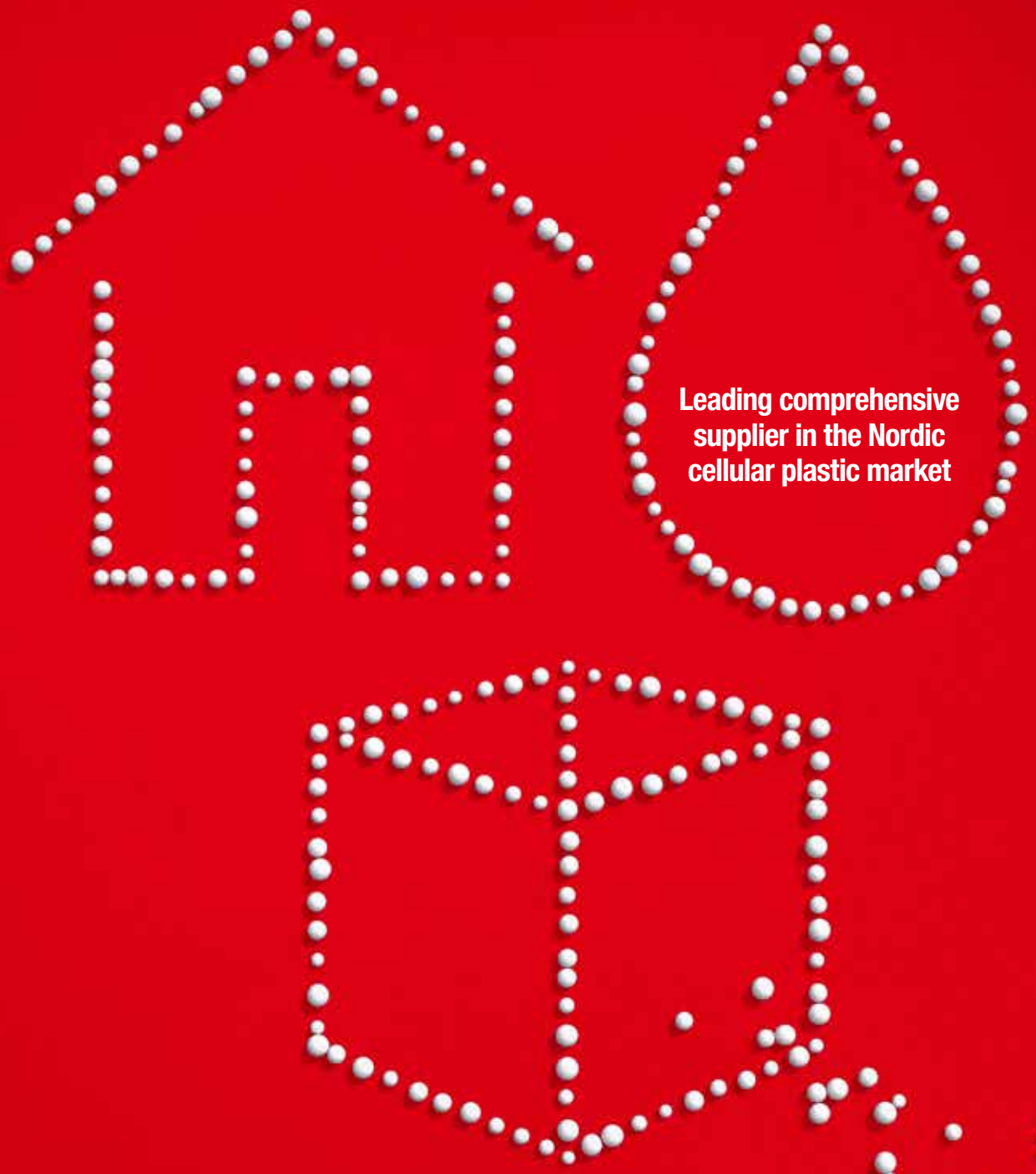
BEWi Group

Annual Report 2016

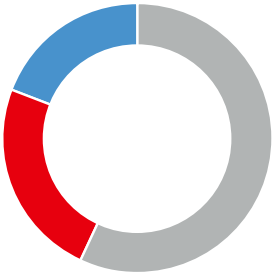


Contents

Overview

BEWi Group is one of the Nordic region's largest companies that develops and manufactures expanded polystyrene (EPS), extruded polystyrene (XPS) and products made from expanded polypropylene (EPP). We specialize in customized packaging solutions and components, insulation products, and innovative solutions for the construction industry.

SALES BREAKDOWN BY BUSINESS AREA

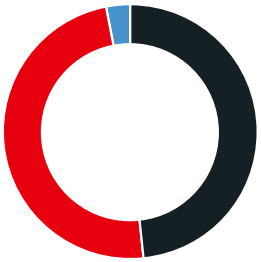


* Including internal sales

KEY PERFORMANCE INDICATORS

	2016	2015
Net sales, SEKm	1,607	1,593
Adjusted EBITDA, SEKm	121	109
Adjusted EBITDA, %	7.5	6.8
Items affecting comparability, SEKm	-13	-8
EBITDA, SEKm	108	101
EBITDA, %	6.7	6.3
Operating cash flow, SEKm	73	81
Capital expenditure, SEKm	60	35
Equity ratio, %	34	26

OWNERS



The Norwegian family Bekken owns 48.5% of the BEWi Group through BEWi Holding, a further 48.5% is owned by Verdane Capital Advisors and the remaining 3% is owned by senior executives.

THE BEWi GROUP IN FIGURES

1,607

SEK million
BEWi's turnover in 2016

121

SEK million
Adjusted earnings before interest, tax, depreciation and amortization

299

Average number of employees

Our development

The BEWi Group was formed when the Norwegian family firm BEWi AS and Styrochem of Finland merged in 2014. In parallel with the merger, six production units were acquired from the UK packaging company DS Smith: the Danish firm DS Smith Flamingo with operations in Holbaek, Hobro, Tørring and Såby; and DS cellular plastic operations in Värnamo and Urshult. The acquisitions and restructurings have created a competitive contender with a broad geographical coverage and a wide range in our home market.

Styrochem

Styrochem has a 45-year market history and has market-leading technology for the production of polystyrene beads.

1972
Stymer (later Styrochem) starts EPS production

1981
Neste Chemicals acquires Stymer

2000
Styrochem becomes the leading EPS producer in northern Europe

2007
Styrochem acquires Eqvitec

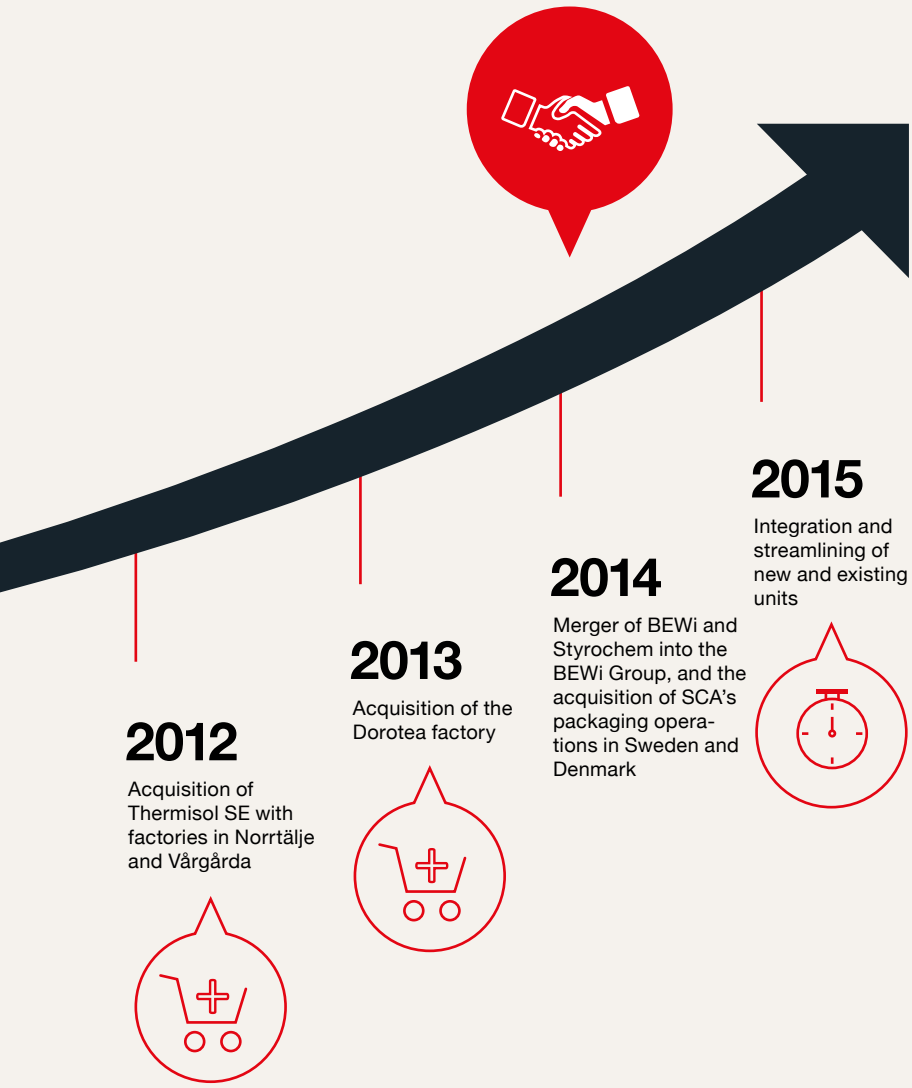
2011
Verdane acquires Styrochem

1980
BEWi is founded to produce food packaging and building insulation products

2006
BEWi establishes operations in Sweden through the acquisition of Genevad

The BEWi Group

Since it was founded in 1980, BEWi has focused on packaging and building insulation.



2016 in summary

INVESTMENTS IN TECHNOLOGY TO STRENGTHEN MARKET POSITION

BEWi Styrochem expanded its product portfolio and production capacity with an investment in extrusion technology at its Porvoo factory in Finland.

The aim is to produce grey EPS through an extrusion process. The insulation properties of Grey EPS are about 20 percent better than comparable white products, and it has already captured considerable shares of the European insulation market.

PRODUCTION OF FABRICATED FOAM STARTED IN VÅRGÅRDA

The production unit in Vårgårda installed a new production line for fabricated foam, the collective name for polyurethane (PUR) and expanded polyethylene foam (EPE). BEWi's design expertise enables both standard products and more advanced customer-unique products to be offered. The investment also opens up for combined solutions.

NEW INVESTMENT IN THE OPERATIONS IN VÄRNAMO AND URSHULT

BEWi Packaging has a long tradition of innovative and customized EPS and EPP packaging solutions, and helps its customers from concept to production of optimal solutions in terms of functionality, design and total cost. In 2016, BEWi opened a design center in Värnamo to meet future needs and future ventures. The production facility in Urshult increased the number of shifts to meet increasing demand.

