PE Titan Holding Limited

Consolidated and Separate Financial Statements

For the year ended December 31, 2021

UK Registration Number: 11242644

Directors and Advisers for the Year Ended December 31, 2021

Directors
The directors of the Company who were in office during the year and up to the date of signing the consolidated financial statements were:

Eva Monica Kalawski
Ian Michael Stuart Downie
Mary Ann Sigler

Company Secretary

Eva Monica Kalawski

Independent Auditors
Ernst & Young LLP
Statutory Auditors
1 More London Place
London
SE1 2AF

Solicitors
Baker & McKenzie, 100 New Bridge Street, London EC4V 6JA

Bankers
Comerica Bank
1021 Glendon Avenue
Los Angeles, CA 90024-4595

Registered office
100 New Bridge Street, London EC4V 6JA

Registration number
11242644

Strategic Report for the Year Ended December 31, 2021

The directors present their Strategic report for PE Titan Holding Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended December 31, 2021.

Duties and responsibilities

The Board of Directors (the "Board") has a duty to promote the success of the Group by directing and supervising the affairs of the business for the benefit of its shareholders and relevant stakeholders, while enhancing the value of the Group and also ensuring the protection of its investors. A summary of the Board's responsibilities is as follows:

- Statutory obligations and disclosures;
- Strategic matters and financial reporting;
- Risk assessment and management including reporting, compliance, governance, monitoring and control; and
- Other matters having a material effect on the Group.

The Board is responsible to the shareholders for the overall management and strategy of the Group but has delegated day-to-day operation to management, while reserving the powers of decision making relating to the determination of investment policy, corporate structure, and the management of the share capital of the Group.

The Board is further responsible for financial reporting and controls and determining the accounting policies. The Board retains responsibility for ensuring the establishment and ongoing operation of a sound system of internal control.

Principal activities and business overview

The Group is a global supplier of consumer goods packaging and medical solutions through highly engineered Polyethylene Terephthalate ("PET") systems, injection molding equipment, aftermarket tooling, medical molds and specialty closure molds and services for the plastics industry. The Group serves customers in more than 140 countries through its global sales and service network. The Group designs and manufactures complete PET system solutions composed of injection molding machines, molds, hot runners, temperature controllers and auxiliary equipment. The Group's manufacturing facilities are located in Canada, the United States, Luxembourg, Switzerland, China, India and the Czech Republic. The main operating company is incorporated under the laws of the Province of British Columbia, Canada.

Key performance indicators

The Group's key performance indicators ("KPIs") are to increase revenue, continue order growth, and execute ongoing cost optimization initiatives in manufacturing and overheads. Some of the key financial metrics for the year ended December 31, 2021 and 2020 are as follows:

In USD, millions	**For the year ended December 31, 2021**	**For the year ended December 31, 2020**	**Change ($)**	**Change (%)**
Revenues	$1,273.1	$1,160.6	$112.5	9.7%
Orders	$1,598.2	$1,129.1	$469.1	41.5%

The increase in revenue for the year of $112.5 million or 9.7% from prior year is primarily attributable to higher volume in PET system orders. The increase in orders for the year of $469.1 million or 41.5% is primarily attributable to order growth in all regions across packaging and medical solutions and services.

Principal non-financial risks and uncertainties

COVID-19 Pandemic. The Group continues to monitor the impacts of the COVID-19 pandemic on all aspects of the business and geographic regions. Uncertainties remain on the duration and severity of those impacts as new variants of the virus emerge and regulations evolve. The Group is continuously responding to the changing conditions created by the pandemic and evolving regulations, and remains focused on its priorities including employee health and safety, customer needs, and critical investments driving long-term strategic priorities.

The Group is susceptible to risks to in manufacturing and production from the COVID-19 outbreak. Results of operations could be adversely affected to the extent that the coronavirus or any other epidemic continues to harm the global economy in general. Throughout the COVID-19 pandemic, the Group has been declared as an essential business by the respective governmental authorities globally. As such, the production and distribution of the products have been continuing without any stoppage or disruption. These regional/global economic lockdowns have and continue to impact its customers' ability to finalize potential sales orders along with delaying the shipment of finalized sales orders until the lockdowns are lifted. Parts of the Group's direct and indirect supply chain in these affected regions could be subject to disruption.

Customer Demand and Revenue Recognition. The Group's financial results are impacted by unpredictable customer purchasing trends and the timing of converting orders into revenue can lead to variations in, and uncertainties regarding its financial results from period to period. In some instances, revenue from particular customers may be large relative to total revenue in any given period. Fluctuations in demand for the Group's products may lead to variations in, and uncertainties regarding, its financial results from period to period. In addition, revenue is impacted by the timing of when orders are placed, and the length of time required to convert these orders into recognized revenue when the equipment is shipped and can also be heavily influenced by factors based on the customer's individual needs, the product and size of the order. The conversion cycle can range from several weeks to several months. Furthermore, revenue is primarily recognized upon the shipment or transfer of risk of ownership of goods to its customers, which may involve meeting multiple criteria after manufacturing is completed. Such factors include, but are not limited to, timing of receipt of pre-shipment customer payments, pre-shipment written acceptance from the customer, changes in the customer's "need by date", and logistics timing which is impacted by shipment terms. Revenue recognition may shift between periods based on these factors.

Product Mix. Any significant shift in the mix of sales between various products or services categories may impact profitability between periods based on the various types of equipment, parts and services that the Group sells or provides.

Emerging Markets. The Group sells its products into emerging markets. Urbanization and a growing middle class are key growth catalysts in emerging markets, as an increase in disposable income generally leads to an increased demand for food *and beverage, and essential services such as healthcare. The results of operations could be adversely affected if the expected* growth in urbanization and the middle class in these emerging markets slows or is significantly altered.

Raw Materials. The Group's largest material purchase is for tooling stainless steel. Price movements in steel are largely dependent on the steel commodity price index. In addition, the Group is indirectly exposed to the price of steel used by its suppliers for purchased steel component parts. Historically, price fluctuations in the cost of steel have been mitigated by purchasing steel from a variety of global suppliers and through price increases of the products when the Group can. However, there is no certainty that the Group will be able to manage future fluctuations in the steel price in the same manner as the Group has in the past and therefore the results of operations may be impacted.

Suppliers. The Group has a global supply chain, including a network of suppliers and distribution and manufacturing facilities. Product quality and reliability are determined in part by factors that are not entirely within the Group's control. The Group depends on its suppliers for parts and components that meet the Group's standards. If the suppliers fail to meet the Group's standards, the Group may not be able to deliver the quality products that the customers expect which may adversely affect its financial condition. The supply chain is stressed by increased demand, along with pandemic-related and other global events that have put additional pressures on manufacturing output and freight lanes. This has resulted in and could continue to result in disruptions in supply chain; difficulty in procuring or inability to procure components and materials necessary for the products, solutions and services; increased costs for commodities, components, and freight services; and delays in delivering, or an inability to deliver, the products, solutions and services to the customers on a timely basis. The Group is closely managing end-to-end supply chain, from sourcing to production to customer delivery, with a particular focus on all critical and at-risk suppliers and supplier locations globally, along with revising the existing supply chain to source critical components and parts closer to its manufacturing facilities to further reduce the supply chain business risk. However, further delays in the receipt of goods, or other unanticipated impacts to the supply chain, including on direct imports or goods purchased domestically, or customers, could have a more significant impact on future business (including sales), and the Group is continuing to monitor this evolving situation.

Business and Operational Disruptions. The Group's manufacturing operations may be subject to disruptions due to the nature of the industry, including work stoppages, impacting its ability to maintain production and cause significant delays in shipments of products. This may result in loss of revenue, customers and occurrence of cost overruns. The Group is strategic in managing its maintenance programs, timing of shut-downs, health and safety programs and effective consolidating of facilities footprint to manage risk of prolonged interruption of all or a substantial portion of the business.

Cost Reduction Initiatives. The Group has a program to deploy transformational changes to its business with the goal of improving competitiveness and efficiency. The cost reduction initiatives are focused on both production and non-production costs which may result in a long-term reduction to the cost structure and additional savings. The level of prior cost reductions should not be taken as an indication of the level of future savings opportunities. Cost savings opportunities are impacted by external factors beyond its control. The level of cost savings opportunities and their successful implementation will directly affect the Group's results of operations.

Strategic Growth Initiatives. As part of the business strategy, the Group is undertaking specific growth initiatives targeted at increasing the addressable market as well as expanding its market share. The success of such initiatives is dependent on the successful launch of new products and the go-to-market strategy execution. The success of such growth initiatives will directly affect the Group's results of operations.

Regulatory and environmental. The Group may be party to various legal suits and proceedings arising out of issues such as product liability, environmental matters, health and safety and personal injury matters. Any litigation is costly, inherently unpredictable and may suffer significant adverse judgements that may materially affect the Group's business, financial results and liquidity. The Group is subject to a variety of environmental laws and regulations in various jurisdictions which could result in significant costs and unanticipated liabilities in connection with compliance with these laws or any potential clean up or remediation related contamination at its current or former properties.

Our global operations and entity structure results in a complex tax structure. Changes in tax laws and rates, resolution of various tax uncertainties and unanticipated changes in the tax provisions may result in significant variability of the Group's quarterly and annual effective tax rate.

Market Trends. The Group's growth has historically been significantly influenced by the conversion of packages from non-plastic material to plastic. The Group believes that current technologies as well as the potential for future technologies will continue to provide ongoing conversion opportunities. In addition, the packaging industry is being impacted by shorter product lifecycles as well as brand proliferation. Such trends will have a profound impact on the future of the industry. The Group is well positioned to capitalize on such market trends. However, there is no certainty the Group will be able to respond to such trends in a manner that is embraced by its customers. If the Group is unable to positively respond on a timely basis to overall market changes, its market position and revenues will be impacted. Demand for the Group's products is significantly dependent on market trends in the plastics industry. In the beverage packaging market, the change in trends includes the acceleration of new beverage products and stock keeping units, along with shorter product lifecycles as beverage companies increase the rate of product format changes. In addition, growth is being driven by smaller package sizes, a reflection of more health-conscious consumers and affordability in developing economies. For medical products, an increase in consumer health care is being driven by an aging population and the rise of single-use self-injected applications, as well as home health care. Husky is well positioned to benefit from such industry trends given its existing technologies and those under development.

Economic Cycles. Demand for the Group's products are affected by general economic conditions including consumer spending trends and other macroeconomic conditions. Such conditions impact the level of its customer's capital and operating expenditures. During periods of general economic downturn, the demand for the Group's products may be negatively impacted. The severity of such an impact is mitigated by the fact that much of the Group's revenues are from consumable products which have historically been more resilient to economic changes, including recessions.

Competitive Industry. The markets for plastic machines, molds and related products are highly competitive and include a number of global competitors. These competitors may offer the Group's existing and potential customers with favourable pricing, product features, quality and customer service. Encroachments by low-cost manufacturers is prevalent in Asia-Pacific. This may result in reduced profitability due to pricing pressure and loss of market share. If the Group is unable to continue to provide its customers with a compelling value proposition and maintain the competitive position, its financial condition or results from operations may be adversely affected.

Product Technology Innovations. Technology innovation is a key factor in the Group's continued success. The Group invests a substantial amount into research and development on an annual basis. There is no certainty that the expenditures on research and development will result in new technologies that are relevant to the Group's customers, or that such expenditures will allow the Groups to maintain its position as a technology leader in the injection molding industry.

Financial risk management
The Group is exposed to market risks associated with changes in foreign currency exchange rates, interest rates, commodity prices and credit risk. In the normal course of business and in accordance with the Group's business practices and policies, these risks are managed through a variety of strategies, which may include the use of derivative financial instruments to hedge its underlying exposure. The Group does not use derivative instruments for speculative or trading purposes and there are policies and procedures in place that monitor and control their use. Such policies and procedures have been approved by the Audit Committee.

Geographic Risk. The Group's significant international operations subject it to risks associated with operating in foreign jurisdictions, such as unfavorable political, regulatory, economic, labor and tax conditions. The Group is a global business with a significant portion of its operations and revenue outside of North America. The Group's international operations, such as its manufacturing operations and other facilities in Brazil, China, India, Luxembourg, Mexico and Russia, are subject to risks inherent in doing business in foreign countries, including, among others:

- potential imposition of restrictions on investments;
- requirements of foreign laws and other governmental controls, including trade and labor restrictions and related laws that reduce the flexibility of the Group's business operations;
- the imposition by the U.S. government and foreign governments of trade barriers such as tariffs, quotas, preferential bidding and import restrictions;
- potential staffing difficulties and labor disputes;
- managing and obtaining support and distribution for local operations;
- increased costs of transportation or shipping;
- credit risk and financial conditions of local customers and distributors;
- *risk of nationalization of private enterprises by foreign governments;*
- potential adverse tax consequences; and
- potential difficulties in protecting intellectual property.

The Group may be subject to unanticipated income taxes, excise duties, import taxes, export taxes, value added taxes, or other governmental assessments, and taxes may be impacted by changes in legislation in the tax jurisdictions in which the Group operates. In addition, the Group's organizational and capital structure may limit its ability to transfer funds between countries without incurring adverse tax consequences. Any of these events could result in a loss of business or other unexpected costs that could reduce revenue or profits and have a material adverse effect on the Group's financial condition, results of operations and cash flows.

Foreign Currency Exchange Risk. The Group operates in international markets and, accordingly, its competitiveness and financial results are subject to foreign currency fluctuations where revenues and costs are denominated in currencies other than U.S. dollars. For example, a large percentage of the Group's expenses are incurred in Canadian dollars, while a large percentage of its revenues are denominated in U.S. dollars. Increases in the value of the Canadian dollar relative to the U.S. dollar could have a material adverse effect on the overall competitiveness of its products and services and, therefore, the Group's financial results. In addition, the Group's equipment selling prices are largely denominated in U.S. dollars or Euros, and any material decline in the value of a customer's base currency relative to the U.S. dollar or Euro may have a material adverse effect on its sales volumes and operating margins. The Group is also exposed to currency movements for other currencies, including the Japanese Yen and Chinese Renminbi. The Group competes against equipment manufacturers domiciled in various countries. These competitors benefit when the currency of their cost base depreciates against the U.S. dollar.

The Group regularly enters into foreign exchange forward contracts primarily to reduce its exposure to Canadian dollar currency rate fluctuations. The Group typically limits the forward contracts to a maximum of a two-year period. Anticipated

Canadian dollar expenses hedged for the next twelve months total $297.0 million and is hedged with a rate of 1.2728 Canadian dollar per U.S. dollar. In accordance with IFRS 9 *Financial Instruments, Derivatives and Hedging*, these foreign exchange contracts are accounted for as cash flow hedges. The fair value of the foreign exchange contracts was a net liability of $0.1 million and a net asset of $4.8 million as at December 31, 2021 and 2020, respectively.

Interest Rate Risk. The Group is exposed to interest rate risk primarily through its long-term floating rate debt. Assuming there are no significant changes in the long-term debt balance as at December 31, 2021 and 2020, a 1% increase in the interest rate would increase annual interest expenses by $10.2 million and a 1% decrease in the interest rate would decrease annual interest expenses by $7.7 million.

Commodity Price Risk. The Group is exposed to certain commodity price fluctuations, principally steel, which represents approximately 7% of its total cost of goods sold. Currently, the Group has entered into contracts for the supply of stainless steel through to the end of 2022.

Credit Risk. The Group's financial assets are exposed to credit risk consisting primarily of cash and cash equivalents, accounts receivable and derivatives with positive fair values. Cash and cash equivalents consist of bank deposits and short-term investments. Investments are held in term deposits with highly creditworthy banks. Credit risk is further managed by complying with counterparty credit and concentration limits in accordance with the Group's policies. The Group's customers are geographically diversified with no concentration of receivables by customer or geography. The Group manages the accounts receivable credit risk by analyzing the counterparties' financial condition prior to entering into an agreement, establishing credit limits and obtain cash, letters of credit or other acceptable forms of security from customers to provide credit support, based on such analysis of the customer and the terms and conditions applicable to each transaction. Derivatives are only entered into with highly creditworthy banks, and the derivative portfolio is held with several banks to reduce concentration risk.

Liquidity Risk. *The Group's debt levels, or any future increase in debt level, may adversely affect its financial condition such as:*

- limit its ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or *other general corporate requirements;*
- require a substantial portion of its cash flows to be dedicated to debt service payments instead of other purposes;
- increase its vulnerability to general adverse economic and market conditions;
- expose it to the risk of increased interest rates;
- limit its flexibility in planning for and reacting to changes in the markets in which the Group competes and to changing business and economic conditions;
- restrict it from making strategic acquisitions or causing it to make non-strategic divestitures;
- impair its ability to obtain additional financing in the future;
- place the Group at a disadvantage compared to other, less leveraged competitors and affecting its ability to compete; and
- increase its cost of borrowing.

Future developments

The directors expect the Group to continue its activities in the current form without any future developments that would significantly change its business.

On behalf of the Board

WRB

Mary Ann Sigler, Director

Company registration number: 11242644

March 31, 2022

Directors' Report for the Year Ended December 31, 2021

The directors present their report and the consolidated and separate financial statements of the Group for the year ended December 31, 2021.

The principal activity of the Group is to provide highly engineered manufacturing systems and services for the plastics injection molding equipment industry, serving customers in more than 140 countries through its global sales and service network. The Group designs and manufactures complete PET system solutions composed of injection molding machines, molds, hot runners, temperature controllers and auxiliary equipment.

The subsidiaries affecting the profits or net assets of the Group in the period are listed in the notes to the consolidated and separate financial statements.

Future developments

An indication of the likely future developments of the business is included in the Strategic Report.

Charitable and political donations

There were no charitable or political donations during the current year.

Dividends

There were no dividends recommended in 2021 reporting year. The directors recommended $180.8 million dividends for the year ended December 31, 2020.

Financial risk management

A review of the Group's financial risk management is included in the Strategic Report.

Research and development

The directors expect the general level of activity to remain the same for future years. The research and development expenses for the years ended December 31, 2021 and 2020 were $26.7 million and $27.4 million, respectively.

The Group continues to invest in research and development. This has resulted in a number of improved products being launched that are expected to make contributions to the growth of the business. The directors regard investment in this area as a prerequisite for success in the medium to long-term future.

Going concern and liquidity

The directors have a reasonable expectation that the Group has adequate resources to continue as a going concern for a period up to March 31, 2023. The Group has sufficient liquidity for the payment of operating expenses, capital expenditures, and scheduled principal and interest payments under the Credit Agreement and Senior Notes (as defined in Note 15). In addition, the Group is expected to meet all the debt covenants for a period up to March 31, 2023. As at December 31, 2021 the Group had $107.7 million of cash and cash equivalents and $240.5 million of availability under the revolving credit facility (net of outstanding letter of credits and guarantees). The revolving credit facility is expires on March 28, 2023; however the Group is expected to have sufficient liquidity without considering the credit facility. The Group has never drawn on the credit facility to fund its normal operations because the Group had positive cash flows historically. Thus, the directors continue to adopt the going concern basis in preparing the consolidated and separate financial statements.

Further details regarding the adoption of the going concern basis can be found in the Note 2 to the consolidated financial statements of the Group.

Directors

The directors of the Group who were in office during the year and up to the date of signing the financial statements were:

Eva Monica Kalawski
Ian Michael Stuart Downie
Mary Ann Sigler

The Company maintained liability insurance, which includes indemnity for its directors and officers, which is a qualifying third-party indemnity provision for the purposes of the *Companies Act* of 2006 and was in force during the entire financial year and as at the date of approval of the consolidated and separate financial statements.

