



**BEWi**

**Synbra**

GROUP

**REPORT**  
**Q1 | 2019**

## HIGHLIGHTS FOR THE FIRST QUARTER OF 2019

Numbers in parentheses refers to the corresponding period in the previous year.

- BEWiSynbra Group reported net sales of SEK 1,076.2 million (SEK 491.1 million), an increase of 119 per cent of which 142 percentage points (pp) was explained by acquisitions
- Adjusted EBITDA<sup>2</sup> was SEK 138.6 million (SEK 34.5 million), while adjusted EBITA amounted to SEK 85.7 million (SEK 22.6 million)
- The earnings were negatively impacted by items affecting comparability of SEK 22.7 million for the quarter, mainly related to restructuring costs in Sweden, as well as severance costs in connection with the integration of acquired companies
- EBIT for the Group was SEK 46.5 million (SEK 10.9 million)
- During the first quarter, BEWiSynbra strengthened its recycling activities, including
  - Acquisition of 51 per cent of the recycling company EcoFill
  - Launch of recycling initiative Use ReUse

## CONSOLIDATED KEY FIGURES<sup>1</sup>

<i>Amounts in million SEK (except percentage and operational figures)</i>	First quarter			Full year 2018
	2019	2019 excl. IFRS 16	2018	
Net sales	1,076.2	1,076.2	491.1	3,905.3
Operating income/ EBIT	46.5	41.2	10.9	141.4
EBITDA	115.9	96.6	25.0	292.9
EBITDA margin (%)	10.7%	9.0%	5.1%	7.5%
Adjusted EBITDA <sup>2</sup>	138.6	119.3	34.5	316.7
Adj. EBITDA margin (%)	12.8%	11.1%	7.0%	8.1%
Items affecting comparability	-22.7	-22.7	9.5	-23.8
EBITA	63.0	57.6	12.9	187.9
EBITA margin (%)	5.8%	5.4%	2.6%	4.8%
Adjusted EBITA	85.7	80.4	22.4	211.7
Adj. EBITA margin (%)	7.9%	7.5%	2.6%	5.4%
Net profit/loss for the period	16.8	17.9	-5.0	16.0
Capital Expenditure (CAPEX)	-35.1	-35.1	-15.8	-142.4

<sup>1</sup> Definitions included on page 10

<sup>2</sup> Adjusted EBITDA is EBITDA before items affecting comparability

## COMMENTS FROM THE CEO

*(The below comments from the CEO are based on pro forma numbers)*

Our business progressed well during the first quarter of 2019. Volumes are increasing in most of our operating markets, mainly as a result of successful integration of acquired companies. Most end-markets show positive or stable development in terms of volumes.

In 2018, BEWiSynbra completed several acquisitions, both expanding our geographic presence and strengthening our market positions. The work to integrate the former BEWi Group with Synbra Holding, as well as the integration of the other companies we acquired during 2018 is ongoing and progressing well, yielding several positive effects, but also some temporarily higher costs, in particular relating to restructuring costs and severance costs.

At our raw material site in Etten-Leur in the Netherlands, we are proud to say that we have managed to increase our production by more than 10 per cent in the first quarter this year, compared to the first quarter last year.

Our Danish operations is delivering improved results this quarter following the closure of our facility in Såby last year and the consolidation of the two Danish organizations. The improvements are visible in both the P&C segment and Insulation segment.

As previously communicated, the performance in the Swedish operations has been unsatisfactory and we have therefore initiated several measures to reduce cost and improve efficiency in this part of our business. We are glad to see that these measures are already yielding improved earnings. However, we still face a challenging situation in Sweden and in January we decided to close the production facility in Dorotea to consolidate our production and optimize cost structure further. In the first quarter, we also experienced somewhat lower volumes from the automotive industry in Sweden (P&C).

In Norway, most of our revenues are linked to sale of fish boxes to the salmon farming industry. In the first quarter this year, we experienced some lower activity in the fish slaughteries we supply to. Most of the larger salmon companies in Norway have, however, guided on increased volumes for 2019 compared to 2018.

With our commitment to lead the EPS industry's change towards a circular economy we have kickstarted 2019. Since the establishment of Circular, we have launched several activities to increase the collection- and recycling of EPS, including establishing compacting and collecting stations at several locations and the launch of the concept "Use-ReUse". Use-ReUse aims at setting a new industry standard for collecting and recycling EPS, offering a variety of solutions for collecting and recycling. In addition, we were happy to announce our acquisition of 51 per cent of the Belgian recycling company EcoFill in March this year.

Rik Dobbelaere, CEO of BEWiSynbra Group AB

## FINANCIAL REVIEW

**In 2018, BEWiSynbra Group completed several acquisitions, including Ruukin EPS Oy in January, Synbra Holding in May and BEWi Produkter AS, BEWi Polar AS and BEWi Automotive AB in September. The acquisitions are the main explanation for the increase in the numbers presented below.**

Effective from 1 January 2019, International Accounting Standards Boards (IASB) issued a new standard, IFRS 16 "Leases". The standard concerns the accounting of lease agreements. BEWiSynbra has commitments in terms of rental contracts for premises and leasing of machinery and equipment as well as vehicles. The transition to IFRS 16 has been based on the Modified retrospective approach, which means that the comparison periods have not been adjusted for IFRS 16. The standard has had a significant effect on BEWiSynbra's total assets and liabilities and the effects on opening balances as of 1 January 2019 are presented in Note 2 to the accounts on page 18-19 in this report. Furthermore, the above application means that the figures for the current year will not be fully comparable with previous years.

### GROUP RESULTS

*Information in parentheses refers to the corresponding period in the previous year.*

#### Profit and loss

**Net sales** for the first quarter of 2019 amounted to SEK 1,076.2 million (SEK 491.1 million), representing a 119 per cent increase, of which 142 percentage points (pp) is explained by acquisitions, 4 pp by currency and a negative 27 pp organic growth.

The main explanation for the negative growth is reduced market prices. BEWiSynbra experience good demand in most of its operating markets, and the underlying development in volumes are good. Further comments are provided under each of the business segments.

**Operating expenses** for the Group amounted to a total of SEK 1,032.6 million for the quarter (SEK 480.2 million).

**Raw materials and consumables** amounted to SEK 458.1 million in the quarter (SEK 283.8 million), representing 43 per cent (58 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 and different product mix following the acquisition of Synbra

**Personnel cost** amounted to SEK 222.6 in the quarter (SEK 67.8 million), representing 21 per cent (14 per cent). The increase in percentage is explained by a more labour-intensive production in Synbra. However, this is offset by production of higher value-added products, as explained under the segment review of Insulation.

