Annual Report
2018

BEWi
Synbra
GROUP



Contents

Design and production: BEWiSynbra Group in cooperation with RHR/CC.
Photo: Victor Brott, Stig Göran Nilsson and Martti Timonen.

BEWiSynbra Group is one of the largest vertically integrated producers of expandable polystyrene (EPS) in Europe, focusing on sustainable solutions for packaging and components, as well as insulation. Innovation is a key driver for the Group's competitive advantage and sustainability, and BEWiSynbra has an ambitious approach to its recycling initiatives.

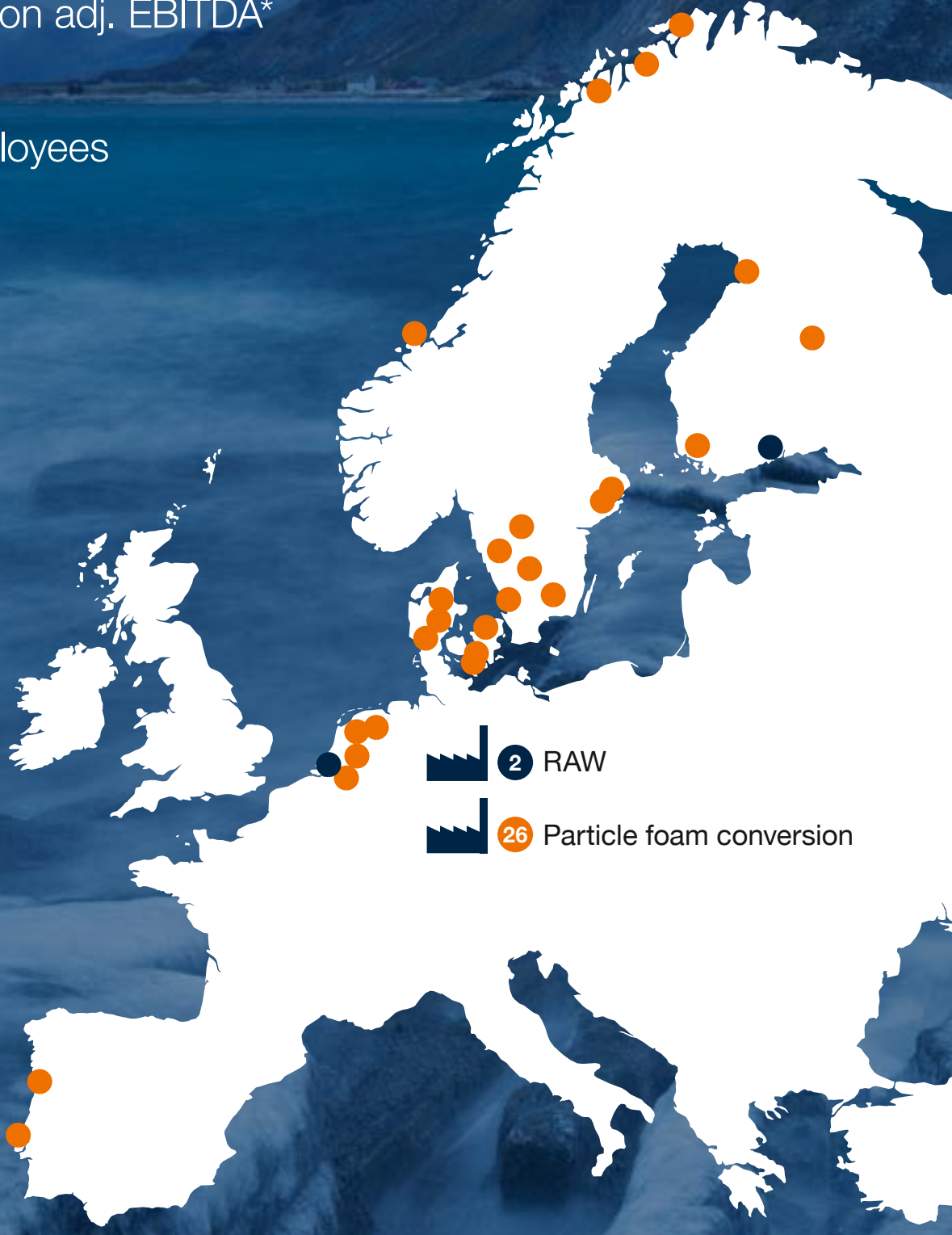
SEK 5 billion revenue*

SEK 0.5 billion adj. EBITDA*

27 facilities

~1,300 employees

*Proforma



BEWiSynbra Group in brief

BEWiSynbra is one of the leading producers of expandable polystyrene (EPS) in Europe.

BEWiSynbra is strategically integrated throughout the value chain with an annual production capacity of 185,000 tonnes of the raw material EPS beads. The Company is a market leader in EPS solutions for Packaging & Components and Insulation in several European countries. EPS, also called cellular foam, is among others used for packaging of food, pharmaceuticals and technical components, as well as insulation of buildings and infrastructure. In addition to EPS, the Company manufactures products made from extruded polystyrene (XPS), expanded polypropylene (EPP) and fabricated foam.

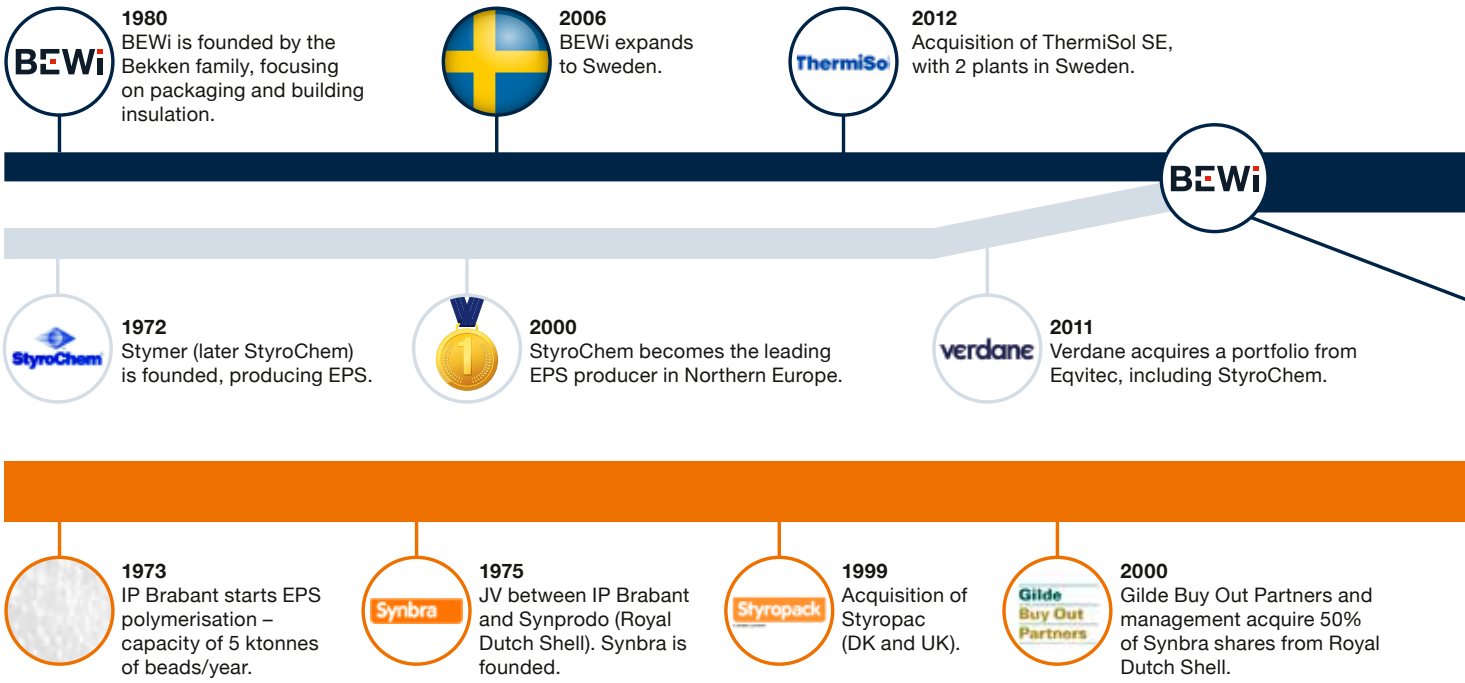
SIGNIFICANT GROWTH OPPORTUNITIES

BEWiSynbra sees significant growth opportunities in its existing markets, with the key growth drivers for the Company in the years ahead being organic growth in all segments supported by multiple global mega trends, as well as acquisitive growth from pursuing new acquisition opportunities. In a fragmented market in consolidation mode, the Company's clear ambition is to continue to add to organic growth and through mergers and acquisitions. One of the expected key profitability drivers for the Company in the years ahead is synergy realization from the Synbra transaction, where synergies with an effect of 70 MSEK have been identified, including improved procurement terms, consolidation of operations and increased productivity.

Besides organic and M&A driven growth and improved profitability from synergy realisation, innovation and recycling are key drivers for the Company's competitive advantage and sustainability. The Company enjoys benefits of being vertically integrated as this enables the development of new applications and materials in close cooperation with customers. In addition, the Company aims to be at the forefront of the EPS industry's move from a linear to a circular economy. A newly established business unit, BEWiSynbra Circular, will be responsible for the Group's processes for collecting and recycling EPS material, and will be a key function and priority going forward. The medium-term annual recycling target is set to 60,000 tonnes of EPS.

MANY YEARS IN THE EUROPEAN MARKET

Organic growth and strategic acquisitions have created a competitive European Group.



Note: Timeline only includes key events; 1) BEWi Produkter AS (excluding Norplasta) and BEWi Polar AS; 2) BEWi Automotive AB.

MAIN CHARACTERISTICS OF BEWiSYNBRA GROUP

- One of the leading integrated EPS players in Europe
- Strong focus on recycling and securing sustainability
- Well-invested platform benefitting from economies of scale
- Market protected by high entry barriers
- Strong value creation through strategic acquisitions, backed by long-term family ownership
- Attractive growth outlook supported by several global megatrends

CELLULAR FOAM – PROTECTING AND INSULATING CUSTOMERS BY 98% AIR

Cellular foam is often used as a collective name for a variety of different expanded plastics. Commonly occurring types are EPS (expanded polystyrene), EPP (expanded polypropylene), XPS (extruded polystyrene). Cellular foam is above all a good insulator since its closed-cell construction consists of more than 90% air, EPS as much as 98%. Depending on the chemical composition and the method used to expand it, a myriad of other properties arise, like:

- 100% recyclability
- Lightweight
- Durability
- Mold and moisture resistance
- Thermal efficiency
- Shock absorbing
- Versatility
- Cost efficient
- Odorless and non-toxic

Cellular foam is suitable for applications including insulation and foundation material for buildings and other groundworks, different types of packaging as well as components for vehicles and HVAC.

2016
Investment in extruding technology in Porvoo, Finland.

2017
Acquisition of Finnish XPS producer M-Plast and the Swedish packaging operations of Por-Pac.

2018
BEWi acquires Synbra and creates a leading European integrated EPS producer.

2014
Merger between BEWi and StyroChem into BEWi Group and acquisition of packaging operations initially established by SCA Packaging.

BEWi Synbra GROUP

2018
BEWiSynbra acquires fish box business[1] from Frøya Invest and automotive business[2] from KMC Family.

2011
Strategic alliance with Sulzer and Corbion to develop BioFoam production.

2016
Production of 65 ktonnes of beads per year.

Message from the Chairman

The past year was a memorable one for us, since we completed a number of strategically important business acquisitions that brought us more regions and market segments than we previously had access to.

In May, we were able to conclude the acquisition of the Dutch company Synbra, a specialist in cellular foam with operations in northern Europe and Portugal. This acquisition was a natural step in our expansion strategy, and we are of the opinion that in this new constellation, we will be able to pursue growth in our product segments and exceed the average rate of growth on the European market. Shortly afterward, we changed our name to BEWiSynbra Group to make use of the industrial history in both companies.

The acquisition made us one of the leading European players in our industry. We can state that the merger was strategically correct and has so far turned out very well. BEWi Group and Synbra complement each other: While BEWi Group brought with it a strong focus on cost-efficiency, Synbra brought operations characterized by innovation and products with a high degree of added value.

SHARING BEST PRACTICES

Integrating two organizations, both with a great deal of expertise, is a dynamic and demanding, but also rewarding process. Since the acquisition, we have been working hard to combine the best in both companies.

One example of the short-term synergies from the merger, is our ability to successfully improve the quality of our operations through sharing best practices. The results are most obvious in RAW, the raw materials segment, where both BEWi and Synbra had its own production facility, thus making them easy to compare. Following the integration work, the raw materials operations drastically increased their combined production capacity.

Other important milestones in 2018 were the acquisition of BEWi Produkter AS and BEWi Polar AS, also referred to as BEWi Norway. BEWi Norway delivers a range of packaging products, the most important being boxes for transporting salmon. At the same time, we also acquired the Swedish company BEWi Automotive AB, which mainly provides products to the automotive industry. Through these acquisitions, we significantly strengthened our footprint in Norway, gaining access to the world's by far largest exporting country of salmon, and expanded our product portfolio with automotive components for the European market.

ORIENTATION ON CIRCULAR ECONOMY

Being a major leader also brings with it responsibilities as a producer. Responsibilities must be assumed on several levels; one is thinking and working in terms of sustainability and with an orientation on circular economy. We have embraced sustainability as our strategic driver, and in 2018 we established BEWiSynbra Circular, a new Group unit responsible for minimizing the company's impact on the environment by closing the circle through recycling. The ambition of this new operation is to take the lead in the change towards a circular economy for the EPS industry.

To date, EPS waste collection in Europe has largely been under public management. Our ambition is to be the first integrated company to collect and recycle on a large scale. Recently, we launched our recycling initiative Use-ReUse, offering solutions for collection and recycling of EPS, and at the same time raising awareness and knowledge.

The market situation remained strong in most of our regions last year, except for Sweden, where we faced a challenging market. In light of this, we have initiated measures to reduce cost and improve efficiency in the Swedish operations and we expect to see results from this throughout 2019.

A SOLID PLATFORM FOR GROWTH

Over the past year, we succeeded in strengthening the Group financially which, combined with a satisfactory cash flow from our operations, provide us with a solid platform for continued growth.

If we were to summarize our history, we could say that we started out as a Norwegian company producing fish boxes and are now one of the leading integrated EPS producers in Europe focusing on innovation and sustainability in the circular economy.

The new Group has sales of nearly SEK 5 billion, a broad geographical presence in Europe, strong market positions and access to many attractive end markets. There is much left to do, and we look forward to new, creative partnerships with customers and suppliers as well as new goals to achieve.

Gunnar Syvertsen

Chair of the Board of BEWiSynbra Group AB

The business of BEWiSynbra Group

VISION AND MISSION

BEWiSynbra's vision is to be the leading EPS producer in Europe and an internationally renowned brand regarding environmental responsibility.

We aim to be the leading producer of EPS solutions for packaging, technical components and insulation in all our operating markets.

Sustainability is our strategic driver. We will lead the change towards a circular economy in our industry and minimize our environmental impact by creating sustainable products and close the loop through recycling.

CORE VALUES

BEWiSynbra Group is built on four strong values: Responsibility, Pride, Stability and Quality.

Responsibility

We rely on each other and take responsibility for everything we do. We keep our promises and seek to earn our customers' trust. We believe that every person working here can do great things and by working together we can achieve even more.

This is the framework of how we operate throughout our company. Environment, Society, Customers, Employees and Shareholders are the five dimensions of our care and responsibility.

Pride

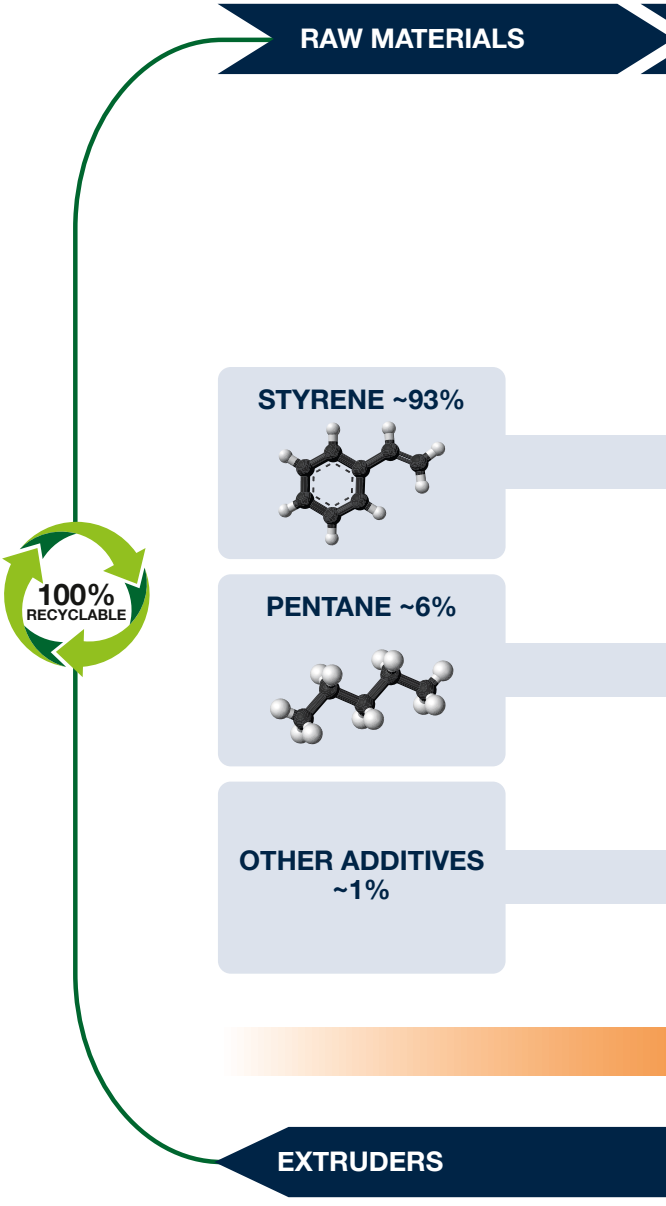
We are proud of our company, colleagues and what our products do for customers and end users. We are proud to be innovators and to seek solutions that have the potential to make a difference for coming generations.

Stability

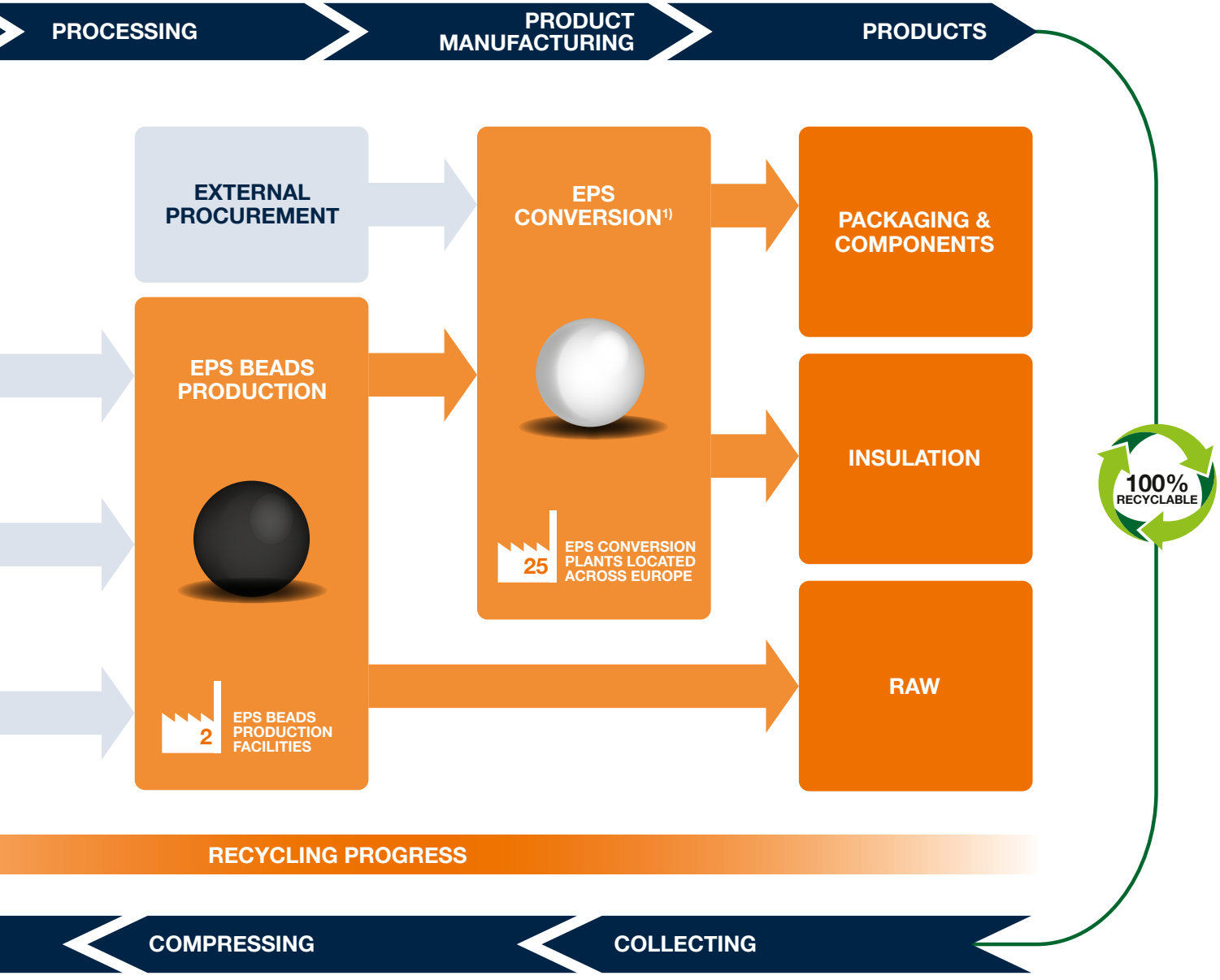
We are stable and reliable, think strategically and plan for the long term. We care for each other and work as a team. We respect our customers and by understanding their challenges we can offer the best possible solutions.

Quality

Quality is how customers measure our products. Every step of our value chain needs to deliver on this basic principle. Quality management systems, certified to the highest standards in the industry, reach all the way from the factory floor to top management. In short, quality is the job of every person in BEWiSynbra.



BEWiSynbra's business segments are **RAW** (raw materials), **Packaging & Components** (packaging solutions for food, other fragile cargo as well as technical components for vehicles and HVAC*) and **Insulation** (products and systems for insulating houses and other properties as well as infrastructure facilities.) In addition, the Company has recently established a new business unit following the launch of the subsidiary BEWiSynbra Circular, which is responsible for the Company's **Recycling** activities.

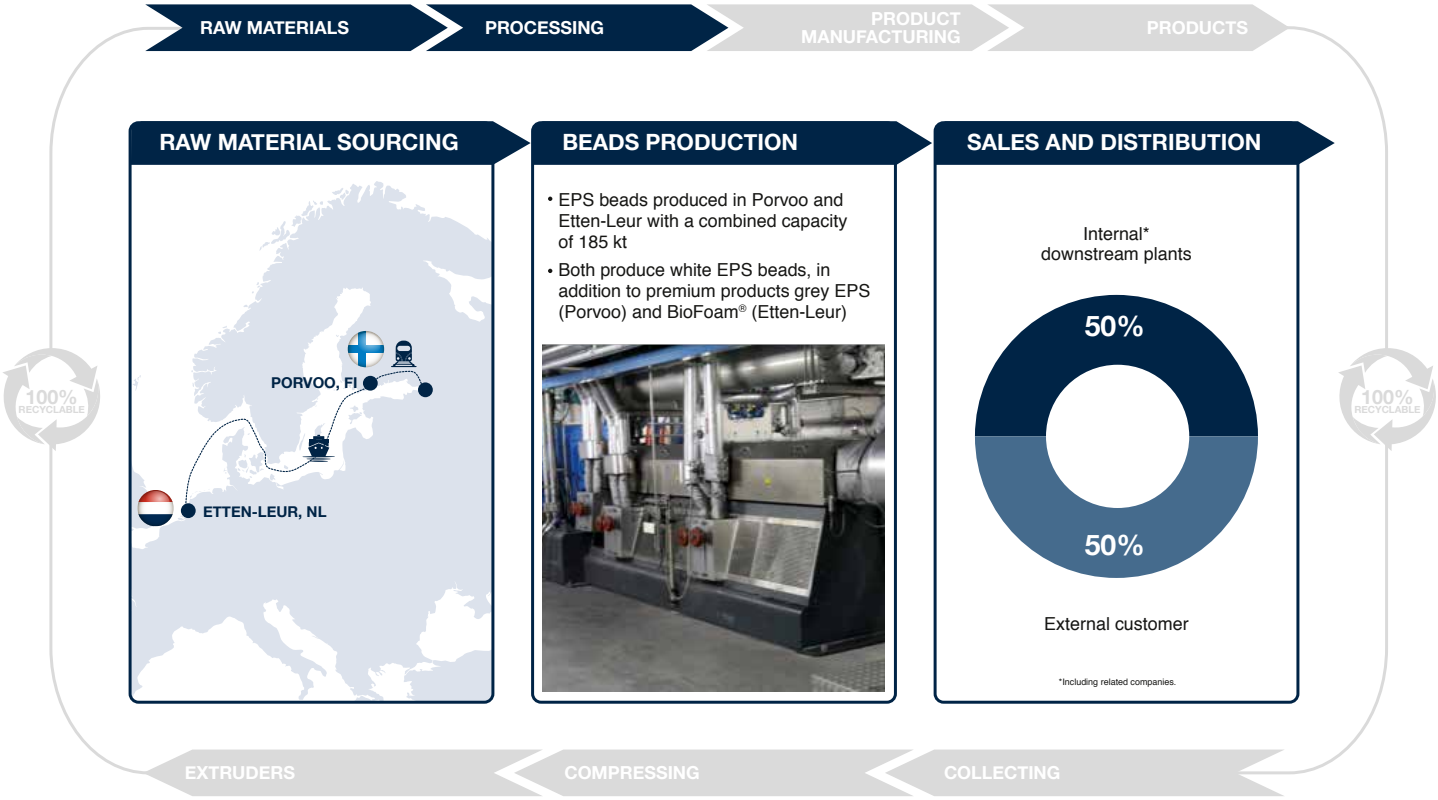


= BEWi Synbra GROUP

1) The company also manufactures XPS and EPP products and products in fabricated foam. While the company has some EPP capacity, EPP and XPS raw material is mainly sourced externally.
* Heating, ventilation and air conditioning.

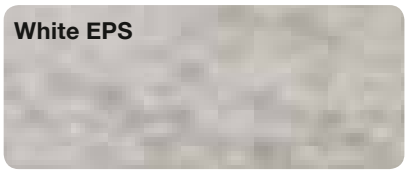
RAW

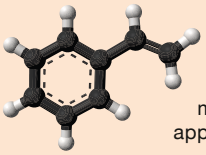
BEWiSynbra is one of the leading producers of cellular foam in northern Europe. The raw material production include white and grey expanded polystyrene (EPS) and BioFoam®, which is expanded biopolymers. All production of raw material is conducted at the Group's plants in Etten-Leur in the Netherlands and Porvoo in Finland.



BEWiSYNBRA ON THE RAW MARKET

BEWiSynbra's RAW segment is focused on development and production of cellular foam, i.e. EPS beads, for production of end products. The portfolio includes white and grey EPS and BioFoam®.





The raw material for EPS, or cellular foam, is polystyrene beads. There is an extensive range of beads for the manufacture of expanded polystyrene applications.

The main raw material for polystyrene beads is styrene, a liquid that is produced from crude oil by petrochemical companies. Styrene is traded on the world market, where the price is governed by supply and demand. To reduce price volatility, purchasers at EPS manufacturers work with several suppliers, contract models and purchasing strategies.

In the next step, styrene is mixed with additives such as pentane. The process results in beads, or granulate, the component that together with air forms expanded polystyrene (EPS) at a later stage in manufacturing. There is an extensive range of expanded polystyrene beads with various properties in the market. Market leaders include BEWiSynbra, BASF and Synthos.


