Composites Norway AS carries out due diligence assessments in line with the OECD's guide for due diligence assessments for responsible businesses and works with mapping the supply chain in line with the requirements of the law. If the results of the due diligence assessments reveal that there is a violation or suspicion of a violation of the rights mentioned above, the entity will make sure to clarify the actual circumstances and initiate the necessary measures. The entity will prioritize and initiate measures in the areas with the most serious risk of violations of rights and decent working conditions. In the entity, work with the Transparency Act is anchored in the board and an explanation will be published on the web site ([www.polynt.com](http://www.polynt.com)) within June 30<sup>th</sup> 2023.

Fredrikstad, 05.06.2023



\_\_\_\_\_  
Maurizio Leonardi  
Chairman of the board



\_\_\_\_\_  
Terje Hauge  
Board member

# MANAGEMENT REPORT 2022

### **The nature of the business, its operating and locations.**

Reichhold AS is located and having its legal seat in Fredrikstad, Norway. The Company's principal activities are research and development, manufacturing, sales and distribution of unsaturated polyester resins, gelcoats, and related products to the composites industry.

Since December 31, 1997 the Company has been a wholly owned subsidiary of Reichhold Norway AS ("RNAS"). Reichhold Industries, Inc, was the ultimate owner of RNAS up till April 1, 2015. On this date, Coöperatie Reichhold Holdings Netherlands U.A, acquired Reichhold Holdings International BV, the immediate shareholder of RNAS.

In May 2017, the Reichhold Group completed a business combination with the Polynt Group. The new Polynt-Reichhold Group is a global company in the Intermediates, Coating and Composite Resins, Thermoset Compounds, Gelcoats, and niche specialties with revenues of more than 2 billion euros. The Company is indirectly wholly held/controlled by Specialty Chemicals International Ltd., itself equally held by an indirect subsidiary of Black Diamond Capital Management, with other shareholders holding minority positions.

Following this merger, a reorganization took place in the Norwegian part of the business from November 1, 2017. Reichhold's R&D and sales activities in Sandefjord were transferred to the newly created company Polynt Composites Norway AS ("PC NO"), located in Sandefjord.

On June 1, 2019, PC NO closed all activities in Sandefjord and moved to Reichhold's production facility in Fredrikstad.

In 2022 Reichhold AS merged with its mother company Reichhold Norway AS. The financial statements for 2022 is for the merged company.

### **Comments related to the financial statements.**

The Board of Directors believes that the financial statements present fairly the Company's assets and liabilities, financial position and result as of December 31<sup>st</sup> 2022. To date, no incidents that might be of importance for assessing the company's position have occurred after the closing of the accounting year.

The company's operating income in 2022 was NOK 623 million, up from NOK 566 million in 2021. This is an increase on 10,%, which the company is very satisfied with all conditions taken into account.

The access to raw materials for Polynt Group, which the company is part of, continued to improve in the beginning of 2022. These conditions meant that prices increased during the corona period, as well as in the first half of 2022. This has greatly contributed to increased turnover and profit also in 2022, even though the production volume has been lower in 2022 than in 2021.

At the beginning of 2022, the war in Ukraine began, which has temporarily affected turnover and profit beyond the autumn of 2022. Due to sanctions against Russia from the EU - EØS, which Reichhold AS is covered by, raw materials have become more expensive for the countries participating in these sanctions. This has affected turnover and profit in the last months of 2022.

## Reichhold AS

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Operating profit for 2022 ended at NOK 17,2 million against NOK 15,6 million in 2021. Profit before tax was NOK 48,5 million in 2022, compared to NOK 15,7 million in 2021. Net Profit for 2022 ended at NOK 44,1 million compared to NOK 12,7 million for 2021.

Operating EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) increased by NOK 2,1 million, from NOK 21,9 million in 2021 to NOK 24 million in 2022. Although the amount increased, EBITDA in % is nearly the same in 2022 and 2021, 3,85% and 3,88 %

The company's total investments were NOK 8,8 million in 2022 against NOK 8,2 million in 2021. The variance is mainly due to two major projects in 2022 for an upgrade of control system I K-plant, and new washing system for tank trucks.