At the end of the quarter, the Group had 1,305 full-time equivalents (FTEs), up from 1,298 FTEs at the end of 2018 and up from 420 FTE's at the end of March 2018.

**Operating income** for the Group was SEK 46.5 million for the first quarter this year (SEK 10.9 million).

**Items affecting comparability** amounted to SEK 22.7 million for the first quarter (SEK 9.5 million). The items this quarter mainly consist of severance costs of SEK 8.4 million and restructuring costs of SEK 12.8 million. For further information, please see page 10.

**Adjusted EBITDA**, which is EBITDA adjusted for the items affecting comparability mentioned above, amounted to SEK 138.6 million for the first quarter this year (SEK 34.5 million). This represents an adjusted EBITDA margin of 12.8 per cent for the quarter (7.0 per cent). The positive margin development can mainly be explained by a strong performance in the company's Insulation and Packaging & Components operations in all regions but Sweden and Norway. In addition, the adjusted

EBITDA margin normally fluctuates between the quarters as a result of a lag between the continuous sales price adjustments related to fluctuations in raw material cost.

**Net financial items** came in at SEK -19.8 million for the first quarter of 2019 (SEK -11.7 million). Of the SEK -19.8 million, approx. SEK -16.0 million relates to interest for financing and cost related to credit facilities and bank accounts, SEK -3.5 million relates to financing costs (non-cash items), SEK -6.7 million relates to the interest component of IFRS 16 and SEK

7.0 million relates to revaluation of intercompany balances and a fair value revaluation of a currency interest swap (non-cash item).

**Tax expenses** were SEK 9.9 million (SEK 4.2 million) for the quarter.

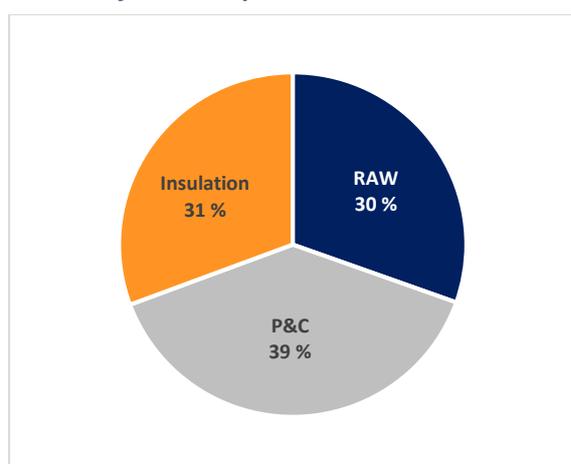
**Net income** for the quarter was SEK 16.8 million (SEK -5.0 million).

## SEGMENTS

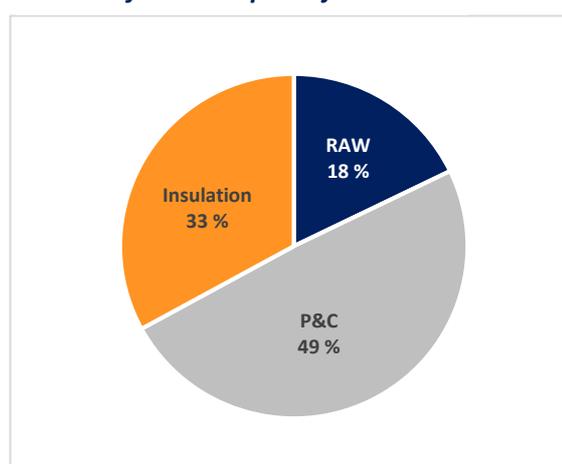
BEWiSynbra Group is organised in three operating segments; RAW material (Upstream), Packaging & Components (P&C) and Insulation. The RAW materials segment produces EPS beads, that is sold both internally as well as externally. The P&C segment offers products and solutions to a range of industries and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

Comments on key pro forma figures for the segments can be found in Note 3, while detailed segment information is included in Note 5.

**Share of the Group's net sales**



**Share of the Group's adj. EBITDA**



### RAW materials

BEWiSynbra has two factories producing 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.

#### Key figures RAW

Amounts in SEK million	Q119	Q118	2018
Segment sales	569.5	358.6	2,362.5
Adj. EBITDA	26.0	26.4	120.1
Adj. EBITDA margin (%)	4.6%	7.4%	5.1
Adj. EBITA	17.3	21.6	92.2

**Segment sales** for RAW amounted to SEK 569.5 million for the first quarter of 2018 (SEK 358.6 million). This corresponds to an increase of 58.8 per cent, of which 78.9 pp relate to acquisitions, 3.5 pp to currency effects and -23.6 pp organic growth. The main reason for the negative organic growth is lower market prices.

GAP in the quarter is within a normal average range, while it was in the high end in Q1 2018, which is the main explanation to the decrease in the EBITDA margin. In addition, issues at one of the production lines negatively impacted the performance in the quarter.

Sales to external customers amounted to SEK 327.7 million (SEK 276.1 million).

**Adjusted EBITDA** for the RAW segment amounted to SEK 26.0 million this quarter (SEK 26.4 million), representing a margin of 4.6 per cent (7.4 per cent). Earnings in individual quarters are in general impacted by production and sales volumes. In addition, the time lag between changes in cost for raw material, i.e. styrene price, and the corresponding price adjustment towards the customers impacts margins in individual quarters.

### Packaging & 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 15 facilities in 6 countries producing P&C products.

#### Key figures Packaging & Components

Amounts in SEK million	Q119	Q118	2018
Segment sales	425.5	135.9	1,150.8
Adj. EBITDA	71.8	16.3	99.5
Adj. EBITDA margin (%)	16.9%	12.0%	8.6
Adj. EBITA	41.3	11.7	50.2

**Segment sales** for the quarter for P&C amounted to SEK 425.5 million (SEK 135.9 million), corresponding to an increase of 213.1 per cent of which 222.1 pp relate to acquisitions, 2.1 pp to currency effects and -11.2 pp to organic growth. The negative organic growth can mainly be explained by lower volumes in Norway due to lower activity in the fish slaughteries the company supplies fish boxes to, and lower demand from the automotive industry in Sweden. Other markets are considered stable.