SAL.MAR
AIZERBA

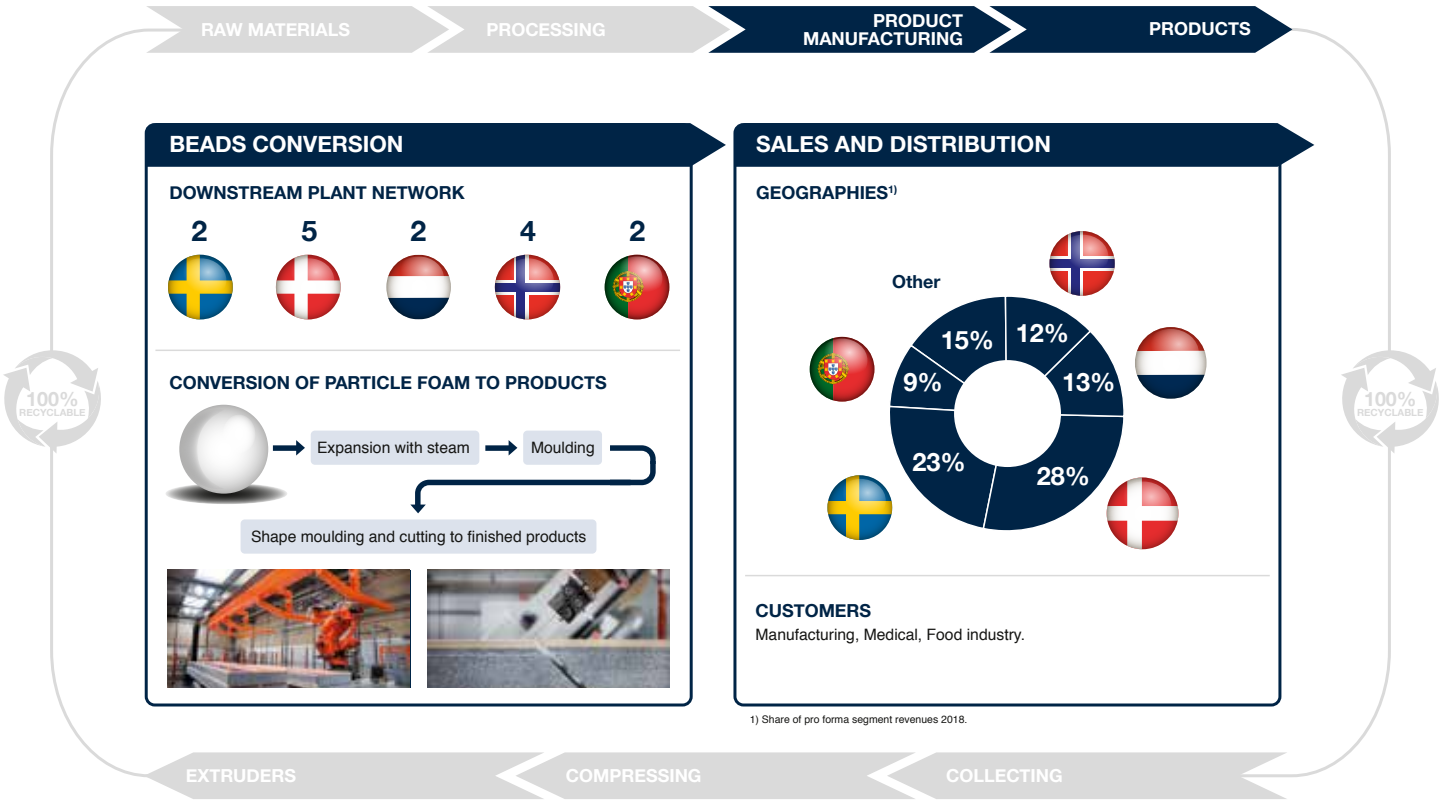
Packaging & Components

BEWiSynbra develops and manufactures adapted protective packaging solutions and technical components for industrial customers in a wide range of sectors.

The materials used are primarily based on expanded polystyrene (EPS), expanded polypropylene (EPP) all called cellular foam, as well as fabricated foam.

EPS' versatility is highly competitive compared to the substitutes given its ability to mould, strength-to-weight ratio, insulation value, shock absorbing nature, durability and cost efficiency. This unique combination of features makes it applicable for a wide range of use for automotive, industrial & technical parts, food delivery and fresh fish, HVAC and protective packaging. Furthermore, BEWiSynbra's material and application innovation continue to unlock new application areas where EPS can act as a substitute material to existing solutions.

BEWiSynbra provides standard or customized protection and packaging solutions. The Group's 19 facilities for production of packaging solutions and technical components in six countries entails proximity to customers and thereby lower transport costs.



1) Share of pro forma segment revenues 2018.

In step with the global social development, the driving forces in the economy are also changing. Important changes such as urbanization and digitization lead, among other things, to legislation on energy efficiency in different social areas. This ultimately creates attractive end markets, which for BEWiSynbras part include the salmon industry, components for vehicles and HVAC, and e-commerce.

THE SALMON INDUSTRY

EPS packaging is commonly used for storing and transporting fresh fish, due to the low weight and hygienic and waterproof properties. Norway is by far the largest exporter of salmon in the world and the Norwegian salmon production is forecasted to continue to grow through 2019. Growth is driven by increased salmon farming activity in the northern part of Norway, where BEWiSynbra has a strong presence.

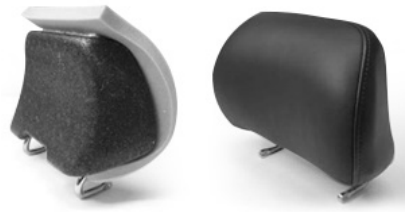
Fish boxes

THE AUTOMOTIVE AND ENGINEERING INDUSTRY

Through the Group's automotive offering, BEWiSynbra is exposed to automotive manufacturing. Technical components made of EPS/EPP occur as integrated parts in customers' products, like vehicles and heating, ventilation and air conditioning (HVAC).

The Packaging & Components markets where BEWiSynbra is present can be characterised as fairly consolidated and the Group is one of the major manufacturers of EPS based packaging applications in Europe. Packaging & Components can be described as a highly local business. The products often require a high degree of customer specialization.

Automotive components



Components for Heating, Ventilation and Air Conditioning

E-COMMERCE

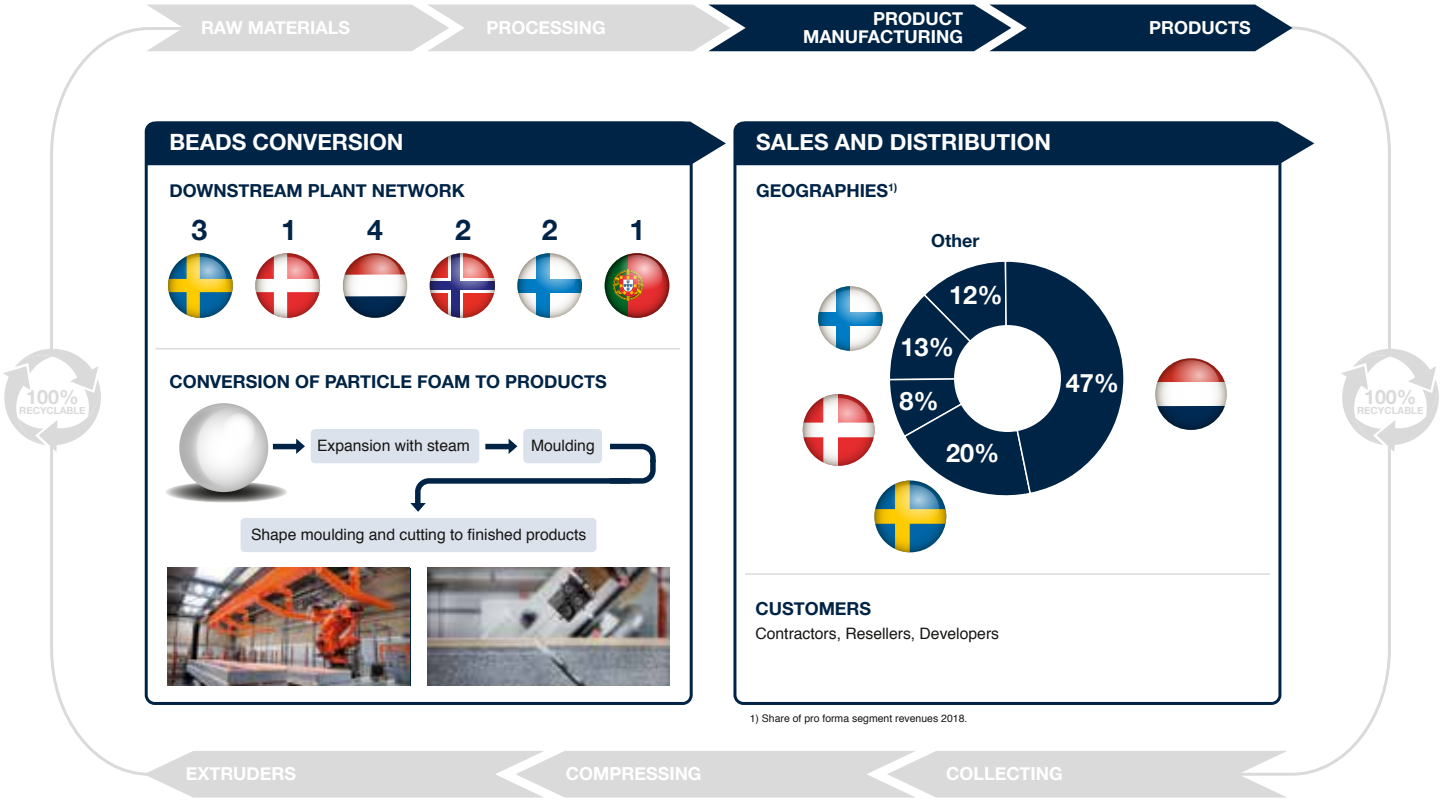
BEWiSynbra is exposed to the European e-commerce packaging market through the Group's broad range of protective packaging solutions used during shipping and transportation of fragile goods. The global e-commerce packaging market is expected to grow, whereby corrugated boxes are forecasted to retain its position as the key packaging solution. Corrugated boxes are typically combined with EPS-based protective packaging solutions when additional protection is required. EPS based protective packaging can also serve as standalone solution for certain products without the need to be combined with corrugated boxes.

Insulation

BEWiSynbra supplies a wide range of insulation products and solutions for residential construction and infrastructure.

The EU has launched multiple regulations to achieve increased energy efficiency of new and existing buildings in its member states (the 2010 Energy Performance of Buildings Directive and the 2012 Energy Efficiency Directive). As poor insulation is often the primary reason for energy loss, insulation products are critical to meet these energy efficiency standards. As a result, insulation products such as cellular foam are positively affected, since focus has increased on value-added insulation products. EPS is well situated to service a greater part of the construction value chain through pre-fabrication allowing companies to reduce installation costs. Further, building trends such as pre-fabrication and increased use of value-added products are also favourable to EPS based insulation demand.

The insulation sector can be described as a highly local business. The degree of specialisation in products varies considerably across the geographies. The insulation market where BEWiSynbra is present can be characterized as consolidated and the Group is one of the major European manufacturers within EPS-based insulation.



1) Share of pro forma segment revenues 2018.

BEWiSYNBRA ON THE INSULATION MARKET

BEWiSynbra supply the building industry with everything from standardised insulation products to innovative value added products developed in cooperation with customers, solutions for roofs, etc.

BEWiSynbra mainly develops and produces products and solutions made from EPS (expandable polystyrene) and XPS (extruded polystyrene).

BEWiSynbra's 12 facilities for production of insulation products in six countries provide the Group with proximity to our customers and thereby lower transport cost.

Recycling

Sustainability is a strategic driver for BEWiSynbra and through the last year, the Group has significantly strengthened its efforts to enable an increased level of recycling of EPS, including the launch of BEWiSynbra Circular, a business unit responsible for the Group's processes for collection and recycling of EPS.

BEWiSynbra Circular is a newly established business unit, responsible for collecting and recycling EPS waste. Our recycling initiative Use-ReUse offers solutions for collection and recycling of EPS, and at the same time raises awareness and knowledge. The goal over the medium term is to recycle 60,000 tons of EPS annually.

Used EPS parts are completely recyclable, and the Group is already recycling a certain portion of used packaging and insulation products to reduce its environmental impact, but also because EPS waste is a significant resource and profit generator. Through BEWiSynbra Circular, the Company can achieve higher recycling targets.

The annual amount of EPS waste in Europe totals 1.8 billion tons. The largest share of collected waste comes from packaging. Barely 30 per cent of that is currently being recycled. An increasing share of EPS waste is made up of boxes for transporting fresh fish. A smaller share of total waste comes from construction sites, where the recycling rate is around nine percent.

To date, EPS waste collection in Europe has largely been under public administration, and not through private organizations. The countries that have the most, and the most efficient, solutions for EPS waste collection are Austria, Belgium, Germany and the Netherlands. The countries that recycled the most EPS in 2017 were the Netherlands, Austria, Norway and Belgium. BEWiSynbra is the first private player to collect and recycle EPS on a large scale.

LEADING THE CHANGE TOWARDS A CIRCULAR ECONOMY

EPS is completely recyclable

1. RAW material
2. Processing
3. Consumption
4. Collecting
5. Compressing
6. Extruding

Innovation

BEWiSynbra's corporate culture is highly innovative with a focus on sustainability. Development work should create added value by developing new materials, areas of use and design.

The New Product Index is a tool for BEWiSynbra since 2012 to set goals for, and to measure how big share of net sales is new or developed products.

As regards material development, work focuses on characteristics of cellular foam and new types of cellular foam. Development units in Porvoo in Finland and Etten-Leur in the Netherlands, cooperate on a on-going basis and closely with other parts of the Group to develop materials that correspond to specific customer requirements and add value.

An example is BioFoam®, a material for insulation products and packaging. Another is graphite covered EPS, that absorbes electro magnetic radiation and can be used as covering for walls and roofs in test laboratories.

In the case of applications and design, the focus is on finding new areas of use and to reduce material cost. Often, this development work is done in cooperation with customers. The end result is customized products, a differentiated product portfolio and in the long term, added value.

In parallell with development of material and applications, a long term development work is conducted. Among others, it has resulted in Xire®, a unique fire hardy and moist resistance product.

BIOFOAM® – THE FIRST BIO-DEGRADABLE CELL FOAM

BioFoam® is manufactured by plant-based biopolymers, ie completely renewable materials, and which are thus completely CO_2-neutral. It has similar structure and properties to EPS, but is compostable and biodegradable. There are many uses, among them construction insulation, packaging solutions and soccer fields, where BioFoam® is an environmentally friendly alternative to artificial grass.

XIRE® – A FLAME PROOF INSULATION

Xire® is a unique product by its characteristics as very flame proof, moisture resistant and with capability for high pressure under tall buildings with many floors. The material has good insulation characteristics and an attractive price level. Xire® is currently under development. The product has a potential to unlock new markets for EPS.

The markets of BEWiSynbra Group

The global social development is moving towards an increasing degree of urbanization and digitalization. The rapid change is followed by stricter requirements for energy efficiency for housing and transport, and an increasing number of countries and regions are introducing stricter legislation in these areas. The legislation in turn constitutes driving forces for markets whose operations include energy-efficient transports in the wake of increasing e-commerce, and improved insulation of buildings.

BEWiSynbra's solutions for packaging and insulation are tailored to meet the stricter requirements and to accommodate the needs resulting from society's development, helping customers and consumers to develop in pace with the changing conditions of the retail trade. BEWiSynbra's long-standing experience of the market and continued research and development within its market areas ensures that the Group will be able to deliver solutions in a changing market.

MARKET DRIVERS		BEWiSynbra's SOLUTIONS
Urbanisation	• Residential construction growth • Rising use of EPS in infrastructure → Increasing demand for EPS insulation	BEWiSynbra develops and manufactures everything from standardised insulation products to innovative building systems for foundations, roofs and walls, as well as solutions for infrastructure.
Energy efficiency	• Stricter requirements for energy efficiency • Greener building techniques require improved insulation → Increasing demand for EPS insulation	BEWiSynbra develops and manufactures everything from standardised insulation products to innovative building systems for foundations, roofs and walls, as well as solutions for infrastructure.
Globalisation	• Increasing global demand for fresh food • Trade agreements enabling global trade → Increasing demand for cold-chain packaging	BEWiSynbra is one of the world's largest manufacturers of EPS boxes for transporting salmon.
Digitalisation	• Growing e-commerce • Higher quality of smaller packages → Increasing demand for protective packaging	BEWiSynbra is a specialist on customized packaging solutions and components.

INDUSTRY AND MARKET OVERVIEW

BEWiSynbra is exposed to a wide range of end-markets, directly and indirectly through its raw material business, RAW, and its Packaging & Components and Insulation operations. The Group has a large geographic footprint with activities across Europe. Consequently, the Group is diversified, both in terms of end-market exposure as well as geographically.

BEWiSynbra's key markets are food packaging, building insulation and technical components to industries such as the automotive and HVAC. Following the acquisition of Synbra in 2018, the Group became vertically integrated to a much higher degree, strengthening its presence in end markets, as well as increasing its geographical footprint.

As a result of BEWiSynbra's diversified end-market exposure, general economic growth across the Group's relevant geographic markets is a key growth indicator for the Group. While the Group is exposed to most of Europe, the majority of its business is conducted in Western and Northern European countries.

The demand for plastic continues to grow due to its unique properties and versatility making it relevant for a wide range of applications. Plastic continues to grow its application areas as well as acting as a substitute for other materials such as wood and metals. This trend is driven by its attractive value proposition of being lightweight, durable, versatile, cost efficient and recyclable. Plastics are being used across a wide range of sectors in Europe, including packaging, building and construction, automotive, electrical and electronic components, households, leisure and sports.

Sustainability report

The following pages constitute BEWiSynbra's sustainability report. Besides organic and M&A driven growth and improved profitability, innovation and recycling are key drivers for the Group's competitive advantage and sustainablity. The Group aims to be at the forefront of the EPS industry's move from a linear to a circular economy. BEWiSynbra shares the opinion of the Brundtland Commission* that sustainable development is a trend that satisfies current needs without risking the opportunities for future generations to satisfy their needs.

1. BEWiSynbra has two units for developing and manufacturing expanded polystyrene, the raw material for producing cellular plastic, for internal and external sales. The units are located in Porvoo in Finland and in Etten-Leur in the Netherlands.
2. **Porvoo, Finland:** The styrene is shipped by tankers from Rotterdam to the port in Porvoo, from where it travels through conduits to BEWiSynbra RAW. Additional styrene is delivered by train from St. Petersburg to Hamina. Pentane is transported by tanker trucks from a refinery close to Porvoo.
   The Netherlands: Styrene is shipped by barges through canals from Rotterdam to Etten-Leur. Pentane is purchased from local suppliers and transported to the BEWiSynbra plant. After manufacture, the end polystyrene, EPS beads, is packaged in cardboard octabins with a capacity of 1,100 kg. These are transported by truck to BEWiSynbra' plants, as well as external customers in the Nordic region and the rest of Europe.
3. Development and manufacture of insulation products for the building and construction industry, as well as for infrastructure projects for the civil engineering industriy in 13 factories in 6 countries.
4. Development and manufacture of packaging solutions and components in 18 factories in 6 countries.
5. Completed products are transported by truck from BEWiSynbra's production facilities to customers in the Nordic region and the rest of Europe.
6. **INSULATION MATERIAL**
   Cellular foam is highly energy-efficient and has great compressive strength as well as high moisture resistance. These properties mean cellular plastic has become a sustainable – and the most common – insulation material for buildings and construction material for infrastructure such as roads, viaducts and bridges. Local production reduces the need for transportation.
7. **PACKAGING & COMPONENTS**
   Its properties in terms of hygiene, insulation capacity, impact protection and low weight, mean that cellular foam packaging is particularly suitable for fresh fish, meat, vegetables as well as medicines. Customized packaging means less consumption of material, more efficient production processes and lower distribution costs. The customer benefits from key sustainability factors, such as low weight and lower incidence of damage.
8. BEWiSynbra Circular collects and recycles EPS-material that will be transformed into new products. The annual recycling target is 60,000 tonnes of EPS.

Materiality analysis

Prior to preparing the Sustainability Report, the Group's management team conducted an analysis of which aspects of sustainable entrepreneurship are of greatest importance for the company's stakeholders, and where the company's impact can be regarded as greatest. The analyses were based on risks, possibilities and impact related to sustainable entrepreneurship. The overall areas taken into account were the environment, social relations, personnel issues, respect for human rights, anti-corruption and issues of governance. The results of the materiality analysis are shown in the further reporting and performance indicators presented. Going forward, BEWiSynbra intends to evaluate the selection of information in its sustainability reporting in dialogue with the company's most important stakeholders.

Environmental activities

Environmental activities in BEWiSynbra are a major, important part of the company's sustainability efforts. The work has been decentralized to the various Group companies, but the shared basis is the Group's sustainability policy.

Upon analysis, BEWiSynbra has arrived at the conclusion that **extraction of the Earth's resources** (gas, oil and electricity) and **transportation** are the most urgent to work with and to monitor via reporting.

The greatest environmental impact comes from BEWiSynbra's extraction of raw materials and from energy consumption. BEWiSynbra's emissions of carbon dioxide (CO2) from energy consumption lies between 0.10 and 1.99 kilograms per kilo EPS produced in the Nordic countries. We can reduce the impact on the environment by creating sustainable transport for our products. This occurs through procurement of transport from environmentally certified shipping agents. To minimize freight, BEWiSynbra co-loads different product categories between countries.

With 27 production facilities, BEWiSynbra's management of environmental issues will have a marked effect. All production facilities have ISO 14001 certified environmental management systems, or work according to these guidelines, as a minimum requirement. Systematic efforts are being conducted to make efficient use of resources and to eliminate waste. An important – and strategic, from a business perspective – initiative was taken in 2018 with the launch of BEWiSynbra Circular in order to recycle used EPS for manufacturing new raw material. Furthermore, some Group units have begun climate compensation for its business travel.

Social work

When BEWi and Synbra merged in 2018 both companies had their own policies for Code of Conduct and Human Resources. As part of the integration work, Group common policies are being established to be implemented as soon as possible.

In the context of sustainability, **the recruitment of skilled personnel, the promotion of health and safety, and an inclusive approach to employees** have been identified as important areas.

Being able to **recruit and retain skilled personnel** is a must.

BEWiSynbra endeavors as much as possible to recruit internally, and is working on increased opportunities for employees in professional development and challenging new work tasks. An introduction should be held with new employees during the very first hours of employment. BEWiSynbra's Code of Conduct is presented during this introduction, which the new employee should sign. Yearly performance reviews will be carried out with all employees.

To promote **health and safety,** BEWiSynbra works continually on creating safe workplaces and on training employees in safety. All Group units report health and safety issues. Preventative health care, both short and long term, is an important element. That is why there is an effort towards limiting the number of chemicals in production.

To support people who wish to start a career but are outside the labor market for whatever reason, BEWiSynbra collaborates with local government authorities. For example, BEWiSynbra acts as a resource as regards job training or getting back into the labor market after longer periods of illness.

At BEWiSynbra, there is a conviction that diversity in operations promotes innovation and profitability, which has resulted in an **integration project for new arrivals** since 2014. The work on integration led from trial periods of employment and training to a number of temporary positions at BEWiSynbra's Swedish operations.

Team BEWiSynbra was also formed during the year – a part of the company culture that is a tool for managing BEWiSynbra's work with charities and support for important organizations. As part of the initiative, cycling events are organized for customers, personnel and suppliers. The proceeds go to charities such as organizations that support children with cancer.

The company's social initiatives also includes the issue of **human rights in the supply chain**. After a process of supplier evaluation begun in 2017, BEWiSynbra's requirements for suppliers now include having a Code of Conduct. Measures have been taken to counteract the **risk of corruption**. Plans were adopted in 2017 for a digital training program in 2019 that will raise employee awareness and train them in risks of corruption. Two signatories are required for invoice payments, and at least two employees must add new suppliers into BEWiSynbra's business system. A whistle-blower function has been set up. No cases were reported under this function in 2018.

Products

BEWiSynbra strongly believes in the benefits of the **circular economy**, both financially and for the sustainability of the industry, and thus the establishment in 2018 of BEWiSynbra Circular is strategically important to the Group. BEWiSynbra Circular is responsible for collecting and recycling EPS material for the Group and has an annual recycling target of 60,000 tonnes of EPS. In 2019, the Group also launched the concept "Use-ReUse", aiming to set a new industry standard for collecting and recycling EPS.

BEWiSynbra's sustainability philosophy is naturally expressed in the fact that our products should promote a more energy-efficient society through insulation of buildings, and energy-efficient transport of goods and foodstuffs.

The Group's efforts in sustainability are directly integrated into its operations through **product development**. BEWiSynbra continually works to improve the k-value in its products, so that they are better in insulation, in order to meet future global demand for more efficient insulation of new buildings.

All new buildings in EU member states must be near-zero energy buildings not later than December 31, 2020. BEWiSynbra fulfils this stricter requirement for thermal shells by having the thickness required for walls and floors in its product range so that anyone applying for a construction permit can have their construction plans approved.

SUSTAINABILITY INITIATIVES AT BEWiSYNBRA

Operation Clean Sweep®

CLEANER OCEANS WITH BEWiSYNBRA GROUP – CLEAN SWEEP

As a partner in the international Clean Sweep initiative, BEWiSynbra is part of promoting cleaner oceans.

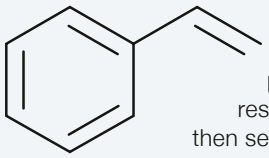
The purpose of Clean Sweep is to combat the release of plastic granulate from manufacturing into the environment. This initiative is part of the global Marine Litter Solutions initiative, which aims at improving the world's marine environments.

As a partner in Clean Sweep, BEWiSynbra is obligated to avoid spills of plastic granulate. The agreement includes regular audits. In practice, membership means that BEWiSynbra Group's plants in Denmark and Sweden organize the collection of plastic granulate in surface water, continually train personnel, and investigate the presence of waste in the plants' cisterns during the monthly safety checks.

NEW RAW MATERIALS FROM PACKAGING WASTE

BEWiSynbra produces grey EPS, with approximately 20 percent better insulating properties than the comparable white material, at its plant in Porvoo, Finland. Partially recycled EPS from used fish packaging is used as a raw material in the process.

Used fish packaging is collected, cleaned, compressed and broken down into fine granulate at a business partner's facility in Poland. Six million pieces of fish packaging can be turned into 3,000 tons of recycled EPS here per year. The recycled EPS material is then sent to BEWiSynbra's new plant in Porvoo to become new raw material.



CLEANER OCEANS WITH CAREFUL CLEANING OF SHIPPING TANKS

Styrene is a raw material used in the manufacture of EPS. It is shipped by tanker from Russia to Åbo, Finland, to be sent further on to BEWiSynbra's plants. Once the tanker has unloaded in the port at Åbo, BEWiSynbra takes responsibility for clearing the tanks of all styrene residue with water. BEWiSynbra then separates the styrene from the rinse water, which contains two to four tons of styrene at a significant economic value that BEWiSynbra makes use of.

Towards a circular economy

The world's leaders have pledged to follow the 17 Global Goals for Sustainable Development in order to eliminate extreme poverty, reduce inequality and injustice in the world, promote peace and justice, and resolve the climate crisis by 2030. BEWiSynbra endeavors to promote as many of these global goals as possible. A few examples:

AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

BEWiSynbra participates in innovation projects concerning district heating in Sweden under the management of RISE (formerly SP Technical Research Institute of Sweden).

BEWiSynbra continually invests in modern and improved production technology.

The company wants to promote the development of a circular economy by taking part in industry projects for recycling of packaging and packaging parts.

SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable.

EU member states must have all new buildings be near-zero energy buildings not later than December 31, 2020. BEWiSynbra fulfills this stricter requirement for building shells by having the thickness required for walls and floors in its product range so that anyone applying for a construction permit can have their construction plans go through.

RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

There is a continual effort at BEWiSynbra's plants towards enhancing efficiency and reducing raw materials waste and waste in production. The contribution of the company's packaging operations is customized and nearly weightless packaging that makes transport energy efficient. In the majority of cases, technical packaging has the same lifespan as the product it is intended for. In Norrtälje, retailers of electronic products take product packaging that customers have turned in and send it to the BEWiSynbra plant. BEWiSynbra's contracts with major construction companies include wording that BEWiSynbra is positively disposed towards receiving construction waste.

A project to extract new raw materials from packaging waste was started in early 2018. Used fish packaging made of EPS was collected, cleaned and shredded into granulate that was recycled into new raw EPS. Read more about the project on page 16.

CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

BEWiSynbra's policy for company vehicles means that kilometers driven on business are climate compensated through payments of SEK 160 per ton of carbon emissions to the Swedish Society for Nature Conservation.

Transports pf products are procured from environmentally certified shipping agents. To minimize freight, BEWiSynbra co-loads different product categories between countries.

LIFE BELOW WATER

Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

As a partner in the international Clean Sweep initiative, BEWiSynbra is part of promoting cleaner oceans by organizing the collection of plastic granulate in surface water from its plants, and training personnel in how to prevent plastic residue and render it harmless. Read more about Clean Sweep on page 23.

When the raw material styrene is shipped in tankers to BEWiSynbra's plant in Åbo and unloaded, the tanks are cleaned with water to remove all styrene residue. BEWiSynbra takes charge of the water, separating out the styrene in order to avoid the ship releasing it into international waters and to use the remaining styrene in production. Read more about styrene recycling on page 23.

BEWiSYNBRA'S STRONG CORPORATE CULTURE FINDS MANY EXPRESSIONS

TEAM BEWiSYNBRA

TEAM BEWiSynbra is an initiative to support important and pressing community projects. The initiative highlights the Company's values: taking responsibility, showing pride, maintaining a high level of quality and being stable.

Activities that are part of Team BEWiSynbra are primarily cycling events between the Company's various plants. Employees, customers and suppliers are invited to participate in the tour. Funds collected from the public in the places the tour passes through are sent to charitable organizations, such as one that supports children with cancer. In September 2018, TEAM BEWiSynbra invited to a 4-day, 900 kilometer cycling between Törring in Denmark and Oldenzaal in Holland to collect money for cancer with pedal power. Last year the initiative also covered support to cancer research as well as support to organizations, which works for children's rights to a secure childhood free from sexual assault.

The auditor's report on the statutory sustainability report
To the general meeting of BEWiSynbra Group AB (publ) corporate identity number 556972-1128.

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for that the statutory sustainability report for the year 2018 on pages 18 – 23 has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard REvR 12 The auditor's report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with international Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for opinions.

OPINION

A statutory sustainability report has been prepared.

Stockholm, April 30, 2019
PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Risks and risk management

The governance of BEWiSynbra is based on the company's Articles of Association, the Swedish Companies Act and other applicable Swedish and international laws and regulations as well as internal steering documents.

BEWiSynbra defines risk as something that could negatively impact its effectiveness. Though risk is a natural part of business operations, it can be managed and it is the responsibility of Group Management to ensure that risks are identified and managed. BEWiSynbra's overall objective of risk management is to ensure a systematic method for identifying risks and for ensuring their management at an early stage. Moreover, the objective is to make risk management a natural part of daily operations by creating a culture of awareness in all employees, and knowledge of how to manage risks in order to achieve the company's business objectives.