Subsequent events
Subsequent to December 31, 2021, the rapid and significant developments related to the conflict between Russia and Ukraine has led to additional and more severe sanctions imposed by the United States of America, United Kingdom, European Union, Canada and other countries on certain Russian institutions and individuals. These developments may result in reduced access for Russian businesses to international export markets, weakening of the Russian Ruble and other negative economic consequences. Although the Group has limited operations in Russia and Ukraine, due to the uncertainty surrounding the duration and magnitude of this conflict, at this time, the Group is unable to estimate the impact to its business, financial condition or results of operations.

The subsequent events have been evaluated through March 31, 2022, the date the consolidated financial statements were available to be issued.

Independent auditors
A resolution to appoint EY LLP as auditors will be put forward at the Annual General Meeting.

Disclosure of information to the auditors
So far as each person who was a director at the date of approving this Report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its Report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement under Section 172 (1) of *Companies Act* 2006
This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1). The directors are responsible for preparing the Strategic Report, Directors' Report and the consolidated and parent company (PE Titan Holding Limited) financial statements in accordance with applicable laws and regulations. The directors have the duty to promote the success of the Group for the benefit of its shareholders. The below table sets out the key stakeholders of the Group and how we, as the directors, engage with them.

Who are our stakeholders	Why we focus on these stakeholders	How do we engage with them	What do they tell us	How do we respond to them
Customers	Our customers are central to our business – without them, we would not exist.	We engage with our customers in a number of ways, from face to face interactions to our online ordering system and virtual engagements in certain circumstances due to COVID-19.	They tell us what products and services they want, what we are doing well and how we are not meeting their needs.	We adjust our product and service offerings based on customer feedback.
Suppliers	Our suppliers are key in ensuring we meet the needs of our customers and provide them with quality products at competitive prices.	We engage with our suppliers in a number of ways, from face to face interactions to emails, virtual engagements in certain circumstances due to COVID-19 and phone calls. We work closely with our strategic suppliers to ensure reliable supply to our customers.	How they work well with us, where it doesn't work so well and how we can work better together.	The information we get from our suppliers inform the decisions we make regarding our supply chain.
Colleagues	Our people are critical to the business	We interact with our colleagues in a safe, welcoming	What they are happy with in the workplace, what can	Implement initiatives to enhance the

	achieving its full potential.	and diverse workplace which provides a fast and dynamic way to keep everyone included and up to date. In some circumstances, the colleagues interact virtually when working remotely as a result of COVID-19.	be improved and how.	workplace, where we can contribute productively to the success of the business and also create positive economic and social change in the broader community.
Investors	Delivering to our investors ensures that the business continues to be successful in the long term.	Our investors interact with us on various levels – from decision making at a strategic level to regular communication on an operational level.	Discussions with our investors included: • Drivers of sustainable improvement in Group returns; • No significant impact of COVID-19 on the business outlook; • The macro economic environment and headwinds to the delivery of our strategy and targets; and • Our focus on integration and realising synergies.	Adjustments to our strategic and integration goals are made as a result of our discussions with our investors.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirements of the *Companies Act* of 2006.

The parent company's financial statements have been prepared in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) ("UK GAAP") including *Financial Reporting Standard 101 Reduced Disclosure Framework* ("FRS 101").

Under Company law, the directors must not approve the consolidated or parent company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the parent company and of the loss of the Group for that period.

In preparing these consolidated and parent company financial statements, the directors are required to:

- Select suitable accounting policies in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State whether international accounting standards in conformity with the *Companies Act* of 2006 have been followed for the consolidated financial statements, subject to any material departures disclosed and explained in the consolidated and separate financial statements;
- Provide additional disclosures when compliance with the specific requirements in IFRSs, and in respect of the parent company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- State whether applicable UK GAAP including FRS 101 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the consolidated and separate financial statements; and

- Prepare the consolidated and parent company financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and of the parent company and enable them to ensure that both the consolidated and parent company financial statements comply with the *Companies Act* of 2006. They are also responsible for safeguarding the assets of the Group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Greenhouse gas emissions, energy consumption and energy efficiency disclosures
The Group consumed 40,000 kWh of energy or less in the United Kingdom during the year ended December 31, 2021 in respect of which the directors' report is prepared and therefore no disclosure is made for greenhouse gas emissions, energy consumption and energy efficiency.

On behalf of the Board

WRB

Mary Ann Sigler
Director

Company registration number 11242644

March 31, 2022

Independent Auditor's Report to the Members of PE Titan Holding Limited

Opinion

Opinion

We have audited the financial statements of PE Titan Holding Limited ('the company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which includes Consolidated Statement of Net Loss, Consolidated Statemetn of Comprehensive (Loss) Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 33 for the group and 1 to 11 for the company, as well as a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;

- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;

- the parent company financial statements have been properly prepared in accordance in with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of the Company's going concern assessment process as well as the review controls in place for the going concern model and management's Board memoranda and compared cash on hand, and forecast cash generation, to forecast liability settlement to assess liquidity risk.
- We obtained management's going concern assessment, including the cash forecast for the going concern period which extends to 31 March 2023. The group has modelled an adverse scenario in their cash forecast in order to incorporate unexpected changes to the forecasted liquidity of the group.
- We assessed the flexibility of the business model to respond to reduced revenues; audited the reasonableness of all key assumptions, namely each revenue stream, marketing expenses and overheads through reconciliation to the budget approved by the Board and comparison with recent actuals, as well as their consistency with other areas of

- the audit including impairment assessments.
- We reviewed the group's severe down-side scenario in order to identify what factors would lead to the group utilising all liquidity during the going concern period.
- We reviewed the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 3 to 11, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the *Companies Act* of 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those related to relevant direct and indirect tax compliance regulations, including transfer pricing and trade and customs regulations in the different countries where the group is operating, including in the UK, Canada, USA, Luxembourg and China, those related to employment regulations related to the countries in which the subsidiaries of the group operate such as Canada, USA, Luxembourg and China and the financial reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006, the Companies Act 2006 and the Bribery Act 2010).
- We understood how the Company is complying with those frameworks by making enquiries of management and the group`s legal counsel. We corroborated our enquiries through our review of board minutes, discussion with the Audit Committee and any correspondence with regulatory bodies and our audit procedures in respect of laws and regulations and taxation. These procedures included:
    - Inquired about the group's processes and related controls in respect of regulatory and legal risks and taxation risk, obtained support to confirm our understanding and assessed whether the design of the controls effectively mitigates the risk.
    - Inquired of the Board of Directors, the shareholders, management and the group's legal advisers, where appropriate, about any known instances of material breaches in regulatory compliance that need to be disclosed or required provisions to be recorded.
    - Circularised confirmations to all significant external legal counsel to inform us of any outstanding legal or regulatory issues as at 31 December 2021.
    - Assessed the competence, integrity and expertise of the group's legal advisors through background checks and concluded they were appropriate, and we therefore relied on their opinions.

- Tested the completeness of the group's legal expenses in coordination with the discussions with group's legal advisers.
  - Challenged the appropriateness of the group's assumptions and estimates in relation to provisions and contingent liabilities by comparing against historical payments made by the group and industry practice.
  - Inspected the group's correspondence with regulators and tax authorities to identify any legal or regulatory concerns raised to the group.
  - In respect of taxation, obtained and read the results of the third-party tax studies obtained by the group and reviewed its correspondence with the relevant tax authorities, in order to support the tax position of the group as recorded in the financial statements.
  - With support from our international tax experts, we discussed management's interpretation and application of relevant tax law and formed our own view in relation to provisions and contingent liabilities
  - Assessed appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under International Financial Reporting Standards, FRS 101 and the Companies Act 2006.
- We assessed the susceptibility of the group's and company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud, including in respect of revenue recognition. We also considered performance targets and their influence on efforts made by management to manage earnings. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journal entries.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures are outlined above as well as review of board minutes to identify non-compliance with such laws and regulations, review of reporting to the Audit Committee on compliance with regulations and enquires of the Board of Directors, the shareholders, management and external legal advisors.
- In respect to the components outside of Canada and the UK, any instances of non-compliance with laws and regulations were communicated to the Primary team as they arose and were addressed with management by the Primary team.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Philip Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
31 March 2022

Consolidated Statement of Financial Position

In millions of U.S. dollars

Assets	Note		As at December 31, 2021		2020
Goodwill	11	$	1,922.8	$	1,922.8
Intangible assets	11		1,282.9		1,399.7
Property, plant and equipment	9		405.6		395.8
Deferred income tax assets	8		30.8		15.2
Income taxes receivable			10.2		10.3
Other assets	10, 12		12.7		14.2
Total non-current assets		$	**3,665.0**	$	**3,758.0**
Inventories	7		240.8		188.1
Current portion of income taxes receivable			22.8		14.5
Accounts receivable	6		213.9		190.8
Loan receivable from shareholders	29		-		180.8
Cash and cash equivalents			108.0		60.8
Prepaid expenses and other current assets	5, 16, 25		33.2		44.7
Asset held for sale	9		4.9		9.1
Total current assets		$	**623.6**	$	**688.8**
Total assets		$	**4,288.6**	$	**4,446.8**

Liabilities and equity	Note		2021		2020
Long-term debt	15		2,987.4		2,991.9
Employee future benefits	17		3.7		11.4
Deferred income tax liabilities	8		239.9		248.0
Provisions	14		6.3		6.9
Other liabilities	10		8.0		9.7
Total non-current liabilities		$	**3,245.3**	$	**3,267.9**
Current portion of long-term debt	15		21.0		21.0
Accounts payable and accrued liabilities	13		278.6		246.6
Dividends payable	29		-		180.8
Income taxes payable			37.3		44.5
Deferred revenues	20		202.4		119.6
Current portion of provisions	14		21.2		20.6
Other liabilities	10, 24		5.0		4.4
Total current liabilities		$	**565.5**	$	**637.5**
Total liabilities		$	**3,810.8**	$	**3,905.4**
Ordinary shares	18		346.2		346.2
Share premium	18		114.0		114.0
Share-based payment reserves	19		13.0		10.7
Accumulated deficit			(151.2)		(124.9)
Accumulated other comprehensive loss			(29.9)		(14.4)
		$	**292.1**	$	**331.6**
Non-controlling interests			185.7		209.8
Total equity		$	**477.8**	$	**541.4**
Total liabilities and equity		$	**4,288.6**	$	**4,446.8**

See the accompanying notes to the consolidated financial statements.

These financial statements were approved by the Board of Directors on March 31, 2022 and were signed on its behalf by:

WRB

Mary Ann Sigler, *Director*

Consolidated Statement of Net Loss

In millions of U.S. dollars

	Note	For the years ended December 31, 2021		2020	
Revenues	20	$	1,273.1	$	1,160.6
Cost of goods sold	21		840.7		719.0
Gross profit		**$**	**432.4**	**$**	**441.6**
Selling, general and administrative expenses	22		289.2		284.5
Operating income		**$**	**143.2**	**$**	**157.1**
Other (income) expenses					
Interest (net)	23		188.3		200.3
Gain on extinguishment of debt	15		-		(9.8)
Gain on Derivative Instruments	16		9.0		(13.8)
Total other expenses		**$**	**197.3**	**$**	**176.7**
Loss before income taxes		**$**	**(54.1)**	**$**	**(19.6)**
Provision for (recovery of) income taxes					
Current	8		7.6		14.6
Deferred	8		(20.9)		(30.1)
Total income taxes		**$**	**(13.3)**	**$**	**(15.5)**
Net loss		**$**	**(40.8)**	**$**	**(4.1)**
Attributable to:					
Equity holders of the Parent			(25.9)		(2.6)
Non-controlling interests			(14.9)		(1.5)
Total		**$**	**(40.8)**	**$**	**(4.1)**

See the accompanying notes to the consolidated financial statements.

Consolidated Statement of Comprehensive (Loss) Income

In millions of U.S. dollars

	Note	For the years ended December 31, 2021		2020	
Net loss		$	**(40.8)**	$	**(4.1)**
Other comprehensive (loss) income					
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:					
Cumulative translation adjustment			(27.7)		31.2
Unrealized (loss) gain on foreign currency forward contracts, before tax	24		(2.8)		3.2
Unrealized (loss) gain on foreign currency forward contracts, tax portion	24		0.7		(0.8)
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods		$	**(29.8)**	$	**33.6**
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:					
Actuarial (loss) gain, before tax	17		6.2		0.6
Actuarial (loss) gain, tax portion	17		(0.8)		(0.1)
Net other comprehensive (loss) income that may not be reclassified to profit or loss in subsequent periods		$	**5.4**	$	**0.5**
Total other comprehensive (loss) income		$	**(24.4)**	$	**34.1**
Attributable to:					
Equity holders of the parent			(15.5)		21.6
Non-controlling interests			(8.9)		12.5
Total		$	**(24.4)**	$	**34.1**

See the accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

In millions of U.S. dollars and trillions of shares

		Ordinary shares		Share	Share-based payment	Accumulated	Other comprehensive		Non-controlling	
	Note	Number	Amount	premium	reserves	deficit	(loss) income	Total	interests	Total equity
Balance as at December 31, 2019		**453.3**	**$ 453.3**	**$ 121.5**	**$ 6.4**	**$ (122.3)**	**$ (36.0)**	**$ 422.9**	**$ 271.9**	**$ 694.8**
Net loss		-	-	-	-	(2.6)	-	(2.6)	(1.5)	(4.1)
Other comprehensive income		-	-	-	-	-	21.6	21.6	12.5	34.1
Share redemption		-	-	-	-	-	-	-	(0.8)	(0.8)
Reduction of share capital	18	(107.1)	(107.1)	(7.5)	-	114.6	-	-	-	-
Dividends paid to shareholders	29	-	-	-	-	(114.6)	-	(114.6)	(66.2)	(180.8)
Return of capital		-	-	-	-	-	-	-	(6.1)	(6.1)
Share-based payment reserves	19	-	-	-	4.3	-	-	4.3	-	4.3
Balance as at December 31, 2020		**346.2**	**$ 346.2**	**$ 114.0**	**$ 10.7**	**$ (124.9)**	**$ (14.4)**	**$ 331.6**	**$ 209.8**	**$ 541.4**
Net loss		-	-	-	-	(25.9)	-	(25.9)	(14.9)	(40.8)
Other comprehensive income		-	-	-	-	-	(15.5)	(15.5)	(8.9)	(24.4)
Share redemption		-	-	-	-	(0.4)	-	(0.4)	(1.0)	(1.4)
Share issuance		-	-	-	-	-	-	-	0.7	0.7
Share-based payment reserves	19	-	-	-	2.3	-	-	2.3	-	2.3
Balance as at December 31, 2021		**346.2**	**$ 346.2**	**$ 114.0**	**$ 13.0**	**$ (151.2)**	**$ (29.9)**	**$ 292.1**	**$ 185.7**	**$ 477.8**

See the accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

In millions of U.S. dollars

	Note	For the years ended December 31, 2021	2020
Operating activities			
Net loss		$ (40.8)	$ (4.1)
Adjustments for:			
Depreciation and amortization	9, 11	180.1	174.2
Interest expenses (net)	10	171.8	185.6
Recovery of current income taxes	15	7.6	14.6
Share-based payment reserves	19	2.3	4.3
Impairment of property, plant and equipment, intangible assets and assets held for sale	9, 11	-	4.2
Deferred income taxes, including related foreign exchange losses	8	(32.6)	(39.7)
Gain on extinguishment of debt	15	-	(9.8)
Other		(12.1)	(1.1)
Changes in non-cash operating working capital		42.3	(28.5)
Interest paid on debt and lease obligations		(170.6)	(163.5)
Income taxes paid		(20.6)	(9.3)
Cash inflows from operating activities		**$ 127.4**	**$ 126.9**
Investing activities			
Additions to property, plant and equipment and intangible assets	9, 11	(57.3)	(39.4)
Proceeds from sale of property, plant and equipment	9	5.5	0.5
Cash outflows from investing activities		**$ (51.8)**	**$ (38.9)**
Financing activities			
Proceeds from Revolver	15	-	301.0
Payment of Revolver and Line of Credit	15	-	(551.0)
Proceeds from issuance of long-term debt, net of discounts	15	-	460.0
Debt issuance costs	15	-	(24.8)
Principal repayments of Term Loan	15	(21.0)	(21.0)
Dividends paid to shareholders	28	-	(180.8)
Return of capital	18	-	(6.1)
Share repurchases		(1.4)	
Repurchase of Senior Notes	15	-	(28.1)
Payment of principal portion of lease obligations	10	(5.8)	(5.5)
Proceeds from issuance of common shares	18	0.7	-
Cash outflows from financing activities		**$ (27.5)**	**$ (56.3)**
Net increase (decrease) in cash and cash equivalents		48.1	31.7
Effect of exchange rate changes on cash and cash equivalents		(0.9)	5.3
Cash and cash equivalents, beginning of the year		60.8	23.8
Cash and cash equivalents, end of the year		**$ 108.0**	**$ 60.8**

See the accompanying notes to the consolidated financial statements.

1. Nature of operations and organizational structure

PE Titan Holding Limited (the "Company" together with its direct and indirect wholly owned subsidiaries, the "Group") was incorporated on March 8, 2018. The Company is indirectly owned by certain investment vehicles advised by Platinum Equity Advisors, LLC ("Advisors").

The Group is a global supplier of consumer goods packaging and medical solutions through highly engineered Polyethylene Terephthalate ("PET") systems, injection molding equipment, aftermarket tooling, medical molds and specialty closure molds and services for the plastics industry.

The Group serves customers in more than 140 countries through its global sales and service network. The Group designs and manufactures complete PET system solutions composed of injection molding machines, molds, hot runners, temperature controllers and auxiliary equipment. The Group's manufacturing facilities are in Canada, the United States, Luxembourg, Switzerland, China, India and the Czech Republic.

2. Basis of presentation and statement of compliance

These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB") in conformity with the requirements of the *Companies Act* of 2006 applicable to companies reporting under IFRS. The financial statements of the Company were prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 101 "Reduced Disclosure Framework" and under historical cost accounting rules.

The consolidated statement of net loss is prepared using the cost-of-sales method. Assets and liabilities are classified by maturity. They are regarded as current if they mature within one year or within the normal business cycle of the Group. The normal business cycle is defined for this purpose as beginning with the procurement of the resources necessary for the production process and ending with the receipt of cash or cash equivalents as consideration for the sale of the goods produced in that process. Trade and other accounts receivables and payables are always presented as current items; deferred income tax assets, deferred income tax liabilities, other assets, and certain liabilities are presented as non-current items. Long-term debt, tax refunds, tax liabilities and provisions are shown between current and non-current. Certain figures in comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of current year's consolidated financial statements.

Basis of preparation – going concern

The directors have a reasonable expectation that the Group has adequate resources to continue as a going concern for a period up to March 31, 2023. The Group continues to perform strongly despite the COVID-19 pandemic impacts as well as keeps executing on the cost reduction initiatives and growth initiatives that are geared towards improving the bottom line. The Group has enough liquidity for the payment of operating expenses, capital expenditures, and scheduled principal and interest payments under the Credit Agreement, Senior PIK Notes and Senior Notes (as defined in Note 15). As at December 31, 2021 the Group had $107.7 million of cash and cash equivalents and $240.5 million of availability under the revolving credit facility (net of outstanding letters of credit and guarantees).