ACQUISITION OF POR-PAC

In 2017, the operations were acquired of the company Por-Pac, comprising a production unit in Lindesberg that manufactures foam transport packaging. The company operates mainly as a subcontractor for the manufacturing industry. Por-Pac's factory in Skara focuses on deliveries to the automotive industry and was acquired by BEWi Holding AS.

CEO Christian Bekken, on left, together with Chairman Göran Vikström.

An eventful 2016 is followed up with continued expansion and focus

For the BEWi Group, 2016 was an eventful and expansive year encompassing investments, new ventures and acquisitions. International trends within the industries in which the BEWi Group operates continued with undiminished strength and confirmed the Group's expansion strategy. The creation of a competitive Nordic contender with long-term profitability is continuing as planned.

A STRONGER BEWi GROUP

The BEWi Group will use organic and inorganic growth to expand toward our vision of becoming the leading EPS supplier in the Nordic region. In 2016, we continued efforts to create a stronger contender in a competitive market. The organization succeeded in managing the year's healthy demand well and concurrently working strategically with implementing key operational changes. Key events included the acquisition of the Finnish manufacturer M-Plast and investments in expansion of the facilities in Sweden and Finland. Acquisitions will continue to be a cornerstone of our strategy and we have a well-established acquisition process in place for identifying new objects. We have also shown that we can realize synergies and create successful corporate restructurings. We will grow responsibly and are well aware that we have a role to play in creating a sustainable society.

IN LINE WITH GLOBAL TRENDS

The leading megatrends are globalization, digitalization and urbanization. Our continued success requires understanding these trends and preparing for the changes they entail. They are relevant for BEWi, entail business opportunities and comprise the background for our strategy agenda and ongoing change process.

- **Globalization and digitalization** mean that retailing via e-commerce solutions makes consumption possible with a scope that was previously unheard of. Retailing's digitalization is continuing unabated. In 2016, e-commerce grew 16 percent in Sweden, corresponding to SEK 57.9 billion. The growth of e-commerce in Europe is forecast to remain strong moving forward. The retail chains' investments in digital channels, the growth of the food industry and increasingly skilled online consumers are contributing to growth.

  A stable consumption trend linked to the digitalization of the retail trade means an increasing need for goods transportation and protective packaging. During the year, our packaging operations became increasingly well equipped to leverage that trend. Following a decision in 2016, we installed a new production line for fabricated foam in Swedish Vårgårda. This means we can now offer customers standard products as well as customized solutions, both for smaller and for larger volumes. In our segment, we will be unique when we are able to meet all possible packaging solution requirements for our customers. Moreover, we opened a design center in Värnamo in Sweden, where we work with our customers to develop their changing packaging needs.

  The Norwegian salmon farming industry has been a key factor in BEWi's growth and profitability with many years of delivering EPS for the fish boxes required for transporting fresh fish. This is a stable market with a positive trend, global interest for fish as a healthy meat alternative is rising. Norway is one of the world's largest exporters of fresh salmon with sales in more than 140 countries.

- **The urbanization trend** that is driving construction to historic highs is expected to continue. BEWi's insulation material operations work continuously with improvements and innovation to meet demand. For example, we expanded our insulation products portfolio and production capacity through an investment in extrusion technology at the Porvoo factory in Finland. The aim is to produce grey EPS, with higher insulation properties than comparable material. Grey EPS has already captured considerable shares of the European market. This is, perhaps, BEWi's most important investment to date and we will be the first in the Nordic region to manufacture grey EPS. Production will start in mid-2017.

  The acquisition of the Finnish XPS manufacturer M-Plast, at the start of 2017, strengthened our offering and our portfolio. Other investments during the year included increasing the number of shifts at the Swedish Dorotea and Urshult plants, which now have the capacity to meet increasing demand.

- **Responsibility and striving for sustainability** are givens for any professional company in the modern age. As a supplier of packaging solutions, we are well aware of the environmental impact of our operations. During the year, we started a joint venture with Swedish recyclers Ragn-Sells aiming to re-use fish boxes as part of our contribution to sustainable solutions. The partnership is still in its infancy, but is extremely interesting, and comprises a strategic business issue.

GATHERING FORCES AND FOCUS

The acquisitions and investments of the last two years mean we are correctly positioned to leverage the possibilities offered by societal developments. Due to the commitment, leadership and adaptability that exists at BEWi, we face the future with confidence and are convinced that, together with its business partners and employees in the ongoing change initiatives, BEWi is well on its way to becoming the industry leader in the Nordic region.

Christan Bekken, CEO
Göran Vikström, Chairman

"We are correctly positioned to leverage the possibilities offered by societal developments.

About the BEWi Group

In line with its growth philosophy, the BEWi Group has developed its operations for the entire chain from raw material to finished products for food packaging, technical packaging and building insulation. The BEWi Group invests continuously in new technology and innovative products to create value at every stage. The market for cellular plastic continues to consolidate and the BEWi Group is expanding through organic and inorganic growth. All of the BEWi Group's markets and product categories posted growth.

OUR BUSINESS CONCEPT
Our business concept is to develop application areas for cellular plastic and the Group's production know-how to be able to meet the needs for products in the packaging, raw material and construction industries.

OUR VISION AND STRATEGY
Our vision is to become the leading full-line cellular plastic supplier in the Nordic region, both in terms of volumes and results, through acquisitions and investments in new technology.

HOW WE WILL REACH OUR GOAL
We will be the most cost-efficient manufacturer, offer a full range and have a broad geographic coverage to ensure we are close to customers, and we will develop existing and new applications for EPS in the construction and packaging industries to be able to offer intelligent and innovative products.

"BEWi has a unique position as one of the three leading cellular plastic companies in the Nordic region, with a strong presence in all of the Nordic countries.

What is cellular plastic?

Cellular plastic is used as a collective name for a variety of different expanding plastics. Depending on the chemical composition and the method used to expand it, products are obtained in a myriad of different properties. Commonly occurring types of cellular plastics are EPS, EPP and XPS. Cellular plastic has properties such as good insulation capacity, strength, low weight, and is easy to process. It is suitable for applications including insulation and foundation material for buildings and other groundworks, as well as different types of packaging.

EXPANDED POLYSTYRENE — EPS

EPS is expanded polystyrene. The raw material for EPS comprises styrene and pentane.

Product properties
EPS is a good insulator since its closed-cell construction consists of 98 percent air. It also has a high moisture resistance and therefore provides good protection against cold, wind, damp and mold as well as providing high impact protection.

Applications/products
Its uses include insulating buildings and as construction material for civil engineering projects such as roads, viaducts and bridges, as well as for packaging, in particular for food. The material can be molded, which minimizes consumption and makes transportation cheaper.

Market drivers
Increasing needs for packaging and construction materials

EXPANDED POLYPROPYLENE — EPP

EPP is expanded polypropylene. The raw material for EPP is polypropylene granulate.

Product properties
Just as EPS, EPP has good insulation properties, high moisture resistance and is an excellent shock absorber as well as being resistant to most chemicals. EPP is slightly more robust than EPS.

Applications/products
Applications include various types of recycling systems, packaging for instruments, cameras, pipes that need insulation, car components, etc.

Market drivers
Globalization and e-commerce

EXTRUDED POLYSTYRENE — XPS

XPS is extruded polystyrene.

Product properties
XPS is a harder form of EPS and is used as an insulating material where extremely high strength requirements apply. XPS is heavier than EPS, it can withstand higher compression and provides enhanced moisture protection.

Applications/products
Extruded cellular plastic is used where stringent requirements apply in terms of strength, for example railways and embankments, airports, industrial floors, parking places and sports facilities.

Market drivers
Population growth, urbanization and construction

Our market

Insulation products make up around 70 percent of the Nordic cellular plastic market, the remaining 30 percent is primarily packaging products.

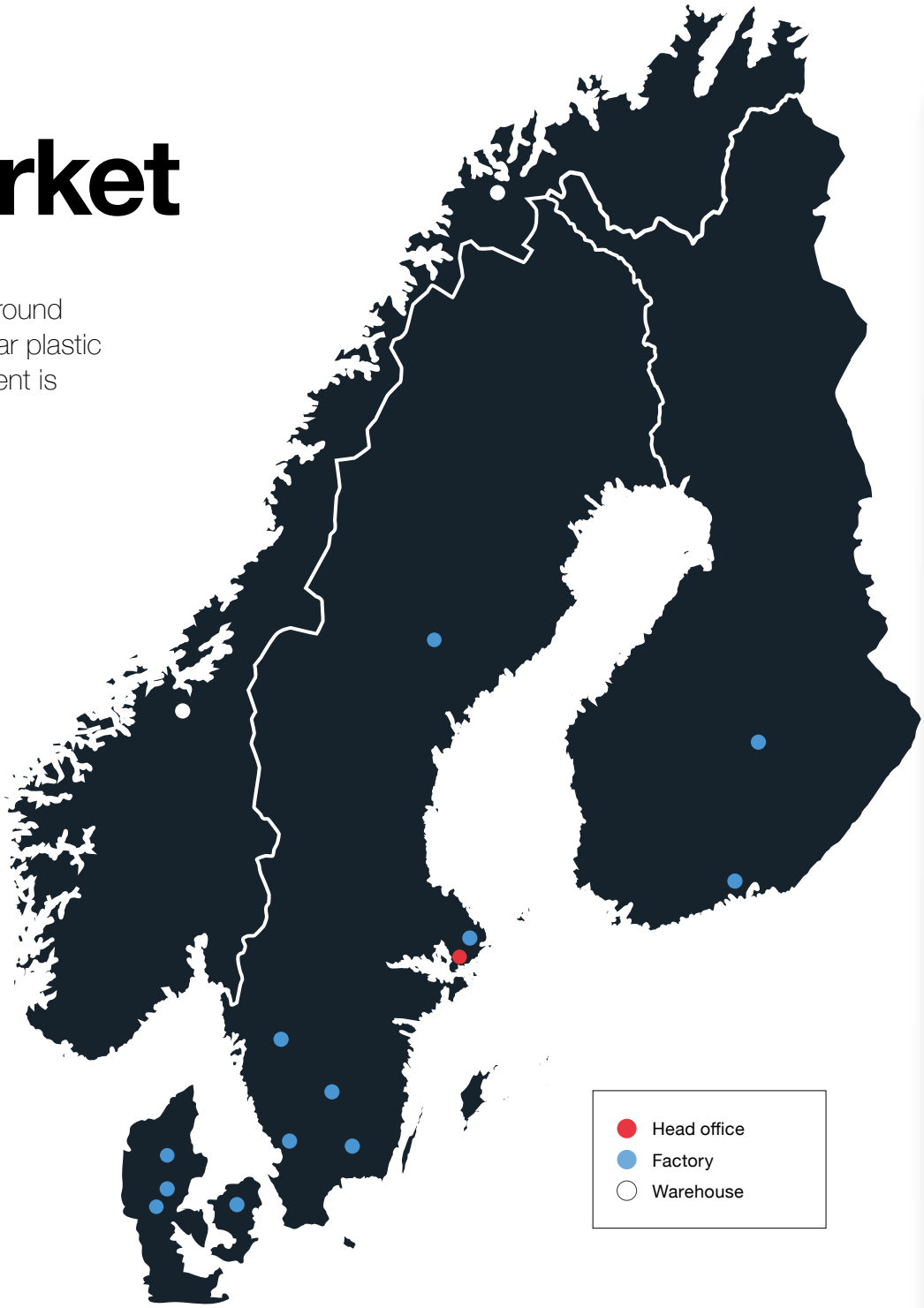
Insulation products mainly comprise insulation material for the foundations, roofs and walls of buildings in the Danish, Finnish, Norwegian and Swedish markets.