OPERATIONAL RISKS	
Market and forecasts Demand for BEWiSynbra products is governed by construction market conditions and market conditions in general	The risk of a recession in one or more of BEWiSynbra's markets is balanced by the company having a healthy distribution of its customers in various markets: Raw expanded polystyrene, construction/insulation, food packaging and technical components. BEWiSynbra works with the most exact forecasting possible in order to adapt and adjust the Group's capacity to the demands of the market so as to pursue its operations profitably and remain competitive. This is done by monitoring market trends and cultivating close relationships with customers to increase knowledge of their forecasts and expectations. BEWiSynbra also obtains information on changes in the market through relevant memberships in European industry organizations.
Customers and competition BEWiSynbra's operations are conducted in competitive industries	Using product development, improved production methods and accessibility as well as offering lower prices, BEWiSynbra's competitors can get customers to choose their products. BEWiSynbra's customer relations are marked by a long-term perspective in which shared development work for customized design, adaptation to customers' production processes and a functional storage and logistics flow as well are in focus. BEWiSynbra conducts development work that will create and add value through the development of new materials, applications and design. The goal is a continuously relevant and future-oriented product portfolio. With a focus on all costs in the production and distribution chain, BEWiSynbra strives to be the most cost-effective collaborating partner for its customers, who are active in markets where prices are being pushed down. BEWiSynbra invests in and continuously reviews its internal processes to be as cost-effective as possible at all stages. Geographical proximity to customers yields better accessibility and lower distribution costs.
Raw materials prices and purchasing Styrene is a crucial raw material for BEWiSynbra. Volatility in styrene prices is a risk factor	Supply and demand govern prices on the world market. Raw material is traded on the global market, and price increases in most cases also affect BEWiSynbra's competitors so that desirable margins (GAP) can be maintained. In order to fend off price volatility, BEWiSynbra works with several suppliers, contract models, purchasing strategies and individually tailored customer agreements.

Production capacity Breakdowns or losses in production entail a risk of being unable to deliver	BEWiSynbra balances the risk of not being able to continue delivery in the event of breakdowns in production through redundancy and the possibility of increased capacity in its facilities. The Group also collaborates closely with other suppliers on purchasing goods or to let out production if needed. For strategic products and customers, special risk manuals and routines for doubling production efforts have been developed. In addition to this, there is insurance protection covering additional costs and losses in production.
Production quality Delivering faulty quality can cause negative repercussions for customers or damage BEWiSynbra's reputation	The risk of delivering faulty quality over time – or to specific projects – that causes negative repercussions for customers, fines, or damage to BEWiSynbra's reputation is managed through working with ISO 9001, which ensures continuity in processes, as well as quality checks, a lean production philosophy and the necessary insurance policies. There is also an integrated monitoring system, in the event of deviations, that identifies causes and preventive measures.
Development, R&D Requirements from customers and legislators for increased functionality and an improved environment lead to new requirements for BEWiSynbra's products	The market has a continual need for new intelligent material at competitive prices. As a producer, meeting new legal requirements concerning the environment is also important. To meet customers' expectations and future legal requirements, BEWiSynbra ensures a product portfolio that it believes will be demanded in the future. BEWiSynbra is a member of both local and European industry organizations for advice concerning materials and legal requirements.
Profitability Fierce competition in combination with price volatility in raw materials entails a risk for impaired margins	The risk of not being able to ensure a desired margin in agreements – defined as GAP – in a competitive situation, in combination with volatility in raw materials prices, is managed through differentiated customer stock in different market segments (which spreads risks) as well as work on being a leader in cost effectiveness. To ensure continuity in BEWiSynbra's profitability, goals and key performance indicators are monitored systematically on a daily, weekly, and monthly basis. Negative deviations are analyzed and corrected.
Acquisitions and integration Integration of newly acquired businesses entails a stress on existing operations	Rapid growth through business acquisitions can entail a risk that the integration processes become more costly or take longer than estimated, and that expected synergies either wholly or in part do not occur. Rapid growth can also be a stress on existing operations, in which relationships with customers, suppliers and key persons are negatively affected. BEWiSynbra is well equipped for successful integration through the experience with acquisitions and works on integrating newly acquired units through dedicated project groups separated from daily operations.
LEGAL RISKS	
Legislation BEWiSynbra's operations mean that the Group is covered by laws, ordinances, regulations, agreements and guidelines	The Group continually observes the rules and regulations found at the EU level and in each respective market. BEWiSynbra works to adapt its products and operations to future changes. Changes in regulations can impact the Group's operations.

SUSTAINABILITY-RELATED RISKS	
Environment There is a risk that any of BEWiSynbra's operations will have a substantial environmental impact on the air, the soil, or the water	A risk to the environment can also mean a risk for the Group, over the short or long term. BEWiSynbra manages this through being certified under ISO 14001, and a number of self-checks of processes in combination with close collaboration with local supervisory authorities and accredited third-party auditors. In order to ensure the observance of various requirements from customers and government authorities as well as the Group itself and its operating environment, a number of processes have been implemented to monitor, measure, analyze and register emissions into the air, the water, and the soil. The results of these are the basis of the Group's possibilities for reducing its environmental burden. To ensure that they are monitored and to document continued development in an energy-efficient direction, BEWiSynbra has worked out a process ensuring that in future, the Group will meet the requirements through mandatory audits in major operations. The process is based on BEWiSynbra's environmental management system, supplemented by Point 4.4.3 in ISO 50001 on energy economy. BEWiSynbra is focused on the smallest possible energy and material consumption, both in product design and in its processes. Systematic efforts are being conducted to make efficient use of resources and to eliminate waste. BEWiSynbra reduces its waste, recycling nearly 100 percent, measures its energy consumption and works in order to reduce costs and its footprint on the environment through investments in new and better technology as well as increasing awareness within the organization. The Group can reduce the impact on the environment by creating sustainable transports for its products. This occurs through procurement of transports from certified shipping agents.
Waste/reuse Plastic waste makes up a large part of the litter in the world's oceans, and BEWiSynbra runs the risk of being associated with this extensive pollution	BEWiSynbra endeavors to work in accordance with a more circular economy in several ways. Re-used EPS has great value, both environmentally and economically. BEWiSynbra handles recycled EPS by using it both in manufacturing new EPS products and in the production of raw material. BEWiSynbra Circular is a Group company that was launched during 2018 and is responsible for collecting and recycling EPS material for the Group. BEWiSynbra Circular has an annual recycling target of 60 000 tonnes of EPS. As regards resources and finances, BEWiSynbra is actively involved in both local and European return and reuse systems, which is actively planned into the preparation of raw materials and products.
Health and safety Low levels of safety in plants can lead to personal injuries	Physical safety of personnel is a high priority, and work is continually carried out on creating and maintaining safe workplaces, and training employees in safety and changed attitudes. Preventative health care, both short and long term, is an important element. There is an effort towards reducing the number of chemicals in production.
Employees Attracting skilled personnel and retaining key individuals is of crucial significance for BEWiSynbra's success	BEWiSynbra manages the risk of being unable to recruit qualified labor power by striving for a good work environment and internal competence development, as well as taking responsibility for training new employees with potential.
Human rights There is always a risk that employees are discriminated against and that labor legislation is not complied with	In BEWiSynbra's case, the risk of human rights violations is greatest in the supplier chain. To counteract this, in 2017 BEWiSynbra started a process that involves all suppliers having a code of conduct, and that suppliers will be audited. The Group minimizes this risk by, for example, procuring transports from certified shipping agents.
Unethical behavior With 1,300 employees in several markets, there is a risk that some of them are involved in unethical behavior as regards bribes, corruption or fraud	The BEWiSynbra Code of Conduct makes it clear that unethical behavior is unacceptable. Routines have been well established so that authorization of costs and payments, selection of suppliers and approval of new employment cannot be done by a single individual. Decisions have been taken on a digital training program that will raise employee awareness and train them in risks of corruption. In addition, a whistle-blower function has been set up.

Corporate governance

BEWiSynbra is committed to healthy corporate governance which strengthens and maintains confidence in the Company, thereby contributing to optimal long-term value creation for shareholders and other stakeholders.

The objective of corporate governance is to regulate the division of roles between shareholders, the Board and executive management more comprehensively than is required by legislation. Corporate governance in BEWiSynbra is, in addition to applicable laws and regulations, based on a sound corporate values and culture, the articles of association and the Shareholder's Agreement. BEWiSynbra's principles for corporate governance are based on the following core elements:

- All shareholders are treated equally
- BEWiSynbra will provide reliable and relevant communication to all stakeholders, in a transparent manner
- Half the number of the Board members are independent of the largest shareholders

IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

BEWiSynbra Group AB (publ) (BEWiSynbra or the Company) is a Swedish public limited liability Company and is governed by Swedish legislation, mainly the Swedish Companies Act and the Swedish Annual Accounts Act (Sw. Årsredovisningslagen (1995:1554)) and internal rules and instructions.

This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act. BEWiSynbra is not subject to the Swedish Corporate Governance Code, as the Company's shares are not listed on a regulated market. BEWiSynbra has two bond loans listed at Nasdaq in Stockholm.

OWNERSHIP

At 31 December 2018, the total number of shares outstanding was 138,937,980 with a quota value of SEK 0.0097 per share. All shares are of series A, meaning that each share in the company entitles the owner to one vote.

At the end of 2018, BEWiSynbra was owned by the Bekken family through Frøya Invest As by 63.65 per cent and KMC Family AS by 1.33 per cent, funds controlled by Verdane Capital by 17.99 per cent (Verdane ETF III SPV K/S and Verdane ETF VII SPV K/S) and Gjelsten Holding AS by 15.89 per cent. The remaining 1.14 per cent was owned by the Company's management and employees.

GENERAL MEETINGS

According to the Swedish Companies Act, the general meeting is the Company's ultimate decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as adoption of income statement and balance sheets, appropriation of the Company's results, including declaration of dividends, discharge of liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The annual general meeting must be held within six months from the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to BEWiSynbra's Articles of Association, general meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and on the Company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Dagens Industri.

Notice to attend an annual general meeting shall be issued not earlier than six weeks and not later than four weeks prior to the general meeting. Notice to attend an extraordinary general meeting shall be issued not earlier than six weeks and not later than two weeks prior to the general meeting, unless amendment to Articles of Association is to be resolved upon when notice to general meeting should be issued not earlier than six weeks and not later than four weeks. Notice to attend an extraordinary general meeting at which the issue of alterations of the Articles of Association is to be addressed shall be issued not earlier than six weeks and not later than four weeks prior to the meeting.

Shareholders may attend the general meeting in person or by proxy and may be accompanied by a maximum of two assistants. It is possible for a shareholder to register for the general meeting in several ways as indicated in the notice of the meeting.

During 2018, the BEWiSynbra held a total of four extraordinary general meetings, in addition to the scheduled AGM, which took place on 11 June 2018.

On 5 April 2018, an extraordinary general meeting resolved on the directed share issue of SEK 400 million, through the issuance of 9,376,465 new shares of series A, as part of the financing of the acquisition of Synbra.

On 12 July 2018, the Group's extraordinary general meeting resolved to change the name of the Company from BEWi Group AB (publ) to BEWiSynbra Group AB.

On 28 September 2018, an extraordinary general meeting resolved on a directed share issue of SEK 765 million, through the issuance of 8,098,099 shares of series A to be paid with non-cash consideration consisting of all the shares in BEWi Produkter AS and BEWi Polar AS and a portion of the shares in BEWi Automotive AB.

On 26 October 2018, an extraordinary general meeting resolved on a share split of 1:5, resulting in 138,937,980 shares outstanding and a quota value per share of SEK 0.0097. In addition, the meeting resolved to convert all

shares of series B to shares of series A. After this change, each share in the company entitles the owner to one vote in the company. All issued shares are fully paid.

ARTICLES OF ASSOCIATION

In connection with the extraordinary general meeting on 26 October 2018, it was resolved to amend the following items of the Articles of Association:

Paragraph 5: As the general meeting resolved to convert all class B shares to class A shares, the option to issue shares of different share classes was removed. In addition, as described above, the general meeting resolved to increase the number of shares by a share split, whereby this article was amended to reflect the limits of outstanding shares to not lower than 125,000 and not higher than 500,000.

Paragraph 8: The general meeting resolved to change the Company's notice requirements for general meetings, hereby amending this article accordingly.

Paragraph 4: Following the resolution to change the share capital, the general meeting resolved to amend this article to reflect that the share capital could be no less than SEK 900,000 and no more than SEK 3,600,000.

Paragraph 6: The general meeting resolved to amend this article so that there are no deputy board members.

Paragraph 7: The former paragraph 7, regarding the preferential right in connection with new share issue, was removed.

Paragraph 7: The article about the auditors was amended so that the reference to the Companies Act was removed.

Paragraph 10: The former paragraph 10, regarding the chairman of the general meeting was removed.

Paragraph 9: The former paragraph 11, regarding when to hold general meetings, and the former paragraph 12, regarding matters on the general meeting was merged to the current paragraph 9, including what matters shall be dealt with by the general meeting.

Paragraph 13: The former paragraph 13, about the post-transfer purchase right, was removed.

Paragraph 11: This article reflects that the general meeting resolved that the Company's shares shall be registered in a central securities depository (CSD) register, pursuant to the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998: 1479).

In connection with the extraordinary general meeting on 12 July 2018, it was resolved to amend the Articles of Association so that the name of the Company was changed from BEWi Group AB to BEWiSynbra Group AB (publ).

BOARD OF DIRECTORS

The Board of Directors is the second-highest decision-making body after the general meeting.

Members of the Board of Directors are normally appointed by the AGM for the period until the end of the next AGM. According to the Company's Articles of Association, the members of the Board of Directors shall be no fewer than three and no more than seven members.

As of the end of 2018, the Board of Directors in BEWiSynbra consisted of six members. Chairman Gunnar Syvertsen, and board members Per Nordlander, Kristina Schauman, Bernt Thoresen and Göran Wikström were all re-elected for one year at the Company's AGM in 2018. In addition, Rune Marsdal was elected for one year.

Gunnar Syvertsen is also the chairman of the largest owner, Frøya Invest, and is thus not independent of the major shareholders. Per Nordlander is a partner of Verdane Capital, while Rune Marsdal is the CFO of Gjelsten Holding, both among the major shareholders. The other members of the Board are considered independent of the major shareholders.

THE WORK OF THE BOARD OF DIRECTORS

According to the Swedish Companies Act, the Board of Directors is responsible for the organisation of the Company and the management of the Company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial position and profits as well as evaluating the operating management. The Board of Directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the Board of Directors appoints the CEO.

The Board of Directors applies written rules of procedure, which are revised annually and adopted by the constituent board meeting every year. Among other things, the rules of procedure govern the practice of the Board of Directors, functions and the division of work between the members of the Board of Directors and the CEO. According to the rules of procedure, the Chairman of the Board is responsible for evaluating the work of the Board.

At the constituent board meeting, the Board of Directors also adopts instructions for the CEO, including instructions for financial reporting.

The Board of Directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In between the board meetings, the chairman of the Board of Directors and the CEO continuously discuss the management of the Company.

During 2018, the Board of Directors held 16 meetings and took several decisions by circulating correspondence.

CEO AND COMPANY MANAGEMENT

The CEO is responsible for routine administrative matters, taking into account the directions and instructions established by the Board of Directors and indicated by documents such as the instructions to the CEO and the Board of Directors' rules of procedure.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's financial position.

The CEO continuously keeps the Board of Directors informed of developments in the Company's operations, the development of sales, the Company's result and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The executive management of BEWiSynbra consist of CEO, CFO, the Managing Director of Upstream RAW and the Director of Business Development. In addition, the Company has an extended management team, including the regional managers in Norway, Sweden, Denmark, Finland, the Netherlands and Portugal, as well as the functional management, including procurement, Circular, Communications and R&D.

AUDITORS
At the 2018 Annual General Meeting, PricewaterhouseCoopers AB was appointed auditor, with authorised accountant Magnus Lagerberg as auditor in charge until the end of the 2019 Annual General Meeting.

INTERNAL CONTROL REGARDING FINANCIAL REPORTING
The Board of Directors has overall responsibility for financial reporting and for ensuring the Company has effective internal control. The responsibilities of the Board are regulated by the Swedish Companies Act and Annual Accounts Act. Company management reports regularly to the Board of Directors in accordance with established routines.

Internal control is built on documented policies, guidelines, instructions, and allocations of responsibilities and work such as the Board's Rules of Procedure, the instructions to the CEO, authorizations, and so on, the purpose of which are allocation of responsibility and more effective management of operational risks.

RISK MANAGEMENT
Risk assessment and risk management are built into the Company's processes. Different methods are used for evaluating risks and for ensuring that the relevant risks to which BEWiSynbra is exposed are managed in accordance with established policies and guidelines. Risks and risk management are described in a separate section of this Annual Report.

CONTROL ACTIVITIES
The Board of Directors ensures the quality of the financial reporting through the instruction for the CEO, including instructions for the financial reporting, as well as through the ongoing administration of reports, recommendations, and proposals for resolution. Interim reports, as well as items pertaining to valuation and reporting, are prepared by Company management for examination and control by the Board. The Board of Directors routinely evaluates risks in the financial reports.

INFORMATION AND COMMUNICATION
BEWiSynbra aims to provide its shareholders and other stakeholders with reliable and relevant communication in a transparent manner, supporting equal treatment of shareholders, as well as facilitating long term value creation for the Company and its stakeholders.

BEWiSynbra fully complies with the Swedish legislation and Nasdaq Stockholm's regulations concerning listed debt instruments.

GOVERNANCE AND MONITORING
The Company is continuously monitoring its financial development and operations. The monitoring happens at various levels, including regions and business segments, as well as on Group level.

Reporting takes place to both management and the Board of Directors on a monthly basis. The Board monitors economic trends in relation to the business plan and the budget and checks that the investments decided upon are according to plan.

Auditor's Report on the Corporate Governance Statement

To the general meeting of the shareholders in BEWi Group AB (publ), corporate identity number 556972-1128.

ENGAGEMENT AND RESPONSIBILITY
It is the Board of Directors who are responsible for the corporate governance statement for the year 2018 on pages 29–31 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT
Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, April 30, 2019
PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Board of Directors

Gunnar Syvertsen
Born: 1954. **Elected:** 2014

Chairman as of 2018

General Manager Heidelberg Cement, Northern Europe

Education: M.Sc. Engineering

Professional background: CEO Heidelberg Cement, Northern Europe; Administrerende direktör Heidelberg Cement Norway AS; senior positions at Norcem AS.

Other directorships: Chairman Frøya Invest AS, Gis AS and Bewi Holding AS. Board member Mibau Holding GmbH, Topaas og Haug AS Entreprenørforretning and Stema Shipping A/S.

Shares: 150,000

Rune Marsdal
Born: 1971. **Elected:** 2018

CFO and member of the board of Gjelsten Holding AS

Education: Master of Business and Economics from BI Norwegian Business School, Certified Financial Analyst from Norwegian School of Economics.

Professional background: Gjelsten Holding AS, Danske Securities AB, Schøyen Finans Forvaltning AS, Norway Seafoods ASA.

Other directorships: Gjelsten Holding AS, Kid ASA, Sport 1 Gruppen AS, Marsdal Invest AS, various directorships in subsidiaries and companies related to Gjelsten Holding AS and Bjørn Rune Gjelsten.

Shares: –

Per Nordlander
Born: 1967. **Elected:** 2014

Partner Verdane Capital Advisors

Education: M.Sc. Engineering Physics, Uppsala University and Freie Universität Berlin; Advanced Management Program, Stockholm School of Economics.

Professional background: Founder and CEO of Avanza and Nordnet. Previous positions at Öhman Securities, OMX, Accenture.

Other directorships: Member of the board of Livförsäkringsbolaget Skandia öms; Estate Group, Allgon, Scanacon and chairman of BMST.

Shares: –

Kristina Schauman
Born: 1965. **Elected:** 2016

Partner Calea AB

Education: M.Sc. Business Administration, Stockholm School of Economics.

Professional background: CFO Apoteket AB, Carnegie Investment Bank and OMX AB. Senior positions at Investor AB, ABB and Stora Enso.

Other directorships: Member of the board at BillerudKorsnäs AB, Coor AB, Ellos Group Holding AB, Nordic Entertainment Group AB, Orexo AB and ÅF AB.

Shares: 187,500

Bernt Thoresen
Born: 1964. **Elected:** 2016

CEO ABRA Norge AS

Education: BI Norwegian Business School

Professional background: Sponsor Service AS, Fokus Bank (Danske Bank) and DnB.

Other directorships: BEWi Drift Holding, Headbrands AB, Gröntvedt Pelagae AS, BMI Holding AS, Botngaard AS.

Shares: –

Göran Vikström
Born: 1944. **Elected:** 2014

Chairman until 2017

Education: Engineer, studies in Business Administration at Harvard Business School.

Professional background: CEO of Becker Acroma AB, senior positions in Tarkett and Volvo Cars.

Shares: 125,000

Executive Management

Rik Dobbelaere
Chief Executive Officer

Born: 1954

Employed since: 2018

Education: M. Sc. Engineering and MBA from the Catholic University of Leuven, Belgium

Professional background: CEO of Synbra Holding B.V. Previous management positions with global industrial corporations: Global leadership of the Services Division of Bombardier, Operations Director Europe of Bombardier's Transportation Division, President of Division Intercity and High Speed Trains, Raychem Corporation, a manufacturer of polymer components for industrial clients.

Nationality: Belgian

Shares: –

Christian Bekken
Business Development. CEO until 2018

Born: 1982

Employed since: 2002

Education: Upper secondary general, financial, and administrative program (Norway).

Professional background: Production Manager BEWi, Sales Manager BEWi, CEO Smart Bolig, development of construction section at BEWi.

Nationality: Norwegian

Shares: 90,478,000

Marie Danielsson
Chief Financial Officer

Born: 1975

Employed since: 2015

Education: M.SC. Business Administration, Stockholm University.

Professional background: Auditor KPMG, Vice President Financial Control and Taxes, Haldex AB.

Nationality: Swedish

Shares: 175,000

Jonas Siljeskär
Managing Director Upstream / RAW

Born: 1972

Employed since: 2010

Education: Engineer, Dalarna University.

Professional background: Chief operating Officer Gustafs Inredningar, Director of Production Tomoko Hus.

Nationality: Swedish

Shares: 93,750

Board of Directors' Report 2018

2018 was an eventful year for BEWiSynbra Group. Several acquisitions were completed during the year, expanding the Group's geographic presence and strengthening its positions in existing markets. This is also the main reason behind Group net sales being more than doubled from SEK 1,876 million in 2017 to SEK 3,905 million in 2018. The Group experiences good demand and positive development across all segments and in most operating markets, except Sweden, where 2018 was a challenging year. Cost reduction and operational improvement measures have been taken and the Group expects to see results from this throughout 2019.

The Board of Directors and the CEO of BEWiSynbra Group AB (publ), with registration number 556972-1128, domiciled in Sweden and with registered offices in Solna, hereby submit their Annual Report and consolidated annual accounts for the fiscal year 2018.

ABOUT BEWISYNBRA GROUP

Business and location

BEWiSynbra Group AB (publ) is a Swedish public limited liability company, organised and existing under the laws of Sweden, pursuant to the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). The Company is registered with the Swedish Companies Registration Office with registration number 556972-1128.

BEWiSynbra Group AB, which is the Parent Company, and its subsidiaries form the BEWiSynbra Group (the Group or BEWiSynbra). The current Group was formed in the autumn of 2014, when BEWi AS and StyroChem Finland merged at the same time as production divisions from the British packaging company DS Smith were acquired. Through these transactions a new Group was formed and named BEWi Group AB. Following the acquisition of Synbra Holding BV. in May 2018, the Group changed its name to BEWiSynbra Group AB.

BEWiSynbra Group AB has two bonds listed on Nasdaq in Stockholm.

BEWiSynbra is today one of the larger producers of expandable polystyrene (EPS) in Europe. The Group is strategically integrated throughout the value chain with an annual production capacity of 185,000 tonnes of the raw material EPS beads and is a market leader in solutions for Packaging & Components and Insulation in several European countries. EPS, also called cellular foam, is among others used for packaging of food, pharmaceuticals and technical components, as well as insulation of buildings and infrastructure.

The operations of the Group is organised in three operating segments; RAW material (Upstream), Packaging & Components (P&C) and Insulation. The RAW materials segment produces mainly EPS beads, which are sold both internally and externally. The P&C segment offers products and solutions to a range of industries and applications. Examples are EPS boxes for transportation of fish, other food products or medicine, and components for cars and heating systems. The Insulation segment offers insulation products for the building and construction industry, as well as for infrastructure projects.

In addition, BEWiSynbra has a strategic important business area for its recycling activities. The business area BEWiSynbra Circular is responsible for driving initiatives to increase collecting and recycling EPS. However, revenues and/ or costs related to this segment will be allocated to the above-mentioned operating segments.

For more information about the segments, see the description of the business on pages 10–15.

BEWiSynbra has operations in seven countries: Norway, Sweden, Finland, Denmark, the Netherlands, Portugal and Spain. In addition, the Group has a sales and distribution office in Spain. BEWiSynbra also owns 34 per cent of Hirsch Porozell GmbH and Isobouw GmbH in Germany. As part of the Group's acquisition of Synbra Holding B.V. in 2018, 66 per cent of Isobouw, which was then owned by Synbra, was divested. In connection with that transaction, the Group also obtained a 34 per cent holding in Hirsch Porozell.

Vision and strategy

BEWiSynbra's vision is to be the leading EPS producer in Europe and an internationally renowned brand regarding environmental responsibility.

The Group aims to be the leading producer of solutions for packaging and/ or insulation in all its operating markets.

Sustainability is the Group's strategic driver. BEWiSynbra will lead the change towards a circular economy and the Group aim to minimize its environmental impact by creating sustainable products and close the loop through recycling.

Markets and customers

BEWiSynbra is exposed to a wide range of end-markets, both directly and indirectly through its upstream business RAW and its downstream businesses Packaging & Components and Insulation. The Group has a large geographic footprint with activities across Europe. Consequently, the Group is diversified, both in terms of end-market exposure as well as geographic exposure.

BEWiSynbra's key markets, including direct and indirect exposure, are food packaging, building insulation and technical components to industries such as the automotive industry and HVAC (heating, ventilation and air conditioning). Following the Group's acquisition of Synbra, BEWiSynbra became more vertically integrated, strengthening its upstream presence as well as increasing its geographic footprint.

As a result of the Group's diversified end-market exposure, general economic growth across the Group's relevant geographic markets is a key growth indicator for the Group. While the Group is exposed to most of Europe, the majority of its business is conducted in Western- and Northern European countries, which are considered stable markets with favourable economic outlook.

The demand for plastic continues to grow due to its unique properties and versatility making it relevant for a wide range of application. This trend is driven by its attractive value proposition of being lightweight, durable, versatile, cost efficient and recyclable.

KEY EVENTS IN 2018

Acquisitions and business combinations

On 2 January 2018, BEWiSynbra Group AB acquired 60 per cent of the shares in Ruukin EPS Oy, a Finnish manufacturer of insulation materials, for a cash consideration of SEK 10 million.

On 10 April 2018, five properties in Sweden and Denmark were sold in a sale and leaseback transaction, which gave rise to a capital gain of SEK 51.6 million. The divestments were part of the financing of the acquisition of the Synbra Group.

On 14 May 2018, BEWiSynbra Group AB acquired all shares in Synbra Holding BV, the parent company of the Synbra Group, a Dutch specialist in cellular plastics with operations in Northern Europe and Portugal, for a cash consideration of SEK 979 million. Synbra Group had sales of approximately EUR 220 million in 2017. Following the acquisition, the parent company changed its name from BEWi Group AB to BEWiSynbra Group AB.

On 28 September 2018, BEWiSynbra Group AB completed the acquisitions of BEWi Produkter AS and BEWi Polar AS, referred to as BEWi Norway, for a total price of SEK 730 million. BEWi Norway delivers a range of packaging products, the main product being fish boxes made from EPS for transportation of fresh fish. The consideration for the shares was paid in full by new ordinary shares in BEWiSynbra Group AB.

On 28 September 2018, BEWiSynbra Group AB also completed the acquisition of BEWi Automotive AB. BEWi Automotive mainly delivers products to the car industry. The consideration for the shares, in total SEK 51 million, included a cash component of SEK 16 million and the rest was paid by new ordinary shares in BEWiSynbra Group AB.

More details on the acquisitions are included in Notes to the financial accounts.

Other important events

On 16 May 2018, the Group announced that it had appointed Rik Dobbelaere, born in 1954, as new Chief Executive Officer (CEO) of BEWiSynbra Group. Mr Dobbelaere is a Belgian citizen with significant experience in general management positions with global industrial companies. Most recently he was the CEO of Synbra Holding B.V., a position he was appointed to in 2008. Mr Dobbelaere has a degree in Engineering and an MBA, both from the Catholic University of Leuven, Belgium.

On 12 July 2018, the Group's extraordinary general meeting resolved to change the name of the company from BEWi Group AB (publ) to BEWiSynbra Group AB.

On 19 October 2018, the Group announced the launch of BEWiSynbra Circular. The company strongly believes in the benefits of the circular economy, both financially and for the sustainability of its industry, and thus the establishment of BEWiSynbra Circular is strategically important to the Group.

On 12 November 2018, BEWiSynbra Group announced its intention to launch an Initial Public Offering (IPO) and apply for a listing at Oslo Børs. However, as the equity markets significantly deteriorated in November and the financial markets were characterised by high uncertainty, the Group announced on 27 November that it had decided to postpone the listing.

FINANCIAL REVIEW

Comparability between 2017 and 2018

All the acquired companies have been incorporated in the consolidated financial statements with effect from respective acquisition day in 2018. Comparable figures presented for 2017 only include the former BEWi Group. These circumstances are the main explanation for the large increase in all numbers presented below.

(All numbers in brackets refer to the corresponding period or balance date in 2018, unless otherwise stated).

Key figures

For definitions of alternative performance measures (APM) not defined by IFRS, please see page 95.

Consolidated income statement

Net sales for 2018 amounted to SEK 3,905.3 million (SEK 1,875.5 million), up by 108 per cent compared to the full year 2017, whereof 98 pp relate to acquisitions, 5 pp to currency and 5 pp to organic growth.