In millions of U.S. dollars

The directors reviewed the going concern assessment performed by the Group for a period up to March 31, 2023. As part of the assessment, the Group prepared and reviewed the latest 2022 quarterly forecasts that included the consideration for global supply chain issues and consolidated debt and interest expenses at the Group level. The Group considered a base case and worst-case scenarios as part of the going concern assessment and noted that the Group experienced sales growth in 2021 from market bounce back in line with expectations and it is projected that the market momentum will continue in 2022 and beyond resulting in continued growth in sales of packaging and medical solutions. The Group has projected that the unrestricted cash will be sufficient to cover operational needs through Q1 2023 without considering the revolving credit facility as it expires on March 28, 2023. The Group has never drawn on this facility to fund its normal operations because the Group had positive cash flows historically. Further, the Group updated its goodwill impairment analysis to reflect the changes in the forecasts due to global supply chain issues and noted that no impairment of goodwill is required. In addition, the Group does not have any financial covenants for the Revolver, Senior Notes and Senior PIK Notes. The Group has also assessed compliance with the financial covenant related to the Term Loan at each covenant measurement for a period up to March 31, 2023. Thus, the directors continue to adopt the going concern basis in preparing the consolidated and separate financial statements.

Exemption from audit by parental guarantee

Under Section 479A of the UK *Companies Act* of 2006, the Company provided parent guarantee to a number of wholly owned subsidiaries to claim exemption from audit of the subsidiary with respect to the year ended December 31, 2021. The subsidiary companies taking advantage of this exemption are listed below.

Subsidiary undertakings	**Registration number**
PE Titan Holding II Limited	11243295
PE Titan Holding III Limited	11232376
Husky Injection Molding Systems (UK) Limited	02837366

3. Significant accounting policies

(A) Principles of consolidation

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and comprise the financial statements of the Group and its wholly owned subsidiaries. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns. All intercompany balances and transactions have been eliminated upon consolidation.

(B) Use of estimates and judgements

The preparation of consolidated financial statements under IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results may differ from these estimates. As additional information becomes available or actual amounts are determinable, the recorded estimates are revised and reflected in operating results in the period in which they are determined.

The uncertainties around the outbreak of COVID-19 required the use of judgements and estimates. The future impact of uncertainties surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts of the following: property, plant and equipment, goodwill and intangible assets impairment.

Significant estimates in connection with these consolidated financial statements include the measurement and determination of the estimated project costs in relation to percentage of completion revenue recognition; estimated useful life of property, plant and equipment; estimated useful life of intangible assets; deferred income taxes provisions; goodwill; and inputs used to determine the fair value of embedded derivatives.

Significant judgments in connection with these consolidated financial statements include assessment of control of subsidiaries; assessment of conditions relating to the Group's ability to continue as a going concern; determination of functional currency; determination of whether a contract is or contains a lease; determining the classification of property, plant and equipment as held for sale; assessment of the research and development costs for capitalization; valuation method used to calculate the fair value of embedded derivative; and determination of the effectiveness and classification of hedges.

(C) Revenue from contracts with customers

The Group derives its revenue primarily from the sale of injection molding machines, molds, hot runners, temperature controllers and auxiliary equipment along with aftermarket products and services. Revenue is recognized when control of these products or services is transferred to its customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those products and services.

Sales and other taxes the Group collects concurrent with revenue-producing activities are excluded from revenue. Shipping and handling fees charged to customers are reported within revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. The Group does not have any significant financing components as payment is received at or shortly after the point of sale.

The Group considers a purchase order to be a contract with a customer. For each contract accounted for under IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), the transaction price is stated in each sales invoice. A range of observable selling prices has been developed for each performance obligation and the stated contract price is within the range. As such, the stated contract price is considered the stand-alone selling price. Payment terms vary by the type and location of customers and the products or services offered. Contracts do not include a significant financing component.

The Group offers both assurance and non-assurance service-type warranties. Service-type warranties include extended protection plans ("EPP") for new equipment for a period beyond the period covered by the assurance warranty. EPP is sold and priced separately and recognized evenly over the life of the warranty.

The nature of the Group's business gives rise to variable consideration, including volume rebates, sales discounts, and sales credits. The Group may also make penalty payments for under-performance or late deliveries and provide rights of return in certain contracts. These variable amounts are generally credited to the customer, based on achieving certain levels of sales activity. If the variable consideration is specific to one performance obligation, the Group will allocate accordingly. Otherwise, the transaction price for the contract would be adjusted and the revised transaction price would be allocated to all the performance obligations in the contract based on their relative stand-alone selling prices.

Sales of systems (other than medical systems), molds, machines, auxiliary components, refurbishments, conversions and spare parts

Revenue related to systems (other than medical systems), molds, machines, auxiliary components, refurbishments, conversions and spare parts is recognized when control transfers to the customer at a point in time. Control transfers when the customer has legal title to the asset and can direct the use of and receive benefits from the asset. As such, it is determined that control transfers and revenue are recognized when the performance obligation is delivered in accordance with its shipping terms.

Sales of medical mold

The revenue related to medical mold is recognized over time using the percentage of completion input method as the basis for measuring the progress on the medical mold contract. Input methods recognize revenue on the basis of the Group's efforts or inputs toward satisfying a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time lapsed, or machine hours used) relative to the total expected inputs to satisfy the performance obligation. The costs associated with the medical mold process is a faithful depiction of the Group's fulfillment of its performance obligation.

Service revenue

Service revenue includes startup, testing, installation and training services. Each of these performance obligations is recognized over time as service work is completed. Service work is an input method of the efforts expended to fulfill the obligation.

Revenue contract assets and liabilities

Timing of revenue recognition may differ from the timing of invoicing to customers or cash receipts from customers. Contract assets and liabilities are generated when contractual billing schedules or the receipt of cash differ from revenue recognition timing. A receivable is recorded in instances when revenue is recognized prior to invoicing, and amounts collected in advance of goods and services being provided are recorded as either customer deposits or deferred revenue.

The payment terms and conditions vary by contract type, although standard billing terms are that payment is due upon receipt of invoice, payable within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined that contracts generally do not include a significant financing component if the period between when the payment is received and when the Company transfers the promised goods or services to the customer will be one year or less.

(D) Research and development costs

Research costs are expensed as incurred. Development expenditures are recognized as an intangible asset when the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

Following initial recognition of the development expenditure as an intangible asset, the intangible asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales and selling, general and administrative expenses. During the period of development, the asset is tested for impairment annually.

(E) Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as a reduction to the costs that it is intended to compensate. Where the grant relates to an asset, it is initially recognized as a reduction of the carrying amount of the asset, and then recognized as income over the useful life of a depreciable asset by way of a reduced depreciation charge.

(F) Cash and cash equivalents
Cash and cash equivalents include cash on account and short-term investments in term deposits with maturities of three months or less from the date of acquisition and are valued at cost plus accrued interest, which approximates fair value. The Group's cash and cash equivalents consist solely of demand deposits with banks.

(G) Restricted cash
The Group records restricted cash within prepaid expenses and other current assets on the consolidated statement of financial position.

(H) Financial instruments
Measurement
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as amortized costs or fair value through other comprehensive income ("FVTOCI") are included with the carrying amount of such instruments. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as fair value through profit or loss ("FVTPL") are recognized immediately in the profit or loss within the consolidated statement of net loss. Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame, are recognized on a trade date basis.

Financial assets
The Group classifies its financial assets under its business model in the following measurement categories:

- Those to be measured subsequently at amortized cost; and
- Those to be measured subsequently at fair value (either through FVTOCI or through FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. All of the entity's financial assets and financial liabilities are determined to be solely payment of principal and interest and therefore classified as amortized cost except for the derivatives which are classified as FVTPL.

Financial assets at amortized cost
Financial assets that meet the following conditions are measured at amortized cost less impairment losses (if any):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash-flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The financial asset was not acquired principally for the purpose of selling in the near term or for short-term profit taking (held for trading).

Financial assets at FVTPL
All other financial assets, except equity and debt instruments are remeasured at fair value and classified as FVTPL. The gains or losses, if any, arising on remeasurement of FVTPL are recognized in profit or loss within the consolidated statement of net loss.

The method of measurement for debt instruments will depend on the business model in which the instrument is held. For equity instruments, it will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVTOCI.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group has no financial assets with embedded derivatives.

Financial liabilities
Financial liabilities that are not held for trading and are not designated as FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are measured at amortized cost are determined based on the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability (or financial asset) and of allocating interest expense (or income) over the expected life of the financial liability (or financial asset).

Long-term debt
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derecognition
The Group derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) from the consolidated statement of financial position when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through'

arrangement; and either:

a) The Group has transferred substantially all the risks and rewards of the asset, or
b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Expected credit losses

The Group assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its assets carried at amortized cost other than equity instruments. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group establishes an impairment (allowance) that represents its estimate of its lifetime ECL for trade receivables. The main components of this impairment are a specific loss component that relates to individually significant exposures, and a collective loss component established for companies of similar assets in respect of ECLs. The collective impairment is determined based on historical data and future expected payment statistics for similar receivables. Uncollectible trade receivables are classified as bad debts when it is known that the balance is no longer recoverable.

The Group defines default of a financial asset when the Group is no longer reasonably assured of the timely collection of the full amount of principal and interest. The Group writes off its receivables when there is no realistic prospect of recovery. This is generally when a debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write off or fails to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activities to attempt to recover the receivable due. Losses are reversed when recoveries are made or the future economic conditions have improved.

Embedded derivatives

IFRS 9 requires that under certain conditions, an embedded derivative is separated from its host contract and accounted for as a derivative or the entire contract is to be measured at FVTPL. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a special interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

(l) Provisions

Provisions, such as warranty, legal, and restructuring provisions, are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of net loss, net of any reimbursement.

Warranty provisions
The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is reassessed at each reporting period and recorded in profit or loss.

Restructuring provisions
Restructuring provisions are recognized only when the Group has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(J) Derivatives and hedging activities
Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group can designate certain derivatives as either:

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges);
- Hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- Hedges of a net investment in a foreign operation (net investment hedges).

Currently, the Group is applying cash flow hedges only for foreign currencies. At inception of the hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item (aligned forward element) is recognized within other comprehensive income ("OCI") in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss.

(K) Inventories

Inventories are valued at the lower of cost and net realizable value, generally calculated on a first-in, first-out basis except for spare parts which are calculated on a weighted average basis. The cost of work in process and finished goods comprises materials, direct labour, variable manufacturing overhead and an allocation of fixed manufacturing overhead. Unallocated overhead and abnormal costs are expensed as incurred.

Provisions recorded to reduce the carrying amount of inventory to net realizable value are based on estimates of future customer demand for products, including general economic conditions and market acceptance of current and pending products.

(L) Fair value measurements

The Group measures the fair value of assets and liabilities on a recurring and non-recurring basis in accordance with IFRS 13, *Fair Value Measurement* ("IFRS 13"), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes a framework for measuring fair value. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- **Level 1** Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date;
- **Level 2** Observable inputs, other than Level 1 inputs, such as quoted prices for similar assets and liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- **Level 3** Inputs that are unobservable.

An asset or a liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale. Independent valuation specialists are involved for valuation of significant assets, such as investment properties and unquoted financial assets. Involvement of external valuers is determined annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant external sources to determine whether the change is reasonable.

(M) Leases
The Group determines if an agreement is or contains a lease at inception. An agreement is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group leases assets including land and buildings, vehicles, and equipment. For leases with a term of 12 months or less or of low value, the payments are expensed as incurred.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of site restoration costs, less any lease incentives received. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The useful lives are determined on the same basis as property, plant and equipment. Right-of-use assets may be reduced by impairment losses, if any, and adjusted for any remeasurements of the lease liability.

Lease liabilities are initially measured at the present value of fixed lease payments and the exercise price under a purchase option that the Group is reasonably certain to exercise, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group determined that there are no variable payments, residual value guarantees, lease renewal options or early termination options that are reasonably certain to be exercised, and therefore have excluded these from initial measurement.

Lease liabilities are subsequently measured at amortized cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or in profit or loss if the carrying amount has been reduced to zero.

(N) Property, plant and equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying

amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision are met. Land is not depreciated. Construction in progress is stated at cost, net of accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets as follows:

Asset	Estimated Useful Lives
Buildings and improvements	Up to 50 years
Machinery and equipment	Up to 20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of net loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(O) Assets held for sale

Assets are classified as held for sale only when the asset is available for immediate sale in the present conditions, the sale of the asset is highly probable, and the sale is expected to occur within one year. The assets held for sale are recognized in the consolidated financial statements at the lower of the carrying amount or fair market value less expected selling costs and are not depreciated after being classified as held for sale. If the Group changes its plan for the sale of an asset (e.g. not to sell), the asset value is restated as if the asset was never classified as held for sale.

(P) Intangible assets

Intangible assets include patents and know-how, customer relationships, software, in-process research and development ("IPR&D"), backlog and brand names. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets that have indefinite lives are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may exceed the asset's fair value. When the carrying amount of an indefinite-life intangible asset exceeds its recoverable amount (being the greater of its fair value less costs of disposal or its value in use), an impairment loss would be recognized equal to the excess.

The Group capitalizes internally developed intangible assets if they meet the criteria for recognition as an asset and amortizes such costs over their estimated useful lives of up to 10 years beginning when the intangible asset is placed in service. Capitalized internally developed intangible asset costs include all directly attributable cost.

The Group has identified brand names as intangible assets with indefinite lives and therefore are not subject to amortization. Other intangible assets with finite lives are subject to amortization based on their estimated useful lives. The amortization method and estimate of the useful life is reviewed annually.

It is the Group's policy to amortize intangible assets with finite lives at the following annual bases and rates:

Asset	Estimated Useful Lives
Patents and know-how	8 - 15 years
Customer relationships	14 - 20 years
Software	Up to 10 years
Backlog	Up to 3 years

(Q) Impairment

Goodwill, indefinite-life intangible assets, intangible assets under construction and right-of-use assets are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

The Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the assets are grouped at the lowest level for which there are separately identifiable cash inflows and the Group estimates the recoverable amount at the cash-generating or grouped cash-generating units ("CGU") level. The Group has determined a CGU to be an individual entity or group of entities with separately identifiable cash inflows. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

For the purpose of impairment testing, goodwill is allocated to each of the Group's CGUs (or group of CGUs) expected to benefit from the synergies of the combination. The recoverable amount is the higher of the fair value less costs of disposal or value in use. Value in use calculations utilize discounted future operating cash flows. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the full impairment loss is charged against earnings and the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit on a pro-rata basis to the carrying amount of each asset in the unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in net earnings. Any impairment loss recognized for goodwill is not reversed in a subsequent period.

(R) Foreign currency translation

The Group's consolidated financial statements are presented in U.S. dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. On consolidation, the assets and liabilities of foreign operations are translated into U.S. dollars at the rate of exchange prevailing at the reporting date and their consolidated statement of net loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI in an account called cumulative translation adjustment. On disposal of a foreign operation, the gain or loss is reclassified from the OCI to profit or loss. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of certain items that are designated as part of a hedge, which are recognized in OCI until settled.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(S) Share-based payments

The Company offers stock options to selected executives, members of its Board of Directors, and other key management personnel ("Plan Participants"), under a long-term incentive plan that awards stock options in the equity of Husky Technologies Limited, formerly known as Titan I Holding Limited ("HTL"), an indirectly owned subsidiary of the Company (the "Plan"). The Group accounts for the grants under the fair value method and uses the Black-Scholes option pricing model to determine the fair value at the grant date of its service-based stock option awards. The Black-Scholes option pricing model includes various assumptions with regards to the expected volatility and the life of the share awards.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense within SG&A, together with a corresponding increase in equity, over the period in which the services are provided (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of net loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

(T) Employee future benefits

The Group maintains an unfunded post-retirement defined health and dental benefit plan and various defined contribution pension plans for certain employees. The Group also maintains a funded defined benefit pension plan for employees in Switzerland.

Costs associated with the defined health and dental benefit plan and defined benefits pension plans are based on the projected benefit method prorated on service, using management's best estimates and actuarial determinations. For active employees covered by the post-retirement defined benefit plans, net actuarial gains or losses are recorded directly to the OCI. Contributions made under the defined contribution pension plans are expensed as incurred.

(U) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of income taxes, from the proceeds. Where ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(V) Preference shares
Preference shares are classified as equity. If there are sufficient distributable profits and should the Group declare a preference dividend, the preference dividend shall automatically become a debt due and immediately payable on the payment date. The Group shall redeem each preference share on the earlier of: the 20th anniversary of the issue date for the share, the Group giving notice to the preference shareholder, or the preference shareholder giving notice to the Group. On the redemption date, the Group shall pay the preference shareholder the nominal value of the preference share (£0.000001 per share).

(W) Income taxes
Current income taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes relating to items recognized directly in equity are recognized in equity and not in the consolidated statement of net loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes
Deferred taxes are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognized for all taxable temporary differences, except:
- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused income tax credits and any unused income tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused income tax credits and unused tax losses can be utilized, except:
- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The factors the Group uses to assess the probability of realization are taxable income in prior carry back years, future reversals of existing temporary differences, tax planning strategies and future taxable income exclusive of reversing temporary differences and carry forwards. Unrecognized deferred tax income assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income taxes relating to items recognized outside profit or loss are recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred income tax assets and deferred income tax liabilities if and only if it has a legally enforceable right to set off current income tax assets and current income tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

(X) Classification of assets and liabilities

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;

- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

(Y) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost with a fair value disclosure. The fair value disclosure reflects market conditions at the reporting date. Investment properties are depreciated with the expense included in profit or loss in the period.

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(Z) Adoption of new accounting standards

The Group adopted all standards and amendments effective for annual periods beginning on or after January 1, 2021, none of which resulted in any material adjustments to the Company's financial statements for 2021.

Interest Rate Benchmark Reform

In September 2019, the IASB published Interest Rate Benchmark Reform, Amendments to IFRS 9 and IAS 39 which considered the financial reporting implications of interest rate benchmark reform. The amendments are effective from January 1, 2020 with early application permitted and aim to provide relief for hedging relationships as many interbank offer rates ("IBORs") are expected to be replaced by new benchmark Risk-Free Rates ("RFRs").

The amendments provide temporary exceptions from applying specific hedge accounting requirements during the period of uncertainty arising from the reform. When performing prospective assessments, a company shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform. For hedges of a non-contractually specified benchmark component of interest rate risk, a company shall apply the separately identifiable requirement only at the inception of such hedging relationships. The exceptions will end once the uncertainty is resolved, and therefore may vary by jurisdiction.

On August 27, 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, which are effective for annual periods beginning on or after January 1, 2021, with earlier application permitted. The amendment includes a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest, when the transition from an IBOR benchmark rate to a RFR takes place on an economically equivalent basis with no value transfer having occurred. In applying the practical expedient, an entity is required to first identify and account for modifications to the instrument which relate directly to IBOR reform, by updating the effective interest rate without adjusting the carrying amount.

In millions of U.S. dollars

The Company has adopted Interest Rate Benchmark Reform, Amendments to IFRS 9 and IAS 39 as of January 1, 2020 and Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 as of January 1, 2021. The Company continues to monitor the contract modifications that are related to interest rate benchmark reform on an ongoing basis to evaluate for the optional relief available under these amendments. The Company will apply these amendments prospectively for all eligible contract modifications subject to IFRS 9, Financial Instruments and IFRS 16, Leases. The adoption of the Amendments had no significant impact to the financial results.

All other new accounting standards that became effective during and up to the year ended December 31, 2021 were not relevant or material to the consolidated financial statements.