Total assets at year end 2022 was NOK 362 million, against NOK 371 million in 2021. The equity ratio increased a bit from 70% in 2021 to 75,8% at year-end 2022 and are still very solid.

Net cash flow from operation activities in 2022 was NOK 61,4 million against NOK 19,9 million. The difference in EBITDA and cash flow from operating activities is mainly due to dividends from subsidiaries.

Reichhold AS does not prepare any group accounts since the company is included in the consolidated financial statements of Specialty Chemicals International B.V., a company registered in The Netherlands.

### Future Challenges

Throughout the year, the management team has monitored the situation with the Russian invasion in Ukraine and hence economic boycott of Russia closely and implemented necessary measures.

In February 2022 with the Russian invasion in Ukraine and hence economic boycott of Russia from EU – EØS, and other, led to a strong negative impact of parts of the world economy. This have made prospects very uncertain with what the consequences would bring.

After the downward-trending commodity prices in 2020, we experienced an increase in commodity-prices in Q1 and Q2 2021, before the commodity prices stabilized more in the second half of 2021. In Q1 and Q2 2022, we have again experienced an upward-trend of commodity prices compared to the 2021 levels. But as a result of the war in Ukraine and boycott of Russia in the second half of 2022 the commodity prices and sales prices have been very challenging. There are competitors in the market that are not covered by the boycott and can buy cheaper raw materials from Russia, and as a result of this, pressures the market prices.

This will continue in 2023 and together with higher energy prices than usual will create more uncertainty in the market. In addition, the competition in our market is increasing, which might lead to less volume and/or lower prices.

To simplify the group company structure there are plans for a merger between Reichhold AS and it's sister company Polynt Composites Norway AS during 2023.

## Reichhold AS

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### Financial Risk.

Reichhold AS is exposed to fluctuations in the foreign currency exchange mainly related to raw material purchase in Euro. The Group strategy is to reduce the financial risk as much as possible by purchasing and selling in the same currencies. Current strategy does not include the use of financial instrument. The company has no loans, and the liquidity risk is limited.

The company is exposed to some credit risk. Outstanding receivables are therefore assessed continuously both overall, and on customer level. There are established routines for credit rating on many levels.

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company is a member of the Reichhold group's cash pool at BMG Bank in Amsterdam. The liquidity risk and the interest risk are therefore limited.

### Going Concern

In accordance with the Accounting Act § 3–3a of the Norwegian Financial Reporting Act, the Board of Directors confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit for the year 2022 and the company's long-term strategic forecasts. The company's economic and financial position is sound.

### Working environment, equality

Of Reichhold AS' 52 employees throughout 2022, there is eight women. There is no known discrimination in the workplace, and the company facilitates that there is full equality between women and men. The company has employees from several nationalities and ethnic groups. There are notification routines in connection with matters worthy of criticism, including possible harassment and bullying.

A health survey was conducted in 2021 where such questions were raised and whether the employee enjoyed his job. No such problems were discovered then. There are plans for such a survey again in 2023.

The absence statistics show an average sick leave of 9.80% in 2022, a minor increase from 8,80% in 2021. Long term sick leave (duration more than 16 days) counts for 5,1% of this total (4.54% in 2021). During 2022 there have been reported zero work accident classified as injury with treatment and lost time.

### Equal opportunities and discrimination.

We strive to provide women and men equal opportunities for all types of tasks and the career opportunities. The salary system reflects the individual's area of responsibility and qualifications.

Reichhold AS has a recruitment and personnel policy that contributes equal opportunities and rights and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, religion and outlook on life. Reichhold AS has employees from many different nationalities.

Based on the daily work anchored i.e. in Reichhold AS values, ethical policy and recruitment policy, the company support that employees and jobseekers have equal opportunities as described in section 26 of the Equality and Discrimination Act.

## Reichhold AS

Employees who work in production are union-organized and follow tariffs set by the respective unions. Hired employees receive the same wage terms as the trade unionists. The scheme eliminates the risk of discrimination through pay differences based on gender, ethnicity, etc.