Operating expenses amounted to SEK 3,779.6 million (SEK 1,850.0). Raw materials and consumables came to SEK 2,132.3 million (SEK 1,110.3), representing 55 per cent (59 per cent) of net sales. The percentage fluctuates mainly with the gross margin in the Raw segment and is mainly affected by the cost of the raw material styrene.

Operating income for the Group was SEK 141.4 million (SEK 34.8 million).

Items affecting comparability include costs that are considered to be non-recurring and with a significant impact on profit, which are important for understanding the underlying development of operations. For BEWiSynbra, these costs relate to the planned IPO, transaction costs related to acquired entities, including release of negative goodwill from acquisitions, severance costs and other normalisations such as divestment of real estate, closing of facilities, unscheduled raw material production stops and other. For 2018, these items amounted to SEK 23.8 million (SEK 23.8 million) and consist of IPO related costs of SEK 21.8 million, transaction costs of 31.0 million, severance cost of SEK 21.5 million, gain from divestment of real estate of SEK 51.6 million and other costs of SEK 1.1 million.

Adjusted EBITDA, which is EBITDA adjusted for the items affecting comparability mentioned above, amounted to SEK 316.7 million (SEK 110.2 million).

Net financial items was SEK -75.2 million for 2018 (SEK -28.0 million), of which SEK -54.3 million relates to interest for financing and cost related to credit facilities and bank accounts, approx. SEK -10.1 million relates to financing costs (non-cash items) and approx. SEK -10.6 million relates to revaluation of intercompany balances and a fair value revaluation of a currency interest swap (non-cash item).

Income before tax ended at SEK 66.2 million for the year (SEK 6.8 million).

Tax expenses were SEK 50.3 million (SEK 32.8 million). The increased tax expense relates to higher profits from acquired operations. In addition, the Swedish fiscal entities have a negative earning before tax explained by less profitable operation in combination with transaction and other corporate cost to which no tax asset has been recognized. This results in the high tax rate for the Group.

Net income amounted to SEK 18.7 million (SEK 39.6 million).

Operating Segments

BEWiSynbra Group is organised in three operating segments; RAW material (Upstream), Packaging & Components (P&C) and Insulation. The RAW materials segment produces EPS beads, that is sold both internally as well as externally.

RAW materials

BEWiSynbra has two factories producing the raw material EPS beads, in Porvoo, Finland, and Etten-Leur, Netherlands, with a combined production capacity of 185,000 tonnes of EPS beads per year, divided between white EPS and grey EPS.

Amounts in SEK million	2018	2017
Segment sales	2,362.5	1,189.6
Intra-group revenue	-726.5	-197.2
External sales	**1,636.0**	**992.4**
EBITDA	117.9	58.3
Adj. EBITDA	120.1	64.3
Adj. EBITDA margin (%)	5.1	5.4
Adj. EBITA	92.2	50.1

Segment sales for RAW amounted to SEK 2,362.5 million (SEK 1,189.6 million), corresponding to an increase of 99 per cent of which 73 pp relates to acquisitions, 19 pp to organic growth and 6 pp to currency effects. Organic growth is driven both by volume and price. The general market price for EPS raw material increased by 2 to 4 per cent in 2018.

Adjusted EBITDA for the RAW segment amounted to SEK 120.1 million (64.3 million), with a margin of 5.1 per cent (5.4 per cent).

Packaging and Components (P&C)

The P&C segment offers products with a high degree of customer specialisation, explaining the higher margins normally achieved compared to the RAW and Insulation segments. In total, BEWiSynbra has 19 facilities in 6 countries producing P&C products.

Amounts in SEK million	2018	2017
Segment sales	1,150.8	495.2
Intra-group revenue	-39.3	-5.6
External sales	**1,111.5**	**489.6**
EBITDA	120.1	39.4
Adj. EBITDA	99.5	52.1
Adj. EBITDA margin (%)	8.6	10.5
Adj. EBITA	50.2	32.9

Segment sales amounted to SEK 1,150.8 million (SEK 495.2 million). This corresponds to an increase of 132 per cent, where 127 pp is explained by acquisitions, 2 pp organic growth and 3 pp currency effects.

Adjusted EBITDA was SEK 99.5 million (SEK 52.1 million), with a margin of 8.6 per cent (10.5 per cent). Upon completion of the acquisition of Synbra, BEWi Norway and BEWi Automotive, the inventory was booked at market value in the opening balance sheet. This impacted the adjusted EBITDA negatively by SEK 6 million in the second quarter (Synbra) this year due to reduced margins at realization of the inventory and with SEK 1.7 million in the forth quarter (BEWi Norway and BEWi Automotive).

Insulation

The Insulation segment offers insulation products for the building and construction industry, as well as for infrastructure projects. Examples are road fillers, insulation boards, and various construction systems. Netherlands is the main contributor to the Insulation segment, representing more than 60 per cent of the total sales for the segment. In total, BEWiSynbra has 12 facilities in 6 countries producing Insulation products.

Amounts in SEK million	2018	2017
Segment sales	1,238.2	458.7
Intra-group revenue	-80.6	-65.2
External sales	**1,157.6**	**393.5**
EBITDA	152.7	7.1
Adj. EBITDA	130.6	0.8
Adj. EBITDA margin (%)	10.5	0.2
Adj. EBITA	104.6	-9.2

Segment sales for 2018 were SEK 1,238.2 million (SEK 458.7 million), corresponding to an increase of 170 per cent. 168 pp can be explained by the acquisitions and 2 pp by currency effects, while organic growth was close to neutral, mainly due to the lower volumes in Sweden.

Adjusted EBITDA was SEK 130.6 million (SEK 0.8 million), corresponding to a margin of 10.5 per cent (0.2 per cent). The improved margins compared to the corresponding periods in 2017 relate to the acquisition of Synbra where the Insulation operation offers higher value-added products compared to the product range offered by the old BEWi.

The performance in the Swedish insulations operations has been unsatisfactory and the Group has therefore initiated several measures in the fourth quarter of 2018 and the first quarter of 2019 to reduce cost and improve efficiency. The measures includes closure of the production facility in Dorotea, reduction of the organisation, as well as other measures. The production at Dorotea has been transferred to other facilities, and thus the closure will not impact the volumes produced going forward. In relation to the closure of Dorotea and the other measures taken, goodwill related to the Swedish Insulation operation has been impaired with SEK 6.7 million in 2018 as well as tangible fixed assets with SEK 1.7 million. The Group expects to record modest restructuring costs in the first quarter of 2019.

Unallocated cost

Unallocated costs are costs that are more related to the headquarter than to a specific segment. The unallocated costs have increased, mainly due to the acquisitions, resulting in a larger organisation, as well as work related to integrating the entities, and activities related to the planned IPO.

Consolidated cash flow

Cash flow from operating activities totalled SEK 180.7 million (SEK 71.3 million), including a net increase in working capital of SEK 54.2 million. Cash flow used for investment activities was negative SEK 1,000.9 million (negative SEK 107.1 million), whereof the latter primarily relate to the acquisitions of Synbra and BEWi Norway.

Cash flow from financing activities amounted to SEK 946.9 million (SEK 123.0 million), mainly reflecting the Group's issuance of a EUR 75 million bond loan in April and a SEK 400 million share issue in May 2018. In 2017, the Group refinanced and issued a bond loan of SEK 550 million with maturity in 2020.

Consolidated financial position

As of 31 December 2018, total assets amounted to SEK 4,110.8 million up from SEK 1,334.5 million at 31 December 2017. Total equity amounted to SEK 1,537.3 million, representing an equity ratio of 37.4 per cent. At year-end 2017, the equity ratio was 29.2 per cent. The increase in equity mainly reflects the share issues of SEK 400 million in May and SEK 765 million in September this year, as well as the Group's positive contribution from operations.

Net debt amounted to SEK 1,123.4 million at the end of 2018, up from SEK 466.4 million at the end of 2017. The increase mainly reflects the issue of the bond loan of EUR 75 million in April 2018.

The group had cash and cash equivalents of SEK 235.3 million as of 31 December 2018, up from SEK 167.3 million at the end of the last quarter and from SEK 110.6 million as of 31 December 2017.

Financing and Liquidity

BEWiSynbra's financing primarily consist of two bond loans listed at the corporate bonds list at Nasdaq Stockholm. The first bond loan of SEK 550 million was issued in 2017, with a maturity in 2020, while the second bond loan of EUR 75 million was issued in 2018 with a maturity in 2022. In addition the Group has a Revolving Credit Facility (RCF) with a limit of SEK 275 million.

Capital expenditures

Capital expenditures in the operations SEK 142.4 million (SEK 96.2 million) and were primarily related to the same projects and investments in the Packaging & Components operations in Sweden, in addition to other normal replacement investments.

Parent company results and financial position

The BEWiSynbra Group AB (publ) is the parent Company of the Group.

The parent company has 4 employees. The parent company had a net loss of SEK 24.9 million (loss of SEK 4.6 million). The equity in the Parent Company was SEK 1,373.4 million at 31 December 2018, up from SEK 240.0 million at 31 December 2017. The parent company includes Group management and certain group-wide functions. The parent company's risks essentially coincide with those of the Group.

Proposed allocation of net profit

The following funds are at the disposal of the Annual General Meeting (AGM):

Amounts in SEK thousand	
Share premium reserve	1,401,972
Retained earnings	-4,981
Net profit for the period	-24,906
At the disposal of the AGM	**1,372,085**

The Board proposes the following allocation of funds:

Carried forward	**1,372,085**

Research and development

The Group's program for research and development is conducted in Porvoo, Finland and Etten Leur, the Netherlands. Research and development is linked to the production of raw EPS. Product development occurs in part based on proprietary technology and in part through purchased licenses and external agreements.

EMPLOYEES AND ORGANISATION

At the end of 2017, the Group had 1,298 full-time equivalents (FTEs), up from 398 FTE's at the end of 2017, following the impact of the 2018 acquistions.

The average number of employees in 2018 was 881, compared with 374 in 2017.

SUSTAINABILITY REPORT

BEWiSynbra Group's sustainability report relates to the 2018 fiscal year. The sustainability report has been prepared in accordance with the provisions in the Swedish Annual Accounting Act. The report covers the Parent Company, BEWiSynbra Group AB, and all units that are consolidated in the Consolidated Report (refer to the specifications in Parent Company Note 7).

The work on the report is the result of an analysis of the Group's most essential sustainability aspects, and was inspired by the Global Reporting Index (GRI). Cases where performance indicators were prepared under guidance from the GRI will be indicated with a *. The application of the GRI framework will gradually be expanded. The Sustainability Report can be found on the following pages: Business model on page 20, Risks and risk management on pages 26–28 and Policies and governance on pages 21–22. In signing the Annual and Consolidated Reports, the Board of Directors of BEWiSynbra also approve the Sustainability Report.

ENVIRONMENT AND SUSTAINABILITY

Environmental impact (Subject to permit and notification requirements under the Swedish environmental code)

Sweden: Manufacture in Sweden takes place at the production units in Norrtälje, Genevad, Vårgårda, Dorotea, Urshult and Värnamo. All units manufacture cellular plastic from expanded materials. Under the Swedish Environmental Code, production of EPS from styrene monomers in Sweden is an operation subject to notification requirements. All Swedish production units have submitted notifications for these operations and are approved and environmentally certified.

International: Production in Denmark takes place at the plants in Holeby, Hobro, Maribo, Tvilho, Tørring and Holbaek. Raw EPS is produced at the plant in Porvoo, Finland and in Etten-Leur in the Netherlands. Moreover, there are in Finland production facilities in Kaavi and Lieto, and beginning in 2018, in Ruukki. As in Sweden, production of EPS from styrene monomers in Finland and Denmark is also subject to notification requirements.

All production units in BEWiSynbra Group AB are environmentally certified, or work according to certification guidelines and have submitted notifications and are approved for these operations by the government authorities in the respective countries. There are currently no major outstanding issues with the government authorities, nor are any expected in the near future.

RISKS AND RISK MANAGEMENT

BEWiSynbra is exposed to a number of risk factors, categorized into operational risks, including market risk and risk related to production, legal risks, sustainability-related risks and financial risks.

One of the most important risk factors, is the Group's exposure to the change in the price of the raw material styrene monomers. The raw material is traded on the world market and purchased with a combination of spot and contract prices. The purchase price is partly linked to the level of supply and demand, and partly to the price of oil.

The price of styrene is set in dollars and euro, and naturally entails an exposure to risk against the Nordic currencies. The price of the final product to end customers in the Nordic countries is largely connected to the price of styrene, thus entailing a reduction of currency risk. A detailed description of financial risks and uncertainty factors can be found in Note 3, Financial risk management. As regards to operational risks, a more detailed description can be found on pages 26–28.

EVENTS AFTER THE BALANCE DATE

In February 2019, BEWiSynbra launched the concept "Use-ReUse", aiming to set a new industry standard for collecting and recycling EPS. The company's ambition is to raise the awareness on the ease and importance of recycling EPS, and at the same time, offer a solution for collecting and recycling at all levels.

In January 2019, the Board of Directors of BEWiSynbra decided to close the production facility in Dorotea in Sweden. The decision was based on the unsatisfactory performance in the Swedish operations, in particular in the Insulation segment, as well as the anticipated demand going forward. The production has been transferred to other facilities and as a consequence, the Group expects to record modest restructuring costs in the first quarter of 2019.

SHARE AND SHAREHOLDER INFORMATION

On April 5, an extraordinary general meeting resolved on the directed share issue of MSEK 400, through the issuance of 9,376,465 new shares of series A, as part of the financing of the acquisition of Synbra. On September 28, an extraordinary general meeting resolved on a directed share issue of MSEK 765, through the issuance of 8,098,099 shares of series A to be paid with non-cash consideration consisting of all the shares in BEWi Produkter AS and BEWi Polar AS and a portion of the shares in BEWi Automotive AB. On October 26, an extraordinary general meeting resolved on a share split of 1:5, resulting in 138,937,980 shares outstanding and a quota value per share of SEK 0.0097. In addition, the meeting resolved to convert all shares of series B to shares of series A. After this change, each share in the company entitles the owner to one vote in the company. All issued shares are fully paid.

The Parent Company BEWiSynbra Group AB (publ) is a holding company owned primarily by the Bekken family through Frøya Invest AS by 63.65 per cent and KMC Family AS by 1.33, funds controlled by Verdane Capital by 17.99 per cent and Gjelsten Holding AS by 15.89 per cent. The remaining 1.14 per cent is owned by the Group's management and employees.

Frøya Invest AS, a Norwegian company with reg.no. 919 381 310, is wholly-owned by KMC Family AS, also a Norwegian company with reg.no. 920 225 268.

The Funds controlled by Verdane Capital are Verdane ETF III SPV K/S, CVR no 29403457 and Verdane ETF VII SPV K/S, CVR no. 32153534.

Gjelsten Holding AS is a Norwegian company with reg.no. 979 580 193.

On 12 November 2018, BEWiSynbra Group announced that the company had an intention to launch an Initial Public Offering (IPO) and to apply for listing of the company's shares at Oslo Børs. However, as the equity markets significantly deteriorated in November and the financial markets were characterised by high uncertainty, the Group announced on 27 November that it had decided to postpone the listing. BEWiSynbra expects to explore the opportunities for a listing at a later stage.

FUTURE PROSPECTS

The integration of former BEWi Group and Synbra Holding, as well as the integration of the recently acquired companies, is progressing well.

The expected key growth drivers for the Group in the years ahead are organic growth in all segments supported by multiple global mega trends and acquisitive growth. In a fragmented market in consolidation mode, BEWiSynbra's clear ambition is to continue to add to organic growth through M&A.

One of the expected key profitability drivers for the Group in the years ahead is synergy realization from the Synbra transaction, where synergies with a minimum effect of SEK 70 million on the EBITDA have been identified, including improved procurement terms, consolidation of operations and increased productivity.

Besides organic and M&A driven growth and improved profitability from synergy realisation, innovation and recycling are key drivers for the competitive advantage and sustainability. BEWiSynbra enjoys benefits of being vertically integrated as this enables the development of new applications and materials in close cooperation with customers. In addition, the Group aims to be at the fore-front of the EPS industry's move from a linear to a circular economy. A newly established business unit, BEWiSynbra Circular, will be responsible for collecting and recycling EPS material, and will be a key function and priority going forward. The medium-term annual recycling target is set to 60,000 tonnes of EPS.

The Board of Directors considers BEWiSynbra to be well positioned for further future growth. The Group has a strong track record for value creation and a solid financial position combined with attractive opportunities for growth. In addition, the Group experience good market demand in its operating markets and across the segments.

Solna, Sweden, April 29, 2019

The Board of Directors and CEO of BEWiSynbra Group AB (publ)

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PARENT COMPANY

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Consolidated comprehensive income statement

Amounts in MSEK	Note	2018	2017
Operating income			
Net sales	5	3,905.3	1,875.5
Other opeating income		15.7	9.3
Total operating income		**3,921.0**	**1,884.8**
Operating expenses			
Raw materials and consumables	18	-2,132.3	-1,110.3
Goods for resale	18	-87.6	-68.5
Other external costs	7, 8, 10	-828.2	-368.2
Personnel costs	6	-638.2	-251.4
Depreciation/amortisation and impairment of property, plant and equipment and intangbile assets	12, 13	-151.5	-51.6
Share of income from associated companies		6.7	0.0
Capital gain from sale of asset		51.6	0.0
Total operating expenses		**-3,779.6**	**-1,850.0**
Operating profit		**141.4**	**34.8**
Financial income	9	1.7	2.6
Financial expense	9	-76.9	-30.6
Financial income and expense - net		**-75.2**	**-28.0**
Income before taxes		**66.2**	**6.8**
Income tax	11	-50.3	32.8
Net income for the year		**16.0**	**39.6**
Other comprehensive income:			
Items that may later be reclassified to the income statement:			
Excange rate differences		-23.7	9.8
Items that will not be reclassified to income statement:			
Remeasurements of defined benefit pension plans		-3.9	0.6
Income tax pertinent to remeasurements of defined benefit pension plans		0.2	-0.1
Other comprehensive income, net of income taxes		**-27.4**	**10.2**
Total comprehensive income for the period		**-11.5**	**49.8**
Net income for the year attributable to:			
Equity holders of the parent company		16.7	38.8
Non-controlling interest		-0.7	0.8
Total comprehensive income attributable to:			
Equity holders of the parent company		-11.3	49.0
Non-controlling interests		-0.3	0.8

Consolidated statement of financial position

Amounts in MSEK	Note	2018-12-31	2017-12-31
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12	720.6	183.7
Other intangible assets	12	822.5	95.7
Total intangible assets		**1,543.1**	**279.4**
Tangible assets			
Land and buildings	13	396.5	150.2
Plant and machinery	13	657.8	232.3
Equipment, tools, fixtures and fittings	13	68.3	37.5
Construction in progress and advance payments for property, plant and equipment	13	103.5	33.1
Total tangible assets		**1,226.1**	**453.1**
Financial assets			
Shares in associates		6.7	-
Net pension assets		31.1	-
Other long-term receivables		1.2	1.0
Other shares and participations		2.6	1.0
Total financial assets		**41.6**	**2.0**
Deferred tax asset	11	51.8	37.3
Total non-current assets		**2,862.5**	**771.8**
Current assets			
Inventory			
Raw material and consumables		251.4	57.4
Work-in-progress		18.6	11.4
Finished goods and goods for resale		161.4	114.9
Total inventory		**431.4**	**183.7**
Current receivables			
Account receivables	17	527.6	218.8
Current tax asset		2.8	3.7
Other current receivables		32.2	30.5
Prepaid expenses and accrued income	19	18.7	15.4
Other financial assets		0.4	0.0
Cash and cash equivalents	20	235.3	110.6
Total current receivables		**817.0**	**379.0**
Total current assets		**1,248.3**	**562.7**
TOTAL ASSETS		**4,110.8**	**1,334.5**

Amounts in MSEK	Note	2018-12-31	2017-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	21	1.3	0.5
Additional paid-in capital		1,402.0	244.5
Reserves		-14.5	13.4
Accumulated profit or loss (including net profit for the year)		137.9	121.2
Equity attributable to the equity holders of the Parent Company		**1,526.7**	**379.6**
Non-controlling interests		10.7	10.3
Total Equity		**1,537.3**	**389.9**
LIABILITIES			
Non-current liabilities			
Pensions and similar obligations to employees	23	19.8	6.6
Other provisions	24	5.4	7.2
Deferred tax liability	11	278.5	9.8
Bond loan	22	1,290.2	537.8
Derivative liability	22	20.8	2.7
Other non-current interest-bearing liabilities	22	52.4	31.3
Total non-current liabilities		**1,667.1**	**595.4**
Current liabilities			
Other current interest-bearing liabilities	22	16.2	7.9
Other financial liabilities		3.0	2.4
Account payables		478.4	231.4
Current tax liabilities		56.1	5.1
Other current liabilities		96.7	30.6
Accrued expenses and deferred income	25	256.1	71.8
Total current liabilities		**906.4**	**349.2**
Total liabilities		**2,573.5**	**944.6**
TOTAL EQUITY AND LIABILITIES		**4,110.8**	**1,334.5**

Changes in consolidated equity

		Attributable to equity holders of the parent company						
Amounts in MSEK	**Note**	**Share capital**	**Additional paid-in capital**	**Reserves**	**Accumulated profit or loss (including net profit for the year)**	**Total**	**Non-controlling interest**	**Total equity**
Balance brought forward as of January 1, 2017		**0.1**	**244.9**	**3.6**	**81.9**	**330.5**	**1.0**	**331.5**
Net profit for the year					38.8	**38.8**	0.8	**39.6**
Other comprehensive income				9.8	0.5	**10.2**	0.0	**10.2**
Total comprehensive income		**0.0**	**0.0**	**9.8**	**39.3**	**49.0**	**0.8**	**49.8**
Transactions with shareholders, charged directly to equity								
Bonus issue		0.4	-0.4			**0.0**		**0.0**
Acquisition minority						**0.0**	8.5	**8.5**
Total transactions with share-holders, charged directly to equity		**0.4**	**-0.4**	**0.0**	**0.0**	**0.0**	**8.5**	**8.5**
Balance carrried forward as of December 31, 2017		**0.5**	**244.5**	**13.4**	**121.2**	**379.5**	**10.3**	**389.9**
Balance brought forward as of January 1, 2018		**0.5**	**244.5**	**13.4**	**121.2**	**379.5**	**10.3**	**389.9**
Net profit for the year					16.7	**16.7**	-0.7	**16.0**
Other comprehensive income				-27.9		**-27.9**	0.5	**-27.4**
Total comprehensive income		**0.0**	**0.0**	**-27.9**	**16.7**	**-11.2**	**-0.3**	**-11.5**
Transactions with shareholders, charged directly to equity								
New share issue		0.8	1,157.5			**1,158.3**		**1,158.3**
Dividend non-controlling interests						**0.0**	-0.8	**-0.8**
Divestment of non-controlling interests						**0.0**	-1.3	**-1.3**
Acquisition of non-controlling interests						**0.0**	2.7	**2.7**
Total transactions with share-holders, charged directly to equity		**0.8**	**1,157.5**	**0.0**	**0.0**	**1,158.3**	**0.6**	**1,159.0**
Balance carried forward as of December 31, 2018		**1.3**	**1,402.0**	**-14.5**	**137.9**	**1,526.7**	**10.7**	**1,537.3**

Consolidated cash flow statement

Amounts in MSEK	Note	2018	2017
Operating cash flow			
Operating income		141.4	34.8
Adjustements for non-cash items, etc.	24	81.2	47.4
Interest paid and financing costs		-49.8	-24.7
Interest received		1.3	0.2
Income tax paid		-47.7	-6.8
Operating cash flow before changes to working capital		**126.5**	**50.9**
Cash flow from working capital changes			
Increase/decrease in inventories		-21.2	-41.4
Increase/decrease in operating receivables		135.9	-35.4
Increase/decrease in operating debt		-60.5	97.1
Total change to working capital		**54.2**	**20.3**
Operating cash flow		**180.7**	**71.3**
Cash flow from investment activities			
Purchase of property, plant and equipment and intangible assets	12, 13	-142.4	-96.2
Acquisitions of business	14, 15	-958.4	-10.9
Other financial investments, including net pension assets		-31.2	-
Disposals of property, plant an equipment	13	113.0	-
Repayment of loan		18.1	-
Cash flow from investment activities		**-1,000.9**	**-107.1**
Cash flow from financing activities			
Borrowings	22	751.6	1,105.0
New share issue, net	22	393.3	-
Repayment of borrowings	22	-197.2	-982.1
Dividend to non-controlling interests		-0.8	-
Cash flow from financing activities		**946.9**	**123.0**
Cash flow for the period		126.6	87.1
Cash and cash equivalents at the beginning of the period		110.6	23.2
Exchange rate difference in cash and cash equivalents		-1.9	0.3
Cash and cash equivalents atthe end of the year	**19**	**235.3**	**110,6**

THE GROUP

Accounting principles and notes to the accounts

Amounts given in million kronor (MSEK) unless otherwise specified.

NOTE 1 GENERAL INFORMATION

BEWi Group AB (the parent company) and its subsidiaries (together, the Group) produce, market and sell custom-designed packaging solutions and insulation material. The parent company conducts its business through subsidiaries in Sweden, Finland, Denmark, Norway, the Netherlands, Portugal and Spain.

On the balance sheet date, BEWi Group AB owns 100% of the shares in the subsidiary Genevad Holding AB. Genevad Holding AB is in turn the parent company of the operating companies and the subgroups.

The parent company is a limited company (Sw. aktiebolag) registered in Sweden, registered office in Solna, Gårdsvägen 13, 169 70 Solna.

The board of directors approved these consolidated accounts for publishing on 29 April 2019.

NOTE 2 SUMMARY OF KEY ACCOUNTING PRINCIPLES

The key accounting principles applied in these consolidated accounts are stated below. The principles have consistently been applied for all reported financial years, unless otherwise specified.

All amounts are reported in million krona, (MSEK). The information in brackets concern previous years.

2.1 Reasons for the method of preparation of the reports

The consolidated accounts for the BEWiSynbra Group ("BEWiSynbra") have been prepared in accordance with the Swedish Annual Accounts Act (*Årsredovisningslagen*), RFR 1 Additional Accounting Regulations for Groups and International Financial Reporting Standards (IFRS) as well as interpretations from the IFRS Interpretations Committee (IFRS IC), in the form they have been adopted by the EU. The accounts have been prepared using the cost value principle.

Preparing reports compliant to IFRS requires certain estimates for accounting purposes to be made. It requires the executive management to make certain assessments when applying the Group's accounting principles. The complex areas, areas in which a high degree of assessments is required, or in which assumptions and estimates are significant to the consolidated accounts, are stated in note 4.

2.1.1 Changes to the accounting principles and disclosures

NEW STANDARDS AND INTERPRETATIONS APPLIED

IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 replaced IAS 39 in its entirety and the main changes relate to classification and measurement of financial instruments, hedge accounting (not applied by BEWiSynbra) and provisions for credit losses. As of January 1, 2018, BEWiSynbra applies IFRS 9. The transition to IFRS 9 did not have any material impact on the Group's reporting and previous periods were consequently not restated, meaning that the comparative year 2017 was reported according to IAS 39. Differences in the classification of financial instruments between IFRS 9 and previous accounting principles are found in paragraph 2.8 below.

IFRS 15 introduces a new model for revenue recognition (five-step model) that is based on when control of a good or service is transferred to the customer. IFRS 15 replaces all previous standards, statements and interpretations relating to revenue recognition. BEWiSynbra applies IFRS 15 as of January 1, 2018. Since revenue from sale of goods under IFRS 15 is reported, as previously in IAS 18, at a certain point in time, the transition to IFRS 15 did not have any material impact on the Group's reporting. The same was true for other components of the standard, such as contract costs, returns and volume. There was consequently no need to restate the 2017 fiscal year.

Other amended and new IFRS that came into effect in 2018 did not have any material impact on the Group's accounts.

NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED BY THE GROUP

The Group will adopt IFRS 16 Leases from 1 January 2019. IFRS 16 introduces a single lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance, which are applied in this report, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group will recognise new assets and liabilities for its operating leases of above all premises, forklifts and cars. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets (prepaid leasing fees) and liabilities (accrued leasing fees) only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous as. Instead, the Group will include the payments due under the lease in its lease liability.

Based on the information currently available, the Group estimates that it will recognise additional lease liabilities of SEK 340 million (after adjustment for prepaid leasing fees accounted for 31 December 2018), right-of-use assets of SEK 316 million and deferred tax asset of SEK 7 million as at 1 January 2019.

The Group expects that operating profit for 2019 will increase compared with whether previous accounting principles had been used, due to the fact that part of the leasing fees will be reported as interest expense. Cash flow from operating activities is expected to increase and decrease from financing activities, due to the fact that the amortization part of the leasing fees will be reported as a payment in the financing activities. The adoption of IFRS 16 will not impact the maximum leverage threshold loan covenant for the Group, as the effect of the transition to IFRS 16 is excluded from that calculation.

The Group plans to apply using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance at 1 January 2019, with no restatement of comparative information. The right-of-use assets to previous operating leases will be reported at the depreciated value from commencement date.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. The Group has decided to apply the practical expedients for short-term leases and low-value assets. This means that contracts with shorter maturities than 12 months and leases of low value (value of assets when it is new of less than SEK 50,000) will not be included in the calculation of right-of-use assets or leasing liability, but continue to be reported with straight-line expense over the lease term. Examples of low value assets are computers, printers and copiers.

2.2 Consolidated accounts

2.2.1 Basic accounting principles

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Executive Committee is the chief operating decision-maker, responsible for assessing the financial position of the Group and strategic decision-making. The executive management has assessed the operating segments based on the information considered by the Executive Committee which is the basis of the allocation of resources and assessment of performances. The Group has identified three segments to be reported; Raw material, Insulation and Packaging and Components.