**Adjusted EBITDA** for the quarter amounted to SEK 71.8 million (SEK 16.3 million), representing a margin of 16.9 per cent (12.0 per cent). The margin in the quarter is impacted positively by a changed product mix following the acquisition of Synbra, BEWi Produkter and BEWi Polar as well as improved efficiency in the Danish operations, as a result of the integration work, including closure of one facility in 2018.

### 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 14 facilities in 6 countries producing Insulation products.

#### Key figures Insulation

Amounts in SEK million	Q119	Q118	2018
Segment sales	338.2	92.6	1,238.2
Adj. EBITDA	48.1	-5.2	130.6
Adj. EBITDA margin (%)	14.2%	-5.6%	10.5%
Adj. EBITA	37.3	-7.9	104.6

**Segment sales** for the quarter for Insulation amounted to SEK 338.2 million (SEK 92.6 million). This corresponds to an increase of 265.2 per cent of which 265.2 pp relate to acquisitions, 1.9 pp to currency and -1.9 pp to organic growth. The organic growth is explained by lower demand in Sweden.

**Adjusted EBITDA** for the quarter amounted to SEK 48.1 million (SEK -5.2 million), representing a margin of 14.2 per cent (-5.6 per cent). The improved margin compared to the corresponding period in 2018 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.

In addition, as communicated in the fourth quarter 2018 report, the performance in the Swedish insulations operations has been unsatisfactory and the Group has therefore initiated several measures to reduce cost and improve efficiency. These measures are already yielding results and contributes to the improvement in the margin for this quarter.

The measures implemented in the first quarter this year include closure of the production facility in Dorotea, reduction of the organisation, and other measures. Restructuring costs related to the measures are included in "items affecting comparability" for the quarter.

### 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.

## FINANCIAL POSITION AND LIQUIDITY

### Consolidated cash flow

Cash flow from operating activities totalled SEK -147.7 million for the first quarter of 2019 (SEK -26.2 million), including a increase in the working capital by SEK 239.9 million (SEK 41.1 million).

Cash flow used for investment activities was SEK 39.2 million in the quarter (SEK 25.0 million), mainly related to acquisition of non-current assets.

Cash flow from financing activities amounted to SEK 97.3 million in the quarter (SEK -2.3 million).

### Consolidated financial position

As of 31 March 2019, total assets amounted to SEK 4,560.0 million, up, from SEK 4,110.8 million at 31 December 2018 and from SEK 1,399.9 million at 31 March 2018. The increase since the end of 2018 can mainly be explained by the impact of IFRS 16.

Total equity amounted to SEK 1,570.6 million, representing an equity ration of 34.4 per cent. At year end 2018, the equity was SEK 1,537.3 million, while the equity was SEK 406.5 million at the end of the first quarter last year. The increase in equity during the quarter is mainly attributable to positive results and exchange differences from translation of net assets in foreign operations.

Net debt excluding IFRS 16 amounted to SEK 1,335.8 million as of 31 March 2019, compared to SEK 1,123.4 million at the end of 2018 and up from SEK 522.2 million at the end of March last year. The increase from the end of the previous quarter mainly reflects the negative cash flow from change in working capital, largely attributable to seasonal effects.

The group had cash and cash equivalents of SEK 149.4 million at the end of March this year, down from SEK

235.3 million as of 31 December 2018 and up from SEK 57.3 million at the end of the first quarter 2018.

### Capital expenditures

Capital expenditures in the operations totalled SEK 35 million for the first quarter (SEK 16 million).

### THE PARENT COMPANY

The BEWiSynbra Group AB (publ.) is the Parent Company of the Group. Earnings after tax for the first quarter of 2019 amounted to SEK 3.0 million (SEK -2.9 million). As at 31 March 2019, the equity in the Parent Company was SEK 1,376.4 million, compared to SEK 1,373.4 million at 31 December 2018, up from SEK 237.1 million at 31 March 2018.

### ACQUISITIONS

During 2018, BEWiSynbra Group completed several acquisitions, resulting in geographical expansion as well as strengthening of the Group's market positions in existing markets.

On 28 March 2019, BEWiSynbra Group announced the acquisition of 51 per cent of the recycling company Eco Fill. The acquisition price was SEK 4.3 million and SEK 6.3 million in loans in the acquired company were settled in connection with the acquisition. The company did not contribute to the consolidated revenue or results of BEWiSynbra Group during the first quarter of 2019.

More details on the acquisitions are included in Note 8 to the financial accounts.

### BEWISYNBRA CIRCULAR

In October 2018, BEWiSynbra Group announced the launch of the business unit BEWiSynbra Circular ("Circular") as a response to its commitment to sustainability. BEWiSynbra Circular is responsible for increasing the Group's collection- and recycling of EPS. BEWiSynbra strongly believes in the benefits of the circular economy, both financially and for the sustainability of its industry. The Group has announced an ambitious annual recycling target of 60,000 tonnes of EPS.

Since the establishment of Circular, the Group has launched several activities to increase the collection- and recycling of EPS. This includes establishing compacting stations in Varberg, Sweden, and at Frøya, Norway, as well as collecting stations at two facilities in Sweden. In addition, Circular have active engagements with several of the Groups customers and partners to find the best ways to collect more used EPS.

In February 2019, BEWiSynbra launched the concept "Use-ReUse", aiming at setting 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 variety of solutions for collecting and recycling at all levels.

Also, as mentioned above, we acquired 51 per cent of the Belgian recycling company EcoFill in March this year. EcoFill has been active in the circular economy for more than 15 years and has become the leading EPS-collector and recycler in Belgium, collecting and compacting approximately 1,800 tons of EPS for recycling annually.

### ORGANISATION

At 31 March 2019, BEWiSynbra Group had 1,305 full-time equivalents, up from 1,298 at 31 December 2018, and from 420 at 31 March 2018.

The work to integrate acquired companies are ongoing. This has resulted in organisational changes, including associated severance costs. In parallel, the Group is strengthening its organisation on key functions, such as Finance, IT and HR.

## OTHER INFORMATION

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 was transferred to other facilities.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's and the Parent Company's risks and risk management are described in the 2018 Annual Report.