In the main, packaging products are intended for food and pharmaceuticals as well as various types of protective packaging. Norway is the largest market in the Nordic region for food packaging.

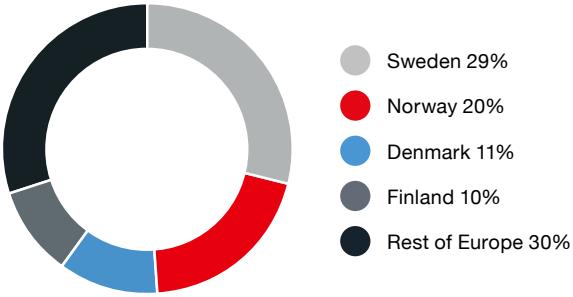
Technical components for vehicle safety and for insulating pipes and conduits makes a third category.

A smaller share comprises cellular plastic blocks for road construction and groundworks.

Customers include construction companies, building material suppliers, groundwork contractors, and companies in the manufacturing and retail industries. High freight costs limit competition from competitors outside the Nordic region.



SALES BREAKDOWN BY MARKET



BEWi has a broad customer base and strong, long-term customer relationships.

About cellular plastic and our operations

CELLULAR PLASTIC IN DAILY LIFE	OUR PRODUCTS AND SERVICES	OUR CUSTOMERS

RAW MATERIAL
The raw material used for producing EPS, cellular plastic, is polystyrene. EPS is manufactured by mixing polystyrene beads with pentane and then applying heat. Heat and pressure is used to melt the beads together. EPS contains 2 percent polystyrene and 98 percent air.

For more than 40 years, the BEWi Group has been developing, manufacturing and marketing an extensive range of expanded polystyrene products. Its market leading technology means the company is the leading manufacturer of expanded polystyrene in northern Europe.

ThermiSol Oy, Gala, Swisspor, Vita Cellular Foam, Lövolds Industri, Glava, Leroy Aurora, Bra Kasser, Vartdal Plastindustri, Reideni Plaat and Marine Harvest.

PACKAGING
Cellular plastic is a commonly used packaging material for fresh food, fragile products in need of impact protection and pipes that need insulating.

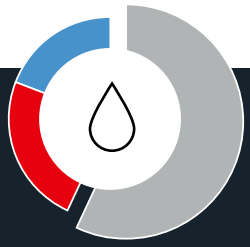
The BEWi Group specializes in customized packaging solutions and components. Other packaging uses include products that need impact protection, for example, consumer electronics, furniture and components.

Marine Harvest, SalMar, Cermaq, Norway Royal Salmon, Grieg Seafood, Norway Seafoods, Nergård, HitraMat, Nofi, Aqualine, Danish crown, Nortura, Tine, Synnöve, Bama, Retursystem, Pandalus, Bosch, Bang & Olufsen, Ifö, Nibe, Novo Nordisk and Danfoss.

INSULATION
Cellular plastic has excellent insulation properties, a high moisture resistance rate and a high compressive strength. These properties mean cellular plastic is an exceedingly suitable and common insulation material for the foundations, walls and roofs of buildings, and for major pieces of infrastructure such as roads, viaducts and bridges.

The BEWi Group has been developing new products for the industry since 1980. The company has progressed from simple, standardized insulation products to innovative construction systems for the foundations, walls and roofs of buildings, and we are now a leading full-line supplier to the Nordic construction industry.

Ahlsell, Beijer, Benders, Byggmax, Glava, JM, Marinetek, PEAB, Skanska, Strängbetong, Vartdal Plast and Icopal.



57%

of the Group's turnover comes from Raw Material

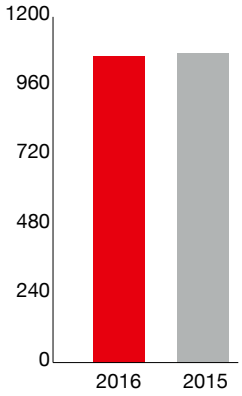
Raw Material

BEWi Styrochem is the Group's raw material producer and its market leading technology means the company is northern Europe's leading manufacturer of polystyrene beads — the raw material for EPS, cellular plastic. The company develops, manufactures and markets an extensive range of beads for the manufacture of expanded polystyrene applications.

"Investment in extrusion technology expands the product portfolio with grey EPS.

SALES RAW MATERIAL

SEK million



BEWi Styrochem works continuously with innovations and improvements to raw polystyrene for packaging and insulation products. One example is an enhanced bead under the generic name, BEWi Raw B, which gives customers advantages such as short processing times and strong products with extremely good surface finishes. Particularly suitable packaging applications include white goods, electronic products and furniture, and fish packaging for air freight.

Styrochem has a stable customer stock, which has been expanded in recent years with both new and old customers. The production unit in Finland supplies the BEWi Group Insulation and Packaging business areas with raw polystyrene material, but also supplies external customers with these business areas.

BEWi holds extremely strong positions in the Nordic market, particularly in Finland, Norway and Sweden. With BEWi supplying the raw EPS needed for fish boxes, the last few years' major international success for the Norwegian salmon farming industry has been a key factor in the Group's growth and profitability.

BEWi also exports raw EPS to customers in the Baltic states, Russia, the UK, Germany and Poland.

BEWi's business activities are conducted close to customers with local sales managers and a unit providing technical support.

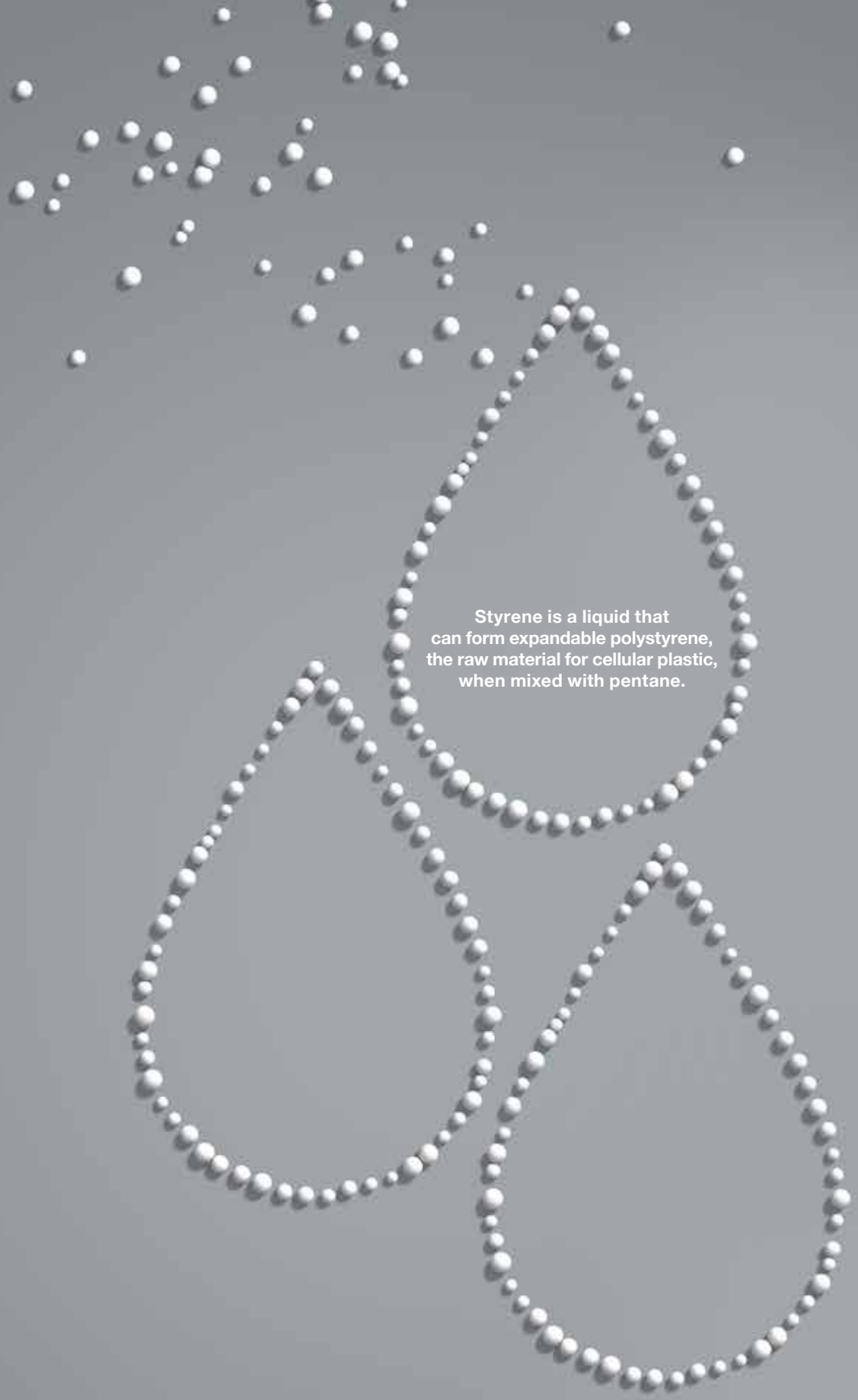
2016

In 2016, investment was started in a new extrusion technology production line at the factory in Porvoo, Finland to expand the product portfolio with grey EPS. The insulation properties of this material are about 20 percent better than comparable white products, and it has already captured considerable shares of the European insulation market. Recycled EPS will be used as raw material in the production line and the Group has signed an agreement with a company in Poland to purchase beads made of recycled fish boxes for that purpose. Production is expected to start in summer 2017.

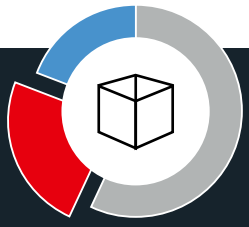
BEWi Styrochem is northern Europe's leading manufacturer of polystyrene beads.

MARKET

Demand is dependent on the needs of the construction and packaging industries, with seasonal peaks in the spring and autumn due to increased activity in the building sector. The market is also increasingly demanding sustainable and recyclable materials.



Styrene is a liquid that can form expandable polystyrene, the raw material for cellular plastic, when mixed with pentane.



24%

of the Group's turnover comes from Packaging

Packaging

BEWi Packaging develops, in-house or in close collaboration with its customers, packaging solutions and components in EPS, EPP and fabricated foam that are designed to protect, keep secure or insulate. The strategy is to become a long-term business partner and the most cost-efficient manufacturer and distributor in the industry.

"A new production line for fabricated foam broadens the scope of packaging operations.