Subsidiaries

The subsidiaries are all companies over which the Group exercises the controlling influence. The Group controls a company when exposed to or entitled to variable return from its holdings in the company and carries the ability to influence the return through its control of the company. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the Group. They are excluded from the date on which the controlling influence ceases to be.

The acquisition method is applied for accounting for the Group's business combinations. The purchase consideration for the acquisition of a subsidiary is made up of the fair value of assets transferred, the Group's liabilities to prior equity holders of the acquired company, and the new shares issued by the Group. The consideration also includes the fair value of all liabilities pertinent to a contingent consideration agreement. Identifiable acquired assets and assumed liabilities in a business combination are initially valued at fair value on the acquisition date. For each acquisition, i.e. on an acquisition-to-acquisition basis, the Group determines whether non-controlling interests in the acquired company is reported at fair value or at the proportional share of the reported value of the acquired company's identifiable net assets.

Expenses pertinent to an acquisition are carried as an expense as they arise.

Each contingent consideration to be transferred by the Group is reported at fair value on the acquisition date. Subsequent variations of the fair value of a contingent consideration are reported in accordance with IFRS 9 in the income statement.

Goodwill is initially valued to the amount with which the total consideration and any fair value for the non-controlling interests on the acquisition date exceeds the fair value of the identifiable acquired net assets. Should the consideration be lower than the fair value of the acquired company's net assets, the difference is reported in the income statement.

Intra-group transactions, balance sheet items, revenue and expenses from intra-group transactions are eliminated. The accounting principles for the subsidiaries have, when applicable, been altered to guarantee a consistent application of the Group's principles.

Associated companies

Associated companies are companies over which the Group has a significant but not controlling influence, which generally is relevant for holdings ranging from 20% to 50% of the votes. Holdings in associated companies are reported using the equity method.

The equity method entails initially reporting the holdings in associated companies at the acquisition cost on the consolidated balance sheet. The carrying amount is increased or decreased thereafter, in order to take into account the Group's share of the net profits and other comprehensive income from its associated companies after the acquisition date. The Group's share of the profit forms part of the consolidated net income and the Group's share of the comprehensive income forms part of the Group's comprehensive income. Dividends from associated companies are reported as a reduction to the investment's carrying amount.

Should the Group's share of the loss of an associated company be equal to or exceed the holdings in that associated company (including all long-term liabilities who are de facto part of the Group's net investment in the associated company), the Group does not report any more losses, provided that the Group has not incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transaction between the Group and its associated companies are eliminated to the extent of the Group's holdings in associated companies. Unrealised losses are eliminated, provided that the transaction is not an indication of impairment of the asset being transferred. The accounting principles for associated companies have been adjusted when required in order to guarantee accordance with the Group's accounting principles

2.3 Translation of currencies

Functional currency and presentation currency

The units of the Group use their local currencies as functional currency as they have been defined as the currencies used in the primary economic environment in which the respective units mainly are active. In the consolidated accounts, Swedish krona (SEK) is utilised, being the parent company's functional currency and the Group's presentation currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency using the exchange rates on the date of the transaction. Exchange rate gains and losses arising from payments of such transactions and from translations of monetary assets and liabilities in foreign currency at the rate on the balance sheet day, are reported in the operating income section of the income statement. Exchange rate gains and losses arising from borrowings and cash and cash equivalents are reported in the income statement as financial incomes and expenses.

Translation of foreign Group companies

Profits and financial positions for all Group companies not using the presentation currency as functional currency are translated to the Group's presentation currency. Assets and liabilities for each balance sheet are translated from the foreign unit's functional currency to the Group's presentation currency, Swedish krona, at the exchange rate on the balance sheet day. Revenue and expenses for each income statement is translated to Swedish krona at the average rate at the time of each transaction. Translation differences arising from currency translation of foreign operations are reported in other comprehensive income.

2.4 Intangible assets

Goodwill

Goodwill arises when subsidiaries are acquired and represent the amount with which the purchase consideration exceeds BEWiSynbra's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquired company.

In order to recognise impairment need, goodwill acquired in business combinations is allocated to cash generating units who are expected to be favoured by the synergies from the acquisition. Each unit or group of units to which goodwill has been allocated represents the lowest level in which the goodwill is monitored in the internal governance.

Goodwill is monitored per cash generating unit. Goodwill is tested for impairment annually or more frequently should certain events or changes to conditions indicate a possible impairment need. The carrying value of goodwill is compared to the recoverable amount, which is the higher of fair value less costs of disposal and value in use. Any impairment is immediately reported as an expense and is not reversed.

Patent/Licenses

Patents or licenses acquired separately are reported at the acquisition cost. Patents or licenses acquired through a business combination are reported at fair value on the acquisition date. Patents carry a fixed useful life and are reported at the acquisition cost less accumulated amortisation and impairment.

Customer relations, trademark and technology

These intangible assets have all been acquired through business combinations and are reported at fair value on the acquisition date. Customer relations and technology have a fixed useful life and are for subsequent periods reported at the acquisition cost less accumulated amortisation and impairment. Trademarks acquired through business combinations are deemed to carry an indefinite useful life. The Group's assessment states that these will push the sales for an indeterminable future and are impairment tested annually as tested for goodwill, described above. Trademarks are for subsequent periods reported at the acquisition cost less any write-down from impairment.

Useful lives for the Group's intangible assets:

Patents/Licenses	5 yr.
Customer relations	8-15 yr.
Technology	6.5-10 yr.

2.5 Tangible assets

Tangible assets are reported at the acquisition cost less accumulated depreciation and write-down from impairment. Expenses directly attributable to the acquisition may be included in the acquisition cost. Incremental costs are either added to the asset's carrying amount or reported as a separate asset, as appropriate. Assets are only added in the event that their future economic benefits will be of use to the Group and that the acquisition cost can be reliably measured. The carrying amount of a replaced component is taken off the balance sheet. Other maintenance and reparations are reported as expenses in the income statement during the period in which they arise. Land is not depreciated. Depreciation of other assets is recognised on a straight-line basis over the useful life to the calculated residual value. Such depreciations are carried out according to the following:

Buildings	10–65 yr.
Frameworks, foundations	84–64 yr.
Frame supplements, interior walls	50 yr.
Heating, sanitary, electricity, front, roof	40 yr.
Interior surface finish/rental preparation	10 yr.
Ventilation	20 yr.
Elevator/transportation	25 yr.
Control system and surveillance	15 yr.
Other property components	50 yr.
Ground installations (facilities)	20 yr.
Plant and machinery	5–18 yr.
Equipment, tools, fixtures and fittings	3–10 yr.

The assets' residual value and useful life are assessed at the end of each reporting period and are adjusted when required. An asset's carrying amount is immediately impaired to the recoverable amount when the carrying amount exceeds its recoverable amount.
Gains and losses arising from a disposal of a tangible asset are determined through comparing the sale proceeds to the carrying amount.

2.6 Impairment of non-financial assets

Intangible assets with an indefinite useful life are not amortised but are assessed annually to determine the impairment need. Depreciated and amortised assets are assessed with respect to the impairment if events or changed conditions indicate that the carrying amount is not recoverable. Impairments are undertaken for the amount with which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is equal to the higher of the asset's fair value less selling expenses and its value in use. Assets are grouped at the lowest level of separate identifiable cash flows (cash generating units), when assessing the impairment need. Assets previously impaired, other than goodwill, are assessed for reversal for each balance sheet day.

2.7 Inventory

The inventory is reported at the lower of the acquisition cost and the realisable value. The acquisition cost is determined through the first-in-first-out method. The acquisition cost also includes expenses relating to the acquisition, as well as for bringing the goods to their current location and condition. The acquisition cost for the company's semi-finished or finished products is the sum of the direct production costs and the production overhead (based on normal production capacity).

2.8 Financial instruments

Financial instruments recur in several different balance sheet items and are described below.

2.8.1 Classification

The Group classifies its financial assets and liabilities in the following categories: Financial assets at fair value through profit and loss, financial assets measured at amortised cost, financial liabilities measured at fair value through profit and loss and financial liabilities measured at amortised cost. The classification is chosen in accordance with the purpose of obtaining the financial asset or liability.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are shares and participations other than shares in subsidiaries, associates and joint ventures. Derivatives are recognised at fair value through profit and loss. Positive fair value changes in derivatives are reported as financial assets.

Financial assets measureds at amortised cost

Financial assets measured at amortised cost are financial instruments where the business model is to collect cash flows. The contractual cash flows are solely payments of principal and interest and are valued at amortised cost in accordance with the effective interest method. Accounts receivables are included included in this category.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are normally limited to derivatives and earnouts from business acquisitions.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are all other financial instruments, such as the bond loans, liabilities to credit institutions, liabilities regarding financial leasing and account payables.

2.8.2 Reporting and valuation

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not at fair value through profit and loss. Financial asssets at fair value through profit and loss ar initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlemet date. Financial assets are removed from the balance sheet when the right to obtain cash flows from the instrument has expired and the Group has transferred all essential risk and benefits in conjunction with the ownership. Financial liabilities are recognised when the Group becomes bound to the contractual obligations of the instrument. Financial liabilities are removed from the balance sheet when the obligation under the agreement is completed or otherwise extinguished. Loans and receivables and other financial liabilities are, after the acquisition date, reported at the amortised cost calculated using the effective interest method.

2.8.3 Offsetting financial instruments

Financial assets and liabilities are offset and reported with a net amount on the balance sheet, only when there is a legal right to offset the carrying amounts and an intention to settle them with a net amount or to simultaneously realise the asset and settle the debt.

2.8.4 Impairments of financial instruments

At each balance sheet date, financial assets measured at amortised cost are assessed for impairment based on Expected Credit Losses (ECL). ECLs are the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Allowances for trade receivables are always equal to lifetime ECL.

Accounting principles applied prior to 2018

Prior to 2018, IAS 39 was applied instead of IFRS 9. Comparative information has not been restated. The following accounting principles, in summary, were applied to period prior to 2018.

Classification

The Group classified its financial assets and liabilities in the following categories: loans and receivables, and other financial liabilities. The classification was chosen in accordance with the purpose of obtaining the financial asset or liability

Loan receivables and account receivables

Loan receivables and account receivables were financial assets but not derivatives, and carried determined or determinable payments and were not listed on an active market. They were part of the current assets, excluding items with a maturity date more than 12 months from the balance sheet day, which instead were classified as non-current assets. The Group's loan receivables and account receivables included other long-term receivables, account receivables, other current receivables and cash and cash equivalents

Other financial liabilities
Liabilities to credit institutions, liabilities to related parties, current liabilities to credit institutions, account payables and other current liabilities which were also financial instruments, were classified as other financial liabilities.

Reporting and valuation
Initially, financial instruments were reported at fair value increased by the transaction costs. Financial assets were removed from the balance sheet when the right to obtain cash flows from the instrument had expired and the Group had transferred all essential risk and benefits in conjunction with the ownership. Financial liabilities were removed from the balance sheet when the obligation under the agreement was completed or otherwise extinguished. Loans and receivables and other financial liabilities were, after the acquisition date, reported at the amortised cost calculated using the effective interest method.

Offsetting financial instruments
Financial assets and liabilities were offset and reported with a net amount on the balance sheet, only when there was a legal right to offset the carrying amounts and an intention to settle them with a net amount or to simultaneously realise the asset and settle the debt.

Impairments of financial instruments
Assets reported at fair amortised cost
At the end of each reporting period, the Group assessed whether there was objective evidence of an impairment need for a financial asset or group of financial assets. A financial asset or group of financial assets were subject to impairment need and was impaired exclusively when there was objective evidence for an impairment need following one or several events after the asset was first reported. These events should, in a measurable manner, affect the future estimated cash flows for the financial asset or group of financial asset. The impairment was calculated as the difference between the asset's carrying amount and the present value of future estimated cash flows discounted to the financial asset's original effective interest.

2.9 Account receivables
Account receivables are financial instruments that include amounts payable by customers for operationally sold goods and services. They are classified as current assets when payment is expected within a year. Should payment be expected beyond that period, they are reported as non-current assets. Account receivables are initially reported at fair value, subsequently at amortised cost calculated using the effective interest method less any provisions for impairment.

2.10 Cash and cash equivalents
Cash and cash equivalents include, on the balance sheet as well as in the cash flow statement, cash and bank balances.

2.11 Share capital
Ordinary shares are classified as equity. Transaction costs directly attributable to the new issue of ordinary shares are reported in equity net after tax as a deduction from the proceeds from the issue.

2.12 Account payables
Account payables are financial instruments in conjunction with obligations to pay for goods and services for operations acquired from the suppliers. Account payables are reported as current liabilities when they mature within a year. Should they mature beyond that period, they are reported as long-term liabilities. Account payables are initially reported at fair value and subsequently at amortised cost using the effective interest method.

2.12 Borrowings
Liabilities to credit institutions and liabilities to associated companies are initially reported at fair value, net after transaction costs. Borrowings are subsequently reported at amortised cost. Any difference between the obtained amount (net after transaction cost) and the repayment amount is reported in the income statement distributed over the loan period, using the effective interest method. Bank overdraft facilities are reported as liabilities to credit institutions in the current liabilities section of the balance sheet.

2.13 Provisions
Provisions are reported when the Group is legally or constructively obligated following prior events, wherever probable that an outflow of resources is required to clear the commitment and the amount is reliably calculated.

Provided that similar commitments exist, the probability of an outflow of resources at the clearing to be required is assessed for the entire group of similar commitments. A provision is reported even in the event of low probability of an outflow regarding a particular item in the group of commitments. The provisions are reported at the present value of the amount expected to be required for fulfilling the obligation. A discount rate before tax is utilised hereby, reflecting the current market assessment of the time-dependent value of money and risks connected to the provision. The increase of provision pertinent to the passing of time is reported as an interest expense.

2.14 Current and deferred tax
The period's tax expenses include current and deferred tax. The current tax expense is calculated on the basis of the tax regulations in force on the balance sheet day in the countries in which the parent company and its subsidiaries are active and generate taxable revenue. Deferred tax is reported, in accordance with the balance sheet method, for all temporary differences between the written-down value of assets and liabilities and the carrying amount of the consolidated accounts. Deferred tax is calculated with the application of the tax rates in force on the balance sheet day and the rates expected to be in force when the tax asset is realised or the tax liability is cleared. Deferred tax assets on carry forwards are reported to the extent likely that future fiscal surplus will be available, against which the deficits may be exploited.

Deferred tax assets and liabilities are offset in the event of a legal right to offset for the tax referrals in question, the tax deferrals are attributable to taxes debited by one tax authority, apply to one or several tax subjects and there is an intention to clear the balances through net payments.

2.15 Employee remuneration

Pension commitments

The Group has several post-employment benefit plans, including defined benefit plans and contribution plans. A defined contribution plan is a pension plan according to which the Group pays a fixed fee to a separate legal entity. The Group carries no legal or constructive obligations to pay additional fees should the entity lack sufficient resources to remunerate all employees what they are due as a result of their service, in the current or prior periods. The fee is reported as a personnel cost when matured. A defined benefit plan is a pension plan without defined contribution. Defined benefit plans normally set out an amount for the employee to receive upon retirement, normally based on one or several factors such as age, period of service and salary. The Group provides defined benefit plans in Finland and in the UK. In addition, The Group provides other long-term benefits in the Netherlands for long-term service (Jubilee fund), calculated in the same manner as a defined benefit plan. The liability reported on the balance sheet in conjunction with the defined benefit pension plan is the present value of the defined benefit commitment at the end of the reporting period less the plan assets' fair value. The defined benefit pension commitment is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit liability is determined through discounting future estimated cash flows using the interest rate for investment grade corporate bonds or housing bonds issued in the same currency as the benefits, with terms comparable to the pension commitment in question. The net interest is calculated by applying discounted interest charges to defined benefit plans and for the fair value of the plan assets. The current service cost is included in the personnel costs and the net interest among financial items. Revaluation gains and losses as a result of adjustments in accordance with experience and changes to actuarial estimates are reported in other comprehensive income for the period during which they arise. They are part of the profit carried forward in the changes to consolidated equity and the balance sheet. Costs for service in prior periods are reported in the income statement.

Compensation at termination of employment

Compensation at termination of employment is due when an employee's employment is terminated by the Group before the normal time of retirement or when an employee accepts voluntary withdrawal in exchange for such compensation. The Group reports compensations at termination at the first of these points of time: a) when the Group no longer has the option to withdraw the compensation offer and; and b) when the company reports expenses for a restructuring within the scope of IAS 37 and implies payments of severance. Compensations at termination are calculated based on the number of employees expected to accept the offer encouraging voluntary withdrawal, in the event that such an offer has been made. Benefits maturing more than 12 months after the end of the reporting period are discounted at present value.

2.16 Revenue recognition

The Group follows a five-step model for recognizing income that is based on when control of a good or service is passed to the customer. The core principle is that an entity is to recognise revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The five-step model comprises the following steps: Step 1: Identify the contract with the customer, Step 2: Identify the performance obligations in the contract, Step 3: Determine the transaction price, Step 4: Allocate the transaction price and Step 5: Recognize revenue – over time or point in time.

As to Step 5, revenue is recognised when a company has satisfied a performance obligation, which is when control of the underlying goods or services has been passed to the customer. The amount recognised as revenue corresponds to the amount allocated to the satisfied performance obligations. A performance obligation can be satisfied over time or at a point in time. Revenue is recognised over time if the customer simultaneously receives and consumes all of the benefits provided by the company as the company performs; the company's performance creates or enhances an asset that the customer controls; or the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date. If a performance obligation does not meet one of these criteria to be recognised over time, revenue is recognized at one specific point in time. This takes place when control of a good or service is passed to the customer. Factors that may indicate the point in time at which control passes include: the company has transferred physical possession of the asset; the company has a present right to payment for the asset; the customer has accepted the good or service; the customer has the significant risks and rewards related to the ownership of the asset; and the customer has legal title to the asset.

BEWiSynbra sells products for insulation for the construction industry as well as packaging solutions for the manufacturing industry and food producers. Virtually all of these sales transactions meet the definition of a point in time revenue recognition. The sales are reported as revenue when a Group company has delivered the product to a customer. Delivery is deemed to have taken place when the products have arrived at the indicated location.

2.18 Interest revenue

Interest revenue is reported using the effective interest method.

2.19 Leases

Leases of tangible assets in which the Group in all material respects carry the financial risks and rewards in conjunction with the ownership are classified as financial leases. The financial lease is at the beginning of the lease period reported at the lower of the lease object's fair value and the present value of the minimum lease payments. The corresponding payment obligations, less the financial expense, are reported on the balance sheet items non-current liabilities and current liabilities. Each lease payment is distributed between interest and amortisation of the liability. The interest is reported in the income statement distributed throughout the lease period in order for each reporting period to be charged with an amount corresponding to a fixed interest rate for the reported liability during the period. Non-current assets held under financial leasing agreements are excess depreciated or depreciated during the shorter of the useful life and the lease period, unless it

can be reasonably determined that the ownership will be transferred to the lessee at the end of the lease period.

Operating leases are agreements in which a substantial part of the risks and rewards in conjunction with the ownership remain with the lessor. Payments during the lease period (less any incentives from the lessor) are carried as an expense in the income statement linearly. The Group acts solely as a lessee and most agreements are pertinent to the lease of premises and vehicles or sale-and-lease-backs of buildings.

2.20 Dividends

Dividends to the parent company's shareholders are reported as liabilities in the consolidated financial reports for the period in which the dividends have been approved by the parent company's shareholders.

2.21 Cash flow statement

Cash flow statement is prepared using the indirect method. The reported cash flow solely contains transactions giving rise to payments.

NOTE 3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group is through its activities exposed to several different risks: market risks (currency risk and interest rate risk), credit risk and liquidity risk. The Group's comprehensive financial risk management is focused on the unpredictability of the financial markets and strives to minimise any adverse effect on the consolidated profits. The use of derivative financial instruments has so far been limited to mitigation of currency exposure on intra-group borrowing and lending. The risk management is administrated by a central department of finance (finance department). The finance department identifies, evaluates and hedges financial risks in close cooperation with the Group's operative units.

(a) Market risk

(I) CURRENCY RISK

The Group operates in the Nordic countries and in the euro area and is mainly exposed to currency risk arising from currency exposure to Euro (EUR), Danish krona (DKK) and Norwegian krona (NOK). Currency risks arise from future business transactions, carrying amounts of assets and liabilities as well as net investment in foreign operations. Currency exposure is divided into transaction exposure and translation exposure.

Currency risks arise when future business transactions are expressed in a currency which is not the entity's functional currency. When entities within the Group generate revenues and incur costs in different currencies, they are consequently subject to transaction exposure. The Group's purchases of goods are to a large extent carried out in EUR, which is assessed to be a currency risk for the Swedish and Norwegian entities of the Group. The Group has not hedged the risks arising from these transactions, since the currency risk to a certain extent has been managed through customer agreements.

The Group has a number of holdings in foreign operations. When the income statements and net assets of these foreign operations are translated from the local functional currencies to SEK, the presentation currency of the consolidated accounts, the Group is subject to translation exposure. Translation exposures arising from the net assets of the Group's foreign operations are not subject to currency hedging.

A sensitivity analysis shows that if SEK would have fluctuated by 5% against other currencies in the Group, all other variables held constant and the impact from transaction exposure ignored, profit after tax would have changed MSEK 6.5 (2017: MSEK 4.8).

(II) INTEREST RATE RISK

The Group's primary interest rate risk arises from floating interest rate long-term borrowings, which leaves the Group exposed to interest risk related to cash flows. In 2018 and 2017, the Group's borrowings were primarily subject to floating interest rates in SEK and EUR.

In the event that the interest rate for SEK borrowings during 2018 would have been 50 basis points higher or lower other variables held constant, the expected profit after taxes for the financial year 2018 would have been approx. MSEK 2.8 (2017: MSEK 1.9) lower or higher; mainly as a result of the altered interest charges for the floating interest rate borrowings. In the event that the interest rate for EUR borrowings during 2018 would have been 50 basis points higher or lower other variables held constant, the expected profit after taxes for the financial year 2018 would have been approx. MSEK 2.9 (2017: MSEK 0.7) lower or higher; mainly as a result of the changed interest charges for the floating interest rate borrowings.

(III) PRICE RISK

The Group is exposed to price risks in relation to shareholdings other than shares held in Group companies or associated companies. Such other shareholdings are valued at fair value and is limited to a minor stake in an entity developing plastic recycling. Lastly, the corporate bond is listed on the corporate bond list on Nasdaq Stockholm, and the Group is therefore exposed to fluctuations of the market value if the repurchase clause in the bond agreement would be utilised.

The table below presents the fair value of financial instruments measured at fair value, or where fair value differs from the carrying amount because the item is recognised at amortised cost (the bond loans). The carrying amount of the Group's other financial assets and liabilities is considered to constitute a good approximation of the fair value, since they carry floating interest rates or are of a current nature.

MSEK	Level 1	Level 2	Level 3	Total	Carrying amount
Financial assets measured at fair value through profit and loss					

Participation in other companies	-	-	2.6	2.6	2.6
Current derivative assets	-	0.4	-	0.4	0.4
Total financial assets measured at fair value through profit and loss	**-**	**0.4**	**2.6**	**3.0**	**3.0**
Financial liabilities measured at amortised cost					
Bond loan	1,324.8	-	-	1,324.8	1,290.2
Total financial liabilities measured at amortised cost	**1,324.8**	**-**	**-**	**1,324.8**	**1,290.2**
Financial liabilities measured at fair value through profit and loss					
Earnouts	-	-	1.6	1.6	1.6
Current derivative liability	-	1.4	-	1.4	1.4
Long-term derivative liability	-	20.8	-	20.8	20.8
Total financial liabilities measured at fair value through profit and loss	**-**	**22.2**	**1.6**	**23.8**	**23.8**

Level 1 – listed prices (unadjusted) on an active market for identical assets and liabilities.
Level 2 – Other observable data for the asset or liability that is listed prices included at level 1, either directly (as price) or indirectly (derived from price).
Level 3 – Data for the asset or liability that is not based on observable market data.

Level 3 – Changes during the period, MSEK	Participation in other companies	Earnouts
As per December 31, 2017	**1.0**	**2.4**
Exchange rate differences	0.1	0.2
Through acquisitions of Group companies	1.5	–
Liability settlement	–	-1.0
As per December 31, 2018	**2.6**	**1.6**

No profit or loss has been reported during the period in relation to financial instruments on level 3.

(a) Credit risk

Credit risks are managed on Group level, excluding credit risks pertinent to outstanding account receivables. Each Group company shall monitor and analyse the credit risk for each new customer before standard terms for payment and delivery are offered.

Credit risks arise from cash and cash equivalents and bank and financial institution balances, including outstanding receivables and agreed transactions. Only banks and financial institutions with "A" or higher credit ratings from independent credit rating agencies are accepted.
If customers are credit rated by independent credit rating agencies, these credit ratings are utilised. In the event that no independent credit rating exists, the Group company undertakes a risk assessment of the customer's creditworthiness, in which the customer's financial position is considered, as well as previous experience and other factors. Individual risk limits are determined on the basis of internal or external credit ratings. The application of credit limits is regularly monitored.

(b) Liquidity risk

Cash flow forecasts are prepared by the Group's operating companies. The finance department closely monitors the recurring forecasts for the Group's liquidity reserve, in order to guarantee the Group's cash resources to be sufficient to meet the requirements of the continuing operations, concurrently with the continuing operations maintain sufficient scope for unused agreed credit facilities, in order for the Group not to exceed any loan limits or terms (as applicable) under any of the Group's loan facilities. The finance department also monitors the refinancing risks and needs of the Group, in order to secure the long-term funding. This includes estimating a range of future cash flow and net debt scenarios, comparing accessability and financing costs of different debt sources, as well as a continous dialogue with banks. The table below analyses the Group's non-derivative financial liabilities, grouped after the remaining time from the balance sheet day to the agreed maturity date. The amounts stated in the table are the agreed, undiscounted cash flows. The interests have been calculated using the current interest rates.

As of December 31, 2018	< 1 yr.	1-2 yr.	2-5 yr.	> 5 yr.
Bond loan	-	550.0	770.6	-
Borrowings (incl. fin. leases)	26.7	15.2	24.8	1.9
Account payables	478.4	-	-	
Total	**505.1**	**562.2**	**795.4**	**1.9**

As of December 31, 2017	< 1 yr	1-2 yr	2-5 yr	> 5 yr
Bond loan	-	-	550.0	-
Borrowings (incl. fin. leases)	7.9	6.9	18.4	5.8
Account payables	231.4	-	-	-
Total	**239.2**	**6.9**	**568.4**	**5.8**

Liabilities in relation to financial leasing is included in the item liabilities to credit institutions. For more information, see note 22.

3.2 Capital management

The Group's objective for the capital structure is to guarantee the Group's capacity to continue its operations, in order for the Group to continue to generate return to the shareholders and advantages to other stakeholders and to maintain an optimal capital structure to keep down costs pertinent to the capital.

In order to maintain or adjust the capital structure, the Group may: alter the dividend to shareholders, reimburse capital to shareholders, issue new shares or dispose of assets in order to reduce liability.
Like other companies in the same line of business, the Group assesses the capital on the basis of debt-equity ratio. This performance measurement is calculated by dividing the net debt by the total capital. The net debt is the total borrowings (including the items bond loan, liabilities to credit institutions and liabilities to associated companies on the consolidated statement of financial

position), less cash and cash equivalents. Total capital is defined as equity in the consolidated statement of financial position and net debt.

	2018-12-31	2017-12-31
Total borrowings	1,358.7	577.0
Removed: cash and cash equivalents	-235.3	-110.6
Net debt	1,123.4	466.4
Equity	1,537.3	389.9
Total capital	**2,660.7**	**856.3**
Debt/capital ratio	**42.2%**	**54.5%**

The decrease in debt/capital ratio between 2018 and 2017 was mainly a consequence of the new share issue, specifically the issues in kind when acquiring BEWi Norway. For more information on the change in net debt during the year, see note 22.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSESSMENTS

Estimates and assessments are continuously evaluated and are prepared on the basis of historical experience and other factors, including expectations regarding future events deemed reasonable under existing conditions.

4.1 Critical accounting estimates and assessments

The Group makes estimates and assumptions about the future. Accounting estimates will, by definition, rarely be equivalent to the actual result. The estimates and assumptions contain a significant risk for material adjustments to carrying amounts of assets and liabilities during the following financial years are outlined below.

(a) Inventory obsolescence

The inventory is valued at the acquisition cost, in accordance with the first-in-first-out method. The acquisition costs for the company's semi-finished or finished products are generally calculated as the sum of raw material carried forward, other direct production costs and a reasonable production overhead (based on normal production capacity). When assessing whether obsolescence of the goods should be calculated during the manufacturing process or when the goods is finished, the executive management has concluded that no obsolescence is in question for the company's products, seeing as they are standard products with a high turnover rate, products only manufactured following a customer order and that any defect goods may be restored to raw material and thereby be reused. The carrying amount for the inventory amounts to MSEK 431.4 as of December 31, 2018 (December 31, 2017: MSEK 183.7).

(b) Consideration of impairment need of goodwill and trademarks

The Group examines annually whether any impairment need for goodwill or trademarks is at hand, in accordance with the accounting principle set out in note 2. Recoverable amounts have been determined on the basis of calculations of values in use. These calculations include certain estimates to be carried out (see note 12 Intangible assets).

(c) Valuation of tax loss carry forwards

The Group annually examines whether any impairment need for deferred tax assets pertinent to tax loss carry forwards exists. In addition, the Group examines if appropriate to set up new deferred tax assets pertinent to that year's tax loss carry forwards as assets. Deferred tax assets are reported only for loss carry forwards against which they are likely to be exploited for future taxable surpluses and for taxable temporary differences.

The deferred tax assets for tax loss carried forward amount to MSEK 23.5 as of December 31, 2018 (December 31, 2017: MSEK 28.9). For more information, see note 11.