**Stockholm, 15 May 2019**  
**The Board of Directors and CEO**  
**BEWiSynbra Group AB**

***This report has not been audited***

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortization. EBITDA is a key performance indicator that the Group considers relevant for understanding the generation of profit before investments in fixed assets.
<b>EBITDA margin</b>	EBITDA as a percentage of net sales. The EBITDA margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>EBIT</b>	Earnings before interest and tax. EBIT is a key performance indicator that the Group considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures. Depreciations are included, however, which is a measure of resource consumption necessary for generating the result.
<b>EBIT margin</b>	EBIT as a percentage of net sales. The EBIT margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>Items affecting comparability</b>	Items affecting comparability includes costs related 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.
<b>Adjusted (adj.) EBITDA</b>	Normalised earnings before interest, tax, depreciation and amortization (i.e. items affecting comparability and deviations are added back). Adjusted EBITDA is a key performance indicator that the Group considers relevant for understanding earnings adjusted for items that affect comparability.
<b>Adjusted (adj.) EBITDA margin (%)</b>	EBITDA before items affecting comparability as a percentage of net sales. The adjusted EBITDA margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>Adjusted EBIT</b>	Normalised earnings before interest and tax (i.e. non-recurring items and deviations are added back). Adjusted EBIT is a key performance indicator that the Group considers relevant for understanding earnings adjusted for non-recurring items that affect comparability.
<b>Operating cash flow</b>	Earnings before interest and tax, adjusted for items not affecting cash flow and changes in operating capital. Operating cash flow is a key performance indicator that shows the contributions of the business to the cash flow for financing of investments and acquisitions.
<b>Equity ratio</b>	Total equity in relation to total assets. The equity ratio is a key performance indicator that the Group considers relevant for assessing its financial leverage.
<b>Net debt</b>	Interest-bearing liabilities excluding obligations relating to employee benefits, minus cash and cash equivalents. Net debt is a key performance indicator that is relevant both for the Group's calculation of covenants based on this indicator and because it indicates the Group's financing needs.

## ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
<b>Operating income (EBIT)</b>	<b>46.5</b>	<b>10.9</b>	<b>141.4</b>
Amortisations	16.5	2.0	46.5
<b>EBITA</b>	<b>63.0</b>	<b>12.9</b>	<b>187.9</b>
Items affecting comparability	22.7	9.5	23.8
<b>Adjusted EBITA</b>	<b>85.7</b>	<b>22.4</b>	<b>211.7</b>
<b>EBITA</b>	<b>63.0</b>	<b>12.9</b>	<b>187.9</b>
Depreciations	52.9	12.1	105.0
<b>EBITDA</b>	<b>115.9</b>	<b>25.0</b>	<b>292.9</b>
Items affecting comparability	22.7	9.5	23.8
<b>Adjusted EBITDA</b>	<b>138.6</b>	<b>34.5</b>	<b>316.7</b>

## ITEMS AFFECTING COMPARABILITY

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
IPO related costs	-0.5		-21.8
Severance costs	-8.4		-21.5
Restructuring costs	-12.8		
Transaction costs		-9.5	-31.0
Capital gain from sale of real estate			51.6
Other	-1.0		-1.1
<b>Total</b>	<b>-22.7</b>	<b>-9.5</b>	<b>-23.8</b>

## REVENUE BRIDGE: CHANGE IN NET SALES FROM CORRESPONDING PERIOD IN 2018

<i>Amounts in SEK million</i>	RAW	%	P&C	%	Insulation	%	Change intra-group revenue	Total net sales	%
<b>Q1 2018</b>									
Acquisitions	282.9	78.9%	301.9	222.1%	245.6	265.2%	-131.6	698.8	142.3%
Currency	12.6	3.5%	2.9	2.1%	1.8	1.9%	1.6	18.9	3.8%
Organic growth	-84.6	-23.6%	-15.2	-11.2%	-1.8	-1.9%	-31.0	-132.6	-27.0%
<b>Total increase</b>	<b>210.9</b>	<b>58.8%</b>	<b>289.6</b>	<b>213.1%</b>	<b>245.6</b>	<b>265.2%</b>	<b>-161.0</b>	<b>585.1</b>	<b>119.1%</b>

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

### CONSOLIDATED STATEMENT OF INCOME

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
Net sales	1,076.2	491.1	3,905.3
Other operating income	2.9	0.0	15.7
<b>Total operating income</b>	<b>1,079.1</b>	<b>491.1</b>	<b>3,921.0</b>
Raw materials and consumables	-458.1	-283.8	-2,132.3
Goods for resale	-40.1	-15.3	-87.6
Other external costs	-244.0	-99.3	-828.2
Personnel cost	-222.6	-67.8	-638.2
Depreciation/ amortisation and impairment of tangible and intangible assets	-69.3	-14.1	-151.5
Share of income from associated companies	1.5	0.0	6.7
Capital gain from sale of assets	0.0	0.0	51.6
<b>Total operating expenses</b>	<b>-1,032.6</b>	<b>-480.2</b>	<b>-3,779.6</b>
<b>Operating income (EBIT)</b>	<b>46.5</b>	<b>10.9</b>	<b>141.4</b>
Financial income	4.9	0.2	1.7
Financial expenses	-24.7	-12.0	-76.9
<b>Net financial items</b>	<b>-19.8</b>	<b>-11.7</b>	<b>-75.2</b>
<b>Income before tax</b>	<b>26.7</b>	<b>-0.8</b>	<b>66.2</b>
Income tax expense	-9.9	-4.2	-50.3
<b>Net profit/ loss for the period</b>	<b>16.8</b>	<b>-5.0</b>	<b>16.0</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
<b>Profit/loss for the period</b>	<b>16.8</b>	<b>-5.0</b>	<b>16.0</b>
<b>Other comprehensive income</b>			
<b>Items that may later be reclassified to profit or loss</b>			
Exchange rate differences	44.2	18.9	-23.7
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net pension obligations	-0.1	0.0	-3.9
Income tax pertinent to remeasurements of net pension obligations	0.0	0.0	0.2
<b>Other comprehensive income/loss, net after tax</b>	<b>44.1</b>	<b>18.9</b>	<b>-27.4</b>
<b>Total comprehensive income/ loss for the period</b>	<b>60.9</b>	<b>13.8</b>	<b>-11.5</b>

## NET PROFIT/ LOSS ATTRIBUTABLE TO:

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
<b>Net profit/loss for the period attributable to:</b>			
Parent Company shareholders	17.4	-4.8	16.7
Non-controlling interests	-0.6	-0.3	-0.7
<b>Total comprehensive income attributable to:</b>			
Parent Company shareholders	61.4	13.6	-11.3
Non-controlling interests	-0.5	0.3	-0.3