BEWI PACKAGING HAS THREE FOCUS AREAS:

- **Customer-specific packaging solutions**
  BEWi's designers and technicians work closely with their customers using a systematic process that ensures quality from the concept to the production of packaging solutions, which encompass everything from innovative solutions for the pharmaceutical industry to protective packaging for electronics and furniture.
- **Integrated components in customers' products**
  The products are incorporated as insulation, fixings, holders, frames or impact protection as integrated components of customers' products. Common applications include insulation in EPS or grey EPS for boilers or heat pumps. EPP applications are used in the field of HVAC (heating, ventilation and air-conditioning) as well as within the automotive industry.
- **Food packaging**
  The material's properties in terms of hygiene (microorganisms cannot develop in new EPS), good insulation capacity and low weight, together with the fact that it is waterproof, means that the boxes are suitable for packaging and storing fresh food, such as fish, vegetables and meat. The packaging is supplied in both customized and standardized formats. The largest customer segment is the fishing industry. The material is also highly suitable as packaging for temperature-sensitive products, such as medicaments. The range also includes packaging accessories, such as film and foil, vacuum bags and labels.

  BEWi's packaging operations have well-established market positions in Denmark and Sweden. Customer relationships are strong and long-term due to investments in customer-specific molds. BEWi utilizes expertise and quality to compete, and maintains a continuous focus on cost-efficiency.

Norway is one of the world's largest exporters of fresh salmon and exports to more than 140 countries. BEWi delivers raw EPS to the fishing and salmon farming industries to meet their needs for fish boxes to transport fresh fish.

2016

In 2016, a decision was taken to widen packaging operations by offering fabricated foam products to the market, and at the end of the year, a new production line was installed for these operations at the Vårgårda production unit.

Fabricated foam is the collective name for polyurethane (PUR) and expanded polyethylene foam (EPE):

- PUR is an abbreviation of polyurethane and a collective name for a chemically foamed product. Polyether and polyester are used as packaging materials, mainly for low weight products or products that are very sensitive,

Cellular plastic packaging is waterproof, hygienic and shock absorbing, and has a low-weight. It can be manufactured to meet customers' exact requirements.

such as electronics and telecom products. Polyester is a more rigid material with properties including resistance to oil, fats and acids. The material can be made flame retardant and is used as a sound absorber by the automotive industry as well as for heat pumps and compressors.
- EPE — cellular plastic made from polyethylene or cellular polyethylene, is the most common packaging material for shock absorption, separation and immobilizing medium-weight to heavy products.

The fabricated foam product group is suitable for products with slightly lower volumes and for markets that are not prepared to invest in molding tools, for example when a product has a relatively short economic life. The new investment enables BEWi to fully adapt to customers' packaging needs — new products with low volumes can initially be packaged in fabricated foam and later, when volumes have increased, be packaged in molded EPS or EPP.

The ability to offer standard products as well as more advanced and customer-specific products, together with packaging solutions for low and high volume products makes BEWi a long-term business partner.

This also makes the BEWi Group unique in its segment.

The business area has trended extremely favorably with steadily increasing demand for customized packaging solutions in recent years. In 2016, BEWi opened a design center in Värnamo to meet future needs. As a result of the positive demand trend, the Urshult production unit hit its capacity ceiling, and an additional shift had to be set up.

At the start of 2017, the operations of Por-Pac were acquired. Por-Pac's factory in Lindesberg manufactures cellular plastic transport packaging for customers in the manufacturing industry. The part of Por-Pac's operations that focuses on the automotive industry has production in Skara and was acquired by BEWi Holding AS.

MARKET

The market has few alternative materials that have a comparable price, the same high protective properties and low weight (98 percent air and 2 percent raw material) as cellular plastic.

The market is consumption driven, and accelerating globalization and e-commerce are driving the need for goods transportation and, accordingly, protective packaging. European e-commerce has grown rapidly in recent years and this trend is expected to continue. The trend in the Nordic region is heavily influenced by developments in the fishing industry and, particularly by the Norwegian salmon farming industry, which has posted extremely robust growth in recent years.

Food packaging

Food packaging products make up around 60 percent of the Nordic cellular plastic packaging market.

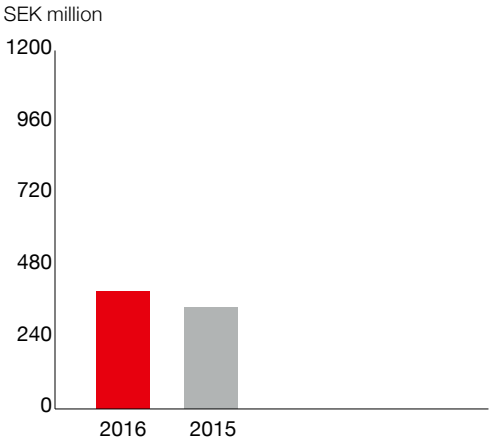
The single largest customer segment is the Norwegian fishing industry. This packaging is commonly used for storing and transporting fresh fish, due to the low weight, and hygienic and waterproof properties of cellular plastic. Norway's salmon farms and other fishing industries make it the largest fishing nation in Europe and the industry has experienced exceptionally strong growth in recent years. In 2016, Norway exported seafood valued at NOK 90 billion to 143 countries.

In Denmark, in addition to being used for fresh fish and shellfish, the packaging is also commonly used for fresh produce such as vegetables and fruit. Assessments of the market for cellular plastic packaging expect it to retain its strong position and to grow in pace with the rapidly accelerating global demand for fresh fish.

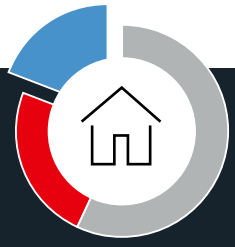
Protective and technical packaging

The remaining 40 percent of the packaging market comprises protective packaging and technical packaging. Since cellular plastic has cushioning and elastic properties and absorbs kinetic energy on impacts, it is a highly suitable material for protective packaging for consumer electronics, furniture and other fragile products during storage and transportation. The market for protective packaging and technical packaging is expected to trend stably in line with the economy in general.

PACKAGING SALES



Cellular plastic is commonly used for food and medicament packaging as it is waterproof, hygienic and shock absorbing, and has a low-weight. Since cellular plastic has cushioning and elastic properties, it is a highly suitable material for protective packaging for consumer electronics and other fragile products.



19%

of the Group's turnover comes from Insulation

Insulation

BEWi Insulation develops and manufactures insulation products and construction material for the Nordic construction and civil engineering industries. The range encompasses the entire scale from simple, standardized products to innovative construction systems for the foundations, walls and roofs of buildings, and construction material for road building.

"The acquisition of M-Plast added extruded insulation board production to operations.

Cellular plastic has excellent insulation properties, a high moisture resistance rate and a high compressive strength. These properties mean cellular plastic has become the most common insulation material for buildings, and construction material for infrastructure such as roads, viaducts and bridges.

INSULATION FOR BUILDINGS

EPS — expanded polystyrene — is the most common type of cellular plastic used for insulating buildings.

EPS is laid directly on the ground as a damp proof barrier for insulation under concrete slab building foundations. EPS prevents heat loss through the slab foundation and helps to keep the floor of the completed building warm. EPS also serves as a damp proof barrier since its forms a capillary barrier course between the ground and the building's foundation.

XPS — extruded polystyrene — can withstand higher compression and provides enhanced moisture protection compared with EPS. XPS is used where stringent design requirements apply in terms of strength and moisture resistance.

CONSTRUCTION MATERIAL FOR ROAD BUILDING

EPS is approved and recommended for use as a construction material with road building. The material is also making gains in its use within civil engineering projects and groundworks.

It is extensively used as ground frost insulation and outside of wall footings, as well as beneath foundations, paths, roads, garage driveways, sports facilities and mechanically frozen ice rinks.

When constructing road embankments and bridge abutments, EPS replaces soil and clay as fill material. Its low weight reduces the risk of collapse. It has excellent compressive strength, which means that the load is distributed over a large area. This results in reduction or elimination of the need for complex groundworks, such as piling, which leads to lower construction costs.

BEWi's Norrtälje plant produces cellular plastic blocks for use as building insulation.

The insulation products encompass the entire scale from simple, standardized products to innovative construction systems for foundations, walls and roofs.

BEWi Insulation has a wide range of products and offers complete solutions for insulating foundations, walls and roofs. The operations manufacture cellular plastic insulation blocks, in the form of foundation elements, drainage boards and roofing products at six plants located in Sweden, Finland and Denmark. All of the products are sold through building contractors and retailers in Finland, Denmark, Norway and Sweden.

BEWi Insulation delivers vertical boards made of cellular plastic as well as our proprietary system with roof wedges to create a fall for drainage. Insulation material is available for concrete walls, for use in timber frames, as insulation layers in wall elements made of concrete and timber, and for building foundation elements with many different compressive strength grades.

BEWi Insulation also offers its construction system, which is a molded system that can be used to construct houses up to a height of three floors above ground. Since its launch in 2003, the system has been leading in the Nordic market, particularly within the professional segment. The product unites the strength of concrete with the insulating properties of cellular plastic and is particularly suitable for low-energy and passive house construction.

The Group's insulation operations are well established in all of the Nordic markets, with a clear concentration in Sweden, and with excellent growth prospects in the Finnish, Norwegian and Danish markets, where the company is a full-line supplier to the large construction companies.

2016

In line with its growth strategy, BEWi has acquired the Finland-based XPS manufacturer M-Plast Oy. The company manufactures extruded insulation board, XPS, for various types of building structures for heat and frost insulation in the Finnish, Swedish and Norwegian markets. The material is environmentally sound and recyclable. The acquisition resulted in the addition of M-Plast's modern facility in Kaavi in Finland to the Group.

BEWi Group also strengthened its operations in northern Sweden through investments in the Dorotea factory. The factory manufactures everything from foundation insulation to edge units and computer-sawn products for industrial customers. The investment means that two additional molding machines are being installed so that the factory can mold elements in-house, such as fish boxes, construction elements, technical components and packaging products. The increased capacity will improve accessibility and logistics and will reduce transport distances.

The investment is part of a long-term plan. Previously, the Genevad plant in Laholm was brought up to date through the installation of a new block press for cellular plastic, a gas facility and a saw line.

MARKET

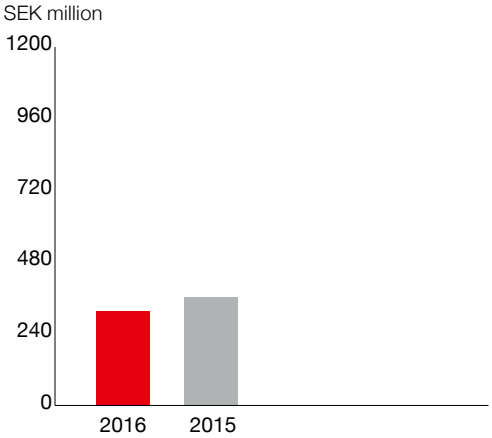
Insulation products make up around 70 percent of the Nordic cellular plastic market. Sweden and Finland account for the majority of the market. Around 70 percent of the insulation material is used for new construction and the remainder for renovation.