(d) Pension benefits

The present value of the pension commitment is pertinent to several factors determined on an actuarial basis using a number of assumptions. The assumptions utilised to determine the net cost (revenue) for pension benefits include the discount rate. Each change to these assumptions will affect the pension commitments' carrying amounts. The Group stipulates the appropriate discount rate at the end of each year. This will be the rate utilised for determining the present value of assessed future payments expected to be required in order to clear the pension commitment. When determining the appropriate discount rate, the Group considers the rates of the investment grade corporate bonds issued in the same currency as the benefits, with terms comparable to the pension commitment in question. Other critical assumptions with regard to the pension commitment are in part based on existing market conditions. Additional information is given in note 23.

NOTE 5 NET SALES DISTRIBUTION AND SEGMENT INFORMATION

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The Executive Committee constitutes the chief operating decision maker for the BEWiSynbra Group and takes strategic decisions in addition to evaluating the Group´s financial position and earnings.

Group Management has determined the operating segments based on the information that is reviewed by the Executive Committee and used for the purposes of allocating resources and assessing performance. The Board assesses the operations based on three operating segments: Raw Material, Insulation and Packaging & Components. Sales between segments take place on market terms.

Amounts in MSEK	2018	2017
Raw Material		
Segment revenue	2,362.5	1,189.6
Intra-group revenue	-726.5	-197.2
Revenue from external customers	**1,636.0**	**992.4**
Insulation		
Segment revenue	1,238.2	458.7
Intra-group revenue	-80.6	-65.2
Revenue from external customers	**1,157.6**	**393.5**
Packaging and Components		
Segment revenue	1,150.8	495.2
Intra-group revenue	-39.3	-5.6
Revenue from external customers	**1,111.5**	**489.6**
Total		
Total segment revenue	4,751.5	2,143.5
Total intra-group revenue	-846.4	-267.9
Total revenue from external customers	**3,905.3**	**1,875.5**
Adjusted EBITDA		
Raw Material	120.1	64.3
Insulation	130.6	0.8
Packaging and Components	99.5	52.1
Unallocated	-32.0	-7.0
Total adjusted EBITDA	**318.2**	**110.3**
EBITDA		
Raw Material	117.9	58.3
Insulation	152.7	7.1
Packaging and Components	120.1	39.4
Unallocated	-97.8	-18.4
Total EBITDA	**292.9**	**86.5**
EBITA		
Raw Material	90.0	44.2
Insulation	126.7	-2.8
Packaging and Components	70.8	20.3
Unallocated	-99.6	-18.5
Total EBITA	**187.9**	**43.1**

Amounts in MSEK	2018	2017
EBIT		
Raw Material	84.5	41.7
Insulation	106.0	-2.8
Packaging and Components	54.9	14.5
Unallocated	-104.1	-18.5
Total EBIT	**141.4**	**34.8**
Net financial items	-75.2	-28.0
Income before tax	**66.2**	**6.8**

Share of income from associated companies of MSEK 6.7 (2017: 0) is included in adjusted EBITDA, EBITDA, EBITA and EBIT for Insulation. EBITDA, EBITA and EBIT in 2018 for Insulation and Packaging and Components were positively impacted by capital gains from sale of real estate by MSEK 22.7 and MSEK 28.8 respectively. EBITA and EBIT in 2018 for Insulation and Packaging and Components were negatively impacted by write-downs of tangible fixed assets of MSEK 1.7 and MSEK 5.0 respectively. Goodwill impairment of MSEK 6.7 had a negative effect on EBIT for Insulation in 2018.

Net sales per country

External segment revenue per country (selling company's geography)	2018	2017
Raw material		
Total Finland	1,155.4	992.4
Total Portugal & Spain	480.6	-
Total Raw material	**1,636.0**	**992.4**
Packaging & Components and Insulation		
Total Finland	151.2	78.8
Total Sweden	500.3	518.1
Total Denmark	482.1	240.3
Total Norway	183.9	45.9
Total Netherlands	817.7	-
Total Portugal & Spain	134.1	-
Total P&C and Insulation	**2,269.1**	**883.1**
Total Group	**3,905.3**	**1,875.5**

Net sales per country (customers' geography)	2018	2017
Netherlands	742.3	-
Sweden	519.6	536.4
Denmark	404.7	208.2
Baltic/Polen/Russia	423.7	273.8
Finland	344.1	259.0
Germany	374.0	56.5
Norway	531.2	369.2
UK	111.8	87.6
Portugal	103.6	-
Spain	79.2	-
Belgium	57.8	-
France	42.8	-
Iceland	37.2	27.6
Other	133.3	57.3
Total Group	**3,905.3**	**1,875.5**

Total non-current assets other than financial instruments and deferred tax assets in Sweden, amount to MSEK 185.6 (MSEK 125,9), and total such non-current assets located in other countries amount to MSEK 2,583.7 (MSEK 606,6). No customer accounts for more than 10% of the Group's revenue.

NOTE 6 EMPLOYEE REMUNERATION ETC.

	2018	2017
Salary and other remuneration	473.2	170.2
Social security expenses	55.0	24.7
Pension costs – defined contribution plans	38.2	19.4
Pension costs – defined benefit plans	1.1	1.1
Total remunerations to employees	**567.5**	**215.4**

The costs in the table above reflects costs for own employees.

Salary and other remunerations and pension costs for directors of the board, CEO's and other senior executives within the Group

	2018	2017
Salary and other remuneration	19.3	8.3
Bonus	9.2	0.3
Pension costs	3.2	1.1
The Group in total	**31.7**	**9.6**

Among the board of directors within the group companies, 73% were men and among the CEO's 100% were men.

Average number of employees with geographical breakdown by country

	2018		2017	
	Average number of employees	Whereof men	Average number of employees	Whereof men
Sweden	161	114	135	95
Finland	41	35	120	104
Denmark	243	154	112	72
Norway	40	30	7	5
Netherlands	274	248	-	-
Portugal	122	66	-	-
The Group in total	**881**	**647**	**374**	**276**

Remuneration to senior executives

The senior executives comprise of the board of directors, CEO of BEWi Group and managers in the executive management directly reporting to the CEO and remunerations for those applies to:

	2018			2017		
	Basic salary incl. benefits/ board fees	Variable remune-ration	Retirement compen-sation	Basic salary incl. benefits/ board fees	Variable remune-ration	Retirement compensation
Board of Directors						
6 (5) members of the board, whereof 1 (1) woman						
Gunnar Syvertsen (chairman)	0.3			0.4		
Göran Vikström	0.3			0.2		
Bernt Thoresen	0.2			0.2		
Kristina Schauman	0.2			0.2		
Rune Marsdal	-			-		
Per Nordlander	-			-		
Total	**1.0**	**-**	**-**	**1.0**	**-**	**-**
CEO						
Christian Bekken (until 2018-05-15)	0.5	-	-	1.6		0.0
Rik Dobbelare (from 2018-15-16	3.0	2.1	0.6			
Other senior executives	7.0	2.4	1.6	5.4	0.3	1.0
Total	10.5	4.5	2.2	**7.3**	**0.3**	**1.1**

Göran Vikström was Chairman of the Board until April 5, 2018, when an extraordinary general meeting elected Gunnar Syvertsen as Chiarman of the Board. In addition to the board fees, Gunnar Syvertsen has invoiced MSEK 0.5 for additional services in connection with the integration of Synbra and the IPO process. Göran Vikström has also invoiced MSEK 0.2 for other consultancy services.

From January 1 to 31 May, 2018 other senior executives included 5 people (1 woman). As from 1 June, 2018, that group includes 3 persons (1 woman). In 2017, other senior exeutives included 5 people (1 woman).

Severance pay

Subject to the CEO's employment agreement, there is a notice period of 12 months if the agreement is terminated by the company and a notice period of 6 months if the .agreement is terminated by the employee. The employee is entitled to receive unchanged salary and other fringe benefits during the period of notice.

NOTE 7 REMUNERATIONS TO AUDITORS

MSEK	2018	2017
PwC		
– The audit assignment	5,2	1.7
– Audit activities other than the audit assignment	1.0	0.3
– Tax advice	1.4	1.0
– Other services	3,9	4.2
Total	**11.5**	**7.1**
Other accounting firms than PwC		
– The audit assignment	1.4	0.0
Total	**14.2**	**7.2**

Of the auditing assignment MSEK 2,1 (2017: MSEK 0.9) is attributable to PwC Sweden, of the audit activities other than the audit assignment MSEK 1.0 (2017: MSEK 0.3) is attributable to PwC Sweden, of tax advice MSEK 1.4 (2017: MSEK 1.0) is attributable to PwC Sweden and of other services MSEK 3,7 (2017: MSEK 2.8) is attributable to PwC Sweden.

NOTE 8 OPERATIONAL LEASING

The Group acts solely as lessee, primarily aiming at the lease of premises and vehicles as well as sale-and-lease-back of buildings. The Group leases premises, cars and buildings under non-terminable operational lease contracts. The lease period varies, typically ranging from 1-5 years. Normally, only leases of office premises are subject to lease periods longer than 5 years. Most lease contracts may be extended at the end of the lease period at a fee that complies with a fee adjusted to the market.

Future total minimum lease payments for non-terminable operational lease contracts are as follows:

MSEK	2018	2017
Within 1 year	67.7	20.9
Between 1 and 5 years	202.6	38.6
More than 5 years	154.8	7.4
Total	**425.2**	**66.9**

The expensed leasing fees during the year were: MSEK 42.9 (2017: MSEK 19.8). In April 2018, three properties in Denmark and two in Sweden were sold for MSEK 113.0 in a sale and leaseback transactions, which gave rise to a capital gain of MSEK 51.6. These leaseback of these properties are recognised as operational lease contracts.

NOTE 9 FINANCIAL INCOME AND EXPENSE

MSEK	2018	2017
Interest revenue	0,7	0,9
Fair value changes derivatives	0,4	-
Other financial income	0,6	1,7
Total financial income	**1,7**	**2,6**
Interest expenses	-64,0	-27,4
Fair value changes derivatives	-1,9	-
Other financing costs	-0,4	-1,3
Exchange rate losses	-10,6	-2,0
Total financial expense	**-76,9**	**-30,7**
Total financial income and expense - net	**-75,2**	**-28,1**

MSEK -10.1 (2017: MSEK 2.9) of the interest expenses were related to amortisation of financing costs.

Net financial income and expense per category of financial instrument

MSEK	2018	2017
Financial assets and liabilities measured at fair value through profit and loss	-1,5	-
Financial assets and liabilities measured at amortised cost	-73,7	-28.1
	-75,2	**-28.1**

For 2017. The net amount is attributable to loan receivables and account receivables and to other financial liabilities, as defined in IFRS 7.

NOTE 10 EXCHANGE DIFFERENCES – NET

Exchange differences have been reported in the income statement as follows:

MSEK	2018	2017
Other operating expenses	-1.7	-0.2
Total financial income and expense (note 9)	-10.6	-2.0
Exchange differences – net	**-12.3**	**-2.2**

NOTE 11 INCOME TAX

Tax income and expense in income statement

MSEK	2018	2017
Tax income(+)/expense(-) comprises;		
Current tax income(+)/expense(-) this year	-54.3	-4.0
Adjustment recognised in current year in relation to current tax of prior years	-1.4	-
Deferred tax income(+)/expense(-)	5.4	36.8
Total tax income(+)/expense(-)	**-50.3**	**32.8**

The income tax attributable to the income before taxes differs from the theoretical amount that would have arisen from the application of the tax rate in Sweden for the income of the Group companies, as follows:

MSEK	2018	2017
Profit/loss before tax from continuing operations	**66.2**	**6.8**
Tax income(+)/expense(-) calculated at the local tax rate	-15.9	-0.8
Effect of revenue that is exempt from taxation	7.2	4.6
Effect of non-deductible expenses	-19.9	-0.4
Effect of tax losses and tax offsets not recognised as deferred tax assets	-24.4	-6.3
Effect of previously unrecognised deferred tax attributable to tax losses carry forward, tax credits and temporary differences	-	35.7
Effect on deferred tax balances due to change in tax rate	3.6	0.7
Adjustment recognised in current year in relation to current tax of prior years	-0.9	-
Total tax income(+)/expense(-) in profit or loss	**50.3**	**32.8**

Recognised in other comprehensive income

MSEK	2018	2017
Current tax	**-**	**-**
Deferred tax		
Tax on remeasurement of defined benefit obligation	0.2	-0.1
Total	**0.2**	**-0.1**
Total tax recognised in other comprehensive income	**0.2**	**-0.1**

Deferred tax assets and liabilities 2018

MSEK	Opening balance	Through acquired business	Through divested business	Reported in profit/ loss	Reported in other compre- hensive income	Exchange differen- ces	Closing balance
Deferred tax in balance sheet is attributable to:							
Tax losses carry forward	28.9	-	-	-7.8	-	2.4	23.5
Intangible assets	-10.8	-175.9	-	-0.9	-	1.7	-185.9
Tangible assets	7.6	-80.9	-0.1	10.0	-	1.9	-61.5
Inventories	-0.3	-7.7	-	4.0	-	-	-4.0
Untaxed reserves	-	-1.0	-	-	-	-	-1.0
Pension assets and liabilities	1.3	-	-	0.3	0.2	0.1	1.9
Provisions	0.6	-	-	-0.2	-	-0.1	0.3
Total net deferred tax assets and liabilities	**27.3**	**-265.5**	**-0.1**	**5.4**	**0.2**	**6.0**	**226.7**

Deferred tax assets and liabilities 2017

MSEK	Opening balance	Through acquired business	Reported in profit/ loss	Reported in other compre-hensive income	Exchange differences	Closing balance
Tax losses carry forward	**5.2**	**-**	**23.4**	**-**	**0.3**	**28.9**
Intangible assets	-11.2	-	0.1	-	0.3	-10.8
Tangible assets	-4.2	-1.5	13.0	-	0.3	7.6
Inventories	-0.1	-	-0.2	-	-	-0.3
Pension assets and liabilities	1.5	-	-0.1	-0.1	-	1.3
Provisions	0.1	-	0.5	-	-	0.6
Total net deferred tax assets and liabilities	**-8.7**	**-1.5**	**36.7**	**-0.1**	**0.9**	**27.2**

Deferred tax assets are reported for tax losses carry forward or temporary differences to the extent that they are likely to be utlised against future taxable profits. MSEK 20.9 of deferred tax assets attributable to tax losses carry forward originate from losses that fall due between 2021 and 2026. The remaining losses recognised as deferred tax assets have no due date. Tax losses carry forward corresponding to a tax value of MSEK 39.3 (2017: MSEK 21.7) were not recognised as deferred tax assets. The tax lossses carry forward are attributable to Sweden, Finland and Norway.

NOTE 12 INTANGIBLE ASSETS

Acquisition cost MSEK	Goodwill	Trademark	Customer relations	Technology	Patents and licenses	Total
As of January 1, 2017						
Acquisition cost	177.5	47.0	49.3	17.6	4.3	295.7
Accumulated depreciations/write-downs			-14.0	-4.0	-0.8	-18.8
Carrying amount	**177.5**	**47.0**	**35.3**	**13.7**	**3.5**	**276.9**
Financial year 2017						
Carrying amount brought forward	**177.5**	**47.0**	**35.3**	**13.7**	**3.5**	**276.9**
Exchange differences	4.6	1.3	0.6	0.4	0.1	6.9
Through acquired business	1.7			1.9		3.5
Reclassifications					0.3	0.3
Depreciations			-6.0	-1.7	-0.5	-8.2
Carrying amount carried forward	**183.7**	**48.3**	**29.9**	**14.2**	**3.4**	**279.5**
As of December 31, 2017						
Acquisition cost	183.7	48.3	49.9	19.8	4.7	306.5
Accumulated depreciations/write-downs	0.0	0.0	-20.0	-5.7	-1.3	-27.0
Carrying amount	**183.7**	**48.3**	**29.9**	**14.2**	**3.4**	**279.5**
Financial year 2018						
Carrying amount brought forward	**183.7**	**48.3**	**29.9**	**14.2**	**3.4**	**279.5**
Exchange difference	7.0	2.0	1.3	-1.0	-0.6	8.8
Acquisitions	-	-	-	-	3.9	3.9
Through acquired business	536.5	156.4	523.6	60.6	21.9	1,299.0
Writedown	-6.7	-	-	-	-	-6.7
Depreciations	-	-	-25.4	-6.9	-9.1	-41.4
Carrying amount carried forward	**720.6**	**206.7**	**529.4**	**66.9**	**19.5**	**1,543.1**
As of December 31, 2018						
Acquisition cost	727.3	206.7	575.5	80.0	29.9	1,619.4
Accumulated depreciations/write-downs	-6.7	-	-46.2	-13.1	-10.4	-76.3
Carrying amount	**720.6**	**206.7**	**529.4**	**66.9**	**19.5**	**1,543.1**

Considerations of impairment need for goodwill and trademark

Goodwill and trademarks have an indefinite useful life and are monitored per cash generating unit by the executive management. Goodwill and trademarks by cash generating units are summarised as follows:

Goodwill MSEK	2018-12-31	2017-12-31
Raw material	109.9	130.8
Insulation Other	10.5	12.8
Insulation Netherlands	215.3	9.6
Packaging and Components Sweden	29.0	9.6
Packaging and Components Denmark	29.4	32.2
Packaging and Components Netherlands	17.5	-
Packaging and Components Norway	253.8	-
Packaging and Components Portugal & Spain	55.2	-
Total	**720.6**	**183.7**

Trademarks MSEK	2018-12-31	2017-12-31
Raw material	6.2	-
Insulation Netherlands	60.6	-
Packaging and Components Denmark	52.3	48.3
Packaging and Components Netherlands	23.6	-
Packaging and Components Norway	52.7	-
Packaging and Components Portugal & Spain	11.3	-
Total	**206.7**	**48.3**

The assumptions used for calculating the value in use are the same for goodwill and trademarks. The executive management has assessed that revenue growth, operating margin, discount rate and long-term growth are the most critical assumptions in the impairment assessment. The recoverable amount has been assessed based on estimates of the value in use. The estimates are based on future estimated cash flow before tax based on financial budgets and business plans approved by the senior executives and covering a five-year period. The estimates are based on the executive management's experience and historical data. The discount rate after tax amounts to 8.58% (2017: 9.20%).

The long-term sustainable growth rate has been estimated to 2% (2017: 2%) for all cash generative units and has been assessed in accordance with industry forecasts. Goodwill of MSEK 6.9, included in Insulation other in the table above and related to the insulation production facility in Dorotea, Sweden, was written down in 2018 due to impairment. Following this impairment test, MSEK 1.8 in tangible fixed assets in that same production facility were written down. The impairment is a consequence of deteriorating commercial conditions, as the present value of future cash flows could no longer defend the book value of the assets written down. This was also confirmed by the decision in early 2019 to close down the production facility in Dorotea. No further impairment has been identified. A change in the discount rate of 1% or reduced cash flow of 10% would not change the outcome of the test.

NOTE 13 TANGIBLE ASSETS

MSEK	Buildings and land	Plant and other technical machinery	Equipment, tools, fixtures and fittings	Construction in progress and advance payments for property, plant and equipment	Total
As of January 1, 2017					
Acquisition cost	139.1	232.8	38.3	7.1	417.3
Accumulated depreciations	-15.1	-69.3	-4.4	0.0	-88.8
Carrying amount	**124.0**	**163.5**	**33.9**	**7.1**	**328.5**
Financial year 2017					
Carrying amount brought forward	124.0	163.5	33.9	7.1	328.5
Exchange difference	2.8	5.1	0.7	0.1	8.7
Acquisitions	10.1	58.8	4.6	22.4	95.9
Through acquired business	20.7	37.5	1.8	3.5	63.5
Depreciations	-7.3	-32.6	-3.5		-43.4
Carrying amount carried forward	**150.2**	**232.3**	**37.5**	**33.1**	**453.1**
As of December 31, 2017					
Acquisition cost	172.6	334.3	45.4	33.1	585.4
Accumulated depreciations	-22.4	-102.0	-7.9	0.0	-132.2
Carrying amount	**150.2**	**232.3**	**37.5**	**33.1**	**453.1**
Financial year 2018					
Carrying amount brought forward	150.2	232.3	37.5	33.1	453.1
Exchange difference	9.3	19.4	-7.0	-1.5	20.4
Acquisitions	7.6	84.7	8.5	37.7	138.5
Through acquired business	303.6	399.4	42.1	40.5	785.6
Reclassifications	-	0.6	-1.3	-6.3	-7.0
Disposals	-61.0	-	-	-	-61.0
Write-downs	-	-6.7	-	-	-6.7
Depreciations	-13.3	-71.9	-11.5	-	-96.7
Carrying amount carried forward	**396.5**	**657.8**	**68.3**	**103.5**	**1,226.1**
As of December 31, 2018					
Acquisition costs	733.8	2,246.8	226.2	103.5	3,310.3
Accumulated depreciations	-337.3	-1,589.0	-157.8	-	-2,084.2
Carrying amount	**396.5**	**657.8**	**68.3**	**103.5**	**1,226.1**

NOTE 14 BUSINESS ACQUISITIONS

CASH FLOW FROM ACQUISITION OF BUSINESS

2018 MSEK	Cash consideration	Cash in acquired business	Settlement additional purchase price and contingent consideration	Total cash out/-inflow
Acquisition of subsidiaries				
BEWi Norway	-	45,7	-	45,7
BEWi Automotive AB	-16,0	2,8	-	-13,2
Synbra Holding BV	-978,7	-2,7	-	-981,4
Ruukin EPS Oy	-9,8	1,4	-	-8,4
BEWi Insulation Oy (former Solupak Oy)	-	-	-0,8	-0,8
BEWi M-Plast Oy	-	-	-0,2	-0,2
Total cash flow from acquisition of business	**-1 004,5**	**47,2**	**-1,0**	**-958,3**

The sale of the Swedish real estate group in 2018 for a cash price of MSEK 32.8 and and a net postive cash effect of MSEK 3.1 from the settlement of loans and cash in the sold companies, in total MSEK 35.9, is reported as disposals of property, plant and equipment in the cash flow statement.

2017 MSEK	Cash consideration	Cash in acquired business	Reported in financing activities	Total cash out/-inflow
Acquisition of subsidiaries				
BEWi Insulation Oy (former Solupak Oy)	-13,3	1,0	-	-12,3
Lindesberg	-11,5	-	11,5	0,0
BEWi M-Plast Oy	-12,0	2,4	12,0	2,4
Total	**-36,8**	**3,4**	**23,5**	**-9,9**
Acquisition of other shares and participations				
Polystyrene Loop Cooperatief UA	-1,0	-	-	-1,0
Total cash flow from acquisition of business	**-37,8**	**3,4**	**23,5**	**-10,9**

BUSINESS ACQUISITIONS DURING THE YEAR

BEWi Produkter AS and BEWi Polar AS, together BEWi Norway

On 28 September 2018, BEWiSynbra Group AB completed the acquisitions of all shares of BEWi Produkter AS and BEWi Polar AS, also referred to as BEWi Norway, for a total price of SEK 730.0 million, paid by the issuance of 7,727,598 ordinary shares in BEWISynbra AB. BEWi Norway delivers a range of packaging products, the main product being fish boxes made from EPS for transportation of fresh fish. Adjusted for the divestment of its Norplasta business, prior to BEWiSynbra´s acquisition, BEWi Norway had sales of approximately SEK 400 million in 2017. The consideration for the shares was paid in full by new ordinary shares in BEWiSynbra Group AB.

In connection with the acquisition, BEWiSynbra entered into an agreement with the seller, which gives BEWiSynbra the right to acquire shares in an associate from the seller within a certain time frame, in early 2019 extended to 31 December 2019. Should that right not be exercised, BEWiSynbra will receive SEK 5 million from the seller. That same amount has reduced the acquisition price and is recognized as a receivable. During the fourth quarter, a complete acquisition analysis was carried out. The purchase price and fair value of assets and liabilities acquired are shown in the table below. Goodwill is not tax-deductible and is related to future synergies. Transaction costs attributable to the acquisition totaled SEK 1.8 million in 2018 and were recognized under Other external costs in profit and loss.

BEWi Norway is consolidated as from 30 September 2018 and since the acquisition, BEWi Norway has contributed SEK 132.6 million to the Group's net sales and SEK 9.6 million to EBIT. Net sales and EBIT in BEWi Produkter AS in 2018 amounted to SEK 378.8 million and SEK 45.3 million respectively. Of those numbers, the Norplasta business, which was divested prior to the acquisition, contributed SEK 58.8 million to net sales and SEK -7.8 million to EBIT. Net sales and EBIT in BEWi Polar AS in 2018 amounted to SEK 181.6 million and SEK 6.3 million respectively.

	MSEK
Issue in kind	730.0
Value of call option	-5.0
Total purchase price	**725.0**

Recognized amount of identifiable assets acquired and liabilities assumed	MSEK
Trademarks	55.8
Customer relations	289.9
Property, plant and equipment	161.1
Financial assets	0.2
Inventory	29.0
Current receivables	63.0
Cash and cash equivalents	45.7
Deferred tax payable	-91.0
Non-current loans and interest-bearing liabilities	-28.7
Current liabilities	-69.1
Total identifiable net assets	**456.0**
Goodwill	**269.1**

Bewi Automotive AB

On 28 September 2018, BEWiSynbra Group AB also completed the acquisition of all shares in BEWi Automotive AB. BEWi Automotive mainly delivers products to the car industry. The consideration for the shares, in total SEK 51.0 million, included a cash component of SEK 16 million and the rest was paid by 370,501 new ordinary shares in BEWiSynbra Group AB. During the fourth quarter a complete acquisition analysis was carried out. The purchase price and fair value of assets and liabilities acquired are shown in the table below. Goodwill is not tax-deductible and is related to future synergies. BEWi Automotive was acquired at the same time as BEWi Norway and all transaction costs have been attributed to the acquisition of BEWi Norway.

BEWi Automotive AB is consolidated as from 30 September and since the acquisition, BEWi Automotive AB has contributed SEK 28.7 million to the Group´s net sales and SEK -1.0 million to EBIT. Net sales and EBIT in BEWi Automotive AB in 2018 amounted to SEK 116.8 million and SEK 1.2 million respectively.

	MSEK
Issue in kind	35.0
Cash consideration	16.0
Total purchase price	**51.0**

Recognized amount of identifiable assets acquired and liabilities assumed	
Customer relations	25.0
Property, plant and equipment	24.7
Inventory	6.1
Current receivables	19.4
Cash and cash equivalents	2.8
Interest-beearing liabilities to credit institutions	-10.6
Liabilities financial lease	-1.7
Debt factoring	-8.1
Deferred tax payable	-6.3
Current liabilities	-19.7
Total identifiable net assets	**31.6**
Goodwill	**19.4**

Synbra Holding B.V.

On 14 May 2018, BEWiSynbra Group AB acquired all shares in Synbra Holding BV, the parent company of the Synbra Group, a Dutch specialist in cellular plastics with operations in Northern Europé and Portugal. The Group, which had sales of approximately EUR 220 million in 2017, is an excellent complement to BEWi with regards to both products and geography.

In addition to a cash price of SEK 978.8 million, BEWi also settled external loans to credit institutions of SEK 88.4 million in Synbra and paid SEK 33.9 million into two pensions funds linked to Synbra´s previous operations in the UK. To finance the acquisition, BEWi issued new shares of SEK 400 million as well as a new corporate bond of EUR 75 million. Financing costs in connection with these issuances totaled SEK 6.7 million and SEK 23.3 million, respectively, and was recognized directly against equity and bond debts. Transaction costs recognized in profit or loss totaled SEK 6.9 million during 2017 and SEK 24.6 million during 2018 and were recognized under Other costs.

The company was consolidated as of 1 May 2018 adjusted for material transactions (such as the divestment of 66 per cent of Synbra´s share in its German subsidiary (Isobouw GmbH) during the period from 1 May to 14 May 2018, which was the acquisition date. During the third quarter, a complete acquisition analysis was carried out. The purchase price and fair value of assets and liabilities acquired after this acquisition analysis are shown in the table below. Goodwill is not tax-deductible and is related to future synergies. Since the acquisition in May, Synbra has contributed SEK 1,643.2 million to the Group´s net sales and SEK 136.2 million to EBIT. Net sales for Synbra Group in 2018 amounted to SEK 2,605.9 million and EBIT to SEK 135.0 million, excluding the effects from the acquisition, contributed SEK 258.3 million to net sales and SEK -19.0 million to EBIT.

	MSEK
Cash purhase price	978.8
Total purchase price	**978.8**

Recognized amount of identifiable assets acquired and liabilities assumed	
Trademarks	104.8
Customer relations	227.2
Technology	61.2
Intangible assets	20.6
Property, plant and equipment	609.0
Financial assets	19.7
Deferred tax assets	7.9
Inventory	187.6
Current receivables	375.2
Cash and cash equivalents	-2.7
Provisions	-19.4
Debt factoring	-89.3
Other interest-bearing liabilities to credit institutions	-88.4
Deferred tax liabilities	-170.1
Current liabilities	-524.3
Total identifiable net assets	**719.0**
Goodwill	**259.8**

Ruukin EPS Oy

On 2 January 2018, BEWiSynbra Group AB acquired 60 percent of the shares in Ruukin EPS Oy, a Finnish manufacturer of insulation materials. The shares were acquired for a cash price SEK 9.8 million. Under the agreement, the seller has an option to divest the remaining shares to BEWiSynbra in accordance with a predetermined pricing mechanism and a given time frame. According to the agreement, BEWiSynbra is also entitled to acquire the remaining shares, calculated according to the same pricing mechanism, given certain conditions.

Ruukin had sales of EUR 2.5 million in 2017 and produces insulation products at a plant in Ruukin, Finland. Goodwill arising in connection with the acquisition pertains to expected profitability and estimated synergies related to a stronger position for the Group in the Finnish insulation market. Goodwill is not tax-deductible. Non-controlling interests have been valued at the proportional share of the interest in the recognized value of the identifiable net assets of the acquired company.