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in SEK million</i>	31.03.2019	31.03.2018	31.12.2018
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Goodwill	739.3	197.1	720.6
Other intangible assets	828.7	97.1	822.5
<b>Total intangible assets</b>	<b>1,568.0</b>	<b>294.2</b>	<b>1,543.0</b>
<b>Property plant and equipment</b>			
Land and buildings	692.7	97.2	396.5
Plant and machinery	670.9	237.8	657.8
Equipment, tools, fixtures and fittings	97.8	40.6	68.3
Construction in progress and advance payments	120.7	44.1	103.5
<b>Total property, plant and equipment</b>	<b>1,582.1</b>	<b>419.7</b>	<b>1,226.1</b>
<b>Financial assets</b>			
Shares in associates	9.6		6.7
Net pension assets	33.7		31.1
Other long-term receivables	0.5	1.1	1.2
Participation in other companies	2.5	1.0	2.6
<b>Total financial assets</b>	<b>46.3</b>	<b>2.1</b>	<b>41.6</b>
Deferred tax assets	44.5	35.0	51.8
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,241.0</b>	<b>751.1</b>	<b>2,862.5</b>
<b>CURRENT ASSETS</b>			
Inventory	483.6	224.2	431.4
<b>Current receivables</b>			
Accounts receivables	588.3	246.4	527.6
Tax assets	21.4	5.7	2.8
Other current receivables	40.2	31.2	32.2
Prepaid expenses and accrued income	36.0	22.9	18.7
Other financial assets	0.0		0.4
Cash and cash equivalents	149.4	57.3	235.3
<b>Total current receivables</b>	<b>835.3</b>	<b>363.5</b>	<b>817.0</b>
<b>Assets classified as held for sale</b>		<b>61.0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>1,319.0</b>	<b>648.7</b>	<b>1,248.3</b>
<b>TOTAL ASSETS</b>	<b>4,560.0</b>	<b>1,399.9</b>	<b>4,110.8</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT.

<i>Amounts in SEK million</i>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.12.2018</b>
<b>EQUITY</b>			
Share capital	1.3	0.5	1.3
Additional paid-in capital	1,402.0	244.5	1,402.0
Reserves	29.5	31.7	-14.5
Accumulated profit (including net profit for the period)	127.7	116.5	137.9
<b>Equity attributable to Parent Company shareholders</b>	<b>1,560.5</b>	<b>393.1</b>	<b>1,526.7</b>
Non-controlling interests	10.1	13.4	10.7
<b>TOTAL EQUITY</b>	<b>1,570.6</b>	<b>406.5</b>	<b>1,537.3</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Pensions and similar obligations to employees	20.3	6.6	19.8
Other provisions	5.9	4.5	5.4
Deferred tax liability	260.1	9.6	278.5
Bond loan	1,304.5	539.1	1,290.2
Derivative liability	23.8	21.0	20.8
Other interest-bearing liabilities	345.2	33.7	52.4
<b>Total non-current liabilities</b>	<b>1,959.8</b>	<b>614.5</b>	<b>1,667.1</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	202.6	6.7	16.2
Other financial liabilities	1.6	1.8	3.0
Accounts payable	397.9	248.5	478.4
Current tax liabilities	82.9	6.8	56.1
Other current liabilities	89.4	24.8	96.7
Accrued expenses and deferred income	255.1	90.4	256.1
<b>Total current liabilities</b>	<b>1,029.5</b>	<b>378.9</b>	<b>906.4</b>
<b>TOTAL LIABILITIES</b>	<b>2,989.3</b>	<b>993.4</b>	<b>2,573.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,560.0</b>	<b>1,399.9</b>	<b>4,110.8</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

<i>Amounts in SEK million</i>	1.1.-31.03.2019	1.1.-31.03.2018	1.1.-31.12.2018
<b>OPENING BALANCE</b>	<b>1,537.3</b>	<b>389.9</b>	<b>389.9</b>
Change in accounting principles	-27.6		
<b>ADJUSTED OPENING BALANCE</b>	<b>1,509.7</b>	<b>389.9</b>	<b>389.9</b>
Net profit/ loss for the period	16.8	-5.0	16.0
Other comprehensive income	44.1	18.9	-27.4
<b>Total comprehensive income</b>	<b>60.9</b>	<b>13.8</b>	<b>-11.5</b>
New share issue			1,165.0
Transaction cost			-6.7
Dividend non-controlling interests			-0.8
Acquisition non-controlling interest		2.8	2.7
Divestment non-controlling interest			-1.3
<b>Total transactions with shareholders</b>	<b>0.0</b>	<b>2.8</b>	<b>1,159.0</b>
<b>CLOSING BALANCE</b>	<b>1,570.6</b>	<b>406.5</b>	<b>1,537.3</b>
<i>of which attributable to non-controlling interests</i>	<i>10.1</i>	<i>13.3</i>	<i>10.7</i>

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
EBIT	46.5	10.9	141.4
Adjustment for non-cash items etc.	68.3	11.0	81.2
Net financial items	-19.2	-5.9	-48.5
Income tax paid	-3.4	-1.0	-47.7
Cash flow from operating activities before changes in working capital	92.2	14.9	126.5
Changes in working capital	-239.9	-41.1	54.2
<b>Cash flow from operating activities</b>	<b>-147.7</b>	<b>-26.2</b>	<b>180.7</b>
Acquisitions non-current assets	-35.1	-15.8	-142.4
Divestment non-current assets			113.0
Business acquisitions/ financial investments	-4.1	-9.2	-971.5
<b>Cash flow from investing activities</b>	<b>-39.2</b>	<b>-25.0</b>	<b>-1,000.9</b>
Borrowings	105.3	-2.3	750.9
Repayment of debt	-8.0		-196.5
Dividend to non-controlling interests			-0.8
New share issue, net			393.3
<b>Cash flow from financing activities</b>	<b>97.3</b>	<b>-2.3</b>	<b>946.9</b>
Cash flow for the period	-89.6	-53.5	126.6
Opening cash and cash equivalents	235.3	110.6	110.6
Exchange difference in cash	3.7	0.3	-1.9
<b>Closing cash and cash equivalents</b>	<b>149.4</b>	<b>57.3</b>	<b>235.3</b>