The development of cellular plastic insulation products in the Nordic region is progressing in pace with infrastructure expansion and housing construction. Moving forward, the majority of growth is expected to come from new builds.

Energy efficiency measures are the driving force behind the western European construction market.

The vast majority of cellular plastic insulation is used for building foundations, and is less commonly used for walls and roofs due to tradition in the construction industry and fire risk, since the majority of houses in the Nordic region are of timber frame construction.

INSULATION SALES



BEWi has a wide range of products and offers complete solutions for insulating foundations, walls and roofs.

The BEWi Way

BEWi started as a family-owned company with strong, defined values. After almost 40 years of organic growth and acquisitions, it is still the same values that pervade operations.

We strengthen and motivate each other by joining forces.

Since its founding in 1980, the company's stance has been that a strong culture is key to achieving good results, and that employees are the decisive factor in transforming visions of market success into reality. To make a difference, the corporate culture must be integrated into daily operations and, therefore, all employees are given a grounding at an early stage of their employment in the cornerstones of this culture.

This creates a shared culture and the insight that values have no meaning if they are only on paper. They must be brought to life to be sustainable.

The corporate culture is known as The BEWi Way and means:

- Taking responsibility for oneself, one's colleagues and one's tasks.
- Being proud of your company, the daily tasks and of the company being at the cutting-edge with its best-in-class customer solutions.
- Viewing the company as a stable and reliable business the partner that thinks and acts strategically for the long-term. And, naturally, having respect for colleagues and customers goes without saying.
- Adopting a quality mindset, which entails offering quality relative to price and business partners experiencing quality in every transaction. Attention to detail is key to the above.
- Having sound values, that is the same values as a small family company, despite operations now encompassing a large corporate group.

The BEWi Group's values

ENVIRONMENT

- We will create more from less. We improve the environment. We will optimize deliveries through long-term business relationships. Customer loyalty will help us become a full-range supplier.
- The environmental proposition is at an overriding level and at its essence means that less can be more. The proposition is particularly clear in the environmental profile of the business, but also applies generally in everything we do.
- That less can be more is a formula for success for all conceivable innovations and inventions, for example cars that use less fuel. The mindset is universal.Fewer goods, more volume, fewer suppliers, more automation, less personnel, etc. Less is more.

TECHNOLOGY

- Modern technology creates a more efficient tomorrow.
- The BEWi Group's technology will be sold with assertive messages to our business partners. The BEWi Group will be best in class in terms of technical applications from a global perspective. Modern technology raises the efficiency of resource usage.
- Technology is tomorrow's workforce and if the BEWi Group is to succeed moving forward, the company must be at the forefront. This applies equally to communication and sales, both external and internal.

ATTITUDE

- Individually. Believe that you are important — no matter what! All employees should be go-getters and result-oriented, and supportive in both success and adversity.
- Collectively. We are one team that wins and fights as one.
- We believe in the BEWi Group.
- We dare when others dither. We strengthen and motivate each other by joining forces.

Three questions for our employees

Ove Eidsvåg – Regional Manager for the South, East and West of Norway

1 What do you appreciate most about working for the BEWi Group?
You don't work for the BEWi Group, you are part of the BEWi Group and you adopt the prevailing spirit and culture. I have been fortunate enough to have been part of BEWi and its development for more than 13 years, and I am very proud of that opportunity.

2 How does BEWi add value for its customers?
By always being best in class in terms of production, quality, innovative products, logistics and customer follow-up, BEWi creates a unique position for itself in the market.

3 What does the BEWi Way mean for you?
The BEWi Way is my golden rule, that I always keep at the back of my mind.

The BEWi Way is my golden rule, that I always keep at the back of my mind.

Viktoria Juuti – Sales and Marketing Manager, BEWi XPS

1 What do you appreciate most about working for the BEWi Group?
I am proud to be part of the BEWi Group and of working at a dynamic, customer-centric company. Every day, I feel motivated, happy and part of a team! The committed, non-hierarchical Group management is both a strength and a competitive advantage for BEWi. Organic and inorganic growth create motivation and a target-oriented atmosphere.

2 How does BEWi add value for its customers?
The extensive experience, customer-centric approach, expertise and know-how of all our teams adds customer value. Our flexibility and quick interaction, both internal and with our customers helps them reach their goals.

3 What does the BEWi Way mean for you?
Commitment, involvement and team-work together with a customer-centric approach, respect and quality in everything we do.

Commitment, involvement and teamwork together with a customer-centric approach, respect and quality in everything we do.

Ole Krebs – Nordic Development Manager

1 What do you appreciate most about working for the BEWi Group?
The BEWi Group is a dynamic, fast-moving organization. This also means considerable freedom of action, naturally, together with responsibility and the possibility of defining my job. The journey from idea to action is never long.

2 How does BEWi add value for its customers?
A quick response is important in a world that spins ever faster. Our customers expect this and, at the same time, we must retain focus on raised service and quality levels across our operations. This boosts our customers' competitiveness.

3 What does the BEWi Way mean for you?
Our customer relationships should be long-term and based on mutual value creation. This applies equally in terms of our employees. It is crucial to function as a whole!

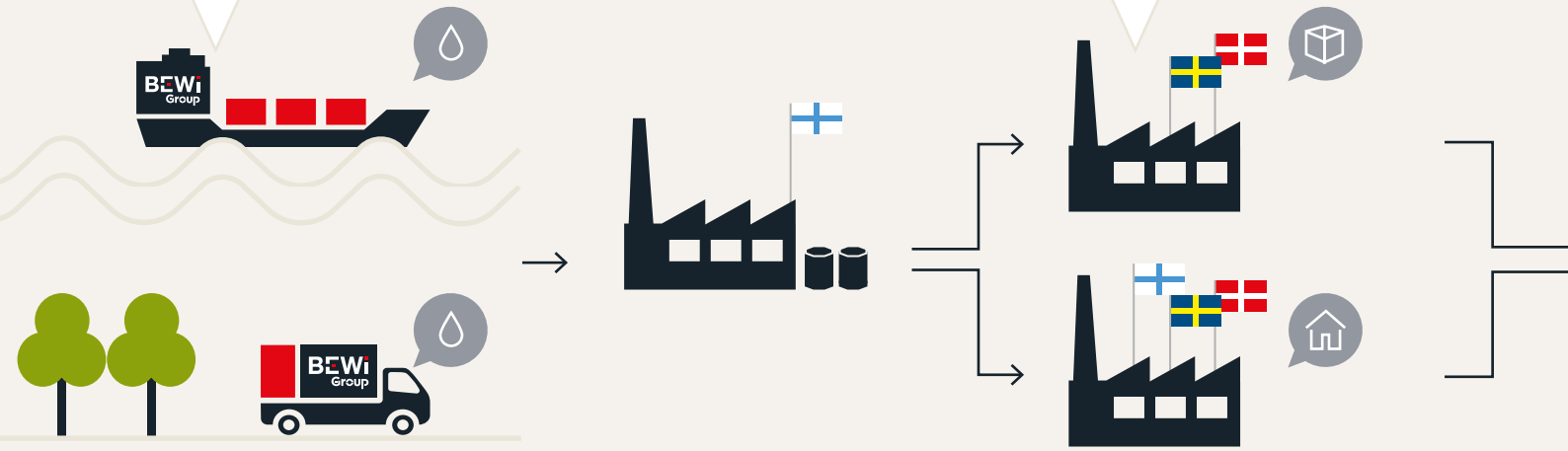
Our customer relationships should be long-term and based on mutual value creation.

How we create value

BEWi endeavors to establish and develop sustainable trust-based relationships with its customers. Our objective is to be the best manufacturer of packaging and insulation material, by utilizing modern technology to help us and our customers reduce and minimize our carbon footprint.

1 The styrene is shipped from Rotterdam to the port in Porvoo, Finland, from where it travels through conduits to BEWi Styrochem's factory.

3 Development and manufacture of packaging solutions and components in factories in Denmark and Sweden.



1 Tanker trucks transport the pentane from Naantali in Finland and the styrene from Hamina in Finland to BEWi Styrochem's factory in Porvoo.

2 BEWi Styrochem in Finland is the Group's unit for developing and manufacturing a large range of expanded polystyrene, the raw material for producing cellular plastic, for internal and external sale.

The pentane and styrene are unloaded directly into BEWi Styrochem's cisterns are transported by conduits from the port in Porvoo. After the manufacturing process, the end product polystyrene is packaged in cardboard octabins with a capacity of 1,100 kg. These are transported by truck to BEWi' factories in Sweden and Denmark, and other customers in the Nordic region and the rest of Europe.

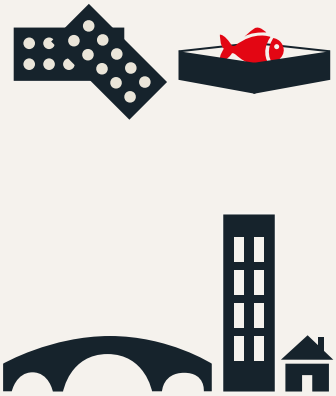
3 The development and manufacture of insulation products and construction material for the construction and civil engineering industries in six factories located in Finland, Sweden and Denmark.

FACTS ABOUT EXPANDED POLYSTYRENE (EPS)

- **EPS is comprised to 98 percent of air.** The remaining 2 percent is mainly styrene, which is an oil refining by-product.
- **EPS is freon-free** and an inert material with no hazardous chemicals that does not emit gas or leak when in use or undergoing destruction.
- **EPS also contains** industrially manufactured pentane.

5 PACKAGING
Its properties in terms of hygiene, insulation capacity, impact protection and low weight, mean that cellular plastic packaging is particularly suitable for fresh fish, meat, vegetables and other produce as well as medication.

Customized packaging means less material is used, more efficient production processes and lower distribution costs. The customer benefits from key sustainability factors, such as low weight and less damage.



EPS LIFE CYCLE

Reuse: EPS packaging can be reused multiple times.

Recycling: EPS can be reprocessed using old EPS packaging as the raw material to make new packaging.

EPS can be incinerated safely without emitting toxic or environmentally hazardous fumes. EPS has an extremely high calorific value, higher than coal.

4 Completed products are transported by truck from BEWi's production facilities to customers in Finland, Sweden, Denmark and Norway.

5 INSULATION MATERIAL
Cellular plastic has a high energy-efficiency and compressive strength, and 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.

Board of Directors

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

Chairman

Qualifications: Engineer, studies Business Administration at Harvard Business School.

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

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

Partner Verdane Capital Advisors

Qualifications: 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 Skandia since 2014, Estate Group, Allgon, Modern Sprängteknik i Norden and Scanacon.

Kristina Schauman
Born: 1965. **Elected in:** 2016
Partner Calea AB

Qualifications: 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 Apoteket AB, Billerud Korsnäs AB, Coor AB, Ellos Group Holding AB, Livförsäkringsbolaget Skandia öms, Orexo AB and ÅF AB.