Transaction costs attributable to the acquisition totalled SEK 0.4 million during 2017 and SEK 0.2 million during 2018 and were recognized under Other external costs in profit or loss. The company was consolidated from the date of acquisition (i.e. from the beginning of the year) and contributed SEK 23.4 million to the Group's net sales and SEK -1.5 million to EBIT for the first nine months of 2018. The purchase price and fair value of assets and liabilities acquired are shown in the table below.

	MSEK
Cash purhase price	9.8
Total purchase price	**9.8**

Recognized amount of identifiable assets acquired and liabilities assumed	
Tangible assets	5.7
Inventory	1.3
Current receivables	1.7
Cash and cash equivalents	1.4
Interest-bearing liabilities	-2.2
Current liabilities	-1.0
Total identifiable net assets	**6.9**
Non-controlling interests	**-2.8**
Goodwill	**5.7**

NOTE 15 SHARES IN ASSOCIATES

Name	Carrying amount 2017-12-31	Acquisitions during the year	Share at income	Carrying amount 2018-12-31
IsoBouW GmbH	-	0.0	5.4	5.4
Hirsch Porozell GmbH	-	0.0	1.3	1.3
Total	**-**	**0.0**	**6.7**	**6.7**

NOTE 16 FINANCIAL INSTRUMENTS PER CATEGORY

2018-12-31 MSEK	Financial assets measured at fair value through profit and losss	Financial assets measured at amortised cost	Total
Balance sheet assets			
Other long-term receivables	-	1.2	1.2
Participations in other companies	2.6	-	2.6
Account receivables	-	527.6	527.6
Current derivative assets	0.4	-	0.4
Cash and cash equivalents	-	235.3	235.3
Total	**3.0**	**764.1**	**767.1**

2018-12-31 MSEK	Financial liabilities valued at fair value through profit and loss	Financial liabilities measured at amortised cost	Total
Balance sheet liabilities			
Bond loan	-	1,290.2	1,290.2
Long-term derivative liability	20.8	0.0	20.8
Other long-term interest-bearing liabilities	-	52.4	52.4
Other current interest-bearing liabilities	-	15.2	15.2
Liabilities towards holders of non-controlling interests	-	1.0	1.0
Earnouts	1.6	0.0	1.6
Current derivative liability	1.4	0.0	1.4
Account payables	-	478.4	478.4
Total	**23.8**	**1,837.1**	**1,860.9**

2017-12-31 MSEK	Financial assets that can be sold	Loan receivables and account receivables	Total
Balance sheet assets			
Other long-term receivables	-	1.0	1.0
Participations in other companies	1.0	-	1.0
Account receivables	-	218.8	218.8
Cash and cash equivalents	-	110.6	110.6
Total	**1.0**	**330.3**	**331.3**

2017-12-31 MSEK	Financial liabilities valued at fair value via the result	Other financial liabilities	Total
Balance sheet liabilities			
Bond loan	-	537.8	537.8
Long-term derivative liability	2.7	-	2.7
Other long-term interest-bearing liabilities	-	31.3	31.3
Other current interest-bearing liabilities	-	6.9	6.9
Liabilities towards holders of non-controlling interests	-	1.0	1.0
Earnouts	1.8	-	1.8
Current derivative liability	-	-	-
Account payables	-	231.4	231.4
Total	**4.5**	**808.3**	**812.8**

Financial instruments in the tables for 2018 follow the classification in IFRS 9, whereas the tables for 2017 follow the classification in IFRS 7 in accordance with the transitional provisions for IFRS 9.

NOTE 17 ACCOUNTS RECEIVABLES

MSEK	2018-12-31	2017-12-31
Accounts receivables	542.3	220.9
Deducted: provisions for impairment for doubtful receivables	-14.7	-2.2
Accounts receivables – net	**527.6**	**218.8**

The ageing analysis of all account receivables is clear from below:

MSEK	2018-12-31	2017-12-31
Not yet matured	428.3	191.5
1-30 days	80.2	19.5
31-60	10.9	1.7
> 61 days	22.9	8.3
Deducted: provisions for impairment for doubtful receivables	-14.7	-2.2
Account receivables – net	**527.6**	**218.8**

MSEK	2018-12-31	2017-12-31
Matured account receivables not part of the provisions for impairment for doubtful receivables	99.3	27.2

Carrying amounts, per currency, for account receivables and other receivables are the following:

MSEK	2018-12-31	2017-12-31
SEK	77.5	79.7
EUR	276.4	84.8
GBP	2.5	16.3
NOK	70.4	5.1
DKK	100.8	32.8
	527.6	**218.8**

The Group is applying the simplified approach for estimating credit losses. Estimated life-time cash shortfalls is the basis for calculating credit losses for accounts receivables. For this purpose, accounts receivables are grouped based on certain characteristics. BEWiSynbra's principles for writing off accounts receivables are based on prerequisites such as insolvency, failed legal and other collection processes, credit risk assessments based on credit information provided by credit agencies, identified payment behavior, company specific information such as changes in company management or lost contracts and macro-economic outlook for industries and countries. Credit losses on accounts receivables are reported in operating income. Reversals of prior credit losses are also reported in operating income.

Prior years, accounts receivables were written off individually based on past events.

NOTE 18 INVENTORY

The expenditure for inventory carried as an expense forms part of the items raw materials and consumables and goods for resale in the income statement and amounts to MSEK 2,219.9 (2017: MSEK 1 178,7).

MSEK 3.2 was expensed as write-downs of inventory in 2018. The Group reversed MSEK 0,9 in 2018 (2017: MSEK 0) of earlier write-downs of the inventory. The expense and the amount reversed amount are reported in the item raw materials and consumables in the income statement.

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

MSEK	2018-12-31	2017-12-31
Prepaid energy tax expenses	5.4	2.6
Prepaid rent for premises	3.9	2.7
Prepaid insurance charges	0.3	1.0
Accrued bonus and discount revenue	1.8	0.8
Other items	7.3	8.4
Total	**18.7**	**15.5**

NOTE 20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following, on the balance sheet as well as in the cash flow statement:

MSEK	2018-12-31	2017-12-31
Bank balances	235.3	110.6

NOTE 21 SHARE CAPITAL

The number of shares as of December 31, 2018 amounted to 138.937.980 with the quota value of SEK 0.0097 (2017: 0.05). Shares entitles to 1 vote. All shares issued by the parent company are fully paid.

	Share Capital 2018	Share Capital 2017
Opening balance as of Jan 1	500,000	103,130
Changes	847,209	396,870
Closing balance Dec 31	1,347,209	500,000

Fully paid ordinary share	Date of decision	Changes in number of Shares of class A/ordinary shares	New number of Shares of class B	Change in share capital	Total number of shares	Total share capital (SEK)	Par value (SEK)
As of December 31, 2016					10,313,032	103,130	0.010000
Bonus issue, without new share issue	Apr. 24, 2017			396,870	10,313,032	500,000	0.048482
Share issue	Apr. 5, 2018	9,376,465		454,594	19,689,497	954,594	0.048482
Share issue	Sep. 26, 2018	8,098,099		392,615	27,787,596	1,347,209	0.048482
Conversion of all B shares to A 1:1	Oct. 26, 2018	313,032	-313,032		27,787,596	1,347,209	0.048482
Share split of ordinary shares	Oct. 26, 2018	111,150,384			138,937,980	1,347,209	0.009696
As of December 31, 2018					138,937,980	1,347,209	0.009696

On April 5, 2018 an extraordinary general meeting resolved on the directed share issue of MSEK 400, through the issuance of 9,376,465 new shares of series A, as part of the financing of the acquisition of Synbra. On September 28, 2018 an extraordinary general meeting resolved on a directed share issue of MSEK 765, through the issuance of 8,098,099 shares of series A to be paid with non-cash consideration consisting of all the shares in BEWi Produkter AS and BEWi Polar AS and a portion of the shares in BEWi Automotive AB. On October 26, 2018 an extraordinary general meeting resolved on a share split of 1:5, resulting in 138,937,980 shares outstanding and a quota value per share of SEK 0.0097. In addition, the meeting resolved to convert all shares of series B to shares of series A. After this change, each share in the company entitles the owner to one vote in the company.

NOTE 22 BORROWINGS

MSEK	2018-12-31	2017-12-31
Long-term		
Bond loan	1,290.2	537.8
Liabilities to credit institutions	17.6	19.3
Liabilities to related parties	0.0	0.0
Liabilities regarding financial leasing	34.8	12.0
Total long-term borrowings	**1,342.5**	**569.1**
Short-term		
Liabilities to credit institutions	12.0	3.6
Liabilities to owners with non-controlling interest	1.0	1.0
Liabilities regarding financial leasing	3.2	3.3
Total short-term borrowings	**16.2**	**7.9**

Future total minimum lease payments for finance leases are as follows:

	2018	2017
Within 1 yr	14.1	3.7
Between 1 and 5 yrs.	22.7	10.2
More than 5 yrs.	0.7	0.0
Total	**37.5**	**13.9**
Present value on liabilities relating to financial leasing	37.5	15.4

The present value of liabilities relating to leasing is higher than the future minimum lease payments, as the present value also includes discounted residual values at the end of the lease period. Liabilities relating to financial leases are reported in the balance sheet as liabilities to credit institutions.

Change in net debt MSEK	Cash and cash equivalents	Bond loan	Liabilities to credit institutions	Liabilities to related parties	Factoring-liabilities	Liabilities to non-controlling holders	Total change in net debt
Net debt as of December 31, 2016	**23.2**	**0**	**-281.9**	**-29.6**	**-76.3**	**-**	**-364.6**
Cash flow affecting changes							
Borrowings	-	-550.0	-543.3	-	-18.6	-	-1,111.8
Transactions costs for borrowing	-	15.3					15.3
Repayment of loans	-	-	828.3	54.7	94.8	-	977.8
Financial leasing debt	-	-	-4.5	-	-	-	-4.5
Repayment financial leasing debt	-	-	4.2	-	-	-	4.2
Total cash flow in financing activities	**-**	**-534.7**	**284.8**	**54.7**	**76.3**	**-**	**-118.9**
Cash flow	87.1						87.1
Total cash flow changes	**87.1**	**-534.7**	**284.8**	**54.7**	**76.3**	**0**	**-31.8**
Changes not affecting cash flow							
Through acquisitions	-	-	-34.4	-	-	-1.0	-35.4
Acquisition credits	-	-	-	-23.5	-	-	-23.5
Capitalised interest expenses	-	-3.1	-	-1.1	-	-	-4.2
Exchange differences	0.3	-	-6.8	-0.6	-	-	-7.1
Total changes not affecting cash flow	**0.3**	**-3.1**	**-41.2**	**-25.1**	**-**	**-1.0**	**-70.1**
Net debt as of December 31, 2017	**110.6**	**-537.8**	**-38.2**	**-**	**-**	**-1.0**	**-466.4**

MSEK 4,1 of transaction costs on borrowings mentioned above are reported in the cash flow statement under item Interest and Financing costs and are thus included in the cash flow of the ordinary course of business. Correspondingly, cash flow from financing activities are MSEK 4.1 higher than the total of cash flow affecting changes attributable to debt in the table above.

Change in net debt MSEK	Cash and cash equivalents	Bond loan	Liabilities to credit institutions	Liabilities to related parties	Factoring-liabilities	Liabilities to non-controlling holders	Total change in net debt
Net debt as of December 31, 2017	**110.6**	**-537.8**	**-38.2**	**-**	**-**	**-1.0**	**-466.4**
Cash flow affecting changes							
Borrowings	-	-778.2	-	-	-	-	-778.2
Transactions costs for borrowing	-	26.6	-	-	-	-	26.6
Repayment of loans	-	-	103.8	-	88.7	-	192.5
Financial leasing debt	-	-	-	-	-	-	-
Repayment financial leasing debt	-	-	4.7	-	-	-	4.7
Total cash flow in financing activities	**-**	**-751.6**	**108.5**	**-**	**88.7**	**-**	**-554.4**
Cash flow	126.6						126.6
Total cash flow changes	**126.6**	**-751.6**	**108.5**	**-**	**88.7**	**-**	**-427.8**
Changes not affecting cash flow					**-**		
Through acquisitions	-	-	-131.6		-97.4	-	-229.0
Acquisition credits	-	-	-	-	-	-	-
Capitalised interest expenses	-	-		-	-	-	-0.8
Exchange differences	-1.9	-0.8	1.4	-	1.0	-	-0.6
Total changes not affecting cash flow	**-1.9**	**-0.8**	**-131.3**	**-**	**-96.4**	**-**	**-230.4**
Net debt as of December 31, 2018	**235.3**	**-1,290.2**	**-59.9**	**-**	**-7.7**	**-1.0**	**-1,123.4**

The Group was refinanced in the spring of 2017, at which point the Parent Company issued a corporate bond of SEK 550 million that was simultaneously listed on the Nasdaq Stockholm corporate bond list. The bond will expire on 8 June 8, 2020. Moreover, a new overdraft facility of SEK 100 million was received from the Group's principal bank. As part of the financing of the Synbra acquisition, a new corporate bond of EUR 75 million was issued on 19 April 19, 2018, which was and listed on the Nasdaq Stockholm corporate bond list on 14 June 2018. The bond will expire on 19 April 19, 2022. In connection with the issue of the new bond, the Group's principal bank increased the overdraft facility by SEK 175 million to a total of SEK 275 million. The overdraft facility was unutilized at 31 December 2018. The bond are recognised under the effective interest method at amortized cost after deductions for transaction costs. Interest terms, as well as nominal interest rates and average interest rates recognised are presented in the table below.

Interest rates bonds

		Nominal interest		Average interest	
Bond loans	**Interest terms**	**2018**	**2017**	**2018**	**2017**
550 MSEK	Stibor 3m + 4.40%	3.88-4.05%	3.82-3.93%	4.99%	4.93%
75 MEUR	Euribor 3m + 4.75%	4.36-4.43%	-	5.54%	-

In order to hedge the EUR exposure on intra-group lending to subsidiaries, the Group entered into a currency interest swap in connection with issuing of the first bond, where the Group borrows EUR 41.2 million and lends the equivalent amount in SEK, valued at the swap entrance at SEK 401.7 million. The swap expires in April 2020. The swap is reported in net in the balance sheet as a derivative, and the carrying amount at 31 September December 2018 amounted to SEK 20.8 million (2.7 at 31 December 31, 2017). The currency interest swap carries an interest margin of 0.24 % per cent between borrowing and lending. In addition to the bond, the Group has a number financial lease liabilities as well as liabilities in acquired companies in the form of liabilities to credit institutions and liabilities related to factoring. Liabilities to credit institutions in 2017 prior to the refinancing carried an average interst of 2.3-3.3% (interest during a bidge financing included) and liabilities to related parties during that same period carried an average interest of 2.4-3.5%, expect for an acquisition credit that ran with an interst of 8%.

Covenants and provided security

Certain covenants have been established for the bond loan and the overdraft facility which the Group is obliged to comply with. These refer to the net debt/EBITDA and interest coverage ratio. Once a year, a reconciliation is made of EBITDA, net sales and total assets of the Group companies covered by the loan agreements for the bond loan and the overdraft facility against the Group's EBITDA, net sales and total assets. The Group has not been in breach of any covenants. For the bond loan and the overdraft facility security has been granted in the form of business mortgages and shares in subsidiaries (see note 27).

Security for liabilities to credit institutions have been provided in the form of business mortgages with a value of MSEK 2,358.6 (2017: MSEK 2,263.7) and pledged shares in subsidiaries with a value of MSEK 2,208.2 (2017: MSEK 442.6). See note 28.

Fair value of the bond loans, which is listed on the corporate bond list on Nasdaq Stockholm, was MSEK 1,324.8 (2017: MSEK 554.1) as of December 31, 2018. The carrying value of the Group's other borrowings is estimated to be a good approximation of their fair value since the loans carry floating interest rates.

Carrying amounts per currency for the Group's borrowings are as follows:

MSEK	2018-12-31	2017-12-31
SEK	533.2	544.9
EUR	77.5	2.9
NOK	25.0	-
DKK	2.2	2.9

The Group has the following unutilised credit facilities:

MSEK	2018-12-31	2017-12-31
Overdraft facility	275.0	100.0

NOTE 23 PENSIONS AND SIMILAR OBLIGATIONS TO EMPLOYEES

The Group provides defined benefit pension plans in Finland and the UK. The defined benefit pension plans in the UK, which are closed for new participants, came with the acquisition of Synbra and are related to Synbra's previous operations in the UK. Due to contractual obligations, the Group had to pay a lump sum to the UK funds in 2018, following the change of ownership of Synbra. As a result, the fair value of plan assets in one of funds exceed the present value of the pension obligation and a net pension asset is recognised on the balance sheet. The net pension asset is not subject to asset ceiling limitations. The defined benefit pension obligations, calculated in accordance with the Projected Unit Credit Method, are, among other things, based on estimated salary increases, apart from the UK funds, which are closed for new participants and where the existing participants are no longer employed by the Group. In addition to the defined benefit pension plans, the Group also provides other long-term benefits in the Netherlands through a so called Jubilee plan, which entitles the participants salary benefits for long-term service. The Jubilee plan is calculated in accordance with the Projected Unit Credit Method and is presented below as Other long-term benefits.

The amounts reported on the balance sheet have been calculated as follows:

	Defined befenefit pension plans		Other long-term benefits	
MSEK	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Present value of funded obligations	-469.0	-30.8	-	-
Fair value of plan assets	491.3	24.2	-	-
	22.3	**-6.6**	**-**	**-**
Present value of unfunded obligations	-	-	-11.0	-
Net asset(+)/liability(-) as of 31 December	**22.3**	**-6.6**	**-11.0**	**-**
Net Pension asset				
United Kingdom	31.1	-	-	-
	31.1	**-**	**-**	**-**
Pensions obligations and other long-term benefits				
Netherlands	-	-	-11.0	-
Finland	-5.7	-6.6	-	-
United Kingdom	-3.1	0.0	-	-
	-8.8	**-6.6**	**-11.0**	**-**

The amounts reported on the balance sheet and changes in the defined benefit pension plan during the year are as follows:

	Defined befenefit pension plans		Other long-term benefits	
	2018	2017	2018	2017
As of January 1, 2018 MSEK				
Costs of service during the current year	-1.1	-1.1	-0.4	-
Net Interest income/expense	0.3	-0.1	-0.1	-
Total reported in the income statement	**-0.8**	**-1.2**	**-0.5**	**-**
Return on plan assets excluding amounts included in interest expenses/income	-8.0	0.5	-	-
Actuarial gains/losses from changes in demographic assumptions	2.3	0.0	-	-
Actuarial gains/losses from changes in financial assumptions	1.6	-0.4	0.1	-
Experience based gains/losses	0.5	0.5	-	-
Total reported in other comprehensive income	**-3.6**	**0.6**	**0.1**	**-**

	Defined befenefit pension plans		Other long-term benefits	
Change in the present value of the obligation	**2018-12-31**	**2017-12-31**	**2018-12-31**	**2017-12-31**
As of 1 January	-30.8	-29.5	-	-
Through acquired business	-449.9	-	-10.8	-
Current service cost	-1.1	-1.1	-0.4	-
Interest cost	-8.0	-0.5	-0.1	-
Actuarial gains/losses	4.4	0.1	0.1	-
Benefits paid	17.4	1.1	0.2	-
Exchange rate differences	-1.2	-0.9	-	-
As of 31 December	**-469.0**	**-30.8**	**-11.0**	**-**

	Defined befenefit pension plans		Other long-term benefits	
Change in fair value of plan assets	**2018-12-31**	**2017-12-31**	**2018-12-31**	**2017-12-31**
As of 1 January	24.2	22.2	-	-
Through acquired business	445.9	0	-	-
Interest income	8.3	0.4	-	-
Return on plan assets excluding amounts included in interest expenses/income	-8.0	0.5	-	-
Contributions by the employer	37.5	1.6	-	-
Benefits paid	-17.4	-1.1	-	-
Exchange rate differences	0.9	0.6	-	-
As of 31 December	**491.3**	**24.2**	**-**	**-**

Only one category of plan assets is reported in these consolidated accounts: unlisted insurance policies.

The most critical actuarial assumptions for the defined benefit pensions were:	**2018-12-31**	**2017-12-31**
Discount rate	1.6-2.8%	1.50%
Salary increase	2.0%	2.00%
Pension increase	1.60-3.0%	1.60%

Salary increase not relevent for the closed UK funds.

The most critical actuarial assumptions for other long-term benefits were:	**2018-12-31**	**2017-12-31**
Discount rate	1.35%	-
Salary increase	2.20%	-

The sensitivity in the net defined benefit pension asset/liability for changes in essential assumptions are presented below (minus equals decrease in net asset/increase in net liability):

Change in fair value of plan assets MSEK	Change	Increase in assumption	Decrease in assumption
Discount rate	0.50%	29.2	-32.7
Salary increase	0.50%	-0.1	0.1
Pension increase	0.25%	-11.2	10.6
Life expectancy	5.00%	-5.8	6.4

The sensitivity analyses above are based on the change of an assumption, other varables held constant. The occurrence of this is unlikely and changes to some of the assumption may be correlated. The same method is used when calculating the sensitivity of significant actuarial assumptions of the defined benefit obligation as for calculating the pension commitment reported in the consolidated statement of financial position (present value of the defined benefit obligation, applying the so-called projected unit credit method at the end of the reporting period). The methods and assumptions, on which the sensitivity analyses have been based, have not changed since the previous period.

For the financial year of 2019, the defined pension plan fees are expected to amount of MSEK 3.0.

Plan asset allocation	2018-12-31	2017-12-31
Bonds	191.7	-
Equities	123.9	-
Hedge funds	123.9	-
Insurance contracts	25.3	24.2
Alternatives	12.7	-
Cash	13.8	-
	491.3	**24.2**

Analyses of expected undiscounted payments of defined benefits (MSEK):	2018-12-31	2017-12-31
Within 1 year	18.6	0.3
1-2 years	18.6	0.6
3-5 years	64.4	5.1
5 years or more	587.0	9.6

NOTE 24 OTHER PROVISIONS

MSEK	Restoration of environment	Restructuring measures	Health benefits	Staff benefits	Guarantee	Total
As of January 1, 2017	0.6	0.0	0.6	1.2	-	2.4
Reported in the income statement:						
-additional provisions	-	5.1	-	-	-	5.1
Exchange differences	-	-	-	-	-	0.1
Utilised during the year	-	-	-	-0.4	-	-0.4
As of December 31, 2017	**0.7**	**5.1**	**0.6**	**0.8**	**-**	**7.2**

MSEK	Restoration of environment	Restructuring measures	Health benefits	Staff benefits	Guarantee	Total
As of January 1, 2018	0.7	5.1	0.6	0.8	0.0	7.2
Through acquired business	-	-	-	-	2.7	2.7
Reported in the income statement:						
-additional provisions	0.7	-	-	0.3	-	1.0
-reversal of unutilized amount	-	-	-	-	-1.6	-1.6
Exchange differences	-	-	-	-	0.1	0.2
Utilised during the year	-0.7	-2.9	-0.1	-0.6	0.2	-4.1
As of December 31, 2018	**0.7**	**2.3**	**0.6**	**0.5**	**1.3**	**5.4**

MSEK	2018-12-31	2017-12-31
Long-term provision	1.8	2.1
Short-term provision	3.6	5.1
Total provisions	**5.4**	**7.2**

NOTE 25 ACCRUED EXPENSES AND DEFERRED INCOME

MSEK	2018-12-31	2017-12-31
Accrued payroll liabilities	32.9	4.1
Accrued social security charges	8.2	1.9
Accrued holiday pay including social security charges	61.9	25.1
Other wage-related accrued expenses	-	13.4
Accrued customer bonuses	70.3	11.4
Accrued interest	13.3	8.3
Other items	69.6	7.6
Total	**256.1**	**71.8**

NOTE 26 CONTINGENT LIABILITIES

MSEK	2018-12-31	2017-12-31
Guarantees to suppliers	47.7	104.7
Total	**47.7**	**104.7**

NOTE 27 PLEDGED ASSETS

MSEK	2018-12-31	2017-12-31
Business mortgages	2,358.6	2,263.7
Pledged shares in subsidiaries	2,208.2	442.6
Total	**4,566.8**	**2,746.9**

NOTE 28 RELATED PARTIES

The parent company, BEWiSynbra Group AB, is owned by Frøya Invest AS (63.65%) and KMC Family AS (1.33%), funds controlled by Verdane Capital (17.99%) and Gjelsten Holding AS (15.89%). The remaining 1.14% is owned by the Group's management and employees. Frøya Invest AS, a Norwegian company with reg.no. 919 381 310, is wholly-owned by KMC Family AS, also a Norwegian company with reg.no. 920 225 268. The ultimate owners of Frøya Invest AS and KMC Family AS are members of the Bekken family in Norway, including Christian Bekken, Director of Business Development and part of the Executive Management in BEWiSynbra Group AB. Funds controlled by Verdane Capital are Verdane ETF III SPV K/S, CVR no 29403457 and Verdane ETF VII SPV K/S, CVR no. 32153534. Gjelsten Holding AS is a Norwegian company with reg.no. 979 580 193. Other related parties are Group management and the Board of Directors (remuneration disclosed in note 6) and the two 34% owned associated companies; IsoBouw GmbH and Hirsch Porozell GmbH.

Transactions impacting the income statement

MSEK	2018	2017
Sales to Bekken owned companies		
Sale of goods to Bekken owned companies	142.2	147.7
Sales of goods to IsoBouw GmbH	189.0	-
Sale of goods to Hirsch Porozell GmbH	56.4	-

In connection with the acquisition of IsoBouw GmbH, the Group settled external loans in IsoBouw GmbH of MUER 5.4, which became a loan from the Group to that company. In the acquisition analysis the loan was valued at zero and is consequently not recognised on the balance sheet.

Loans from related parties

MSEK	2018-12-31	2017-12-31
Loans from owners		
At the beginning of the year	-	29.6
Exchange differences	-	0.6
Capitalised interest expenses	-	1.1
Borrowings	-	23.5
Amortisations	-	-54.7
At the end of the year	**-**	**0.0**

The acquisitions in 2018 of BEWi Produkter AS, BEWi Polar AS and BEWi Automotive AS were done from Frøya Invest AS and KMC Family AS. The ultimate owners of these companies are members of the Bekken family in Norway, including Christian Bekken, Director of Business Development and part of the Executive Management in BEWiSynbra Group AB. In the second quarter of 2018, five properties in Denmark and Sweden were sold for SEK 110 million in a sale and leaseback transaction to KMC Family AS.

The transactions were conducted on normal market terms.

NOTE 29 ADJUSTMENTS FOR NON-CASH ITEMS, ETC.

MSEK	2018-12-31	2017-12-31
Depreciations, amortisations and write-downs	151.5	51.6
Release negative goodwill	-	-8.7
Provisions for pension liabilities	-2.6	-0.2
Chane in other provisions	-9.4	4.6
Share of income from associates	-6.7	-
Capital gain from sale of assets	-51.6	
Total	**81.2**	**47.4**

NOTE 30 SUBSEQUENT EVENTS

In February 2019, BEWiSynbra launched the concept “Use-ReUse”, aiming to set a new industry standard for collecting and recycling EPS. The company’s ambition is to raise the awareness on the ease and importance of recycling EPS, and at the same time, offer a solution for collecting and recycling at all levels.

In January 2019, the Board of Directors of BEWiSynbra decided to close the production facility in Dorotea in Sweden. The decision was based on the unsatisfactory performance in the Swedish operations, in particular in the Insulation segment, as well as the anticipated demand going forward. The production has been transferred to other facilities and as a consequence, the Group expects to record modest restructuring costs in the first quarter of 2019.

On 28 March 2019, BEWiSynbra Group acquired 51% in Pingxi NV, active in the recycling business through its wholly owned subsidiary Eco Fill bvba. The acquisition is an important step in the launch of BEWiSynbra Circular and the concept Use-ReUse. The company, located in Belgium, has a revenue today of approximately MEUR 2. The acquisition price was MSEK 4.3 and MEUR 6.3 in loans in the acquired company were settled in connection with the acquisition. Due to the timing of the acquisition, the process of establishing the fair value of acquired assets and liabilities is not yet completed when this report is published. However, a preliminary acquisition analysis shows acquired net assets of approximately MSEK 9.4, of which approximately 4.8 is attributable to the equity holders of the parent company and no goodwill has consequently not yet been identified in the preliminary acquisition analysis.