4. Operating segment information

The Group reports segment information based on the "management" approach. The management approach designates the internal reporting used by the Chief Operating Decision Makers ("CODMs") for making decisions and assessing performance as a source of the Group's reportable operating segments. The CODMs, consisting of the Board of Directors and the Chief Executive Officer, review financial information, makes ecisions and assess the performance of the Group as a single operating and reportable segment.

Geographical information

The Group is managed on a worldwide basis, but operates in four principal geographical areas, North America, which includes Canada and the United States; Latin America, which includes Mexico and Central and South America; EMEA, which includes Europe, the Middle East, Africa and the Commonwealth of Independent States; and Asia Pacific, which includes Japan, China, India, Singapore, Australia and New Zealand.

In presenting the geographical information, revenue is based on the region in which the revenue is transacted, and intellectual property is located. Assets are based on the geographic locations of the assets.

Year ended December 31, 2021	**North America**	**Latin America**	**EMEA**	**Asia Pacific**	**Total**
Revenue	$ 430.4	$ 100.7	$ 443.6	$ 298.4	**$ 1,273.1**
Non-current assets	$ 3,202.5	$ 1.0	$ 338.4	$ 79.0	**$ 3,620.9**

Year ended December 31, 2020	**North America**	**Latin America**	**EMEA**	**Asia Pacific**	**Total**
Revenue	$ 408.4	$ 102.8	$ 392.1	$ 257.3	**$ 1,160.6**
Non-current assets	$ 3,266.0	$ 1.2	$ 383.8	$ 78.5	**$ 3,729.5**

In millions of U.S. dollars

5. Restricted cash

The Group has restricted cash of $14.7 million as at both December 31, 2021 and 2020 recorded within prepaid expenses and other current assets on the consolidated statement of financial position. These amounts are held in escrow pending certain tax disputes that are subject to a tax indemnity held by the seller from a prior business combination and assumed by the Company upon acquisition on March 28, 2018. The corresponding liability associated with this tax indemnity has been included in accounts payable and accrued liabilities.

6. Accounts receivable

Accounts receivable consist of the following:

	As at December 31, 2021	As at December 31, 2020
Trade receivables	$ 205.3	$ 178.1
Receivables from tax authorities (sales tax)	6.5	8.5
Other receivables	4.6	7.2
Accounts receivables, gross	**$ 216.4**	**$ 193.8**
Allowance for doubtful accounts	(2.5)	(3.0)
Accounts receivables, net of allowances	**$ 213.9**	**$ 190.8**

Trade receivables are non-interest bearing and are generally on 30-60 day terms. The ageing analysis of trade receivables is as follows:

			Past due but not impaired		
	Total	**Neither past due nor impaired**	**< 30 days**	**30-60 days**	**> 60 days**
December 31, 2021	**$ 205.3**	$ 139.3	$ 29.0	$ 16.9	$ 20.1
December 31, 2020	**$ 178.1**	$ 115.0	$ 29.3	$ 11.4	$ 22.4

The following table presents a summary of the changes in the impairment of accounts receivable from contracts with customers:

Balance as at December 31, 2019	**$ 6.3**
New allowance for expected credit losses in the year	1.6
Reversals, collections and other	(4.3)
Accounts written off	(0.6)
Balance as at December 31, 2020	**$ 3.0**
New allowance for expected credit losses in the year	1.1
Reversals, collections and other	(1.0)
Accounts written off	(0.6)
Balance as at December 31, 2021	**$ 2.5**

In millions of U.S. dollars

7. Inventories

Inventories consist of the following:

	As at December 31,			
		2021		2020
Raw materials	$	105.2	$	57.2
Work in process		68.2		46.4
Finished goods		67.4		84.5
Total	**$**	**240.8**	**$**	**188.1**

The inventories recognized as an expense for the years ended December 31, 2021 and 2020, were $840.7 and $719.0 million, respectively as detailed in Note 21. The provision provided within inventories is $25.8 million and $31.0 million, at December 31, 2021 and 2020, respectively.

8. Income taxes

The major components of the income taxes are as follows:

	For the years ended December 31,			
Provision for (recovery of) income taxes		2021		2020
Current year income taxes:				
Charge for the year	$	7.6	$	14.6
Deferred income taxes:				
Origination and reversal of temporary differences in the current year		(20.9)		(30.1)
Total income tax benefit	**$**	**(13.3)**	**$**	**(15.5)**

Deferred income tax assets and liabilities consist of the following temporary differences:

	As at December 31,			
		2021		2020
Deferred income tax assets:				
Operating loss carryforwards	$	93.0	$	76.2
Provisions		20.1		24.9
Investment tax credits		16.4		10.2
	$	129.5	$	111.3
Deferred income tax liabilities:				
Basis difference for intangible assets		(295.3)		(321.1)
Other		(23.9)		(18.1)
Basis difference for property, plant and equipment		(18.4)		(2.3)
Basis difference for pension, derivatives and inventory included in OCI		(1.0)		(1.5)
Basis difference for inventories		-		(1.1)
		(338.6)		(344.1)
Net deferred income tax liabilities	**$**	**(209.1)**	**$**	**(232.8)**
Classification:				
Non-current net deferred income tax assets		30.8		15.2
Non-current net deferred income tax liabilities		(239.9)		(248.0)
Net deferred income tax liabilities	**$**	**(209.1)**	**$**	**(232.8)**

In millions of U.S. dollars

The changes in deferred income taxes that are related to foreign exchange rate movement are recorded as cumulative translation adjustment in other comprehensive (loss) income for those entities that are not measured using U.S. dollars as their functional currency.

As at December 31, 2021 and 2020, the Group had operating loss carry forwards of $342.0 million and $243.1 million, respectively, of which approximately $68.4 million and $28.9 million, respectively, can be carried forward indefinitely. Of the remaining $273.6 million, $4.5 million will expire between 2022 and 2028 and $269.1 million will expire between 2035 and 2041.

The Group has unclaimed investment tax credits ("ITCs") of $23.3 million that are available to offset future income taxes arising in Canada. A net deferred income tax asset of $16.0 million has been recognized in respect of these credits. In Canada, ITCs are reported in taxable income in the year following utilization and, accordingly, recognition of the Canadian ITCs are net of the related deferred income tax liability. Of the $23.3 million existing as at December 31, 2021, approximately $0.4 million will expire in 2022, $5.2 million will expire between 2023 and 2027, $9.9 million will expire between 2028 and 2032, and $7.8 million will expire between 2033 and 2041, if not utilized.

The provision for income taxes differs from the amounts that would be obtained by applying the United Kingdom statutory income tax rate as a result of the following:

	For the years ended December 31,			
	2021		2020	
Net loss before income taxes	$	(54.1)	$	(19.6)
United Kingdom statutory tax rate		**19.0%**		**19.0%**
Expected income benefit at statutory rate	**$**	**(10.3)**	**$**	**(3.7)**
Adjustments:				
Change in unrecognized tax benefits		(7.3)		0.1
Foreign tax rate differentials		(3.7)		(7.5)
Recognition and de-recognition of deferred tax assets		(2.7)		3.2
Research and development incentives		(1.7)		(1.6)
Foreign exchange translation		0.1		(3.8)
Manufacturing and processing profits deduction		1.4		0.8
Deferred tax on undistributed foreign earnings		1.6		1.1
Change in foreign tax rates		2.4		(2.1)
Non-deductible and (non-taxable) items		3.0		(1.1)
Reassessments		3.3		0.1
Other		0.6		(1.0)
Effective income tax benefit	**$**	**(13.3)**	**$**	**(15.5)**

The Group has not recognized a deferred tax asset with respect to $35.7 million of operating loss carryforwards and $0.5 million of other deductible temporary differences as it is not probable that the asset will be utilized in the foreseeable future. As at December 31, 2021 and 2020, the Group did not record deferred income tax assets of $9.9 million and $13.8 million, respectively, as it is not probable that they will be realized.

As at December 31, 2021 and 2020, the Group had gross unrecognized tax benefits of $30.8 million and $37.9 million, respectively, including interest and penalties of $1.1 million and $3.9 million, respectively. The Group *recognizes interest and penalties with respect to unrecognized tax benefits as provision for income taxes.* During the year ended December 31, 2021, the reserve for interest and penalties decreased by $2.8 million.

During the year, the Group settled a tax dispute with the Canada Revenue Agency, relating to its 2009 through 2011 taxation years. The Group has released $9.2 million of unrecognized tax benefits as a consequence of this settlement. The Group has identified $6.6 million of unrecognized tax benefits that are expected to be settled within the next 12 months due to the completion of tax authority audits and settlement of tax disputes. The Group remains subject to income tax examinations in Canada, Luxembourg, the United States, China and other jurisdictions for tax years ranging from 2007 to 2021.

In March 2021, it was announced that from April 1, 2023, the tax rate in the United Kingdom will change to 25%. Since this rate change was substantially enacted in 2021, its effect has been considered and used in calculating the net deferred tax liabilities as at December 31, 2021.

In millions of U.S. dollars

9. Property, plant and equipment

Property, plant and equipment consist of the following:

	Land	Building and improvements	Machinery and equipment	Construction in progress	Total
Cost					
Balance as at December 31, 2019	**$ 30.7**	**$ 245.1**	**$ 170.5**	**$ 40.6**	**$ 486.9**
Additions	-	-	-	31.7	31.7
Additions from CIP Transfer	-	4.4	39.5	(43.9)	-
Disposals	-	(3.0)	(4.7)	-	(7.7)
Impairments	(0.4)	(2.0)	-	-	(2.4)
Reclassified to held for sale	(0.4)	(18.4)	-	-	(18.8)
Reclassified to investment property	(2.0)	-	-	-	(2.0)
Changes in foreign exchange and other	0.4	16.1	17.9	1.5	35.9
Balance as at December 31, 2020	**$ 28.3**	**$ 242.2**	**$ 223.2**	**$ 29.9**	**$ 523.6**
Additions	-	-	-	48.5	48.5
Additions from CIP Transfer	-	2.6	54.3	(56.9)	-
Disposals	-	0.6	(5.2)	-	(4.6)
Reclassified from inventory	-	-	17.9	-	17.9
Changes in foreign exchange and other	(0.2)	(7.1)	(13.7)	(0.9)	(21.9)
Balance as at December 31, 2021	**$ 28.1**	**$ 238.3**	**$ 276.5**	**$ 20.6**	**$ 563.5**
Accumulated depreciation					
Balance as at December 31, 2019	**$ -**	**$ (23.0)**	**$ (59.2)**	**$ -**	**$ (82.2)**
Depreciation	-	(14.1)	(30.2)	-	(44.3)
Disposals	-	1.9	3.8	-	5.7
Reclassified to held for sale	-	14.0	-	-	14.0
Changes in foreign exchange and other	-	(7.5)	(13.6)	0.1	(21.0)
Balance as at December 31, 2020	**$ -**	**$ (28.7)**	**$ (99.2)**	**$ 0.1**	**$ (127.8)**
Depreciation	-	(13.8)	(33.4)	-	(47.2)
Disposals	-	(0.6)	3.6	-	3.0
Changes in foreign exchange and other	-	4.3	9.8	-	14.1
Balance as at December 31, 2021	**$ -**	**$ (38.8)**	**$ (119.2)**	**$ 0.1**	**$ (157.9)**
Carrying amount					
As at December 31, 2021	**$ 28.1**	**$ 199.5**	**$ 157.3**	**$ 20.7**	**$ 405.6**
As at December 31, 2020	**$ 28.3**	**$ 213.5**	**$ 124.0**	**$ 30.0**	**$ 395.8**

The Group recorded $2.4 million for the impairment of property, plant and equipment during the year ended December 31, 2020, related to exiting its current production and distribution activities within its Austria-based operations. The recoverable amount, which is the fair value, less expected direct selling costs, was determined to be $5.3 million. The valuation of the land and building was performed using comparable recent local market transactions on arm's length terms.

In millions of U.S. dollars

As at December 31, 2020, the Group classified land and building located in Bolton, Ontario and Waidhofen an der Thaya, Austria, as held for sale assets in the consolidated statement of financial position at their fair market value less expected direct selling costs. As a result, the property located in Bolton, Ontario had fair value adjustment of $1.8 million recognized in the consolidated statements of operations for the year ended December 31, 2020. Subsequently, the sale of real estate located in Bolton, Ontario was concluded in Q1 2021. As at December 31, 2021, the asset held for sale consists of real estate in Austria with approximate fair value, less expected direct selling costs, of $4.9 million. The Group has concluded the sale of the real estate in Austria for gross proceeds of $5.7 million subsequent to the year ended December 31, 2021.

As at December 31, 2021, the Group had fully depreciated property, plant and equipment with gross carrying value of $103.9 million that were still in use. As at both December 31, 2021 and 2020, the Group had $8.1 million, in accumulated impairment of property, plant and equipment.

10.Right-of-use assets and lease obligations

The information about the Group's leases as a lessee is as follows:

Right-of-use assets:

	Property	Vehicles	Total
Balance as at December 31, 2019	$ 10.5	$ 3.3	$ 13.8
New leases entered into during the year	-	2.4	2.4
Depreciation charge for the year	(3.5)	(2.0)	(5.5)
Changes in foreign exchange and other	0.1	0.5	0.6
Balance as at December 31, 2020	**$ 7.1**	**$ 4.2**	**$ 11.3**
New leases entered into during the year	1.8	2.8	4.6
Depreciation charge for the year	(3.5)	(2.3)	(5.8)
Changes in foreign exchange and other	-	(0.5)	(0.5)
Balance as at December 31, 2021	**$ 5.4**	**$ 4.2**	**$ 9.6**

Lease obligations:

Balance as at December 31, 2019	$ 13.7
New leases entered into during the year	2.2
Interest charge for the year	0.6
Lease payments during the year	(5.2)
Changes in foreign exchange and other	(0.2)
Balance as at December 31, 2020	**$ 11.1**
New leases entered into during the year	4.6
Interest charge for the year	0.6
Lease payments during the year	(5.3)
Changes in foreign exchange and other	(1.6)
Balance as at December 31, 2021	**$ 9.4**

	As at December 31,	
	2021	**2020**
Current portion	4.0	4.2
Non-current portion	5.4	6.9
Total lease obligations at December 31, 2021	**9.4**	**11.1**

In millions of U.S. dollars

Maturity analysis – contractual undiscounted cash flows		
Less than one year		4.3
One to three years		4.2
More than three years		1.6
Total undiscounted lease obligations at December 31, 2021	**$**	**10.1**

The current portion of the lease obligation is included in other current liabilities and the long-term portion is included in other non-current liabilities.

Amounts recognized in consolidated statement of net loss in selling, general and administrative expenses and interest (net)

	For the years ended December 31,			
		2021		**2020**
Interest on lease obligations	$	0.6	$	0.6
Depreciation on right-of-use assets		5.8		5.5
Total lease expense	**$**	**6.4**	**$**	**6.1**
Expenses relating to short-term leases		0.7		-
Total, including short-term leases	**$**	**7.1**	**$**	**6.1**

The amounts recognized in the statement of cash flows for the year ended December 31, 2021 and 2020 were $7.1 million and $6.1 million, respectively. The weighted average remaining lease term of the leases were 2.8 years and 3.3 years as of December 31, 2021 and 2020, respectively. As at December 31, 2021 and 2020, the weighted average discount rates for the remaining leases were 6.93% and 6.72%, respectively.

In millions of U.S. dollars

11.Goodwill and intangible assets

Goodwill and intangible assets consist of the following:

	Patents and know-how	Customer relationships	Software	IPR&D	Backlog	Brand names	Total intangible assets	Goodwill
Cost								
Balance as at December 31, 2019	$ 1,035.3	$ 491.4	$ 36.4	$15.0	$ 34.3	$ 95.0	$ 1,707.4	$ 1,922.8
Additions		-	7.6	-	-		7.6	-
Disposals	-	-	(8.2)	-	(34.7)	-	(42.9)	
Changes in foreign exchange and other	18.2	9.1	0.7	-	0.4	-	28.4	-
Balance as at December 31, 2020	$ 1,053.5	$ 500.5	$ 36.5	$15.0	$ -	$ 95.0	$ 1,700.5	$ 1,922.8
Additions	-	-	8.8	-	-	-	8.8	-
Disposals	-	-	(2.7)	-	-	-	(2.7)	-
Changes in foreign exchange and other	(14.1)	(4.5)	-	-	-	-	(18.6)	-
Balance as at December 31, 2021	$ 1,039.4	$ 496.0	$ 42.6	$15.0	$ -	$ 95.0	$ 1,688.0	$ 1,922.8
Accumulated amortization								
Balance as at December 31, 2019	$ (138.4)	$ (45.4)	$ (9.5)	$ -	$ (33.5)	$ -	$ (226.8)	$ -
Amortization	(78.2)	(26.0)	(6.1)	-	(0.9)	-	(111.2)	-
Disposals	-	-	8.1	-	34.8	-	42.9	-
Changes in foreign exchange and other	(3.7)	(1.3)	(0.3)	-	(0.4)	-	(5.7)	-
Balance as at December 31, 2020	$ (220.3)	$ (72.7)	$ (7.8)	$ -	$ -	$ -	$ (300.8)	$ -
Amortization	(78.8)	(26.3)	(5.5)	-	-	-	(110.6)	-
Disposals	-	-	2.3	-	-	-	2.3	-
Changes in foreign exchange and other	3.6	0.8	(0.4)	-	-	-	4.0	-
Balance as at December 31, 2021	$ (295.5)	$ (98.2)	$ (11.4)	$ -	$ -	$ -	$ (405.1)	$ -
Carrying amount								
As at December 31, 2021	$ 743.9	$ 397.8	$ 31.2	$15.0	$ -	$ 95.0	$ 1,282.9	$ 1,922.8
As at December 31, 2020	$ 833.2	$ 427.8	$ 28.7	$15.0	$ -	$ 95.0	$ 1,399.7	$ 1,922.8

The expected amortization expense per year for each of the next five years is $107.7 million. As at December 31, 2021 and 2020, the definite-life intangible assets have a weighted average remaining useful life of approximately 11.5 years and 12.5 years, respectively.

For goodwill and non-amortizable intangible assets, the Company completed its annual testing for impairment as at October 1, 2021 and 2020. No impairments were identified as part of the assessments. The impairment assessment was completed using a Weighted Average Cost of Capital ("WACC") of 11.50% and terminal revenue growth rate of 3.5%. The WACC was calculated using industry standard Capital Asset Pricing Model. The terminal growth rate is derived based on the 20-year compound annual growth rate of Husky's revenues. A 1% decrease in growth rate or a 1% increase in discount rate would not result in an impairment of goodwill. For Goodwill to be impaired, the WACC must increase by 2.5% or the terminal growth rate must be decreased to 0.0%. For amortizable intangible assets, the Company identified no indicators of impairment.

In millions of U.S. dollars

12. Investment properties

The Group's investment properties consist of property and land.

		Property and Land
Balance as at December 31, 2019	**$**	**5.7**
Additions		2.0
Depreciation		(0.1)
Impairment		(1.8)
Reclassified to held for sale		(3.8)
Balance as at December 31, 2021 and 2020	**$**	**2.0**

The fair value of the investment property is based on valuation performed by an accredited independent valuer who is a specialist in valuing these types of investment properties. As at December 31, 2021, the Group classified the land and building located in Bolton, Ontario as held for sale assets in the consolidated statement of financial position at their fair market value less expected direct selling costs. As a result, a fair value adjustment of $1.8 million recognized in the consolidated statement of net loss for the year ended December 31, 2021. The recoverable amount, which is the fair value less costs to sell, is determined to be $3.8 million as at December 31, 2021. The valuation of land and building was determined based on the current purchase and sale agreement with the buyer of the property. The carrying value of $2.0 million approximates the fair value of the remaining investment property as at December 31, 2021. Investment properties are included as part of the other long-term assets in the statement of financial position.

13. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	As at December 31,			
		2021		**2020**
Trade payables and accruals	$	215.3	$	181.6
Payroll-related costs		32.3		34.1
Accrued interest		31.0		30.9
Total	**$**	**278.6**	**$**	**246.6**

In millions of U.S. dollars

14. Provisions

The Group has recorded provisions consisting of the following:

	Warranty Provisions	Severance Provisions	Total
Balance as at December 31, 2019	$ 27.2	$ 6.4	$ 33.6
Current provisions in the year	22.9	14.3	37.2
Settled during the year	(19.8)	(14.2)	(34.0)
Reversal and adjustments	(6.8)	(2.5)	(9.3)
Balance as at December 31, 2020	$ 23.5	$ 4.0	$ 27.5
Current provisions in the year	23.9	7.2	31.1
Settled during the year	(27.9)	(6.2)	(34.1)
Reversal and adjustments	3.7	(0.7)	3.0
Balance as at December 31, 2021	$ 23.2	$ 4.3	$ 27.5
Classification			
Current portion	16.6	4.0	20.6
Non-current portion	6.9	-	6.9
Total as at December 31, 2020	$ 23.5	$ 4.0	$ 27.5
Current portion	16.9	4.3	21.2
Non-current portion	6.3	-	6.3
Total as at December 31, 2021	$ 23.2	$ 4.3	$ 27.5

In millions of U.S. dollars

15.Long-term debt

Long-term debt consists of the following:

	Term Loan	Revolver	Senior Notes	Line of Credit	Senior PIK Notes	Total
Balance as at December 31, 2019	**$ 2,007.4**	**$ -**	**$ 614.1**	**$ 250.0**	**$ -**	**$ 2,871.5**
Borrowings	-	-	-	-	460.0	460.0
Debt repurchased	-	-	-	-	(40.0)	(40.0)
Drawdowns	-	301.0	-	-	-	301.0
Principal paid	(21.0)	(301.0)	-	(250.0)	-	(572.0)
Transaction cost	-	-	-	-	(15.6)	(15.6)
Amortization/write-off of transaction costs	9.4	-	2.0	-	3.2	14.6
Debt discount	-	-	-	-	(9.2)	(9.2)
Amortization/write off of debt discount	0.7	-		-	1.9	2.6
Balance as at December 31, 2020	**$ 1,996.5**	**$ -**	**$ 616.1**	**$ -**	**$ 400.3**	**$ 3,012.9**
Principal paid	(21.0)			-	-	(21.0)
Amortization of transaction costs	9.9	-	2.2	-	2.3	14.4
Amortization of debt discount	0.7	-	-	-	1.4	2.1
Balance as at December 31, 2021	**$ 1,986.1**	**$ -**	**$ 618.3**	**$ -**	**$ 404.0**	**$ 3,008.4**
Classification:						
Current portion	$ 21.0	$ -	$ -	$ -	$ -	$ 21.0
Non-current portion	1,975.5	-	616.1	-	400.3	2,991.9
Total as at December 31, 2020	**$ 1,996.5**	**$ -**	**$ 616.1**	**$ -**	**$ 400.3**	**$ 3,012.9**
Current portion	$ 21.0	$ -	$ -	$ -	$ -	$ 21.0
Non-current portion	1,965.1	-	618.3	-	404.0	2,987.4
Total as at December 31, 2021	**$ 1,986.1**	**$ -**	**$ 618.3**	**$ -**	**$ 404.0**	**$ 3,008.4**

The undiscounted future repayments per fiscal year, including minimum future accrued interest, are as follows:

	Term Loan	Senior Notes	Senior PIK Notes	Total
2022	82.2	49.5	54.6	$ **186.3**
2023	81.6	49.5	54.6	$ **185.7**
2024	81.1	49.6	54.6	$ **185.3**
2025	1,972.5	49.5	426.7	$ **2,448.7**
2026	-	644.7	-	$ **644.7**
Thereafter	-	-	-	$ -
Total	**$ 2,217.4**	**$ 842.9**	**$ 590.5**	**$ 3,650.8**

Actual annual repayments are impacted by the excess cash flow sweep, as defined in the Credit Agreement, and may be greater than the amounts noted above for the years 2022 through 2024 and offset in 2025. Management cannot reasonably estimate additional payments that may be required and has therefore not classified these potential payments as current debt. As at both December 31, 2021 and 2020, the Group was in compliance with all debt covenants and conditions.

Term loan and revolver credit agreements

On March 28, 2018, the Group entered into a $2,350.0 million Credit Agreement, with a revolving credit facility (the "Revolver") and the Term Loan, which mature on March 28, 2023 and March 28, 2025, respectively.

Substantially all of the Group's assets have been pledged as collateral. The maximum available credit under the Revolver is $250.0 million. The principal amount of the Term Loan was $2,100.0 million. The Term Loan has a floating interest rate and requires principal repayments of $5.25 million quarterly, or $21.0 million annually. There are additional payment requirements starting with the year ending December 31, 2019 based on 0.0% to 50.0% of excess cash flows, the percentage being determined by a leverage ratio as defined in the Credit Agreement. Note that the additional required payments based on excess cash flows can be credited towards the scheduled principal repayments. The Group made additional payment of $7.6 million in Q2 2020 based on the excess cash flows and applied the credit to the required principal repayments of $5.25 million in Q3 2020 and $2.35 million in Q4 2020.

The Group may optionally make prepayments against the Term Loan. Subject to lender approval, the Revolver and Term Loan may be increased by $400.0 million, plus an additional amount based on the consolidated Earnings before Interest, Taxes, Depreciation and Amortization. The Credit Agreement has restrictions on new debt issuance, the sale of assets, capital expenditures, and requires the Group to maintain a leverage ratio dependent on the usage of the Revolver. Further, the Credit Agreement imposes limitations on payment of dividends based upon various annual Group performance metrics. The Revolver advances bear interest at the London Interbank Offered Rate ("LIBOR") plus 2.50% to 3.00% dependent on the first lien leverage ratio, and the Term Loan bears interest at LIBOR plus 3.00%. Additionally, the Revolver is subject to unused line fees determined on an annual rate of 0.375% and calculated based on the amount by which the commitments exceed the average daily balance of the outstanding loans under the Revolver during the applicable quarter.

As at December 31, 2021 and 2020, the interest rate on the Term Loan was 3.4% and 3.3%, respectively. As at both December 31, 2021 and 2020, there was no outstanding balance on the Revolver.

Senior notes agreement
On March 28, 2018, the Group, through two indirectly owed subsidiaries, issued $650.0 million aggregate principal unsecured 7.750% senior notes, which mature on April 15, 2026 (the "Senior Notes"). The Senior Notes pay interest semi-annually in cash in arrears on April 15 and October 15 of each year, beginning on October 15, 2018.

The Group may redeem all or some of the Senior Notes at any time on or after April 15, 2021 at the redemption prices set forth in the offering memorandum, plus accrued and unpaid interest. At any time prior to April 15, 2021, the Group may redeem up to 40% of the Senior Notes using the proceeds of certain equity offerings. In addition, at any time prior to April 15, 2021, the Group may redeem all or some of the Senior Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest plus a premium. Further, upon the occurrence of certain changes in applicable tax law, the Group may redeem all of the Senior Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any.

Line of credit
The Group has access to $250.0 million line of credit. The Group may choose to draw against the line of credit at either a "base rate" or a "LIBOR rate". The base rate is the highest of:

i. The prime rate on the date of borrowing;
ii. The Federal Funds rate in effect on the date of borrowing plus 0.5% per annum; and
iii. The LIBOR rate plus 1.0% per annum on the date of borrowing, unless the LIBOR is suspended or otherwise unavailable.

The LIBOR rate is determined as the one month, two-month, three month or six-month LIBOR plus 1.4% per annum. The base rate may be of any duration. Funds may be drawn from the line of credit at a minimum of $1.0 million per draw and thereafter in multiples of $0.1 million. In the event of default, interest shall be applied at the lesser of the base rate plus 2.4% or the highest rate of interest permitted by law.

As at both December 31, 2021 and 2020, the Group had no outstanding balance on the line of credit.

Senior PIK Notes

On February 14, 2020, the Group, through an indirectly owned subsidiary, issued 13.00%/13.75% Senior PIK Notes due 2025 for the aggregate principal amount of $460.0 million. The interest on the Senior PIK Notes are payable semi-annually on February 15 and August 15 of each year commencing with August 15, 2020, to holders of record as of the close of business on each interest payment date. After the initial interest period, the Group has the option to pay interest on the Senior PIK Notes by increasing the principal amount of the Senior PIK Notes or by issuing additional Senior PIK Notes instead of making cash interest payments subject to certain metrics pursuant to the terms of the Indenture dated February 14, 2020. Interest will accrue on the Senior PIK Notes at a rate per annum equal to 13.75%, which is the Cash Interest rate plus 75 basis points. The Senior PIK Notes were issued at a price of 98%, resulting in original issue discount ("OID") of $9.2 million. The Group also incurred approximately $15.6 million in underwriting and other fees. The Group capitalized the $24.8 million of issuance costs related to the Senior PIK Notes which will be amortized over the term of the Senior PIK Notes using the effective interest rate method.

The Group may redeem all or some of the Senior PIK Notes at any time on or after February 15, 2021 at the redemption prices set forth in the Indenture, plus accrued and unpaid interest. At any time prior to February 15, 2021, the Group may redeem up to 40% of the Senior PIK Notes using the proceeds of certain equity offerings. In addition, at any time prior to February 15, 2021, the Group may redeem all or a portion of the PIK Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and a premium. The Group did not redeem any portions of the Senior PIK Notes prior to February 15, 2021. Upon the occurrence of certain changes in applicable tax law, the Group may redeem all of the Senior PIK Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any. Upon occurrence of change in control, each holder of Senior PIK Notes may require the Group to repurchase all or any portion of that holder's Senior PIK Notes, at cash redemption price equal to 101% of the aggregate principal amount of the Senior PIK Notes, plus accrued and unpaid interest, if any. Further, in case certain assets are sold, the Group shall apply all the excess proceeds to the purchase of Senior PIK Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest. In addition, the Indenture has restrictions on new debt issuance, sale of assets, capital expenditures, transactions with affiliates, future guarantees and liens.

Subsequent to the issuance of Senior PIK Notes, on March 26, 2020, the Group completed a purchase in the open market of $40 million 13.00% Senior PIK Notes originally due to mature on February 15, 2025 at a price of 70.25%. A gain on the extinguishment of debt of $9.8 million, net of $0.8 million of OID and $1.3 million of deferred financing fees written off as a result the purchase of the Senior PIK Notes, was recognized in the consolidated statement of net loss for the year ended December 31, 2020.

Embedded derivatives

The Term Loan, Senior Notes, Senior PIK Notes and Revolver Credit Agreements each contain a number of embedded features. The embedded features within the Term Loan, Senior Notes and Revolver are closely related to the host contract and therefore do not require a separate unit of accounting. Certain embedded features within the Senior PIK Notes were not clearly and closely related to the host contract and have been classified as embedded derivatives requiring separate presentation from the Senior PIK Notes and subsequent measurement at FVTPL.

In millions of U.S. dollars

16. Fair value measurements

The carrying amounts and the estimated fair values of the Group's financial liabilities that qualify as financial instruments are as follows:

	As at December 31,			
	2021		2020	
	Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
Financial assets:				
Embedded derivatives	$ 4.8	$ 4.8	$ 13.8	$ 13.8
Financial liabilities:				
Senior PIK Notes	404.0	$ 444.2	$ 400.3	$ 456.8
Senior Notes	618.3	639.5	616.1	655.2
Term Loan	1,986.1	1,983.7	1,996.5	1,988.6
Revolver		-	-	-
Total Financial Liabilities	**$ 3,008.4**	**$ 3,067.4**	**$ 3,012.9**	**$ 3,100.6**

The fair value amounts shown in the table above represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate fair value for the years presented due to their short-term maturity.

The following methods and assumptions were used to determine the fair value of each class of financial instrument for which it is practicable to estimate that value:

Debt

The fair value of the Group's fixed rate debt (Senior Notes and Senior PIK Notes) and long-term portion of floating rate debt (Term Loan) is determined by using a Level 2 based approach by observing the price at which it is exchanged between qualified institutional lenders.

Derivative financial assets and liabilities

Foreign currency forward contracts are carried at fair value, which is determined using a Level 2 market-based valuation that relies on market observable inputs adjusted to take into account the creditworthiness of the counterparties or the Group, as applicable, and the effects of credit risk mitigating factors such as master netting agreements and collateral agreements. Please refer to Note 24 for the fair value of the foreign currency forward contracts.

Fair value of embedded derivatives is determined to be a Level 3 instrument, and was determined using The Black-Derman-Toy (BDT) model which computes a binomial tree based on a single factor (a single stochastic input), which is short-term interest rates. The market information available for corporate bonds that matched the Group's credit rating, effective annual yields and maturity profile of the Senior PIK Notes were considered to calculate the volatility of yields. The volatility was determined to be 45% using the median volatility from several comparable companies' callable bonds. The fair value of the embedded derivatives was determined to be nil at issuance of the Senior PIK Notes. The change in fair value of the embedded derivatives has been recognized as a gain on derivatives in the consolidated statement of total comprehensive loss (income) for the year ended December 31, 2021 and 2020.

In millions of U.S. dollars

17. Employee benefits

The Group provides various defined contribution plans for certain employees. For the years ended December 31, 2021 and 2020, the Group recorded defined contribution expenses of $5.5 million and $5.4 million, respectively.

The Employee future benefits consist of the following:

	As at December 31,	
	2021	**2020**
Health and dental care benefits	$ 5.5	$ 6.3
Defined benefits pension plan	(1.8)	5.1
Total Liability:	**$ 3.7**	**$ 11.4**

Health and dental care benefits

The Group provides certain health and dental care benefits to eligible Canadian employees and their dependents who retired between the ages of 55 and 65 and had worked at least 20 years for the Group. These benefits, both for the retiree and their dependents, are discontinued at the earlier of age 65 or the death of the retiree. The Group uses the fiscal year-end date as the measurement date for these benefits. The most recent actuarial valuation of the benefit plan for the Group was as at July 1, 2020 and extrapolated to December 31, 2021.

The Group also provides long-term disability benefits to eligible disabled employees, their spouses and children. The Group uses the fiscal period-end date as the measurement date for these benefits. The most recent actuarial valuation of the benefit plan for the Group was as at December 1, 2019 and extrapolated to December 31, 2021.

The weighted average actuarial assumptions used in measuring the Group's health and dental care benefits obligations and costs are as follows:

	As at December 31,	
	2021	**2020**
Accrued benefit obligations:		
Discount rate	2.7%	2.0%
Weighted average initial health care cost trend rate	5.9%	6.1%
Weighted average ultimate health care cost trend rate	4.5%	4.5%
Years to reach ultimate trend rate	9	10
Net periodic costs:		
Discount rate	2.0%	2.0%
Weighted average initial health care cost trend rate	5.9%	6.1%
Weighted average ultimate health care cost trend rate	4.5%	4.5%
Years to reach ultimate trend rate	9	10

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The following table presents the impact of a 1% change in assumed health care cost trend rates on the health and dental benefit plans for 2021 and 2020:

In millions of U.S. dollars

	As at December 31,							
	2021				2020			
	1% Increase		1% Decrease		1% Increase		1% Decrease	
Impact of changes in defined benefit obligation:								
Discount rate	$	0.4	$	0.5	$	0.4	$	0.5
Health care trend rate	$	0.4	$	0.4	$	0.4	$	0.4

The information about these health and dental care plans is as follows:

	As at December 31,			
		2021		2020
Change in employee future benefit obligation:				
Balance, beginning of period	$	6.3	$	6.9
Current service cost		0.2		0.3
Interest cost		0.1		0.2
Actuarial gain		(1.0)		(1.1)
Benefits paid		(0.2)		(0.1)
Foreign exchange loss		0.1		0.1
Benefit obligation, end of period	**$**	**5.5**	**$**	**6.3**
Change in plan assets:				
Fair value of plan assets, beginning of period		-		-
Employer contributions		0.2		0.1
Benefits paid		(0.2)		(0.1)
Fair value of plan assets, end of period	$	-	$	-
Unfunded status, end of period	**$**	**(5.5)**	**$**	**(6.3)**
Non-current liabilities		(5.5)		(6.3)
Net amount recognized in the consolidated statement of financial position	**$**	**(5.5)**	**$**	**(6.3)**

	For the years ended December 31,			
		2021		2020
Current service cost		0.2		0.3
Interest cost		0.1		0.2
Net periodic benefit cost	**$**	**0.3**	**$**	**0.5**

Defined benefits pension plan:

The Group maintains a defined benefit pension plan for its employees in Switzerland. The Group uses the fiscal year-end as the measurement date for these benefits. The most recent actuarial valuation of the benefit plan for the Group was as at December 31, 2021.

The weighted average actuarial assumptions used in measuring the Group's obligations and costs are as follows:

In millions of U.S. dollars

	As at December 31, 2021	As at December 31, 2020
Projected benefit obligation		
Discount rate	0.3%	0.1%
Rate of compensation increase	N/A	2.0%
Net periodic benefit cost		
Discount rate	0.1%	0.3%
Expected long-term rate of return on plan assets	2.0%	2.3%
Rate of compensation increase	2.0%	2.0%

The information about the Group's defined benefit pension plan is as follows:

	As at December 31, 2021	As at December 31, 2020
Change in projected benefit obligation:		
Balance, beginning of period	$ 56.5	$ 51.0
Current service cost	1.5	1.4
Interest cost	0.1	0.2
Employee contributions	1.1	1.1
Benefits paid	(3.7)	(2.4)
Premium paid	(0.2)	(0.3)
Actuarial loss (gain)	(3.0)	0.5
Foreign exchange loss (gain)	(2.3)	5.0
Benefit obligation, end of period	**$ 50.0**	**$ 56.5**
Change in fair value of plan assets:		
Fair value of plan assets, beginning of period	51.4	46.6
Return on plan assets	4.1	0.9
Employer contributions	1.1	0.9
Employee contributions	1.1	1.1
Benefits paid	(3.7)	(2.4)
Premium paid	(0.2)	(0.3)
Foreign exchange (loss) gain	(2.0)	4.6
Fair value of plan assets, end of period	**$ 51.8**	**$ 51.4**
Funded status, end of period	**$ 1.8**	**$ (5.1)**
Non-current liabilities	1.8	(5.1)
Net amount recognized in the consolidated statement of financial position	**$ 1.8**	**$ (5.1)**

	For the years ended December 31, 2021	For the years ended December 31, 2020
Current service cost	1.5	1.4
Interest cost	0.1	0.2
Expected return on plan assets	(1.0)	(1.1)
Net periodic benefit cost	**$ 0.6**	**$ 0.5**

In millions of U.S. dollars

The expected benefits are based on the same assumptions used to measure the Group's benefit obligation as at December 31, 2021 and include estimated future employee service.