For employees in the administration, the salary survey is carried out as part of the annual salary determination. The activity obligation will be followed up by examining whether there is a risk of discrimination or other obstacles to gender equality.

The company has better arrangements for home offices, which were also particularly relevant during the corona measures. This should make it easier to combine work with family life.

There have been 52 people employed in average throughout 2022. Of these there have been 8 women and 44 men.

11 employees have been hired temporary or in temporary positions in 2022. Of these there have been 2 women and 9 men.

There has been one employee on part-time in 2022, this is a woman. It was originally at her own request with a part-time position. The company has not made any requests if this is still desirable.

To better follow up the requirements in the section 26 of the Equality and Discrimination Act. The company plans to have an employee survey in 2023 and improve our plans and routines for this.

	Gender distribution at different job levels/groups	Wage Difference						
		Womens share of mens wages as a percentage						
		Women	Men	Cash benefits				Benefits in kind
Sum cash benefits	Agreed salary / fixed salary			Irregular surecharges	Bonuses	Overtime pay	Total benefits in kind	
Total	8	44	100%	114%	100%	100%	100%	100%
White collar	6	6	99%	100%	100%	100%	100%	100%
Blue collar	0	32	Data not sufficient	Data not sufficient	Data not sufficient	Data not sufficient	Data not sufficient	100%
Management	2	6	Data not sufficient	Data not sufficient	Data not sufficient	Data not sufficient	Data not sufficient	100%



## Reichhold AS

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### External environment

The company's production site in Fredrikstad is subject to environmental permits issued by the Norwegian ministry of environment. The company complies with the government requirement and has no environmental issues pending. Yearly emission measurements show levels according to or below permit levels. Reichhold AS is continuously focusing on environmental projects and is also prioritizing the development of environmentally friendly products and processes. The Company aims to carry out its activities in such a way that due consideration is given to protect the environment and the health and safety of all those who encounter our products during their life cycle. There have been no reportable incidents regarding environmental issues in 2022.

### Insurance for members of the Board and General Manager

The company has special liability insurance for its Board Members or General Manager. The insurance is taken out for the entire company group in AIG Europa SA.

### The transparency Act

The transparency act entered into force on the 1<sup>st</sup> of July 2022. The purpose of the act is to promote respect for basic human rights and decent working conditions by business, and to ensure the public's access to information. Reichhold AS is covered by the law and has implemented measures to comply with the transparency act.

The law requires the entity to carry out due diligence assessments to uncover actual or potential negative consequences for basic human rights and decent working conditions in its own operations and in the supply chain. Reichhold AS carries out due diligence assessments in line with the OECD's guide for due diligence assessments for responsible businesses and works with mapping the supply chain in line with the requirements of the law. If the results of the due diligence assessments reveal that there is a violation or suspicion of a violation of the rights mentioned above, the entity will make sure to clarify the actual circumstances and initiate the necessary measures. The entity will prioritize and initiate measures in the areas with the most serious risk of violations of rights and decent working conditions. In the entity, work with the Transparency Act is anchored in the board and an explanation will be published on the web site ([www.reichhold.com](http://www.reichhold.com)) within June 30<sup>th</sup> 2023.

### Net income and profit and loss allocation

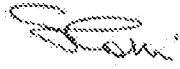
The year result for 2022 was a profit of NOK 44 149 680,-. Board of Directors of Reichhold AS proposes the following distribution of the profit:

Additional dividend:	NOK 100 000 000
Transferred from other equity:	NOK 55 850 320
<b>Total allocation:</b>	<b>NOK 44 149 680</b>

**Reichhold AS**

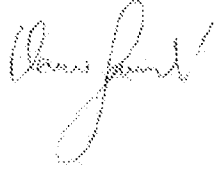
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Fredrikstad, 05.06.2023



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Sergio Marlo Conni  
Chairman of the board

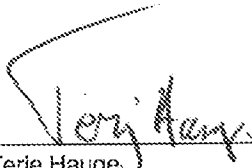


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Maurizio Leonardi  
Board member