Income statement of the parent company

Amounts in MSEK	2018	2017
Operating income		
Net sales	11.8	3.9
Total operating income	**11.8**	**3.9**
Operating expenses		
Other external costs	-30.0	-6.2
Personnel costs	-12.6	-3.2
Total operating expenses	**-42.6**	**-9.4**
Operating profit	**-30.8**	**-5.5**
Interest income and similar items	66.9	16.2
Interest expenses and similar income items	-61.0	-18.0
Total from financial items	**5.9**	**-1.8**
Appropriations	0.0	2.8
Profit or loss before taxes	**-24.9**	**-4.6**
Tax on net income for the year	0.0	0.0
Net profit for the year	**-24.9**	**-4.6**

Statement of financial position of the parent company

Amounts in MSEK	Note	2018-12-31	2017-12-31
ASSETS			
Financial assets			
Shares in subsidiaries	7	1,023.8	247.8
Receivables from Group companies	8	1,725.2	570.4
Total financial assets		**2,749.0**	**818.1**
Total fixed assets		**2,749.0**	**818.1**
Current assets			
Short-term assets			
Receivables from Group companies	8	35.0	17.3
Other accounts receivables		6.6	0.7
Prepaid expenses and accrued income		0.2	7.1
Total short-term receivables		41.9	25.1
Cash and bank balances	9	17.1	7.6
Total current assets		**59.0**	**32.8**
TOTAL ASSETS		**2,808.0**	**850.9**

Amounts in MSEK	Note	2018-12-31	2017-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (138,937,980 shares)	10	1.3	0.5
Total restricted equity		**1.3**	**0.5**
Non-restricted equity			
Additional paid-in capital		1,402.0	244.5
Profit or loss brought forward		-5.0	-0.4
Net profit or loss for the year		-24.9	-4.6
Total non-restricted equity		**1,372.1**	**239.5**
Total equity		**1,373.4**	**240.0**
Long-term liabilities			
Bond loan	11	1,292.6	540.1
Liabilities to Group companies	11	34.4	34.4
Total long-term liabilities		**1,326.9**	**574.5**
Short-term liabilities			
Liabilities to Group companies		73.6	13.0
Account payables		10.7	7.1
Other short-term liabilities		2.5	2.1
Accrued expenses and deferred income		20.9	14.2
Total short-term liabilities		**107.7**	**36.4**
TOTAL EQUITY AND LIABILITIES		**2,808.0**	**850.9**

Changes in equity for the parent company

	Restricted equity	Non-restricted equity		
Amounts in MSEK	Share capital	Additional paid-in capital	Profit or loss brought forward	Total
Balance brought forward as of January 1, 2017	**0.1**	**244.9**	**-0.4**	**244.6**
Net profit or loss for the year			-4.6	**-4.6**
Bonus issue	0.4	-0.4		**0.0**
Balance carried forward as of December 31, 2017	**0.5**	**244.5**	**-5.0**	**240.0**
New share issue	0.8	1,157.5		**1,158.3**
Net profit or loss for the year			-24.9	**-24.9**
Balance carried forward as of December 31, 2018	**1.3**	**1,402.0**	-29.9	**1,373.4**

Cash flow statement for the parent company

		Financial year	
Amounts in MSEK	**Note**	**2018**	**2017**
Operating cash flow			
Income before financial items		-30.8	-5.5
Interest paid and financing costs		-45.8	-10.8
Interest received		66.9	16.2
Operating cash flow before changes to working capital		**-9.7**	**-0.2**
Cash flow from working capital changes			
Increase/decrease in current receivables		-11.7	-9.3
Increase/decrease in operating debt		66.1	28.6
Total change to working capital		**54.4**	**19.3**
Operating cash flow		**44,7**	**19.1**
Cash flow from investment activities			
Loans to Group companies		-1,164.0	-540.4
Acquisitions of subsidiary		-16.0	0.0
Cash flow from investment activities		**-1,180.0**	**-540.4**
Cash flow from financing activities			
Repayment of liabilities to related parties		-	-43.2
Borrowings from Group companies		-	31.9
Bond loan issue		751.6	537.7
New share issue		393.3	0.0
Cash flow from financing activities		**1,144.9**	**526.4**
Cash flow for the period		**9.5**	**5.1**
Cash and cash equivalents at the beginning of the year		7.6	2.5
Cash and cash equivalents at the end of the year	9	**17.1**	**7.6**

PARENT COMPANY

Accounting principles and notes to the accounts

NOTE 1 GENERAL INFORMATION

The parent company is a limited company (aktiebolag) registered in Sweden, registered office in Solna, Gårdsvägen 13, 169 790Solna.

Amounts are given in thousand krona (MSEK), unless otherwise specified. The information in brackets concern previous years.

NOTE 2 SUMMARY OF KEY ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY

The key accounting principles used in this annual report are stated below. The principles have consistently been used for all reported financial years, unless otherwise specified.

The annual report for the parent company is prepared in accordance with RFR 2 Accounting for legal entities and the Annual Accounts Act (Årsredovisningslagen). The accounts are stated below, for which the parent company applies accounting principles differing from those of the Group, as described in note 2 to the consolidated accounts.

The annual report has been prepared in accordance with the cost value principle.

The preparation of reports in accordance with RFR 2 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the parent company's accounting principles. The areas involving a higher degree of judgement or complexity or areas for which assumptions and estimates are significant to the annual report, are stated in note 4 to the consolidated accounts.

The parent company is through its activities exposed to several different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The parent company's comprehensive financial risk management is focused on the unpredictability of the financial markets and strives to minimise any adverse effect on the consolidated profits. For more information regarding financial risks, see note 3 to the consolidated accounts.

The parent company applies accounting principles differing from those of the Group for the areas are stated below:

Layout

The income statement and statement of financial position is compliant with the layout stipulated in the Annual Accounts Act. The statement of changes to equity observes the layout of the consolidated accounts, but must contain the columns stated in the Annual Accounts Act. Furthermore, differences arise relating to designations, in comparison with the consolidated accounts, mainly concerning the financial income/expense and equity.

Shares in subsidiaries

Shares in subsidiaries are reported at acquisition cost less any impairment. The acquisition cost includes any cost related to the acquisition and any additional purchase price.

A calculation of the recoverable amount is undertaken, in the event of an indicator of impairment of the shares in a subsidiary. Should the recoverable amount be below the carrying amount, impairment is made. Impairments are reported in Profit from participations in Group companies.

Financial instruments

IIFRS 9 is not applied for the parent company (apart from the rules on provisions for expected credit losses) and financial instruments are reported at acquisition cost. Financial assets acquired for short-term holding will in subsequent periods be reported at the lower of acquisition cost or market value.

NOTE 3 OPERATIONAL LEASE CONTRACTS

The parent company acts solely as lessee, only aiming at the lease of vehicles. The parent company leases cars under non-terminable operational lease contracts. The lease period varies, ranging from 1–5 years. Most lease contracts may be extended at the end of the lease period at a fee that complies with a fee adjusted to the market.

MSEK	2018	2017
Within 1 year	0.3	-
Between 1 and 5 years	0.3	-
More than 5 years	-	-
Total	**0.6**	**-**

The expensed leasing fees during the year were: MSEK 0,3 (2017: MSEK 0,0).

NOTE 4 INTEREST INCOME AND INTEREST EXPENSE AND SIMILAR ITEMS

MSEK	2018	2017
Interest income, Group companies	66.9	16.2
Total interest income and similar items	**66.9**	**16.2**
Interest expense	-55.2	-16.3
Interest expense, Group companies	-2.3	-1.0
Exchange rate differences	-3.3	-0.7
Other financial expenses	-0.2	-
Total interest expense and items	**-61.0**	**-18.0**
Total financial income and expense – net	**5.9**	**-1.8**

NOTE 5 EXCHANGE DIFFERENCES – NET

Exchange differences are reported in the income statement in accordance with the following:

MSEK	2018	2017
Financial income and expense – net	-3.3	-0.7
Total	**-3.3**	**-0.7**

NOTE 6 INCOME TAX ON THE PROFIT FOR THE YEAR

The income tax attributable to the income before taxes differs from the theoretical amount that would have arisen from the application of the tax rate in Sweden for the income of the parent company as follows:

MSEK	2018	2017
Income before taxes	-24.9	-4.6
Income tax calculated using the Swedish tax rate (22 %)	5.5	1.0
Tax effects attributable to:		
Non-deductible costs	0.0	0.0
Tax attributable to unreported tax loss carry forwars	-5.5	-1.0
Total tax reported	**0.0**	**-**

Unutilised tax loss carry forwards for which no deferred tax assets has been reported amount to MSEK 6.4 (MSEK 1.1).

NOTE 7 SHARES IN SUBSIDIARIES AND ASSOCIATES

SUBSIDIARIES

MSEK	2018-12-31	2017-12-31
As of 1 January	247.8	234.0
Acquisition of subsidiaries	776.0	13.8
As of 31 December	**1,023.8**	**247.8**

Name	Reg. no.	Registered office and country of operation/ registration	No. of shares	Proportion of ordinary shares directly held by the parent (%)	Proportion of ordinary shares held by non-controlling interests (%)	Carrying amount 2018-12-31	Carrying amount 2017-12-31
Directly owned							
Genevad Holding AB	556707-1948	Norrtälje, Sverige	100,000	100	0	1,010.0	234.0
BEWi M-plast Oy	0506033-6	Kaavi, Finland	1,787	90	10	13.8	13.8

Name	Reg. No.	Registered office and country of operation/ registration	Proportion of ordinary shares held by the parent (%)
Indirectly owned			
BEWi Insulation AB	556541-7788	Sweden	100
BEWi Packaging AB	556961-3309	Sweden	100
BEWi Dorotea AB	556669-9434	Sweden	100
BEWiSynbra Circular AB	556628-9178	Sweden	100
BEWi Automotive AB	559102-5332	Sweden	100
BEWi Insulation AS	986 795 693	Norway	100
BEWi Polar AS	985 367 752	Norway	100
BEWi Produkter AS	928 878 090	Norway	100
BEWi Cabee Oy	2083942-8	Finland	100
BEWi Styrochem Oy	10974747-6	Finland	100
BEWi Insulation Oy	0606536-6	Finland	60
BEWi Ruukin Oy	0949180-3	Finland	60
BEWi Flamingo AS	31867304	Denmark	100
Synbra Danmark A/S	25044398	Denmark	100
Styropack DK A/S	69998518	Denmark	100
Genevad Netherlands BV	70 824 312	Netherlands	100
Synbra Holding BV	20095683	Netherlands	100
Synbra International BV	20095676	Netherlands	100
Synbra BV	20080670	Netherlands	100
Besto Verpakkingsindustrie BV	05034571	Netherlands	100
Synprodo Produktie BV	10012456	Netherlands	100
Stramit BV	17023362	Netherlands	100
Ertecee BV	06010160	Netherlands	100
IsoBouw Systems BV	17046081	Netherlands	100
Synprodo BV	18115693	Netherlands	100
Synbra Technology BV	20033648	Netherlands	100
Synbra Propor BV	67056849	Netherlands	90
Moramplastics BV	09036097	Netherlands	100
Synbra Holding UK Ltd	09502640	United Kingdom	100
Plastimar SA	508413770	Portugal	100
Plasexpandido SL	B36900157	Spain	100

ASSOCIATES

Name	Reg. no.	Country	Proportion of ordinary shares (%)
Indirectly owned			
IsoBouW GmbH	HRB 101036	Germany	34
Hirsch Porozell GmbH	FN 117255i	Germany	34

OTHER SHARES AND PARTICIPATIONS

Name	Reg. no.	Country	Proportion of ordinary shares (%)
Indirectly owned			
Polystyrene Loop Cooperatief U.A.	68399812	Netherlands	13.8

NOTE 8 LONG-TERM RECEIVABLES FROM GROUP COMPANIES

	2018-12-31	2017-12-31
As of 1 January	570.4	29.6
Lending	1,164.0	540.4
Exchange rate differences	-9.2	0.4
As of 31 December	**1,725.2**	**570.4**

NOTE 9 CASH AND BANK BALANCES

	2018-12-31	2017-12-31
Cash and bank balances	17.1	7.6
Total	**17.1**	**7.6**

NOTE 10 SHARE CAPITAL

For information regarding the share capital, see note 21 to the consolidated accounts.

NOTE 11 LONG-TERM BORROWINGS

	2018-12-31	2017-12-31
Bond loan	1,292.6	540.1
Liabilities to Group companies	34.4	34.4
Total	**1,326.9**	**574.5**

The Group was refinanced in the spring of 2017, at which point the Parent Company issued a corporate bond of SEK 550 million that was simultaneously listed on the Nasdaq Stockholm corporate bond list. The bond will expire on June 8, 2020. Moreover, a new overdraft facility of SEK 100 million was received by the directly owned subsidiary Genevad Holding AB from the Group's principal bank. As part of the financing of the Synbra acquisition, a new corporate bond of EUR 75 million was issued on April 19, 2018, which was listed on the Nasdaq Stockholm corporate bond list on 14 June 2018. The bond will expire on April 19, 2022. In connection with the issue of the new bond, the Group's principal bank increased the overdraft facility in Genevad Holding AB by SEK 175 million to a total of SEK 275 million. The overdraft facility was unutilised at 31 December 2018. The bonds are recognised under the effective interest method at amortized cost after deductions for transaction costs. Interest terms, as well as nominal interest rates and average interest rates recognised are presented in the table below.

Carrying amounts and fair values of long-term borrowings are as follows:

Interest rates bonds

		Nominal interest		Average interest	
Bond loans	**Interest terms**	**2018**	**2017**	**2018**	**2017**
550 MSEK	Stibor 3m + 4.40%	3.88-4.05%	3.82-3.93%	4.99%	4.93%
75 MEUR	Euribor 3m + 4.75%	4.36-4.43%	-	5.54%	-

	Carrying amount		Fair value	
	2018-12-31	**2017-12-31**	**2018-12-31**	**2017-12-31**
Bond loan	1,292.6	540.1	1,324.8	554.1
Liabilities to Group companies	34.4	34.4	34.4	34.4
Total	**1,326.9**	**574.5**	**1,359.2**	**588.5**

The fair value of the bond loan, which is listed on the corporate bond list on Nasdaq Stockholm, was MSEK 1,324 as of December 2018. The carrying value of the Group's other borrowings is estimated to be a good approximation of their fair value since the loans carry floating interest rates.

As of December 31, 2018	**< 1 yr.**	**1-2 yr.**	**2-5 yr.**	**> 5 yr.**
Bond loan	-	550.0	770.6	0.0
Liabilities to Group companies	73.6	-	-	34.4
Accounts payables	10.7	-	-	-
Other short-term liabilities	2.5	-	-	-
Total	**86.8**	**550.0**	**770.6**	**34.4**

As of December 31, 2017	**< 1 yr.**	**1-2 yr.**	**2-5 yr.**	**> 5 yr.**
Bond loan	-	-	550.0	-
Liabilities to Group companies	13.0	-	-	34.4
Accounts payables	7.1	-	-	-
Other short-term liabilities	2.1	-	-	-
Total	**22.2**	**-**	**550.0**	**34.4**

NOTE 12 FINANCIAL INSTRUMENTS BY CATEGORY

2018-12-31	Financial assets measured at amortised cost	Total
Assets on the balance sheet		
Long-term receivables from Group companies	1,725.2	1,725.2
Short-term receivables from Group companies	35.0	35.0
Cash and bank balances	17.1	17.1
Total	**1,773.3**	**1,773.3**

	Financial liabilities measured at amortised cost	Total
Liabilities on the balance sheet		
Bond loan	1,292.6	1,292.6
Long-term liabilities to Group companies	34.4	34.4
Short term liabilities to Group companies	73.6	73.6
Accounts payables	10.7	10.7
Total	**1,411.3**	**1,411.3**

2017-12-31	Loan receivables and account receivables	Total
Assets on the balance sheet		
Long-term receivables from Group companies	570.4	570.4
Short-term receivables from Group companies	17.3	17.3
Cash and bank balances	7.6	7.6
Total	**595.3**	**595.3**

	Fnancial liabilities valued at amortised cost	Total
Liabilities on the balance sheet		
Bond loan	540.1	540.1
Long-term liabilities to Group companies	34.4	34.4
Short term liabilities to Group companies	13.0	13.0
Accounts payables	7.1	7.1
Total	**594.6**	**594.6**

NOTE 13 CONTINGENT LIABILITIES

	2018-12-31	2017-12-31
Guarantees for the benefit of Group companies	10.3	104.7
Total	**10.3**	**104.7**

NOTE 14 PLEDGED ASSETS

	2018-12-31	2017-12-31
Pledged shares in subsidiaries	1,010.0	234.0
Total	**1,010.0**	**234.0**

NOTE 15 RELATED PARTIES

The parent company, BEWiSynbra Group AB, is owned by Frøya Invest AS (63.65%) and KMC Family AS (1.33%), funds controlled by Verdane Capital (17.99%) and Gjelsten Holding AS (15.89%). The remaining 1.14% is owned by the Group's management and employees. The acquisitions in 2018 of BEWi Produkter AS, BEWi Polar AS and BEWi Automotive AS were done from Frøya Invest AS and KMC Family AS. The ultimate owners of these companies are members of the Bekken family in Norway, including Christian Bekken, Director of Business Development and part of the Executive Management in BEWiSynbra Group AB. More information on related party transactions are reported in note 28 to the consolidated accounts. Information on remuneration of management and the Board of Directors is found in note 6 top the consolidated accounts.

Loans from related parties:	2018-12-31	2017-12-31
Loan from owners:		
At the beginning of the year	-	29.6
Capitalised interest rates	-	1.1
Borrowings	-	12.0
Amortisations	-	-43.2
Exchange differences	-	0.6
At the end of the year	**-**	**-**

NOTW 16 REMUNERATION TO AUDITORS

Of the remuneration to PwC in 2018, the auditors of the company, MSEK 1.6 is attributable to the audit assignment, MSEK 1.0 to audit activities other than the audit assignment, MSEK 1.4 to tax advice and MSEK 3.9 to other services.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

Adjusted EBITA and adjusted EBITDA

MSEK	2018	2017
Operating income (EBIT)	**141.4**	**34.8**
Amortisations	46.5	8.2
EBITA	**187.9**	**43.0**
Items affecting comparability	23.8	23.8
Adjusted EBITA	**211.7**	**66.8**
EBITA	**187.9**	**43.0**
Depreciations	105.0	43.4
EBITDA	**292.9**	**86.5**
Items affecting comparability	23.8	23.8
Adjusted EBITDA	**316.7**	**110.2**

Items affecting comparability

MSEK	2018	2017
Transaction costs	-31.0	-8.5
IPO related costs	-21.8	-
Severance costs	-21.5	-
Capital gain from sale of real estate	51.6	-
Closure of production facility	-	-10.8
Negative goodwill	-	8.7
Dispute with supplier	-	-4.5
Other items	-1.1	-8.7
Total	**-23.8**	**-23.8**

Revenue bridge: change in net sales

MSEK 2018	RAW	%	P&C	%	Insulation	%	Change intra-group revenue	Total net sales	%
Acquisitions	867.1	72.9%	629.5	127.1%	772.7	168.5%	-432.4	1,836.9	97.9%
Currency	91.0	7.6%	16.5	3.3%	10.7	2.3%	-22.9	95.3	5.1%
Organic growth	214.8	18.1%	7.3	1.5%	-1.5	-0.3%	-123.1	97.5	5.2%
Total increase	**1,172.9**	**98.6%**	**653.3**	**131.9%**	**781.9**	**170.5%**	**-578.4**	**2,029.7**	**108.2%**

The consolidated accounts and annual report of the parent company are to be presented and adopted at the Annual General Meeting on 2019-05-23.

Stockholm 2019-04-29

Gunnar Syvertsen
Chairman of the Board

Rune Marsdal
Member of the board

Per Nordlander
Member of the board

Göran Vikström
Member of the board

Kristina Schauman
Member of the board

Bernt Thoresen
Member of the board

Rik Dobbelaere
Chief Executive Officer

The auditor's report has been submitted on 2019-04-30
PricewaterhouseCoopers AB

Magnus Lagerberg
Authorised public accountant

Auditor's report

Unofficial translation
To the general meeting of the shareholders of BEWiSynbra AB (publ), corporate identity number 556972-1128

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of BEWiSynbra AB (publ) for the year 2018. The annual accounts and consolidated accounts of the company are included on pages 34-90 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company respectively the consolidated comprehensive income statement and consolidated statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How we address the key audit matter in our audit
IMPAIRMENT TESTING The Group's supplementary disclosures and principles for recognition and measurement of goodwill and brands are described in the annual report under Note 2.4 and Note 12. Goodwill and brands represent significant assets in the Group's balance sheet. The carrying amount of goodwill and brands amounted to MSEK 720.6 and MSEK 206.7 respectively, as at 31 December 2018. The impairment testing of goodwill and brands prepared in conjunction with the closing the annual accounts incorporates company management assessments and assumptions about future developments — for example, regarding cash flows. During 2018, impairments totaling MSEK 6.7 were recognized as regards goodwill attributable to Insulation operations in Sweden. Impairment testing naturally involves a higher degree of estimates and assessments on the part of management, which is why we have deemed this to be a key audit matter.	In our audit, we performed a number of audit activities to verify that the judgments and assumptions comprising the basis of the company management impairment testing of goodwill and brands are based on established valuation methods, are mathematically correct and are based on reasonable assumptions regarding such factors as future cash flows and discount rates. Among other measures, we applied the following audit procedures: • Examined how management identified cash-generating units and compared this with BEWiSynbra's internal monitoring of goodwill. • Evaluated the reasonableness of the assumptions made and evaluated the company management analysis of the sensitivity in valuating changes in significant parameters that could result in an impairment requirement. • With the support of PwC's internal valuation specialists, examined the correctness of the calculation models and assessed the reasonableness of the discount rate used

for the cash-generating units and subsidiaries in which the greatest uncertainty exists.

- Assessed management's forecast ability by comparing earlier forecasts with actual outcomes.

We also assessed the disclosure presented in Note 12 in the annual report to determine if this information meets the requirements for disclosure stipulated in the applicable accounting standards.

VALUATION OF OWN MANUFACTURED ARTICLES IN THE INVENTORY

Refer also in the annual report to Note 2, Accounting principles and Note 4, Significant estimates and judgments applied in the accounting.

The inventory comprises a significant item in the Group's balance sheet and as at 31 December 2018 amounted to MSEK 431.4. The inventory is located in a large number of warehouses in Denmark, Norway, Finland and the Netherlands, as well as in Sweden. Company management determines the value of the inventory based on the calculation of the acquisition cost less calculated obsolescence. With the aim of identifying obsolescence in the inventory, the respective units assess individual articles based on their turnover rate and on the possibility of re-using the raw materials and correcting defects in the materials.

As a result of the high degree of management's estimates and judgments, we have deemed inventory to be a key audit matter.

In our audit, we focused in particular on the management and valuation of inventories by company management.

Our audit activities include:

- Evaluating BEWiSynbra's routines for recognizing cost and calculating obsolescence in inventory.
- Evaluating the basis for BEWiSynbra's obsolescence assessment, and through spot checks validating that the value of the Group's raw materials and goods for resale correspond with actual purchase prices.
- Testing and a reasonability assessment of the calculations applied in the mark-up of direct production costs, and as regards a reasonable portion of indirect production costs in evaluating articles in the inventory.

ACQUISITIONS

The Group's supplementary disclosures and principles for accounting and the valuation of goodwill and brands are described in the annual report under Note 2.2 and Note 14.

Over the past year, BEWiSynbra completed four business combinations, of which the acquisition of the Dutch group Synbra Holding B.V. was the most significant.

For each business combination, company management prepared an acquisition analysis in which the difference between the recognized net assets in the division acquired and the purchase price was allocated among identifiable assets in the division acquired. The assets identified in the divisions acquired during the year consist of inventories, customer relations and brands. The portion of the purchase price that cannot be attributed to identifiable assets is recognized as goodwill.

To determine the value of the identifiable assets, company management needs to conduct assessments and make technically complex calculations based on estimations and forecasts of future developments in the divisions acquired.

In contrast to goodwill and brands, customer relations are depreciated over their expected useful life. In addition, the inventory acquired is measured at fair value in the acquisitions analyses. An incorrect allocation of the surplus value in the acquisition analysis can thus have a significant impact on the financial statements.

By their nature, business acquisitions are complex, and reporting them depends on how the acquisition agreement is designed and whether it contains significant estimations from management, which is why we have deemed the preparation of an acquisition analysis to be a key audit matter in our audit.

We have reviewed and evaluated the acquisitions analyses with a particular focus on how company management identified goodwill and other identifiable assets such as brands and customer relations, as well as valuation of inventory.

We accomplished this through the following audit activities:

- Obtained the acquisition agreements and evaluated the terms of acquisition in them from an accounting perspective.
- Confirmed the purchase price paid against abstracts from the bank accounts. Together with PwC's internal specialists within corporate finance, reviewed the company's methods and assumptions for valuating inventory and identifying intangible assets such as customer relations and brands as well as the allocation of surplus value to them.
- Confirmed costs related to the acquisitions with underlying invoices.

We also assessed the disclosures presented in Note 14 in the annual report to determine if this information meets the requirements for disclosure stipulated in the applicable accounting standards.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-40 and 95. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of BEWiSynbra AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 STOCKHOLM, was appointed auditor of BEWiSynbra AB (publ) by the general meeting of the shareholders on the 11 June 2018 and has been the company's auditor since the 11 November 2014.

Stockholm 30 april 2019
PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Definitions of alternative key ratios not defined in the IFRS

EBITDA	Earnings before interest, taxes, depreciations and amortisations. EBITDA is a key ratio that the Group considers relevant to understand the earning potential before investments in fixed assets.
EBITDA margin	EBITDA as a percentage of net sales. The EBITDA margin is a key ratio that the Group considers relevant to understand the profitability of the business and to make comparisons with other companies.
EBITDA excluding items affecting comparability	A normalised profit before accounting for interest, taxes, depreciations and amortisations, i.e. infrequent events or one-time charges are added back. EBITDA excluding items affecting comparability is a key ratio that the Group considers relevant for the understanding of the profit position excluding such infrequent events that affects comparability.
Adjusted EBITDA margin	Adjusted EBITDA excluding items affecting comparability as a percentage of net sales. Adjusted EBITDA margin is a key ratio which the Group considers relevant to understand the profitability of the business and to make comparisons with other companies.
EBIT	Earnings before interest and taxes. EBIT is a key ratio that the Group considers relevant since it makes it possible to compare the profitability over time irrespective of corporate tax rates and financing structure. However, depreciations are included which is a measure of resource consumption that is necessary to generate the result.
EBIT margin	EBIT as a percentage of net sales. The EBIT margin is a key ratio which the Group considers relevant to understand the profitability of the business and to make comparisons with other companies.
Adjusted EBIT margin	Adjusted EBIT excluding items affecting comparability as a percentage of net sales. Adjusted EBIT-marginal is a key ratio which the Group considers relevant to understand the profitability of the business and to make comparisons with other companies.
Operating cash flow	Earnings before interest and taxes adjusted for items that are not affecting cash flow and changes in working capital. The operating cash flow is a key ratio that displays how much the company's business operations generates to its cash flow for financing of investments and acquisitions.
Solidity	Total equity in relation to total assets. Solidity is a key ratio which the Group considers relevant for its ability to assess the Group's financial leverage.
Net debt	A company's interest-bearing liabilities, excluding liabilities relating to employee benefits, minus cash and cash equivalents. Net debt is a key ratio which is relevant since the group's calculation of covenants is based on this key ratio and since it displays the Group's financing needs.

Glossary

Cellular plastic is used as a collective name for a variety of different expanding plastics. Commonly occurring types of cellular plastics are EPS, XPS and EPP.

EPS – expanded polystyrene. Small polystyrene beads molded under heat and pressure. EPS is a good insulator and a high moisture resistance.

EPP – expanded polypropylene. Is an excellent shock absorber and resistant to most chemicals.

GPPS – General Purpose Polystyrene is a polymer styrenmonomer.

HVAC – heat, ventilation, air conditioning.

XPS – extruded polystyrene. Is a more even material than cellular plastic of EPS. XPS is used where stringent requirements apply in terms of strength and moisture resistance.

BEWi GROUP GROUP HEADQUARTERS
Gårdsvägen 13
SE-169 70 Solna, Sweden
Tel: +46 176-208 500

DENMARK
BEWiSynbra AS Hobro
Havrevaenget 1
DK-9500 Hobro

Styropack DK A/S
Havrevaenget 1
DK-9500 Hobro

Styrolit A/S
Havrevaenget 1
DK-9500 Hobro

BEWiSynbra Flamingo A/S
Österled 30
DK-4300 Holbaek
Tel: +45 72 15 79 00

BEWiSynbra Insulation Denmark
Torvegade 41
DK-7160 Törring
Tel: +45 72 15 7900

FINLAND
BEWiSynbra Styrochem Oy
P.O.Box 360
FI-0601 Porvoo
Tel: +358 207 620 200

BEWiSynbra M-Plast Oy
Varikkotie 4
FI-73600 Kaavi
Tel: +358 207 559 200

BEWiSynbra Insulation Oy
Yritystie 7
FI-21450 Tarvasjoki

BEWiSynbra Ruukin EPS Oy
Ahlströmintie
FI-94200 Ruuki

THE NETHERLANDS
BEWiSynbra bv
Zeedijk 25 / Postbus 621
NL-4870 AP Etten-Leur
Tel +31 168-373370

BEWiSynbra RAW bv
Zeedijk 25 / Postbus 37
NL-4870 AA Etten-Leur
Tel +31 168-373373

ÌsoBouw Systems bv
/Stramit b.v.
Kanaalstraat 107 / Postbus 1
NL-5710 AA Someren
Tel +31 493-498111

Synprodo bv
Nieuweweg 235 / Postbus 3
NL-6600 AA Wijchen
Tel +31 24-6491911

Besto Verpakkingsindustrie bv
De Kalkovens 10/Postbus 31
NL-8064 ZW Zwartsluis
Tel +31 38-3867111

Ertecee bv
Textielstraat 30/Postbus 250
NL-7570 AG Oldenzaal
Tel +31 541-588588

NORWAY
BEWi Polar AS
N-Kjeldsbergveien 8
9513 Alta

BEWi Polar AS
Industriveien 15
N-9040 Nordkjosbotn

BEWi Polar AS
Havneveien 50
N-9610 Rypefjord

BEWi Produkter AS
Hammarvikringen 64
N-7263 Hamarvik

PORTUGAL
Plastimar Indústria de
Plásticos Penichense, Lda.
Estrada Marginal Norte
Apartado 1
PT-2524 - 909 Peniche
Tel. +351 262 790 120

Internorplaste
Isolamentos e Embalagens
Tecno-Industriais, Lda.
Rua dos 5 Cominhos n° 570,
Algermil
PT-4870-382 Santo Tirso
Tel +351 252 809 100

SWEDEN
BEWiSynbra Insulation AB
Gårdsvägen 13
SE-169 70 Solna, Sweden
Tel: +46 176-208 500

BEWiSynbra Packaging AB
Gårdsvägen 13
SE-169 70 Solna, Sweden
Tel: +46 176-208 500

BEWiSynbra Group, Gårdsvägen 13, SE-169 70 Solna, Sweden
+46 176 208 500 | www.bewi.com

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