The following table presents expected future employer contributions and expected benefit payments by plan type:

	Defined contribution	Defined benefit	Health and dental	Total
Expected employer contributions:				
2022	$ 5.6	$ 1.1	$ 0.3	$ 7.0
2023	5.7	1.1	0.3	7.1
2024	5.8	1.1	0.3	7.2
2025	5.9	1.1	0.3	7.3
2026	6.0	1.1	0.3	7.4
	$ 29.0	**$ 5.5**	**$ 1.5**	**$ 36.0**
Expected benefit payments:				
2022		$ 2.0	$ 0.3	$ 2.3
2023		2.3	0.3	$ 2.6
2024		2.2	0.3	$ 2.5
2025		2.2	0.3	$ 2.5
2026		2.3	0.3	$ 2.6
Thereafter		13.1	1.9	$ 15.0
		$ 24.1	**$ 3.4**	**$ 27.5**

Defined benefit plan assets

The overall investment goal of the pension plan assets is to earn a rate of return over time which, when combined with the Group's contributions, satisfies the benefit obligations of the pension plans and maintains a sufficient liquidity to pay benefits. The following table presents the defined benefit pension plan's actual and target asset allocations as at December 31, 2021 and 2020:

	As at December 31,			
	2021		2020	
	Target allocation ranges	Percentage of plan assets	Target allocation ranges	Percentage of plan assets
Equity securities	11 to 53%	31.0%	11 to 53%	37.1%
Debt securities	22 to 80%	42.5%	22 to 80%	40.6%
Real estate	0 to 26%	15.9%	0 to 26%	15.9%
Cash and cash equivalents	0 to 20%	10.6%	0 to 20%	6.4%
Alternative investments (only precious metals and petroleum)	0 to 5%	0.0%	0 to 5%	0.0%
		100.0%		**100.0%**

In millions of U.S. dollars

The following table presents the Group's pension plan assets using the fair value hierarchy as at December 31, 2021 and 2020:

	As at December 31,			
	2021		2020	
	Total	Quoted prices in active markets for identical assets (Level 1)	Total	Quoted prices in active markets for identical assets (Level 1)
Asset categories:				
Equity securities	$ 16.0	$ 16.0	$ 19.4	$ 19.4
Debt securities	22.0	22.0	21.3	21.3
Real estate	8.2	8.2	8.4	8.4
Cash and cash equivalents	5.6	5.6	2.3	2.3
Total plan assets	**$ 51.8**	**$ 51.8**	**$ 51.4**	**$ 51.4**

At December 31, 2021 and 2020, the Group did not have any Level 2 or Level 3 assets.

Equity securities: Equity securities held by the Group's pension plan are held through a mutual fund. The fair value of the mutual fund is based on the quoted market price.

Debt securities: Debt securities held by the Group's pension plan are held through a mutual fund. The fair value of the mutual fund is based on the quoted market price.

Real estate: Real estate held by the Group's pension plans is held through an investment fund. The fair value of the investment fund is based on the quoted market price.

Cash and cash equivalents: Cash and cash equivalents held by the Group's pension plan are held on deposit with creditworthy financial institutions. The fair value of the cash and cash equivalents is based on the quoted market price of the respective currency in which the cash is maintained.

The expected rate of return on plan assets was calculated as a weighted average of the investment strategy and the expected return on the different asset categories.

18. Ordinary shares and preference shares

As at both December 31, 2021 and 2020, the Company had 346,199,692.7 million ordinary shares issued and outstanding, respectively. On April 9, 2020, the Company reduced its share capital by $114.6 million. The reduced shares were subsequently cancelled. As at both December 31, 2021 and 2020, the Company had one preference share issued and outstanding.

	Ordinary shares		Share
	Shares	Amount	premium
Balance as at December 31, 2019	**453,266,087.2**	**$ 453.3**	**$ 121.5**
Reduction of share capital	(107,066,394.5)	(107.1)	(7.5)
Balance as at December 31, 2021 and 2020	**346,199,692.7**	**$ 346.2**	**$ 114.0**

In millions of U.S. dollars

19. Share-based payments

Pursuant to the Husky 2018 Equity Incentive Plan (the "Plan") established on July 2, 2018, Plan Participants are awarded stock options in the equity of HTL. The options have a contractual life of 10 years and vest 20% on each anniversary of the date of grant for five years. The Board of Directors of HTL have capped stock option award grants at 70,677 ordinary shares. HTL will use allotted and unissued ordinary shares to satisfy share-based payment award exercises.

Return of capital and amendment to the stock option plan

On February 14, 2020, Husky III Holding Limited, declared a return of capital to its immediate parent, Titan II Holding Limited ("Titan II"), in the amount of $437.3 million (the "Titan III ROC") using the proceeds from the issuance of the Senior PIK Notes discussed in Note 15 above. Using the proceeds from Titan III ROC, Titan II declared a return of capital on its Class A Common shares to its immediate parent, HTL, in the amount of $430.8 million (the "Titan II ROC"). On March 12, 2020, HTL distributed a return of capital to each of its Class A, Class B and Class B, Series 2 shareholders using the proceeds from Titan II ROC for the total amount of $186.9 million. As a result of the return of capital as discussed above, HTL board of directors passed a resolution on March 12, 2020 to reduce the exercise price of all stock options outstanding by $199.42, with all other terms of the options remaining unchanged. Following the resolution, the exercise price of the options went down to $1,300.58 from original price of $1,500.00 per share. Due to this modification in option plan, fair value of the modified options increased as compared to the fair value immediately before the modification. The incremental fair value was recognized by the Group as an increase to the stock option expense.

A summary of the status of the options for the years ended December 31, 2021 and 2020 is as follows:

	Number of time vesting options	*Weighted* average fair value per option	Weighted *average* exercise price per share	Weighted average *remaining* contractual life (years)
Outstanding balance, December 31, 2019	**55,186**	**$ 215.49**	**$ 1,500.00**	**8.81**
Granted during the period	2,750	$ 270.49	$ 1,300.58	9.02
Forfeited and expired	(2,116)	$ 214.96	$ 1,300.58	-
Outstanding balance, December 31, 2020	**55,820**	**$ 218.23**	**$ 1,300.58**	**7.87**
Granted during the period	2,215	$ 471.67	$ 1,300.58	9.05
Forfeited and expired	(1,569)	$ 239.25	$ 1,300.58	-
Outstanding balance, December 31, 2021	**56,466**	**$ 227.59**	**$ 1,300.58**	**6.95**
Exercisable balance, December 31, 2021	**32,718**	**$ 214.90**	**$ 1,300.58**	**6.83**
Exercisable balance, December 31, 2020	**22,046**	**$ 213.90**	**$ 1,300.58**	**7.82**

The Group accounts for the share-based payments as employee equity awards. Expense associated is recorded as the option awards vest with a corresponding increase to share-based payment reserves. The fair value of stock options used to calculate compensation expense was estimated using the Black-Scholes option pricing model. The Group has recognized expense based upon the portion of the requisite service period using the graded method with a forfeiture rate of 10.00%.

For the years ended December 31, 2021 and 2020, the Group used the following average assumptions to estimate the fair value of the stock options:

In millions of U.S. dollars

	For the years ended December 31,	
	2021	2020
Share price	$ 1,355.00	$ 1,170.00
Exercise price	$ 1,300.58	$ 1,300.58
Risk-free interest rate	0.39%	1.68%
Stock price volatility	31.67%	26.80%
Dividend yield	0.00%	0.00%
Expected term in years	7.0	7.0
Forfeiture rate	10.00%	10.00%
Fair value	$ 471.67	$ 270.49

The risk-free rate is based on the U.S. Federal Reserve bank benchmark bond yield on grant date for an equivalent term. The stock price volatility represents the implied volatility estimated using the weighted average volatility of similar publicly traded companies. The Group has estimated the expected term of the stock options as seven years based on the expected exercise and post-vesting employment termination behaviour.

In the event of a sale of HTL, the stock options will vest and become exercisable in full immediately prior to such sale. In the event of a public offering of the shares of HTL, the stock options will be subject to accelerated vesting in accordance with the terms of the Plan. The Group incurred $2.3 million and $4.3 million of share-based payments in 2021 and 2020, respectively.

As at December 31, 2021, the total compensation expense of $1.8 million related to non-vested outstanding stock options has not been recognized. This cost is expected to be recognized over a weighted-average period of 2.3 years.

20.Revenues

The Group disaggregates revenue from contracts with customers based on the major product types and timing of revenue recognition. Total revenue, classified by product type, was as follows:

	For the years ended December 31,	
	2021	2020
Medical	$ 122.6	$ 129.0
Consumer packaging	1,150.5	1,031.6
Total	**$ 1,273.1**	**$ 1,160.6**

Revenue, classified by timing of recognition was as follows:

	For the years ended December 31,	
	2021	2020
Products and services transferred at a point in time	$ **1,179.6**	$ 1,065.3
Products and services transferred over time	93.5	95.3
Total	**$ 1,273.1**	**$ 1,160.6**

As at December 31, 2021, the Company had $757.8 million remaining performance obligations, of which $734.1 million will be satisfied and recognized into revenue in 2022 and $23.7 million will be recognized in 2023 and beyond.

In millions of U.S. dollars

The following table sets forth the activity in the Group's revenue contract balances for the year ended December 31, 2021:

	Trade receivables, net [1]	Deferred revenue[2]
Balances as at December 31, 2019	**$ 178.4**	**$ 113.8**
Increases due to invoicing of new or existing contracts	1,160.6	648.3
Decreases due to payment, fulfillment of performance obligations, or other	(1,163.9)	(642.5)
Balances as at December 31, 2020	**$ 175.1**	**$ 119.6**
Increases due to invoicing of new or existing contracts	1,273.1	831.2
Decreases due to payment, fulfillment of performance obligations, or other	(1,245.4)	(748.4)
Balances as at December 31, 2021	**$ 202.8**	**$ 202.4**

(1) Includes unbilled accounts receivables related to Medical business in the amount of $5.8 million as of December 31, 2021.

(2) Includes reduction of deferred revenues related to Medical business in the amount of $18.7 million as of December 31, 2021.

The outstanding balances of deferred revenues as at December 31, 2020 have been fully recognized into revenue as at December 31, 2021. The Group does not have significant sales to one customer that exceeds 10% of total revenue.

21. Cost of goods sold

Cost of goods sold consists of the following:

	For the years ended December 31,	
	2021	2020
Material	$ 417.3	$ 369.0
Labour	124.4	101.3
Subcontractors	11.1	10.9
Business transformation costs	23.4	-
Overheads	264.5	237.8
Total	**$ 840.7**	**$ 719.0**

In millions of U.S. dollars

22.Selling, general and administrative expenses

Selling, general and administrative expenses by nature are as follows:

	For the years ended December 31,			
		2021		2020
Depreciation and Amortization	$	116.6	$	116.8
Employee Costs and Benefits		87.1	$	80.2
Business transformation costs		42.9		48.7
Office and Facilty Costs		18.9		16.9
Professional Services		11.3		12.6
Travel		4.5		3.6
Other		7.9		5.7
Total	**$**	**289.2**	**$**	**284.5**

23.Interest expenses (net)

Interest expense for the Group is as follows:

	For the years ended December 31,			
		2021		2020
Accretion and interest on debt	$	170.7	$	184.5
Amortization of transaction costs		16.5		14.7
Commitment fees		0.9		0.7
Bank fees and other charges, net		0.2		0.4
Total	**$**	**188.3**	**$**	**200.3**

24.Derivative instruments and risk management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy to provide returns to its shareholders. The Company manages its capital with the objective of ensuring that there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Company consists of cash, Term Loan, Senior Notes, Senior PIK Notes, Revolver, and accounts payable and accrued liabilities and components of consolidated statement of changes in equity including accumulated deficit and share capital. As at December 31, 2021, the Company has $108.0 million cash and cash equivalents ($60.8 million as at December 31, 2020), $3,008.4 million total long-term debt ($3,012.9 million as at December 31, 2020) and $477.8 million in total equity ($541.4 million as at December 31, 2020). The Company is subject to a covenant on its Term Loan, which requires a consolidated first lien net leverage ratio of less than 7.8 when the Revolver draws exceed 35% or $87.5 million. Company monitors the ratios on a quarterly basis. As at December 31, 2021 and 2020, the Company is in compliance with its debt covenants. Other than the covenants required for the Term Loan, the Company is not subject to any externally imposed capital requirements. The Company has not historically issued dividends to preserve capital within the Company to assist with the growth of operations. The Company makes adjustments to its capital structure in light of general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may increase or decrease equity issuances, increase or decrease the Revolver or undertake other activities as deemed appropriate under the specific circumstances.

The Group is exposed to credit risk, liquidity risk, interest rate risk, foreign currency risk, and commodity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk management team that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board reviews and agrees policies for managing each of these risks, which are summarized below.

COVID-19 pandemic risk
The Group continues to monitor the impacts of the COVID-19 pandemic on all aspects of the business and geographic regions. Uncertainties remain on the duration and severity of those impacts as new variants of the virus emerge and regulations evolve. The Group is continuously responding to the changing conditions created by the pandemic and evolving regulations, and, remains focused on its priorities including employee health and safety, customer needs, and critical investments driving long-term strategic priorities.

The Group is susceptible to risks in manufacturing and production from the COVID-19 outbreak. Results of operations could be adversely affected to the extent that the coronavirus or any other epidemic continues to harm the global economy in general. Throughout the COVID-19 pandemic, the Group has been declared as an essential business by the respective governmental authorities globally. As such, the production and distribution of the products have been continuing without any stoppage or disruption. These regional/global economic lockdowns have and continue to impact some customers' ability to finalize potential sales orders along with delaying the shipment of finalized sales orders until the lockdowns are lifted. Parts of the Group's direct and indirect supply chain in these affected regions could be subject to disruption.

Global supply chain risk
The Group has a global supply chain, including a network of suppliers and distribution and manufacturing facilities. Product quality and reliability are determined in part by factors that are not entirely within the Group's control. The Group depends on suppliers for parts and components that meet the Group's standards. If the suppliers fail to meet the Group's standards, the Group may not be able to deliver the quality products that customers expect which may adversely affect the Group's financial condition. The supply chain is stressed by increased demand, along with pandemic-related and other global events that have put additional pressures on manufacturing output and freight lanes. This has resulted in and could continue to result in disruptions in supply chain; difficulty in procuring or inability to procure components and materials necessary for the products, solutions and services; increased costs for commodities, components, and freight services; and delays in delivering, or an inability to deliver, the products, solutions and services to the customers on a timely basis. The Group is closely managing end-to-end supply chain, from sourcing to production to customer delivery, with a particular focus on all critical and at-risk suppliers and supplier locations globally, along with revising the existing supply chain to source critical components and parts closer to its manufacturing facilities to further reduce the supply chain business risk. However, further delays in the receipt of goods, or other unanticipated impacts to the supply chain, including on direct imports or goods purchased domestically, or customers, could have a more significant impact on future business (including sales), and the Group is continuing to monitor this evolving situation.

In millions of U.S. dollars

Concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to perform its obligations causing a loss for the other. The Group's financial assets exposed to credit risk consist primarily of cash and cash equivalents, accounts receivable, and derivative instruments with positive fair values. The carrying value of these assets represent the maximum credit exposure of the Group.

The Group manages potential credit risk through a variety of mechanisms including dealing with highly creditworthy financial institutions and adhering to the Group's prescribed counterparty credit and concentration limits.

The Group's large number of industry diverse and geography dispersed customers generally limits credit risk associated with trade accounts receivable. Based on management judgment or contractual provisions, the Group may require letters of credit, significant deposits, prepayments, or other security.

Liquidity risk

Liquidity risk is the risk that the Group will have difficulty meeting its financial obligations as they come due. The Group manages liquidity risk by preparing and monitoring budgets and forecasts to ensure that the Group has sufficient funds to meet its financial obligations and fund new business opportunities or other unanticipated requirements as they arise. Please refer to Note 15 for further information on repayments of long-term debt, Note 16 for further information on the fair value hierarchy of the financial assets and liabilities and Note 17 for further information on the future expected payments under employee benefit plans.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate with changes in market interest rates. The Group is primarily exposed to interest rate risk through its long-term, floating rate debt.

Assuming there are no significant changes in the long-term debt balance as at December 31, 2021, a 1% increase in the interest rate would increase annual interest expenses by $10.2 million and a 1% decrease in the interest rate would decrease annual interest expenses by $7.7 million. The disparity between the interest expenses for a 1% increase and decrease on the interest rate is due to the fact that the Term Loan is subject to the LIBOR rate and the floor is 0%, please refer to Note 15 on further discussion regarding the features of the Term Loan.

Foreign currency risk

The Group is exposed to fluctuations in foreign currency exchange rates where revenue and costs are denominated in currencies other than a subsidiary's functional currency. The Group hedges currency risk on highly probable anticipated foreign currency expenses through the use of foreign currency forward contracts.

The following table presents the fair value and the consolidated statement of financial position classification of the derivative financial instruments designated as foreign exchange cash flow hedges:

	As at December 31,			
	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Significant other observable inputs (Level 2)	$ 1.0	$ (1.1)	$ 4.8	$ -
Fair value	**$ 1.0**	**$ (1.1)**	**$ 4.8**	**$ -**

In millions of U.S. dollars

Derivative financial assets are included as part of Prepaid expenses and other current assets and derivative financial liabilities are included as part of other current liabilities in the consolidated statement of financial position.

The following table provides a summary of the pre-tax net profit or loss effect of the Group's derivative financial instruments designated as foreign exchange cash flow hedges for the year ended December 31, 2021 and 2020. All unrealized gains or losses are reflected in other comprehensive loss.

	For the years ended December 31,	
	2021	**2020**
Effective portion:		
Amount of realized (gain) / loss	$ (6.2)	$ 1.1
Amount of loss classified from accumulated other comprehensive loss into net loss	$ (6.2)	$ 1.1

All foreign exchange cash flow hedges were effective for the years presented.

The expenses related to Canadian dollar hedges for the next 24 months are approximately $297.0 million, which are hedged at a rate of 1.2728 Canadian dollar per U.S. dollar. With respect to the foreign currency forward contracts related to Canadian dollar expenses, as at December 31, 2021, a 1.0% strengthening or weakening of the Canadian dollar against the U.S. dollar would increase/decrease pre-tax OCI by $2.3 million.

For the years ended December 31, 2021 and 2020, the Group recorded foreign exchange gains of $3.2 million and $5.2 million, respectively. All gains or losses are recorded in selling, general and administrative expenses.

Commodity risk
The Group does have exposure to price changes in certain commodities, principally steel, and does not currently use derivative instruments to manage any such commodity risk.

25. Commitments, guarantees, contingencies and indemnifications

The Group's commitments, guarantees, contingencies and indemnifications consist of the following:

Letters of credit and guarantees
The Group may request that its bank issue letters of credit or letters of guarantee in favor of suppliers, customers and/or tax authorities to payment of certain obligations. As at December 31, 2021 and 2020, the Group issued such letters totaling $21.1 million and $11.1 million, respectively, which includes $9.5 million and $4.0 million, respectively, related to the Credit Agreements. For the years ended December 31, 2021 and 2020, there were no material payments against such obligations.

The Group may, in certain cases, guarantee equipment performance benchmarks. Such guarantees may entail payment of a monetary penalty, or may commit the Group to repurchase the equipment, if the performance benchmarks are not met. For the years ended December 31, 2021 and 2020, the Group made no material payments to its customers related to equipment performance guarantees.

In millions of U.S. dollars

Future capital expenditures
The Group had commitments to make future capital expenditures under non-cancellable contracts of $19.5 million and $31.7 million as at December 31, 2021 and 2020, respectively.