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

General Manager Heidelberg Cement, Northern Europe

Qualifications: M.Sc. Engineering.

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

Other directorships: Member of the board at Betong Öst AS, Naeringslivets Hovedorganisation, Norsk Stein AS, Renor AS, Sola Betong AS, Topaas and Haug AS Entreprenörforretning.

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

CEO ABRA Norge AS

Qualifications: Oslo Handelshögskola

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.

Management

Christian Bekken
CEO since 2014

Born: 1982

Employed since: 2002

Qualifications: VGS Allmenne, öko nomiske och administrative fag.

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

Jonas Siljeskär
Vice CEO, Chief Operating Officer

Born: 1972

Employed since: 2010

Qualifications: Engineer, Högskolan Dalarna.

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

Marie Danielsson
Chief Financial Officer

Born: 1975

Employed since: 2015

Qualifications: M.Sc. Business Administration, Stockholm University.

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

Martin Bekken
Chief Sales Officer

Born: 1971

Employed since: 2007

Qualifications: RMI Bergs.

Professional background: Sales manager, business area manager.

Karl Erik Olesen
Managing Director Denmark

Born: 1963

Employed since: 2014

Qualifications: Businessøkonomi and Management.

Professional background: Sales and development manager within SCA Packaging and DS Smidt Packaging.

Thomas Stendahl
Managing Director Finland

Born: 1964

Employed since: 1991

Qualifications: M. Sc. Engineering MBA, Åbo Akademi, Finland.

Professional background: Plant manager, production manager and Chief Operating Officer Styrochem.

Board of Director's Report

BUSINESS INFORMATION

BEWi-Group develops, produces and markets products for insulation for the construction industry as well as packaging solutions for the manufacturing industry and food producers. All products are produced using EPS (Expandable PolyStyrene), EPP (Expanded Poly Propylene) and XPS (Extruded Poly Styrene).

The current Group structure was formed in the fall of 2014, and covers the entire processing chain, including the production of EPS-raw material from styrene monomers, which are polymerised at the company's plant in Finland, to completion of the market segment-specialised business units in Norway, Denmark and Sweden.

The raw materials, EPS beads, are also sold on the open market to competitors and other users of EPS, for further processing.

Company Group

BEWi Group AB is the parent company of the wholly-owned subsidiary Genevad Holding AB, reg.no. 556707-1948, with registered office in Norrtälje, Sweden. Genevad Holding AB is in turn the parent company of four wholly-owned Swedish subsidiaries, BEWi Insulation AB 556541-7788, BEWi Packaging AB 556961-3309, BWI Dorotea AB 556669-9434 (inactive) and IBO System AB 556628-9178 (inactive). The subsidiary Genevad Vårgårda Holding AB 556144-2426 is owned to 91%, and has an underlying sub-subsidiary Vårgårda Genevad Fastighet AB 556929-0736. Genevad Holding AB is also the parent company of three wholly-owned foreign subsidiaries, Norden Insulation AS, Norway, BEWI Cabee Oy, Finland and BEWi Flamingo A/S in Denmark. BEWI Cabee Oy is in turn the parent company of the wholly-owned subsidiary BEWi Styrochem Oy.

The construction industry-insulation operation is pursued through BEWi Insulation AB, with the Swedish production units in Norrtälje, Vilhelmina, Vårgårda and Genevad.

The distribution and sales in the Norwegian market are carried out through the Norwegian subsidiary Norden Insulation AS. The packaging operation provides packaging solutions for the manufacturing industry and food producers and is conducted in Sweden through BEWi Packaging AB and in Denmark through BEWi Flamingo A/S. Production in Sweden is carried out at the plants in Urshult and Värnamo and in Denmark at the plants in Hobro, Såby, Törring and Holbaek.

The Nordic countries are the main and home markets for the Group.

Parent company

BEWi Group AB is the parent company and a holding company. BEWi Group AB is owned by Verdane Capital (Verdane EFT III SPV K/S, CVR-nr 29403457, Verdane EFT VII SPV K/S, CVR-nr 32153534) 48.5%, Bewi Holding AS, reg.no. 995 172 879, 48.5% and employees, 3%.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

In 2016, the process of developing a stronger player in a competitive market continued. In Finland, the investment in a new production line through extrusion technology was launched. A new production line for manufacturing of fabricated foam was installed in Vårgårda and a new design centre was opened in Värnamo, in order to meet the future demand and coming investments.

An issue of new shares took place during the year, in which key personnel in the Group were offered to purchase shares in the company. Approximately 30 employees decided to take part in the new issue and since then, 3% of the Group is owned by its employees, which is to be construed as positive for the company culture.

SIGNIFICANT EVENTS AFTER THE FINANCIAL PERIOD

In January 2017, BEWi Group AB acquired the Finnish company BEWi M-plast Oy, which manufactures insulation material of XPS-quality. The company has a plant and conducts its business in Kaavi, Finland.

In March 2017, BEWi Packaging AB acquired assets from Por-Pac AB's Lindesberg plant and continued operations at the plant. Packaging and other moulded EPS- and EPP products, similar to the products already manufactured by BEWi Packaging AB are produced at the plant.

In March 2017, the Group undertook a refinancing, entering into an 18 month bridge financing, aiming to issue a bond loan within that period. A bond loan was issued in May 2017, which is to be publically listed. The new financing will provide for an increased financial flexibility and an opportunity for growth.

EXPECTED FUTURE DEVELOPMENTS AND SIGNICANT RISK AND UNCERTANTIES

BEWi Group continuously develops new areas of application for EPS-foam within its different operations. This is carried out through trade organisations as well as in cooperation with customers.

Company Group

The future progress for the Group's units is assessed to be good. The assessment is supported by the Group's activity in a well-structured market, the customers' demand for the product range, and the products' usefulness. Replacing EPS-products with alternative technology is not deemed to be possible, in a short-term perspective.

The raw material, styrene monomer, is traded on the world market and procured using a combination of spot and contract prices. The purchase price is connected to the supply and demand as well as to the oil price. The styrene price is put in Dollars and Euro and entails a risk exposure toward the Nordic currencies. The price to the end customer

is on the Nordic market to a great extent connected to the styrene price, which results in a decreased currency risk. A detailed description of risks and uncertainties is found in paragraph 3 of Financial Risk Management.

Parent company
BEWi Group AB continues to exercise ownership of the Group as a holding company.

RESEARCH AND DEVELOPMENT

The Group's research and development program is conducted in Borgå, Finland and is connected to production of the EPS-raw material. Product development is partly based on own technology, partly through obtained licenses and external agreements.

ENVIRONMENTAL IMPACT (ACTIVITIES SUBJECT TO AUTHORISATION OR REPORTING UNDER THE SWEDISH ENVIRONMENT CODE)

Sweden
The production in Sweden takes place at the production units in Norrtälje, Genevad, Vårgårda, Dorotea, Urshult and Värnamo. All units produce foam from expanded materials. The EPS production from styrene monomers in Sweden is an activity subject to reporting under the Swedish Environment Code (Miljöbalken). The activity of each Swedish production unit has been reported, and has been approved and environmentally certified.

Abroad
In Denmark, the production takes place at the plants in Hobro, Såby, Törring and Holbaek. The EPS-raw material is produced in Borgå, Finland. The EPS production from styrene monomers is an activity subject to reporting also in Finland and Denmark.

All production units within BEWi Group AB are reported for this activity, approved and environmentally certified by the relevant authority for each respective country. There are no unresolved questions with the authorities at the moment and not in the foreseeable future.

Proposal for profit distribution, SEK

The following funds are at the disposal of the Annual General Meeting (AGM):	
Additional paid-in capital	244,868,150
Accumulated profit or loss	-287,048
Net profit for the year	-105,116
At the disposal of the AGM	**244,475,986**

The Board proposes the following allocations of funds:	
Carried forward	244,475,986
Total	**244,475,986**

Content

Group

NOTES

PARENT COMPANY

NOTES

Consolidated comprehensive income statement

Amounts in KSEK	Note	2016	2015
Operating income			
Net sales	5	1,606,929	1,592,909
Change in inventories of products in progress, finished goods and works in progress		0	961
Other operating income		38	683
Total operating income		**1,606,967**	**1,594,553**
Operating expenses			
Raw materials and consumables	17	-810,667	-1,013,001
Goods for resale	17	-216,726	-75,623
Other external costs	7, 8, 10	-362,938	-220,419
Personnel costs	6	-104,255	-184,235
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	12, 13	-47,233	-45,087
Other operating expenses	30	-4,586	-579
Total operating expense		**-1,546,405**	**-1,538,944**
Operating income		**60,563**	**55,609**
Financial income	9	133	193
Financial expense	9	-11,947	-24,520
Financial income and expense – net		**-11,814**	**-24,327**
Share of income after tax from associated companies, reported using the equity method	14	-	16,917
Income before tax		**48,749**	**48,199**
Income tax	11	-5,354	-2,120
Net income for the year		**43,395**	**46,079**
Other comprehensive income:			
Items that may later be reclassified to the income statement			
Exchange difference		7,671	-4,078
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit pension plans		-718	466
Income tax pertinent to remeasurements of defined benefit pension plans		144	-93
Other comprehensive income, net of income taxes		**7,097**	**-3,705**
Total comprehensive income for the period		**50,492**	**42,374**
Net income for the year attributable to:			
Equity holders of the parent company		43,240	45,848
Non-controlling interest		155	231
Total comprehensive income attributable to:			
Equity holders of the parent company		50,337	42,143
Non-controlling interests		155	231

The notes on pages 34 to 69 are an integrated part of these consolidated accounts.

Consolidated statement of financial position

Amounts in KSEK	Note	2016-12-31	2015-12-31	2015-01-01
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	12	177,453	170,188	172,900
Other intangible assets	12	99,460	100,138	111,246
Total intangible assets		**276,913**	**270,326**	**284,146**
Tangible assets				
Lands and buildings	13	123,968	135,579	143,321
Plant and machinery	13	163,491	164,797	171,924
Equipment, tools, fixtures and fittings	13	33,940	10,312	2,953
Construction in progress and advance payments for property, plant and equipment	13	7,057	4,497	12,152
Total tangible assets		**328,456**	**315,185**	**330,350**
Financial assets				
Associated companies reported using the equity method	14	-	-	8,919
Other long-term receivables		252	-	10
Total financial assets		**252**	**-**	**8,929**
Deferred tax asset	24	1,069	0	0
Total non-current assets		**606,690**	**585,511**	**623,425**
Current assets				
Inventory	17			
Raw materials and consumables		44,243	30,683	113,414
Work-in-progress		2,944	4,184	5,293
Finished goods and goods for resale		68,696	64,532	17,742
Total inventory		**115,883**	**99,399**	**136,449**
Current receivables				
Account receivables	16	189,798	175,951	170,322
Tax asset		638	750	1,406
Other current receivables		816	2,707	14,707
Prepaid expenses and accrued income	18	18,762	10,587	8,897
Cash and cash equivalents	19	23,153	111,583	89,065
Total current receivables		**233,167**	**301,578**	**284,397**
Total current assets		**349,050**	**400,977**	**420,846**
TOTAL ASSETS		**955,740**	**986,488**	**1,044,271**

The notes on pages 34 to 69 are an integrated part of these consolidated accounts.