## INCOME STATEMENT FOR THE PARENT COMPANY

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
Net sales	5.6	2.3	11.8
Other external costs	-4.9	-1.8	-30.0
Personnel costs	-5.1	-2.4	-12.6
<b>Total operating expenses</b>	<b>-10.0</b>	<b>-4.2</b>	<b>-42.6</b>
<b>Operating income</b>	<b>-4.4</b>	<b>-1.9</b>	<b>-30.8</b>
Interest income and similar items	23.6	6.6	66.9
Interest expenses and similar items	-16.2	-7.6	-60.9
<b>Total expenses from financial items</b>	<b>7.4</b>	<b>-1.0</b>	<b>5.9</b>
<b>Income before tax</b>	<b>3.0</b>	<b>-2.9</b>	<b>-24.9</b>
Tax on net profit/ loss for the period	0.0	0.0	0.0
<b>Net loss for the period</b>	<b>3.0</b>	<b>-2.9</b>	<b>-24.9</b>

## STATEMENT OF FINANCIAL POSITION FOR THE PARENT COMPANY

<i>Amounts in SEK million</i>	31.03.2019	31.03.2018	31.12.2018
Non-current assets	2,762.6	818.1	2,749.0
Current assets	52.1	34.3	59.0
<b>TOTAL ASSETS</b>	<b>2,814.7</b>	<b>852.5</b>	<b>2,808.1</b>
Equity	1,376.4	237.1	1,373.4
Non-current liabilities	1,340.8	575.5	1,326.9
Current liabilities	97.5	39.8	107.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,814.7</b>	<b>852.5</b>	<b>2,808.1</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 General information

#### *The Company and the Group*

BEWiSynbra Group AB (publ), corporate registration number 556972-1128, is a holding company registered in Sweden with a registered office in Solna, address Gårdsvägen 13, SE-169 79 Solna, Sweden. The BEWiSynbra Group's interim report for January – March 2019 was approved by the Board of Directors on 15 May 2019 for publication.

Amounts are given in million kronor (SEK million) unless otherwise indicated. Information in parentheses refers to the comparative periods.

### NOTE 2 Accounting policies

The BEWiSynbra Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied comply with those described in BEWiSynbra Group AB's Annual Report for 2018, with the exceptions of IFRS 16, as described below. This interim report has been prepared in accordance with IAS 34 Interim financial reporting and the Annual Accounts Act.

The Parent Company applies the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The application of RFR 2 means that the Parent Company, in the interim report for the legal entity, applies all EU-approved IFRS and statements insofar as this is possible within the framework of the Annual Accounts Act and the Pension Obligation Guarantee Act, and with consideration given to the relationship between accounting and taxation.

#### **Impact of IFRS 16**

The Group applies 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 old standard, i.e. lessors continue to classify leases as finance or operating leases.

The Group recognises 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.

The Group is applying the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 is recognised as an adjustment to the opening balance as of 1 January 2019, with no restatement of comparative information. The right-of-use assets to previous operating leases, split per asset class, are reported at the depreciated value from commencement date.

The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that IFRS 16 is applied to all contracts entered into before 1 January 2019 and identified as leases in previous accounting standards. 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) are not included in the calculation of right-of-use assets or leasing liabilities, but continue to be reported with straight-line expense over the lease term. Examples of low value assets are computers, printers and copiers.

The operating profit for 2019 will increase compared to the previously applied accounting principles, due to the fact that part of the leasing fees are reported as interest expense. Cash flow from operating activities will increase and those of financing activities decrease, due to the fact that the amortization part of the leasing fees are reported as payment in the financing activities. The adoption of IFRS 16 is not impacting the maximum leverage threshold loan covenant for the Group, as the effect of the transition to IFRS 16 is excluded from that calculation.

The below table presents the effect of the IFRS 16 implementation on the opening balance of the relevant balance sheet items.

<i>Amounts in SEK million</i>	<b>31.12.2018</b>	<b>Impact IFRS 16</b>	<b>Adjusted opening balance</b>
Other intangible assets	822.5	0.1	822.6
Land and buildings	396.5	296.1	692.6
Plant and machinery	657.8	13.8	671.6
Equipment, tools, fixtures and fittings	68.3	28.8	97.1
Deferred tax asset	51.8	7.4	59.2
Prepaid expenses and accrued income	18.7	-9.3	9.4
Equity	1,537.3	-27.6	1,509.7
Non-current interest-bearing liabilities	1,342.5	295.1	1,637.6
Current interest-bearing liabilities	16.2	69.4	85.6

**NOTE 3** Pro-forma figures (excl impact from IFRS 16)**Segment sales**

<i>Amounts in SEK million</i>	<b>Q119</b>	<b>Q118</b>	<b>2018</b>
Raw materials	569.5	725.3	2,846.3
Packaging & Components (P&C)	425.5	459.9	1,802.1
Insulation	338.2	335.6	1,570.7
Intra-group revenue	-257.0	-340.1	-1,235.9
<b>Total net sales</b>	<b>1,076.2</b>	<b>1,180.7</b>	<b>4,983.2</b>

**Adjusted EBITDA**

<i>Amounts in SEK million</i>	<b>Q119</b>	<b>Q118</b>	<b>2018</b>
Raw materials	25.4	50.9	151.9
Packaging & Components (P&C)	56.7	62.4	199.4
Insulation	45.3	27.2	175.8
Unallocated corporate cost	-8.1	-5.8	-38.5
<b>Total adjusted EBITDA</b>	<b>119.3</b>	<b>134.7</b>	<b>488.6</b>
<i>Adj. EBITDA margin (%)</i>	<i>11.1%</i>	<i>11.4%</i>	<i>9.8%</i>

**Key figures RAW**

<i>Amounts in SEK million</i>	<b>Q119</b>	<b>Q118</b>	<b>2018</b>
Segment sales	569.5	725.3	2,846.3
Adj. EBITDA	25.4	50.9	151.9
<i>Adj. EBITDA margin (%)</i>	<i>4.5%</i>	<i>7.0%</i>	<i>5.3%</i>
Adj. EBITA	17.2	42.1	119.0

**Segment sales** for RAW amounted to SEK 569.9 million in the first quarter this year (SEK 725.3 million), a decrease of 22.6 per cent compared to the corresponding period in 2018. Adjusted for currency, sales decreased 23.8 per cent, mainly relating to lower market prices this quarter.

GAP in the quarter is within a normal average range, while it was in the high end in Q1 2018, which is the main explanation to the decrease in the EBITDA margin. In addition, issues at one of the production lines negatively impacted the performance in the quarter.