Other contingencies
The Group has been named as defendant in certain legal actions and is subject to various risks and contingencies arising in the ordinary course of business. Management believes that adequate provisions have been recorded in the consolidated financial statements, as required. Although it is not possible to estimate the extent of potential costs, if any, management believes that ultimate resolution of such contingencies would not have a material adverse effect on the financial position, results of operations or cash flows of the Group.

Indemnifications
In the ordinary course of business, the Group has entered into agreements that include indemnifications in favour of third parties related mainly to lending agreements (for example, tax and environmental indemnifications). Such agreements do not specifically quantify the Group's liability and, therefore, it is not possible to estimate the potential liability under these indemnities. Historically, the Group has not made any significant payments under indemnifications provided in the ordinary course of business.

26.Accumulated other comprehensive loss

The components of accumulated other comprehensive loss are as follows:

	Foreign currency items	Employee benefit plans	Forward contracts	Total	Non-controlling interests	Accumulated other comprehensive loss
Balances as at December 31, 2019	**$ (54.4)**	**$ (3.5)**	**$ 1.2**	**$ (56.7)**	**$ (20.7)**	**$ (36.0)**
Cumulative translation adjustment	31.2	-	-	31.2	-	31.2
Losses on foreign currency forward contracts (effective portion)	-	-	1.6	1.6	-	1.6
Net actuarial gains		0.5		0.5	-	0.5
Gains reclassified from accumulated other comprehensive income to the consolidated statements of operations	-	-	0.8	0.8	-	0.8
Net current-period other comprehensive income (loss)	31.2	0.5	2.4	34.1	12.5	21.6
Balances as at December 31, 2020	**$ (23.2)**	**$ (3.0)**	**$ 3.6**	**$ (22.6)**	**$ (8.2)**	**$ (14.4)**
Cumulative translation adjustment	(27.7)	-	-	(27.7)	-	(27.7)
Losses on foreign currency forward contracts (effective portion)	-	-	2.6	2.6	-	2.6
Net actuarial gains		5.4		5.4	-	5.4
Losses reclassified from accumulated other comprehensive income to the consolidated statements of operations	-	-	(4.7)	(4.7)	-	(4.7)
Net current-period other comprehensive income (loss)	(27.7)	5.4	(2.1)	(24.4)	(8.9)	(15.5)
Balances as at December 31, 2021	**$ (50.9)**	**$ 2.4**	**$ 1.5**	**$ (47.0)**	**$ (17.1)**	**$ (29.9)**

The amounts reclassified out of accumulated other comprehensive loss for gains and losses on cash flow hedges (foreign currency forward contracts) are presented in cost of sales and selling, general and administrative expenses in the consolidated statement of net loss.

The amount of accumulated other comprehensive loss that is expected to be reclassified to net loss against the recognition of hedged item over the next 12 months is a loss of $1.5 million (net of income taxes of $0.5 million).

27. Government grants

In response to the COVID-19 pandemic, on April 11, 2020, the Government of Canada passed into law the Canada Emergency Wage Subsidy ("CEWS") program, an emergency relief program designed to assist businesses and Canadians lessen the economic impacts of COVID-19 by retaining and / or rehiring their employees. To qualify for the program, companies must meet specified revenue decline thresholds for the periods being applied for. For those eligible periods, the program provides a maximum salary subsidy ranging from 65% to 75% of an employee's wages up to a weekly cap.

For certain periods up to December 31, 2021, the Company met the eligibility criteria and applied for the CEWS. For the years December 31, 2021 and 2020, the Company recognized $4.6 million and $9.6 million, respectively, as a reduction in cost of sales, and $2.0 million and $4.1 million, respectively, as a reduction of selling, general and administrative expenses. This wage subsidy program was used by the Company in lieu of further reducing excess labor costs through Company furloughs. For the years ended December 31, 2021 and 2020, the Company has received total payments of $10.2 million and $10.1 million, respectively.

The CEWS program ended on October 23, 2021 and replaced by the new Canada Recovery Hiring Program ("CRHP") introduced on June 6, 2021. On November 24, 2021, the CRHP was extended until May 7, 2022, for eligible employers with current revenue losses above 10%. The Company will continue to evaluate the qualifying criteria for the remaining eligibility periods, and will recognize the wage subsidy, if applicable, in accordance with the accounting guidance for government grants.

28. Ultimate controlling company

The Group is indirectly owned by certain investment vehicles advised by Advisors. No other group financial statements include the results of the Company.

In millions of U.S. dollars

29. Related party disclosures

The Group's subsidiaries are as follows:

Legal name	**Country of incorporation**	**Registered address**	**Class of shares held**	**Ownership %**	**Ownership**
PE Titan Holding Limited (Parent Entity)	United Kingdom	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Ordinary shares Preference shares	83.68% 11.03% 5.29% 100%	PECPI IV PETCIO PTPI PECPI IV
PE Titan Holding II Limited	United Kingdom	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Ordinary shares Preference shares	63.37% 20.46% 16.16% 100%	PE Titan Holding Limited PE QIQ PI IV PE TCIO PE Titan Holding Limited
PE Titan Holding III Limited	United Kingdom	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Ordinary shares	100%	PE Titan Holding II
Husky Technologies Limited (f/k/a Titan I Holding Limited)	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A ordinary shares Class B and Series 2 Class B ordinary shares	96.79% 3.21%	PE Titan Holding III Management
Titan II Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A ordinary shares Class A preference Shares	80% 20%	Husky Technologies L mited Titan V Finance Holding Ltd.
Husky III Holding Limited (f/k/a Titan III Holding Limited)	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Common shares	100%	Titan II Holding Limited
Husky IV Holding Limited (f/k/a Titan IV Holding Limited)	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A preference shares Class A ordinary shares	61.3% 38.7%	Husky III Holding Limited Husky VI Finance Holding Limited
Titan V Finance Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A preference shares and ordinary shares	100%	Husky Technologies L mited
Husky VI Finance Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Common shares	100%	Husky III Holding Lim ted
Titan Co-Borrower, LLC	United States	1209 Orange Street Corporation Trust Center Wilmington, New Castle DE 19801 USA	Membership Interest	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Ltd.	Canada	Suite 1700, Par Place, 666 Burrard Street, Vancouver, B.C. V6C 2X8	Common shares	100%	Husky IV Holding Limited
Husky Injection Molding	Argentina	c/o Zapiola 2375, Piso 6,	Common shares	99.1%	Husky Injection Molding

In millions of U.S. dollars

Systems Argentina S.A.		Oficina "A", Ciudad Autonoma de Buenos Aires		0.9%	Systems Ltd. Husky Injection Molding Systems Colombia Ltd.
Husky Injection Molding Systems ANZ Pty Limited	Australia	Suite A40B, Level 5 24 Lexington Drive Norwest Business Park Bella Vista NSW 2153 Australia	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Austria (GmbH)	Austria	Brunnerstrasse 38 A-380 Waidhofen an der Thaya Austria	Capital	100	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems (Belgium) S.A.	Belgium	c/o 6700 Arlon, Avenue General Patton, 52	Common shares	100%	Husky Injection Molding Systems S.A.
Husky do Brazil Sistemas de Injecao Ltda.	Brazil	Rod. Dom Gabriel Paulino Bueno Cuoto, KM 66.5 13216 – 990 Jundai SP, Brazil P.O. Box 2503	Common Stock	99.999997% 0.000003%	Husky Injection Molding Systems Ltd. Husky Injection Molding Systems Colombia Ltd.
Husky Injection Molding Systems B.V. (Netherlands)	Netherlands	c/o Atrium Building, 8th Floor Strawinskylaan 3127 1077 ZX, Amsterdam	Common shares	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Private Limited	India	P47, Eight Avenue Domestic Tariff Area, Natham Sub Post Office, Mahindra World City Chengalpattu Tamil Nadu, 603 002, India	Equity shares	99.999998% 0.000002%	Husky Injection Molding Systems Singapore Pte. Ltd. Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (Chile) S.A.	Chile	c/o Av. Nueva Tajamar 481 Torro norte, piso 21 Las Condes, Santiago Chile	Common shares	99.99% 0.01%	Husky Injection Molding Systems Ltd. Husky Injection Molding Systems Colombia Ltd.
Husky Injection Molding Systems Colombia Ltd.	Colombia	c/o Ceron Alvarez & Associates Ltda. Cra 13 No 93-40 Of. 303 Bogota, Columbia	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (Nordic) A/S	Denmark	Orestads Boulevard 73 DK-2300 Copenhagen Denmark	Common shares	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding	France	c/o 31 cours de Verdun	Common shares	100%	Husky Injection Molding

In millions of U.S. dollars

Systems S.A.R.L		01100 Oyonnax France			Systems S.A.
Husky Spritzgeiss – System GmbH	Germany	c/o Adelungstrasse 23 64283 Darmstadt Germany	Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems (Israel) Ltd.	Israel	P.O.B. 3593 Haeshel St. 7, Zone 2 Caesarea Industrial Park, 38900 Israel	Capital	100%	Husky Injection Molding Systems S.A.
Husky Italia S.r.l.	Italy	c/o Viale Monte Nero n. 84 20123 Milano Italy	Capital	100%	Husky Injection Molding Systems S.A.
Husky Corporation	Japan	10-1 Minami Machida, 5-chome Machida-SHI Tokyo 194-0005	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Korea Inc.	Korea	Rm 1110, Ace Twin Tower 1 212-1, Guro-3dong Guro-gu Seoul, Korea 152-848	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky KTW GesmbH	Austria	Brunnerstrasse 38 A-3830 Waidhofen an der Thaya Austria	Capital	95% 5%	Husky Injection Molding Systems Austria GmbH Husky Injection Molding Systems S.A.
Husky KTW s.r.o	Czech Republic	Dolni Pena 200 377 01 Jindrichuv Hradec Czech Republic	Capital	100%	Husky-KTW GesmbH
Husky Injection Molding Systems Malaysia SDN. BHD.	Malaysia	c/o Suite 13.03, 13th floor Menara Tan & Tan 207 Jalan Tim Razak 50400 Kuala Lumpur	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Mexico, S.A. de C.V.	Mexico	Avenida Prolongacion Paseo de la Reforma #1236 Piso 1 Colonia Santa Fe Cuajimalpa CDMX CP 05348	Fixed Capital Variable Capital	99.994% 0.006%	Husky Injection Molding Systems Ltd. Husky Injection Molding Systems Colombia Ltc.
Husky Injection Molding Systems (Philippines), Inc.	Philippines	16th floor, 1601 Robinsons Summit Center 6783 Ayala Avenue	Common shares	99.9936% 0.0064%	Husky Injection Molding Systems Ltd. Directors

In millions of U.S. dollars

		Makati City, Philippines			
Husky CIS Limited Liability Company	Russia	Kuskovskaya ul, 20A Block A, 5th floor of. 511 111141 Moscow, Russia	Charter capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems S.A.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Shares	100%	Husky Injection Molding Systems Luxembourg Holdings S.a.r.l.
Husky Injection Molding Systems Luxembourg Finance S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Fixed Capital	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Luxembourg Holdings S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Common shares and Class 1, Class 2, and Class 3 preference shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Moldings Systems IP Holdings S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Fixed Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Luxembourg IP Development S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Capital	100%	Husky Injection Molding Systems IP Holdings S.a.r.l.
.H.usky Injection Molding Systems (Shanghai) Ltd.	China Shanghai	Shanghai Technical Center 101 Ba Sheng Road China (Shanghai) Pilot Free Trade Zone P.R. China 200131	Registered capital	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (Shenzhen) Ltd.	China Shenzen	Room 2507, HuiJu Innovation Park, Liuxian Avenue 2, Xin'an Community, Bao'an District, Shenzhen, China	Registered capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Singapore Pte. Ltd.	Singapore	C/o 80, Changi Road, #03-22, CentroPod, Singapore 419715	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (South Africa) Proprietary Limited	South Africa	22 Wellington Road Parktown, 2193 South Africa	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Iberia S.L.U.	Spain	c/o Ronda General Mitre 28-30 08017 Barcelona, Spain	Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems (Thailand) Ltd.	Thailand	252/100 (B), 20th Floor, Tower 2, Muang Thai-Phatra Complex Building,	Common shares	99.99%	Husky Injection Molding Systems Singapore Pte. Ltd. Nominee shareholders

In millions of U.S. dollars

		Ratchadaphisek Road, Huaykwang Sub-district, Huaykwang District, Bangkok 10310		0.001%	
Husky Injection Molding Systems (UK) Limited	United Kingdom	100 New Bridge Street, London EC4V 6JA	Ordinary shares	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems, Inc.	United States	288 North Road Milton VT 05468	Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Vietnam Co. Limited	Vietnam	1DD Building 111 Ly Chinh Thang, Ward 7 District 3 10th Floor Ho Chi Minh City Vietnam	Capital	100%	Husky Injection Molding Systems Singapore PteE. Ltd.
Schottli AG	Switzerland	Industrie Grossholz 8253 Diessenhofen Switzerland	Registered shares	100%	Husky Injection Molding Systems S.A.
Magor Mold, LLC	United States	818 West Seventh Street, Suite 930, Los Angeles, CA 90017	Limited liability interest	100%	Husky Injection Molding Systems, Inc.

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Year Ended December 31, 2021
In millions of U.S. dollars

Transactions with other related parties
Under a corporate advisory services agreement with Advisors, the Group pays an annual fee for certain corporate and advisory services provided by Advisors and reimburses Advisors for expenses incurred in the provision of such services. For the years ended December 31, 2021 and 2020, the Group incurred costs of $5.0 million and $5.2 million, respectively, in fees and expense reimbursements for advisory services, of which nil was included in accounts payable and accrued liabilities as at December 31, 2021 (nil as at December 31, 2020). All related party transactions are included in selling, general and administrative expenses within the consolidated statement of net loss.

During the year ended December 31, 2020, the Group paid one-time financing fees in the amount of $5.0 million to Advisors for advisory services related to the issuance of the Senior PIK Notes. The fees are capitalized and amortized over the term of the Senior PIK Notes using the effective interest method. The unamortized portion of the fees are presented as a reduction to the outstanding balance of the Senior PIK Notes and the amortization of the fees are presented as an interest expense in the consolidated statement of net loss.

The Group had business relationships with Data2Logistics, LLC ("D2L") and the Livingston International Inc. ("Livingston"), which are affiliated with Advisors. For the years ended December 31, 2021, 2020 and 2019, the Group incurred costs of $36.4 thousands, $41.1 thousands and $6.9 thousands to D2L, recorded in cost of sales, of which approximately $7.7 thousands was included in accounts payable and accrued liabilities as at December 31, 2021 (nil as at December 31, 2020). For each of the years ended December 31, 2021, 2020 and 2019, the Group incurred costs of $0.2 million to Livingston, recorded in cost of sales, of which nil was included in accounts payable and accrued liabilities as at December 31, 2021 (nil as at December 31, 2020).

On March 12, 2020, the Group made a distribution to its shareholders of $180.8 million in the form of an interest-free loan, that is repayable on demand, which is recorded as a loan receivable from shareholders on the consolidated statement of financial position as at December 31, 2020. On December 17, 2020, the Group declared a dividend to its shareholders for $180.8 million, which is recorded as dividends payable on the consolidated statement of financial position as at December 31, 2020.

On March 31, 2021, the Board of Directors approved a resolution to fully satisfy the dividends payable in the amount of $180.8 million to the shareholders of the Group by setting-off against the loan receivable from the shareholders for the same amount.

Key management compensation
Advisors are the key management of the Group.

	For the years ended December 31,	
	2021	2020
Management fees to Advisors	$ 5.0	$ 5.0
Expense reimbursements to Advisors	-	0.2
Total key management compensation	**$ 5.0**	**$ 5.2**

In millions of U.S. dollars

30.Auditor's remuneration

The auditor's remuneration for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31,	
	2021	**2020**
Audit of these financial statements	$ 1.5	$ 1.2
Amounts receivable by the Group's auditor and its associates in respect of:		
Audit of financial statements of its subsidiaries	0.4	0.4
Audit-related assurance services	0.2	0.2
Total Auditor's remuneration	**$ 2.1**	**$ 1.8**

31.Staff numbers and costs

The average number of persons employed by the Group (including directors) during the years ended December 31, 2021 and 2020, analyzed by category, are as follows:

	For the years ended December 31,	
	2021	**2020**
By activity:		
Selling, general and administrative	1,240	1,227
Production	3,180	2,925
Total	4,420	4,152

The aggregate payroll costs of these persons were as follows:

	For the years ended December 31,	
	2021	**2020**
Wages and salaries	$ 237.0	$ 204.5
Social security costs	24.4	21.9
Expenses related to employee benefits	22.1	20.8
Expenses related to defined contribution pension plan	2.3	1.0
Share-based payment expense	2.3	4.3
Total	**$ 288.1**	**$ 252.5**

32.Directors' remuneration

The Company has three directors, two of which are employed by the Group's Advisors, and the third received $10,304 and $9,700 in 2021 and 2020, respectively.

33.Subsequent events

Subsequent to December 31, 2021, the rapid and significant developments related to the conflict between Russia and Ukraine has led to additional and more severe sanctions imposed by the United States of America, United Kingdom, European Union, Canada and other countries on certain Russian institutions and individuals. These developments may result in reduced access for Russian businesses to international export markets, weakening of the Russian Ruble and other negative economic consequences. Although the Group has limited operations in Russia and Ukraine, due to the uncertainty surrounding the duration and magnitude of this conflict, at this time, the Group is unable to estimate the impact to its business, financial condition or results of operations.

The subsequent events have been evaluated through March 31, 2022, the date the consolidated financial statements were available to be issued.

PE Titan Holding Limited Separate Financial Statements

For the year ended December 31, 2021

UK Registration Number: 11242644

Statements of Financial Position

In millions of U.S. dollars

Assets	Note	As at December 31, 2021	2020
Non-current assets			
Investment in subsidiary	4	$ 574.8	$ 574.8
Total non-current assets		574.8	574.8
Current assets			
Dividends receivable - related party	10	$ -	$ 114.6
Loan receivable from shareholders	10	-	114.6
Total current assets		**$ -**	**$ 229.2**
Total assets		**$ 574.8**	**$ 804.0**
Liabilities and equity			
Due to related party		1.3	1.1
Loan payable - related party	10	-	114.6
Dividends payable	10	-	114.6
Total current liabilities		**$ 1.3**	**$ 230.3**
Total liabilities		**$ 1.3**	**$ 230.3**
Equity			
Ordinary shares	6	346.2	346.2
Share premium	6	114.0	114.0
Retained earnings		113.3	113.5
Total equity		**$ 573.5**	**$ 573.7**
Total liabilities and equity		**$ 574.8**	**$ 804.0**

The Company has taken advantage of the exemption under Section 408 of the *Companies Act* of 2006 from presenting its own statement of total comprehensive loss (income). For the year ended December 31, 2021 the total comprehensive loss amounted to $0.2 million and for the year ended December 31, 2020, the total comprehensive income amounted to $113.7 million.

See the accompanying notes to the financial statements.