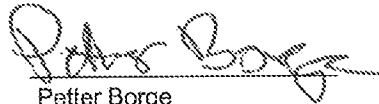
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Richard Donovan  
Board member



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Terje Hauge  
Board member



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Petter Borge  
Board member

## Reichhold AS

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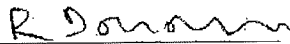
Fredrikstad, 05.06.2023

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Sergio Mario Conni  
Chairman of the board

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Maurizio Leonardi  
Board member

  
Richard Donovan  
Board member

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Terje Hauge  
Board member

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Petter Borge  
Board member

***Vedlegg 3 – Vedtekter for det Overtakende Selskapet***

***Appendix 3 – Articles of Association of the Acquiring Company***

**VEDTEKTER FOR  
POLYNT COMPOSITES NORWAY AS**  
Org.nr. 919 317 663

14. juni 2019

**ARTICLES OF ASSOCIATION FOR  
POLYNT COMPOSITES NORWAY AS**  
Reg. No. 919 317 663

June 14th 2019

**§ 1 Navn**

Selskapets navn er Polynt Composites Norway AS.

**§ 1 Name**

The company's name is Polynt Composites Norway AS.

**§ 2 Forretningskontor**

Selskapets forretningskontor er i Fredrikstad kommune.

**§ 2 Registered address**

The company's registered business address is in Fredrikstad municipality.

**§ 3 Formål**

Selskapets formål er produksjon, handel, salg og distribusjon, i enhver form, av ethvert og alle kjemiske og para-kjemiske produkter og styring av enhver relatert aktivitet; studier, forskning og utvikling knyttet til de ovennevnte produkter; og mer generelt, enhver og alle kommersielle, industrielle eller fast eiendoms virksomheter som kan relateres, enten direkte eller indirekte, til nevnte formål eller sannsynlig til å tilrettelegge oppnåelsen av dette.

**§ 3 Object**

The object of the company is production, trade, sale and distribution, in any form, of any and all chemical and para-chemical products and managing of any related activity; study, research and development relating to the above-listed products; and more generally, any and all commercial, industrial or realty operations that can be related, either directly or indirectly, to said purpose or likely to facilitate the achievement thereof.

**§ 4 Aksjekapital**

Selskapets aksjekapital er NOK 60 000, fordelt på 30 000 aksjer, hver pålydende NOK 2.

**§ 4 Share capital**

The Company's share capital is NOK 60 000, divided into 30 000 shares, each having a nominal value of NOK 2.

**§ 5 Styre**

Selskapet skal ha et styre bestående av inntil fem styremedlemmer.

**§ 5 Board**

The company shall have a board of directors comprised of up to five members.

**§ 6 Firma**

Selskapets firma tegnes av styrets leder alene.

**§ 6 Signature**

The chairman of the board signs on behalf of the company.

Styret kan meddele prokura.

The board may grant power of procuration.

#### **§ 7 Overdragelse av aksjer**

Aksjeeierne har ikke forkjøpsrett til aksjer som overdras eller for øvrig skifter eier. Erverv av aksjer er ikke betinget av samtykke fra styret.

#### **§ 8 Generalforsamlingen**

Den ordinære generalforsamling skal behandle:

1. Godkjenning av årsregnskap og årsberetning.
2. Anvendelse av overskuddet eller dekning av underskudd i henhold til den fastsatte balanse, samt utdeling av utbytte.
3. Valg av styre.
4. Andre saker som i henhold til lov hører under generalforsamlingen.

For øvrig henvises til den til enhver tid gjeldende aksjelovgivning.

#### **§ 7 Transfer of shares**

The shareholders do not have preferential right to acquire shares that are transferred, or otherwise change owner. Transfer of shares is not subject to board approval.

#### **§ 8 General meeting**

The annual general meeting shall address:

1. Approval of the annual accounts and the annual report;
2. Use of profit or coverage of loss in accordance with the approved balance, including distribution of dividend;
3. Election of the board of directors
4. Such other matters which, according to law, fall within the duties of the general meeting.

The Norwegian Private Limited Liability Companies Act applies to any other matters.