As a result of successful integration work between the former BEWi Group and Synbra, production at the facility in Etten-Leur, Netherlands, improved by more than 10 per cent compared to the first quarter last year, resulting in a net increase in volumes of approximately 4 per cent quarter over quarter, despite the reduced production related to maintenance as explained above.

**Adjusted EBITDA** in the quarter was SEK 25.4 million (SEK 50.9 million). The main explanation for the decrease is reduced GAP this quarter compared to the first quarter last year. Also, the above-mentioned maintenance stop and issues in a production line, contributes to higher costs and thus a lower EBITDA margin this quarter.

## Key figures Packaging & Components

<i>Amounts in SEK million</i>	<b>Q119</b>	<b>Q118</b>	<b>2018</b>
Segment sales	425.5	459.9	1,802.1
Adj. EBITDA	56.7	62.4	199.4
<i>Adj. EBITDA margin (%)</i>	13.3%	13.6%	11.1%
Adj. EBITA	36.9	43.8	120.5

**Segment sales** for P&C in the quarter amounted to SEK 425.5 million (SEK 459.9 million), a decrease of 7.5 per cent compared to the corresponding period in 2018. Adjusted for currency, sales decreased 8.2 per cent. The negative organic growth can mainly be explained by lower volumes in Norway due to lower activity in the fish slaughteries the company supplies fish boxes to, and lower demand from the automotive industry in Sweden. Other markets are considered stable.

**Adjusted EBITDA** amounted to SEK 56.7 million in the quarter (SEK 62.4 million), representing a margin of 13.3 per cent (13.6 per cent). The adjusted EBITDA margin is improving compared to the previous quarter, mainly as a result of improved efficiency in the Danish operations, as a result of the integration work including closure of one facility in 2018. Also, the cost reduction measures implemented in the Swedish operations, is yielding positive margin contribution.

## Key figures Insulation

<i>Amounts in SEK million</i>	<b>Q119</b>	<b>Q118</b>	<b>2018</b>
Segment sales	338.2	335.6	1,570.7
Adj. EBITDA	45.3	27.2	175.8
<i>Adj. EBITDA margin (%)</i>	13.4%	8.1%	11,2%
Adj. EBITA	36.6	19.5	143.1

**Segment sales** for Insulation in the quarter amounted to SEK 338.2 million (SEK 335.6 million), an increase of 0.7 per cent compared to the corresponding period in 2018. Adjusted for currency, sales decreased 0.6 per cent. Volumes are stable in all regions except Sweden, where the company continue to experience lower volumes.

**Adjusted EBITDA** for the quarter was SEK 45.3 million (SEK 27.2 million), representing an adjusted EBITDA margin of 13.4 per cent (8.1 per cent). The improved EBITDA margin is mainly a result of favorable raw material prices in the quarter, as well as improved efficiency in the Danish operations, as explained under P&C. Also, the cost reducing measures implemented in the Swedish Insulation operations yields positive margin contribution this quarter.

## NOTE 4 Related party transactions

Sales to the 34 percent owned IsoBouw GmbH and 34 percent owned Hirsch Porozell GmbH totalled SEK 60.7 million during the quarter.

## NOTE 5 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 Board 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.

<i>Amounts in SEK million</i>	<b>Q1 2019</b>	<b>Q1 2018</b>	<b>2018</b>
<b>Raw material</b>			
Segment revenue	569.5	358.6	2,362.5
Intra-group revenue	-241.8	-82.5	-726.5
<b>Revenue from external customers</b>	<b>327.7</b>	<b>276.1</b>	<b>1,636.0</b>
<b>Insulation</b>			
Segment revenue	338.2	92.6	1,238.2
Intra-group revenue	-8.1	-10.4	-80.6
<b>Revenue from external customers</b>	<b>330.1</b>	<b>82.2</b>	<b>1,157.6</b>
<b>Packaging and Components</b>			
Segment revenue	425.5	135.9	1,150.8
Intra-group revenue	-7.0	-3.1	-39.3
<b>Revenue from external customers</b>	<b>418.4</b>	<b>132.8</b>	<b>1,111.5</b>
<b>Total</b>			
Total segment revenue	1,333.1	587.2	4,751.5
Total Intra-group revenue	-257.0	-96.0	-846.4
<b>Total revenue from external customers</b>	<b>1,076.2</b>	<b>491.1</b>	<b>3,905.1</b>
<b>Adj. EBITDA</b>			
Raw material	26.0	26.4	120.1
Insulation	48.1	-5.2	130.6
Packaging and Components	71.8	16.3	99.5
Unallocated	-7.4	-3.0	-33.5
<b>Total adj. EBITDA</b>	<b>138.6</b>	<b>34.5</b>	<b>316.7</b>
<b>EBITDA</b>			
Raw material	26.0	26.5	117.9
Insulation	39.4	-5.6	152.7
Packaging and Components	67.7	16.3	121.8
Unallocated	-17.3	-12.6	-99.4
<b>Total EBITDA</b>	<b>115.9</b>	<b>24.6</b>	<b>292.9</b>

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
<b>EBITA</b>			
Raw material	17.2	21.7	90.0
Insulation	28.6	-8.3	126.7
Packaging and Components	37.2	11.7	72.5
Unallocated	-20.0	-12.2	-101.3
<b>Total EBITA</b>	<b>63.0</b>	<b>12.9</b>	<b>187.9</b>
<b>EBIT</b>			
Raw material	15.8	21.3	84.5
Insulation	24.0	-8.3	106.0
Packaging and Components	27.8	10.1	54.9
Unallocated	-21.1	-12.2	-104.1
<b>Total EBIT</b>	<b>46.5</b>	<b>10.9</b>	<b>141.4</b>
Net financial items	-19.8	-7.8	-75.2
<b>Income before tax</b>	<b>46.7</b>	<b>3.1</b>	<b>66.2</b>

### Synbra's part of change in revenue from external customers per segment

<i>Amounts in SEK million or percentage (%)</i>	Q1 2019	%	2018	%
Raw material	156.2	302.9	480.6	74.7
Insulation	244.8	98.8	719.7	93.9
Packaging	176.1	61.6	442.9	71.5