These financial statements were approved by the board of Directors on March 31, 2021 and were signed on its behalf by:

WRB

Mary Ann Sigler, *Director*

Statement of Changes in Equity

In millions of U.S. dollars and millions of shares

		Ordinary shares		Share	Retained	
	Note	Shares	Amount	Premium	earnings (deficit)	Total equity
Balance as at December 31, 2019		**453,266,187.2**	**$ 453.3**	**$ 121.5**	**$ (0.2)**	**$ 574.6**
Net income		-	-	-	113.7	113.7
Reduction of share capital	6	(107,066,394.5)	(107.1)	(7.5)	114.6	-
Dividends paid to shareholders	6	-	-	-	(114.6)	(114.6)
Balance as at December 31, 2020		**346,199,792.7**	**$ 346.2**	**$ 114.0**	**$ 113.5**	**$ 573.7**
Net loss		-	-	-	(0.2)	(0.2)
Balance as at December 31, 2021		**346,199,792.7**	**$ 346.2**	**$ 114.0**	**$ 113.3**	**$ 573.5**

See the accompanying notes to the financial statements.

Notes to the Separate Financial Statements
Year Ended December 31, 2021
In millions of U.S dollars

1. Nature of operations

PE Titan Holding Limited ("PE Titan" or the "Company") was incorporated in the United Kingdom on March 8, 2018 and is indirectly owned by certain investment vehicles advised by Advisors. The Company's primary purpose is that of a holding company to make an investment in and loans to PE Titan Holding II Limited, a United Kingdom company ("PE Titan II").

The Company is incorporated under the laws of London, England. Its head office is located at 100 New Bridge Street, London, EC4V 6JA, United Kingdom.

2. Basis of presentation

The audited financial statements have been prepared in accordance with FRS 101.

Management of PE Titan prepared the audited separate financial statements for the year ended December 31, 2021. The Board of Directors approved the 2021 financial statements at its meeting on March 31, 2022. The audited separate financial statements of the Company are drawn up in millions of U.S. dollars.

The Company has taken advantage of the exemption in Section 408 of the *Companies Act* of 2006 not to present its individual statement of total comprehensive loss and related notes that form a part of these approved financial statements.

3. Significant accounting policies

(A) Principles of separate financial statements

The audited separate financial statements have been prepared in accordance with FRS 101 in the United Kingdom. The audited separate financial statements comprise the financial statements of the Company. These separate financial statements are presented, subject to the requirements in IAS 27, *Consolidated and Separate Financial Statements*. The Company can account for its investment in subsidiary either at cost, in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"), or using the equity method under IAS 28, *Investments in Associates and Joint Ventures*. The Company has elected to use the cost method.

The Company also presents audited financial results on a consolidated basis.

Basis of preparation - going concern

Please refer to Note 2 of the consolidated financial statements of the Group.

(B) Use of estimates

The preparation of separate financial statements under IFRS requires management to make estimates and assumptions that affect the amounts reported in the separate financial statements. The most significant assumptions are estimates in determining the recoverable amount of its investment in PE Titan II.

(C) Disclosure exemptions under FRS 101

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7, *Financial Instruments: Disclosures*.
- The requirements of paragraphs 91-99 of IFRS 13, *Fair Value Measurement*.

- The requirement in paragraph 38 of IAS 1, *Presentation of Financial Statements* ("IAS 1") to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16, *Property, Plant and Equipment*; and
  - Paragraph 118(e) of IAS 38, *Intangible Assets*.
- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1, *Presentation of Financial Statements*.
- The requirements of IAS 7, *Statement of Cash Flows*.
- The requirements of paragraphs 30 and 31 of IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraph 17 of IAS 24, *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary, which is a party to the transaction, is wholly owned by such a member.

(D) Cash and cash equivalents

Cash and cash equivalents include cash on account and short-term investments in term deposits with maturities of three months or less from the date of acquisition and are valued at cost plus accrued interest, which approximates fair value.

(E) Financial instruments

Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as amortized costs or fair value through other comprehensive income ("FVTOCI") are included with the carrying amount of such instruments. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as fair value through profit or loss ("FVTPL") are recognized immediately in the profit or loss within the separate statement of total comprehensive income. Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame, are recognized on a trade date basis.

Financial assets

The Company classifies its financial assets under its business model in the following measurement categories:

- Those to be measured subsequently at amortized cost; and
- Those to be measured subsequently at fair value (either through FVTOCI or through FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. All the entity's financial assets and financial liabilities are determined to be solely payment principal and interest and therefore classified as amortized cost.

Financial assets at amortized cost

Financial assets that meet the following conditions are measured at amortized cost less impairment losses (if any):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash-flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset was not acquired principally for the purpose of selling in the near term or for short-term profit taking (held for trading).

Financial assets at FVTPL
All other financial assets, except equity and debt instruments are remeasured at fair value and classified as FVTPL. The gains or losses, if any, arising on remeasurement of FVTPL are recognized in profit or loss within the separate statement of total comprehensive income.

The method of measurement of instruments in debt instruments will depend on the business model in which the instrument is held. For instruments in equity instruments, it will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVTOCI.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company has no financial assets with embedded derivatives.

Financial liabilities
Financial liabilities are classified as FVTPL when the financial liability is either held-for-trading or is designated at FVTPL. Financial liabilities at FVTPL are remeasured in subsequent reporting periods at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognized in profit or loss within the separate statement of total comprehensive income. Such gains or losses recognized in profit or loss includes any interest paid on the financial liabilities.

Financial liabilities that are not held for trading and are not designated as FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are measured at amortized cost are determined based on the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability (or financial asset) and of allocating interest expense (or income) over the expected life of the financial liability (or financial asset).

Long-term borrowings
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are derecognized from the separate statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit losses
The Company assesses, on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Embedded derivatives

IFRS 9 requires that under certain conditions, an embedded derivative is separated from its host contract and accounted for as a derivative or the entire contract is to be measured at FVTPL. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a special interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. The Company did not hold any embedded derivatives as at December 31, 2021 and 2020.

(F) Fair value measurements

The Company measures the fair value of assets and liabilities on a recurring and non-recurring basis in accordance IFRS 13, *Fair Value Measurement* ("IFRS 13"), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes a framework for measuring fair value. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- **Level 1** Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
- **Level 2** Observable inputs, other than Level 1 inputs, such as quoted prices for similar assets and liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- **Level 3** Inputs that are unobservable.

An asset's or a liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes observable requires judgment by the Company.

(G) Foreign currency translation

The Company's separate financial statements are presented in U.S. dollars, which is also the Company's functional currency.

Transactions in foreign currencies, if any, are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of certain items that are designated as part of a hedge, which are recognized in OCI until settled.

(H) Preference shares

Preference shares are classified as equity. If there are sufficient distributable profits and should the Company declare a preference dividend, the preference dividend shall automatically become a debt due and immediately payable on the payment date. The Company shall redeem each preference share on the earlier of: the 20th anniversary of the issue date for the share, the Company giving notice to the preference shareholder, or the preference shareholder giving notice to the Company. On the redemption date, the Company shall pay the preference shareholder the nominal value of the preference share (£0.000001 per share).

(I) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of income taxes, from the proceeds.

Where ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(J) Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income taxes relating to items recognized directly in equity are recognized in equity and not in the separate statement of total comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income taxes are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

In millions of U.S. dollars

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income taxes relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Company offsets deferred income tax assets and deferred income tax liabilities if and only if it has a legally enforceable right to set off current income tax assets and current income tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

4. Investment in subsidiary

On December 21, 2018, the Company acquired 453,266,013.1 million ordinary shares in PE Titan II in full satisfaction of $574.8 million of loans receivable from PE Titan II. This transaction has been recorded at cost in the Company's separate statement of financial position as investment in subsidiary.

5. Commitments and contingencies

The Company has guaranteed all liabilities to which each of PE Titan II and PE Titan III Holding Limited ("PE Titan III") were subject to at December 31, 2021 and 2020 until they are satisfied in full. PE Titan II has no liabilities at December 31, 2021 and 2020, and PE Titan III's liabilities at December 31, 2021 and 2020 are due solely to PE Titan II.

6. Ordinary shares and preference shares

As at both December 31, 2021 and 2020, the Company had 346,199,692.7 million ordinary shares issued and outstanding, respectively. On April 9, 2020, the Company reduced its share capital by $114.6 million. The shares reduced were subsequently cancelled. As at both December 31, 2021 and 2020, the Company had one preference share issued and outstanding.

	Ordinary shares		Share
	Shares	Amount	premium
Balance as at December 31, 2019	**453,266,087.2**	**453.3**	**$ 121.5**
Reduction in share capital	(107,066,394.5)	(107.1)	$ (7.5)
Balance as at December 31, 2021 and 2020	**346,199,692.6**	**346.2**	**$ 114.0**

7. Risk management

The Company's principal financial asset is its investment in subsidiary. The Company is exposed to liquidity risk and interest rate risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty meeting its financial obligations as they come due. The Company manages liquidity risk by preparing and monitoring forecasts to ensure that the Company has sufficient funds to meet its financial obligations and fund new business opportunities or other unanticipated requirements as they arise. The Company manages this risk by monitoring PE Titan II.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate with changes in market interest rates. As at December 31, 2021 and 2020, the Company had no loans receivable or loans payable outstanding.

8. Indemnifications

In the ordinary course of business, the Company has entered into agreements that include indemnifications in favour of third parties related mainly to lending agreements. Such agreements do not specifically quantify the Company's liability and, therefore, it is not possible to estimate the potential liability under these indemnities.

Historically, the Company has not made any significant payments under indemnifications provided in the ordinary course of business.

9. Ultimate controlling company

The Company is indirectly owned by certain investment vehicles advised by Advisors. No other group financial statements include the results of the Company.

In millions of U.S. dollars

10. Related party disclosures

The Company's subsidiaries are as follows:

Legal name	Country of incorporation	Registered address	Class of shares held	Ownership %	Ownership
PE Titan Holding II Limited	United Kingdom	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Ordinary shares Preference shares	63.37% 20.46% 16.16% 100%	PE Titan Holding Limited PE QIQ PI IV PE TCIO PE Titan Holding Limited
PE Titan Holding III Limited	United Kingdom	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Ordinary shares	100%	PE Titan Holding II
Husky Technologies Limited (f/k/a Titan I Holding Limited)	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A ordinary shares Class B and Series 2 Class B ordinary shares	96.79% 3.21%	PE Titan Holding III Management
Titan II Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A ordinary shares Class A preference Shares	80% 20%	Husky Technologies Limited Titan V Finance Holding Ltd.
Husky III Holding Limited (f/k/a Titan III Holding Limited)	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Common shares	100%	Titan II Holding Limited
Husky IV Holding Limited (f/k/a Titan IV Holding Limited)	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A preference shares Class A ordinary shares	61.3% 38.7%	Husky III Holding Limited Husky VI Finance Holding Limited
Titan V Finance Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A preference shares and ordinary shares	100%	Husky Technologies Limited
Husky VI Finance Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Common shares	100%	Husky III Holding Limited
Titan Co-Borrower, LLC	United States	1209 Orange Street Corporation Trust Center Wilmington, New Castle DE 19801 USA	Membership Interest	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Ltd.	Canada	Suite 1700, Par Place, 666 Burrard Street, Vancouver, B.C. V6C 2X8	Common shares	100%	Husky IV Holding Limited
Husky Injection Molding Systems Argentina S.A.	Argentina	c/o Zapiola 2375, Piso 6, Oficina "A", Ciudad Autonoma de Buenos Aires	Common shares	99.1% 0.9%	Husky Injection Molding Systems Ltd. Husky Injection Molding

In millions of U.S. dollars

					Systems Colombia Ltd.
Husky Injection Molding Systems ANZ Pty Limited	Australia	Suite A40B, Level 5 24 Lexington Drive Norwest Business Park Bella Vista NSW 2153 Australia	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Austria (GmbH)	Austria	Brunnerstrasse 38 A-380 Waidhofen an der Thaya Austria	Capital	100	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems (Belgium) S.A.	Belgium	c/o 6700 Arlon, Avenue General Patton, 52	Common shares	100% 5%	Husky Injection Molding Systems S.A.
Husky do Brazil Sistemas de Injecao Ltda.	Brazil	Rod. Dom Gabriel Paulino Bueno Cuoto, KM 66.5 13216 – 990 Jundai SP, Brazil P.O. Box 2503	Common Stock	99.999997% 0.000003%	Husky Injection Molding Systems Ltd. Husky Injection Molding Systems Colombia Ltd.
Husky Injection Molding Systems B.V. (Netherlands)	Netherlands	c/o Atrium Building, 8th Floor Strawinskylaan 3127 1077 ZX, Amsterdam	Common shares	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Private Limited	India	P47, Eight Avenue Domestic Tariff Area, Natham Sub Post Office, Mahindra World City Chengalpattu Tamil Nadu, 603 002, India	Equity shares	99.999998% 0.000002%	Husky Injection Molding Systems Singapore Pte. Ltd. Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (Chile) S.A.	Chile	c/o Av. Nueva Tajamar 481 Torro norte, piso 21 Las Condes, Santiago Chile	Common shares	99.99% 0.01%	Husky Injection Molding Systems Ltd. Husky Injection Molding Systems Colombia Ltd.
Husky Injection Molding Systems Colombia Ltd.	Colombia	c/o Ceron Alvarez & Associates Ltda. Cra 13 No 93-40 Of. 303 Bogota, Columbia	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (Nordic) A/S	Denmark	Orestads Boulevard 73 DK-2300 Copenhagen Denmark	Common shares	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems S.A.R.L	France	c/o 31 cours de Verdun 01100 Oyonnax France	Common shares	100%	Husky Injection Molding Systems S.A.
Husky Spritzgeiss – System GmbH	Germany	c/o Adelungstrasse 23 64283 Darmstadt Germany	Capital	100%	Husky Injection Molding Systems S.A.

In millions of U.S. dollars

Husky Injection Molding Systems (Israel) Ltd.	Israel	P.O.B. 3593 Haeshel St. 7, Zone 2 Caesarea Industrial Park, 38900 Israel	Capital	100%	Husky Injection Molding Systems S.A.
Husky Italia S.r.l.	Italy	c/o Viale Monte Nero n. 84 20123 Milano Italy	Capital	100%	Husky Injection Molding Systems S.A.
Husky Corporation	Japan	10-1 Minami Machida, 5-chome Machida-SHI Tokyo 194-0005	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Korea Inc.	Korea	Rm 1110, Ace Twin Tower 1 212-1, Guro-3dong Guro-gu Seoul, Korea 152-848	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky KTW GesmbH	Austria	Brunnerstrasse 38 A-3830 Waidhofen an der Thaya Austria	Capital	95% 5%	Husky Injection Molding Systems Austria GmbH Husky Injection Molding Systems S.A.
Husky KTW s.r.o	Czech Republic	Dolni Pena 200 377 01 Jindrichuv Hradec Czech Republic	Capital	100%	Husky-KTW GesmbH
Husky Injection Molding Systems Malaysia SDN. BHD.	Malaysia	c/o Suite 13.03, 13th floor Menara Tan & Tan 207 Jalan Tim Razak 50400 Kuala Lumpur	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Mexico, S.A. de C.V.	Mexico	Avenida Prolongacion Paseo de la Reforma #1236 Piso 1 Colonia Santa Fe Cuajimalpa CDMX CP 05348	Fixed Capital Variable Capital	99.994% 0.006%	Husky Injection Molding Systems Ltd. Husky Injection Molding Systems Colombia Ltd.
Husky Injection Molding Systems (Philippines), Inc.	Philippines	16th floor, 1601 Robinsons Summit Center 6783 Ayala Avenue Makati City, Philippines	Common shares	99.9936% 0.0064%	Husky Injection Molding Systems Ltd. Directors
Husky CIS Limited Liability Company	Russia	Kuskovskaya ul, 20A Block A, 5th floor of. 511 111141 Moscow, Russia	Charter capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems S.A.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Shares	100%	Husky Injection Molding Systems Luxembourg Holdings S.a.r.l.
Husky Injection Molding	Luxembourg	Zone Industrielle Riedgen	Fixed Capital	100%	Husky Injection Molding

In millions of U.S. dollars

Systems Luxembourg Finance S.a.r.l.		B.P. 93, L-3401 Dudelange Luxembourg			Systems Ltd.
Husky Injection Molding Systems Luxembourg Holdings S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Common shares and Class 1, Class 2, and Class 3 preference shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Moldings Systems IP Holdings S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Fixed Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Luxembourg IP Development S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Capital	100%	Husky Injection Molding Systems IP Holdings S.a.r.l.
.H.usky Injection Molding Systems (Shanghai) Ltd.	China Shanghai	Shanghai Technical Center 101 Ba Sheng Road China (Shanghai) Pilot Free Trade Zone P.R. China 200131	Registered capital	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (Shenzhen) Ltd.	China Shenzen	Room 2507, HuiJu Innovation Park, Liuxian Avenue 2, Xin'an Community, Bao'an District, Shenzhen, China	Registered capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Singapore Pte. Ltd.	Singapore	C/o 80, Changi Road, #03-22, CentroPod, Singapore 419715	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems (South Africa) Proprietary Limited	South Africa	22 Wellington Road Parktown, 2193 South Africa	Common shares	100%	Husky Injection Molding Systems Ltd.
Husky Injection Molding Systems Iberia S.L.U.	Spain	c/o Ronda General Mitre 28-30 08017 Barcelona, Spain	Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems (Thailand) Ltd.	Thailand	252/100 (B), 20th Floor, Tower 2, Muang Thai-Phatra Complex Building, Ratchadaphisek Road, Huaykwang Sub-district, Huaykwang District, Bangkok 10310	Common shares	99.99% 0.001%	Husky Injection Molding Systems Singapore Pte. Ltd. Nominee shareholders
Husky Injection Molding Systems (UK) Limited	United Kingdom	100 New Bridge Street, London EC4V 6JA	Ordinary shares	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems, Inc.	United States	288 North Road Milton VT 05468	Capital	100%	Husky Injection Molding Systems S.A.
Husky Injection Molding Systems Vietnam Co.	Vietnam	1DD Building 111 Ly Chinh Thang, Ward 7	Capital	100%	Husky Injection Molding Systems Singapore Pte.

In millions of U.S. dollars

Limited		District 3 10th Floor Ho Chi Minh City Vietnam			Ltd.
Schottli AG	Switzerland	Industrie Grossholz 8253 Diessenhofen Switzerland	Registered shares	100%	Husky Injection Molding Systems S.A.
Magor Mold, LLC	United States	818 West Seventh Street, Suite 930, Los Angeles, CA 90017	Limited liability interest	100%	Husky Injection Molding Systems, Inc.

Transactions with other related parties
All transactions are with related parties.

On March 12, 2020, the Company received $114.6 million from PE Titan II in the form of an interest-free loan, that is repayable on demand, which is recorded as a Loan payabe to PE Titan II as at December 31, 2020. On March 12, 2020, the Company made a distribution to its shareholders of $114.6 million in the form of an interest-free loan, that is repayable on demand, which is recorded as a loan receivable from shareholders on the statement of financial position as at December 31, 2020.

On December 17, 2020, PE Titan II declared a dividend to for $114.6 million, which the Company recorded as dividends receivable - related party on the statement of financial position as at December 31, 2020. On December 17, 2020, the Company declared a dividend to its shareholders for $114.6 million, which is recorded as dividends payable on the statement of financial position as at December 31, 2020.

On March 31, 2021, the Company's Board of Directors approved a resolution to fully satisfy the dividends payable in the amount of $114.6 million to the shareholders of the Company by setting-off against the loan receivable from the shareholders for the same amount. On March 31, 2021, the Company approved a resolution to fully satisfy the loan payable to PE Titan II in the amount of $114.6 million by setting-off against the dividends receivable from PE Titan II.

There was no key management compensation for the years ended December 31, 2021 and 2020.

11.Subsequent events

The details of events after the reporting date are included in Note 33 of the Consolidated financial statements of the Group, if any.