Amounts in KSEK	Note	2016-12-31	2015-12-31	2015-01-01
EQUITY AND LIABILITIES				
Equity				
Share capital	20	103	100	100
Additional paid-in capital		244,868	232,350	232,350
Reserves		3,593	-4,078	-
Accumulated profit or loss (including net profit for the year)		81,936	39,270	-6,951
Equity attributable to the equity holders of the Parent Company		**330,500**	**267,642**	**225,499**
Non-controlling interests		1,045	890	659
Total equity		**331,545**	**268,532**	**226,158**
LIABILITIES				
Non-current liabilities				
Pensions and similar obligations	22	7,309	6,486	7,355
Other provisions	23	2,440	2,958	4,508
Deferred tax liability	24	9,815	6,207	2,837
Liabilities to credit institutions	21	210,641	255,266	358,249
Liabilities to associated companies	21	29,566	29,739	30,879
Total non-current liabilities		**259,771**	**300,656**	**403,828**
Current liabilities				
Current liabilities to credit institutions	21	71,231	130,367	86,472
Advance payments from customers		-	-	21
Account payables		149,830	135,766	181,122
Current tax liabilities		4,883	208	2,260
Other current liabilities	25	84,790	94,137	104,628
Accrued expenses and deferred income	26	53,690	56,822	39,782
Total current liabilities		**364,424**	**417,300**	**414,285**
Total liabilities		**624,195**	**717,956**	**818,113**
TOTAL EQUITY AND LIABILITIES		**955,740**	**986,488**	**1,044,271**

The notes on pages 34 to 69 are an integrated part of these consolidated accounts.

Changes in consolidated equity

		Attributable to equity holders of the parent company						
Amounts in KSEK	**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, 2015		**100**	**232,350**	-	**-6,951**	**225,499**	**659**	**226,158**
Net profit for the year		**-**	**-**	-	45,848	**45,848**	231	**46,079**
Other comprehensive income		**-**	**-**	-4,078	373	**-3,705**	-	**-3,705**
Total comprehensive income		**-**	**-**	**-4,078**	**46,221**	**42,143**	**231**	**42,374**
Balance carried forward as of December 31, 2015		**100**	**232,350**	**-4,078**	**39,270**	**267,642**	**890**	**268,532**
Balance brought forward as of January 1, 2016		**100**	**232,350**	**-4,078**	**39,270**	**267,642**	**890**	**268,532**
Net profit for the year		**-**	**-**	-	43,240	**43,240**	155	**43,395**
Other comprehensive income		**-**	**-**	7,671	-574	**7,097**	-	**7,097**
Total comprehensive income		**0**	**0**	**7,671**	**42,666**	**50,337**	**155**	**50,492**
Transactions with shareholders, charged directly to equity								
New share issue		**3**	12,518	-	-	**12,521**	-	**12,521**
Total transactions with shareholders, charged directly to equity		**3**	**12,518**	-	-	**12,521**	-	**12,521**
Balance carried forward as of December 31, 2016		**103**	**244,868**	**3,593**	**81,936**	**330,500**	**1,045**	**331,545**

The notes on pages 34 to 69 are an integrated part of these consolidated accounts.

Consolidated cash flow statement

		Financial year	
Amounts in KSEK	**Note**	**2016**	**2015**
Operating cash flow			
Operating income		60,563	55,609
Adjustments for non-cash items, etc.	30	51,819	45,087
Exchange profit /loss		189	-207
Interest paid		-13,050	-18,570
Interest received		133	193
Income tax paid		-4,547	-
Operating cash flow before changes to working capital		**95,107**	**82,112**
Cash flow from working capital changes			
Increase/decrease in inventories		-13 371	39,079
Increase/decrease in operating receivables		-15 632	6,807
Increase/decrease in operating debt		7 361	-47,318
Total change to working capital		**-21,642**	**-1,432**
Operating cash flow		**73,465**	**80,680**
Cash flow from investment activities			
Purchase of property, plant and equipment	13	-60,061	-35,355
Disposals of property, plant and equipment	13	11,670	0
Disposals of associated companies	14	0	16,916
Cash flow from investment activities		**-48,391**	**-18,439**
Cash flow from financing activities			
Borrowings		0	6,420
New share issue		12,521	0
Repayment of debt		-129,406	-43,274
Cash flow from financing activities		**-116,885**	**-36,854**
Cash flow of the period			
Cash and cash equivalent at the beginning of the year		**111,582**	89,065
Exchange rate differences in cash and cash equivalent		**3,382**	-2,870
Cash and cash equivalent at the end of the year	**19**	**23,153**	**111,582**

The notes on pages 34 to 69 are an integrated part of these consolidated accounts.

THE GROUP

Accounting principles and notes to the accounts

AMOUNTS GIVEN IN THOUSAND KRONOR (KSEK) UNLESS OTHERWISE SPECIFIED

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 and Norway.

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 four wholly-owned Swedish subsidiaries, BEWi Insulation A, BEWi Packaging AB, BWI Dorotea AB (inactive) and IBO System AB (inactive). The subsidiary Genevad Vårgårda Holding AB is owned to 91%, and has an underlying sub-subsidiary; Vårgårda Genevad Fastighet AB. Genevad Holding AB is also the parent company of three wholly-owned foreign subsidiaries, Norden Insulation AS, Norway, BEWI Cabee Oy, Finland and BEWi Flamingo A/S in Denmark. BEWI Cabee Oy is in turn the parent company of the wholly-owned subsidiary BEWi Styrochem Oy.

The parent company is a limited company (aktiebolag) registered in Sweden, with a registered office in Solna, Evenemangsgatan 31, 169 79 Solna.

The board of directors approved these consolidated accounts for publishing on June 16, 2017.

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 thousand krona, (KSEK). The information in brackets concern previous years.

2.1 Reasons for the method of preparation of the reports.

The consolidated accounts for the BEWi Group ("BEWi") 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.

These consolidated accounts for BEWi are the first to be prepared in accordance with IFRS. Historical financial information has been recalculated from January 1, 2015, which marks the date of transition to IFRS. Explanations relating to the transition from the accounting principles previously applied to IFRS and the effects of the recalculation to the income statement and equity are stated in note 32.

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 NOT YET APPLIED BY THE GROUP

A number of new standards and interpretations came into force for the financial year starting on 1 January 2017. They have not been applied in the preparation of this financial report. Below is a preliminary assessment of the effects deemed relevant for the Group.

IFRS 9 "Financial instruments" specify how a company should classify, measure and report financial assets and financial liabilities. It replaces the sections of IAS 39 relating to how a company should classify and measure financial instruments.

IFRS 9 keeps a mixed valuation approach but simplifies the approach in certain aspects. There will be three valuation categories for financial assets; amortised cost, fair value through other comprehensive income and fair value through profit or loss. A financial asset is classified based on the company's business model for managing the asset and the asset's contractual cash flow characteristics. Investments in equity instruments are measured at fair value through profit or loss, but may be measured at fair value through other comprehensive income on the first accounting date. Should the instrument be sold, no reclassification will be made in the income statement. Financial liabilities shall not be reclassified or remeasured unless the liability is measured at fair value through profit or loss based on fair value. The mandatory effective date is January 1, 2018, with earlier application allowed. The Group is yet to assess the effects of the implementation of the new standard.

IFRS 15 "Revenue from contracts with customers" regulates how revenue should be reported. The principles, on which IFRS 15 is based, provide the user of financial reports with more useful information regarding the company's revenues. This extended duty of disclosure establishes the principles that a company applies when reporting information about the nature, timing and uncertainty of revenue and cash flows from a contract with a customer.

Revenues are to be reported when the customer obtains control of goods or service and is enabled to capitalise on the goods or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and the pertinent SIC and IFRIC.

IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. The Group has assessed the effects of the implementation of

the standard, and expects no significant effects at the transition date January 1, 2017. Revenue from sale of goods under IFRS 15 will be reported, as per the reporting under IAS 18, at a certain point in time.

IFRS 16 "Leases" was published in January 2016, replacing the former IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. IFRS 16 requires a lessee to recognise assets and liabilities for all leases, with certain exceptions, in the balance sheet. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset during a certain time and a lease liability representing its obligation to make lease payments. The lessor accounting requirements are substantially carried forward. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Group is yet to assess the effects of the implementation of the standard.

No other IFRS or IFRIC-interpretations yet to come into force are expected to have a significant effect on the Group.

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 board of directors is the chief operating decision-maker of BEWi, 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 board of directors 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. With regard to Packaging, the board of directors is presented with separate reports for the Swedish and Danish (Flamingo) section of the packaging operation. However, these operating segments have been merged to one reporting segment, Packaging, as they are deemed to carry similar long-term financial characteristics and the operation conducted is deemed to be similar with regard to the products' and customers' similarities.

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 utilised for accounting for the Group's acquisitions. 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 an acquisition 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 classified as liability are reported in accordance with IAS 39 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. Gains and losses from intragroup transactions reported as assets, 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 profit 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 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 gains and losses arising from borrowings and cash and cash equivalents are reported in the income statement as financial incomes and expenses. All other exchange gains and losses are reported in the item "other operating income" and other operating expenses in the income statement.

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 BEWi's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquired company as well as the value of the non-controlling interests 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 on an operating segment level. 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 company acquisition 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 company acquisitions 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. Trade marks acquired through acquisitions 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 accumulated amortisation and impairment.

Useful lives for the Group's intangible assets:

Patents/Licenses	5 yr.
Customer relations	8 yr.
Technology	10 yr.

2.5 Tangible assets

Lands and buildings mainly include plants. Lands and buildings are reported at the revalued amount, based on the valuations undertaken by an external and independent valuer, reduced by the depreciations of buildings made thereunder. Valuations are made with the frequency sufficient to guarantee that the fair value of the revalued asset does not substantially differ from the carrying amount. The accumulated depreciations at the time of the revaluation are eliminated to the asset's appreciated acquisition cost, whereupon the net amount makes up the assets revalued amount. Other tangible assets are reported at the acquisition cost less accumulated depreciation. Expenses directly pertinent to the acquisition may be included in the acquisition cost. The acquisition cost may also contain transfers from equity of any profit or loss from cash flow hedges which are eligible for hedge accounting, pertinent to purchases of tangible assets in foreign currency.

Tangible assets are reported at the acquisition cost less accumulated amortisation. Expenses directly pertinent 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. Lands are not depreciated. Depreciations on other assets are undertaken linearly during the useful life, in order to distribute

the acquisition cost or revalued amount 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. They are reported in other operating income and other operating expenses, accordingly.

2.6 Amortisation of non-financial assets

Intangible assets with an indefinite useful life are not amortised, but are assessed annually to determine the impairment need. Depreciated assets are assessed with regard to the diminution of value 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

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: loans and receivables, and other financial liabilities. The classification is chosen in accordance with the purpose of obtaining the financial asset or liability.