### External Segment revenue by country (selling company's geography)

<i>Amounts in SEK million</i>	Q1 2019	Q1 2018	2018
Finland (Porvoo)	171.5	276.1	1,155.4
Netherlands (Etten-Leur)	156.2	0.0	480.6
<b>Raw material</b>	<b>327.7</b>	<b>276.1</b>	<b>1,636.0</b>
<b>Packaging &amp; Components and Insulation</b>			
Total Finland	26.8	27.9	151.2
Total Sweden	123.5	115.3	500.3
Total Denmark	147.0	65.8	482.3
Total Norway	105.3	5.9	183.9
Total Netherlands	291.1	0.0	817.7
Total Portugal & Spain	55.0	0.0	134.1
Total P&C and Insulation	748.5	215.0	2,269.3
<b>Total Group</b>	<b>1,076.2</b>	<b>491.1</b>	<b>3,905.3</b>

**NOTE 6** The Group's borrowings

<i>Amounts in SEK million</i>	<b>31.3.2019</b>	<b>31.3.2018</b>	<b>31.12.2018</b>
<b>Non-current liabilities</b>			
Bond loan	1,304.5	539.1	1,290.2
Liabilities to credit institutions	25.5	21.9	17.6
Liabilities leases	319.6	11.8	34.8
<b>Total</b>	<b>1,649.6</b>	<b>572.8</b>	<b>1,342.5</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	2.2	2.8	4.3
Liabilities leases	85.6	2.9	3.2
Debt factoring	8.5		
Overdraft	105.3		
Liabilities to non-controlling interests	1.0	1.0	1.0
<b>Total</b>	<b>202.6</b>	<b>6.7</b>	<b>16.2</b>
<b>Total liabilities</b>	<b>1,852.2</b>	<b>579.5</b>	<b>1,358.7</b>
<b>Liabilities capitalised in accordance with IFRS 16 included in table above</b>			
Non-current liabilities leases	295.5		
Current liabilities leases	71.5		
	367.0		
<b>Interest-bearing liabilities excluding IFRS 16 effect</b>	<b>1,485.2</b>		
Cash and cash equivalents	149.4	57.3	235.3
<b>Net debt</b>	<b>1,335.8</b>	<b>522.2</b>	<b>1,123.4</b>

**The Group's current loan structure**

The Group was refinanced in the spring of 2017, at which point the Parent Company issued a corporate bond of SEK 550 million. In the spring of 2018, the Parent Company issued a EUR 75 million bond as part of the financing of the Synbra acquisition. Both bonds are listed on the Nasdaq Stockholm corporate bond list.

<b>Issued amount</b>	<b>Maximum amount</b>	<b>Date of issuance</b>	<b>Maturity date</b>
550 MSEK	750 MSEK	June 8, 2017	June 8, 2020
75 MEUR	100 MEUR	April 19, 2018	April 19, 2022

The bonds are recognized 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 recognized during the quarter are presented in the table below.

<b>Interest rates bonds</b>			
<b>Bond loans</b>	<b>Interest terms</b>	<b>Nominal interest 1.1-31.3.2019</b>	<b>Average interest 1.1-31.3.2019</b>
550 MSEK	Stibor 3m + 4.40%	3.93-4.32%	5.25%
75 MEUR	Euribor 3m + 4.75%	4.43-4.44%	5.68%

The Group's principal bank has granted the Group an overdraft facility of SEK 275 million. EUR 105 million of that overdraft facility was utilized as at 31 March 2019. In addition, The Group has a number of liabilities related to financial leasing as well liabilities to credit institutions in acquired companies. As to the effect of capitalizing operating leases in accordance with IFRS 16, please refer to the table above and to note 2.

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 March 2019 amounted to SEK 23.8 million (20.8 at December 31, 2018). The currency interest swap carries an interest margin of 0.24% between borrowing and lending. In addition to the bond, the Group has a number of liabilities regarding financial leases and a number of liabilities in acquired companies in the form of liabilities to credit institutions and liabilities pertaining to factoring.

### Pledged assets

For the overdraft facility and bonds, collateral has been lodged in the form of business mortgages and pledged shares in subsidiaries.

## NOTE 7 Fair value and financial instruments

<i>Amounts in SEK million</i>	Level 1	Level 2	Level 3	Total	Carrying amount
<b>Financial assets measured at fair value through profit and loss</b>					
Participation in other companies			2.5	2.5	2.5
<b>Total</b>			<b>2.5</b>	<b>2.5</b>	<b>2.5</b>
<b>Financial liabilities measured at amortised cost</b>					
Bond loans	1,355.6			1,355.6	1,304.5
<b>Total</b>	<b>1,355.6</b>			<b>1,355.6</b>	<b>1,304.5</b>
<b>Financial liabilities measured at fair value through profit and loss</b>					
Earnouts			1.6	1.6	1.6
Long-term derivative liability		23.8		23.8	23.8
<b>Total</b>		<b>23.8</b>	<b>1.6</b>	<b>25.4</b>	<b>25.4</b>

Financial instruments are initially measured at fair value, adjusted for transaction costs, except for financial instruments subsequently measured at fair value through profit and loss. For those instruments, transactions costs are recognized immediately in profit and loss. The Group is classifying its financial instruments based on the business model applied for groups of financial instruments within the Group and whether separate financial instruments meet the criteria for cash flows that are solely being payments of principal and interest on principal amount outstanding. The Group is classifying its financial instruments into the Group's financial assets and financial liabilities measured at fair value through profit and loss and financial assets and financial liabilities measured at amortized cost. The table above shows the fair value of financial instruments measured at fair value, or where fair value differs from the carrying amount because the item is recognized at amortized cost (the bond loan). The carrying amount of the Groups' other financial assets and liabilities is considered to constitute a good approximation of the fair value, since they either carry floating interest rates or are of a non-current nature.

Level 3 – Changes during the period (SEK million)	Participation in other companies	Earnings
At 31 December 2018	2.6	1.6
Exchange rate differences	-0.1	–
At 31 March 2019	2.5	1.6

\* Level 1 – listed prices (unadjusted) on active markets for identical assets and liabilities.

\* Level 2 – Other observable data for the asset or liability are listed prices included in 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.

## NOTE 8 Business combinations

Operating On 28 March 2019, BEWiSynbra Group acquired 51 per cent in Pingxi NV, active in the recycling business through its wholly owned subsidiaries Eco Fill and Chadi. 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 EUR 2 million. The acquisition price was SEK 4.3 million and SEK 6.3 million 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 SEK 9.4 million, of which approximately SEK 4.8 million is attributable to the equity holders of the parent company. Goodwill has consequently not yet been identified in the preliminary acquisition analysis. The company has not contributed to the consolidated revenue or the results of BEWiSynbra Group during the first quarter of 2019.