LOANS AND RECEIVABLES

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

OTHER FINANCIAL LIABILITIES

Liabilities to credit institutions, liabilities to associated companies, current liabilities to credit institutions, trade payables and other current liabilities which are also financial instruments, are classified as other financial liabilities.

2.8.2 Reporting and valuation

Initially, financial instruments are reported at fair value increased by the dealings cost. 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 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

ASSETS REPORTED AT FAIR AMORTISED COST

At the end of each reporting period, the Group assesses whether there is objective evidence of an impairment need for a financial asset or Group of financial assets. A financial asset or group of financial assets are subject to impairment need and is impaired exclusively when there is objective evidence for an impairment need following one or several events after the asset was first reported. These events shall, in a measurable manner, affect the future estimated cash flows for the financial asset or group of financial asset. The impairment is 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. The asset's carrying amount is impaired and the amount is reported in the consolidated income statement in other external costs. The reversal of the previous impairment is reported in the consolidated income statement in other external costs, in the event that the impairment need decreases in a

subsequent period and the decrease is objectively attributable to an event occurring after the reported impairment.

2.9 Account receivables
Account receivables are financial instruments that include amounts payable by customers for operationally sold goods and services in the current operations. 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 suppliers. Trade 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. Trade payables are initially reported at fair value and subsequently at amortised cost using the effective interest method.

2.13 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.

2.14 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.

2.15 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.

2.16 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. 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. This cost is included in the personnel costs of the income statement.

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.

2.17 Revenue recognition
Revenues are assessed at fair value of the obtained or to be obtained amount, and represents the amounts obtained for sold goods less discounts, returns and value added tax. The Group reports the revenue when reliably measurable, likely to bring economic advantages to the company and specific conditions are met for each of the Group's activities as described below.

Sale of goods
The Group sells products for insulation for the construction industry as well as packaging solutions for the manufacturing industry and food producers. The sales are reported as revenues 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. In addition, the following criteria shall be met:

- The economic advantages in conjunction with the ownership of the goods.
- The Group company does not retain any commitments in the management normally connected to the ownership and the company does not exercise any actual control over the sold goods.
- The revenue is reliably measurable.
- The economic advantages connected to the transaction are likely to go to the Group company.
- The expenses arising or excepted to arise from the transaction are reliably measurable

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.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors
The Group is through its activities exposed to several different financial 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 income. The Group does not utilise derivative instruments for the economic hedging of risk exposure. The risk management is administrated by a central department of finance (Group Finance). Group Finance 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 is exposed to currency risk arising from currency exposure to Euro (EUR), Danish krona (DKK) and Norwegian krona (NOK). A currency risk arises from future business transactions, carrying amounts of assets and liabilities as well as net investment in foreign operations.

Currency risks arise when future business transactions are expressed in a currency which is not the unit's functional currency. 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 units of the Group. The Group has decided not to hedge the risks arising from these transactions, since the currency risk to a certain extent is managed through customer agreements. The Group has a number of holdings in foreign operations, whose net assets are exposed to currency risks. Currency exposures arising from the net assets of the Group's foreign operations are not subject to exchange hedging. The Group is primarily exposed to movements in the exchange rates for EUR to SEK and for SEK to DKK. In the event that SEK was weakened by 5% in relation to EUR and DKK, all other variables held constant, the translated profit after taxes for the financial year 2016 would have been increased by appr. KSEK 500 (2015: KSEK 3,400), following the conversion of trade payables and liabilities.

(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 currency risk pertinent to cash flows. In 2015 and 2016, 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 as of December 31, 2016 would have been 50 basis points higher or lower other variables held constant, the expected income after taxes for the financial year 2016 would have been appr. KSEK 570 (2015: KSEK 780) 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 as of December 31, 2016 would have been 50 basis points higher or lower other variables held constant, the expected profit after taxes for the financial year 2016 would have been appr. KSEK 1,155 (2015: KSEK 1,222) lower or higher; mainly as a result of the changed interest charges for the floating interest rate borrowings.

(b) Credit risk

Credit risks are managed on Group level, excluding credit risks pertinent to outstanding trade 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.

(c) Liquidity risk

Cash flow forecasts are prepared by the Group's operating companies. Group Finance 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 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 31 December 2016	< 1 yr.	1-2 yr.	2-5 yr.	> 5 yr.
Liabilities to credit institutions	78,909	68,490	73,721	93,532
Liabilities to associated companies	1,314	1,297	10,092	22,811
Trade payables	149,830	0	0	0
Factoring debt	76,277	0	0	0
Total	**306,330**	**69,788**	**83,813**	**116,343**

As of 31 December 2015	< 1 yr.	1-2 yr.	2-5 yr.	> 5 yr.
Liabilities to credit institutions	93,709	76,609	114,085	97,221
Liabilities to associated companies	1,319	1,302	10,557	23,205
Trade payables	135,766	0	0	0
Factoring debt	89,267	0	0	0
Total	**320,061**	**77,911**	**124,641**	**120,426**

As of 1 January 2015	< 1 yr.	1-2 yr.	2-5 yr.	> 5 yr.
Liabilities to credit institutions	54,049	91,946	180,022	109,040
Liabilities to associated companies	1,259	1,245	10,218	23,270
Trade payables	181,122	0	0	0
Factoring debt	82,328	0	0	0
Total	**318,758**	**93,192**	**190,239**	**132,310**

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 borrowing (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.

	2016-12-31	2015-12-31	2015-01-01
Total borrowing	387,715	504,639	559,100
Removed: liquid resources	-23,153	-111,583	-89,065
Net debt	364,562	393,056	470,035
Equity	331,545	268,532	226,158
Total capital	**696,107**	**661,588**	**696,193**
Debt/equity ratio	**52.4%**	**59.4%**	**67.5%**

The decreases in debt/equity ratio during 2015 and 2016 were mainly consequences of results and cash flows from the operations.

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 goods should be calculated during the manufacturing process or when the good 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 KSEK 115,883 as of December 31, 2016 (December 31, 2015: KSEK 99,399, January 1, 2015: KSEK 136,449)

(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 tax loss carry forwards amount to KSEK 5,160 as of 31 December 2016 (31 December 2015: KSEK 4,549). For more information, see note 24.

(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 22.

NOTE 5 Net sales distribution and segment information

Geographic market	2016	2015
Nordic countries	1,112,630	1,197,286
The rest of Europe	494,299	395,623
Total	**1,606,929**	**1,592,909**

The revenues refer solely the sale of goods.

Revenue

Intersegment sales occur at market prices and terms. The revenue from external parties reported to the board of directors is valued in accordance with the principles expressed in the consolidated comprehensive income statement.

	2016			2015		
	Segment revenue	Intra segment sales	Revenue from external parties	Segment revenue	Intra segment sales	Revenue from external parties
Raw material	1,063,952	-132,093	931,859	1,073,937	-145,009	928,928
Insulation	314,557	-23,000	291,557	363,312	-14,744	348,568
Packaging	391,890	-8,377	383,513	340,917	-25,504	315,413
Total	**1,770,399**	**-163,470**	**1,606,929**	**1,778,166**	**-185,257**	**1,592,909**

The division of results by segment is carried out up until reporting EBIT. EBIT is matched to profit before taxes in accordance with the following:

EBIT	2016	2015	Total
Raw material	35,327	38,806	74,133
Insulation	10,063	-6,584	3,479
Packaging	33,809	30,389	64,198
Unallocated	-18,636	-7,002	-25,638
Total	**60,563**	**55,609**	**116,172**
Financial income and expense – net	-11,814	-24,327	
Share of profit after tax from associated companies, reported using the equity method		16,917	
Profit before taxes	**48,749**	**48,199**	

The Group's registered office is in Sweden. Revenue from external customers in Sweden and other countries are listed below:

	2016	2015
Sweden	447,403	452,009
Denmark	185,707	179,412
Finland	161,867	170,037
The rest of Europe	811,952	791,451
Total	**1,606,929**	**1,592,909**

Total non-current assets in Sweden, other than financial instruments and deferred tax assets, amount to KSEK 109,559 (KSEK 127,500), and total such non-current assets located in other countries amount to KSEK 495,810 (KSEK 458,011). No customer accounts for more than 10% of the Group's revenue.

NOTE 6 Employee remuneration etc.

	2016	2015
Salary and other remuneration	144,857	143,592
Social security expenses	20,923	24,893
Pension costs – defined contribution plans	17,885	16,346
Pension costs – defined benefit plans	975	1,029
Total remunerations to employees	**184,639**	**185,860**

Salary and other remunerations and social security expenses

	2016		2015	
	Salary and other remune-rations (of which bonus)	Social security (of which pension cost)	Salary and other remune-rations (of which bonus)	Social security (of which pension cost)
board of directors, CEO and other senior executives of the company	9,540	3,492	6,713	2,604
whereof bonus	405		487	
whereof pension costs		1,964		1,495
Other staff	143,155	39,634	142,028	42,145
The Group in total	**153,100**	**45,090**	**149,228**	**46,244**

Average number of employees with geographical breakdown by country

	2016		2015	
	Average number of employees	whereof men	Average number of employees	whereof men
Sweden	117	84	119	85
Finland	75	62	78	68
Denmark	100	63	99	64
Norway	7	6	6	4
The Group in total	**299**	**215**	**302**	**221**

Remuneration to senior executives

Senior executives of the company comprise 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:

	2016			2015		
	Basic salary incl. benefits/ board fees	**Variable remuneration**	**Retirement pension**	**Basic salary incl. benefits/ board fees**	**Variable remuneration**	**Retirement pension**
Board of Directors						
(5 (4) members of the board, whereof 1 (0) woman)						
Göran Vikström (chairman)	916			588		
Gunnar Syvertsen	127			0		
Bernt Thoresen	127			0		
Kristina Schauman	127			0		
Per Nordlander	0			0		
Total	**1,297**			**588**		
CEO						
Christian Bekken	1,426	96	21	1,466	0	28
Other senior executives						
4 (4) people whereof 1 (1) woman	6,517	300	1,943	4,172	487	1,467
per 31st December	**7,838**	**405**	**1,964**	**5,638**	**487**	**1,495**
Total						

Severance pay

Subject to the CEO's employment agreement there is a mutual notice period of 6 months. The employee is entitled to receive unchanged salary and other fringe benefits during the period of notice. A mutual notice period of 6 months applies between the company and senior executives.

NOTE 7 Remunerations to auditors

	2016	2015
PwC		
– The audit assignment	1,096	1,074
– Audit profession in excess of the audit assignment	266	644
– Tax consultancy	62	0
– Other services	70	0
Total	**1,494**	**1,718**

NOTE 8 Operational lease contracts

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, ranging from 1-5 years. 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:

	2016	2015
Within 1 year	18,615	15,493
Between 1 and 5 years	45,668	31,598
More than 5 years	8,796	10,757
Total	**73,079**	**57,848**

The expensed leasing fees during the year were: SEK 17 187 (2015: SEK 18 948)

NOTE 9 Financial income and expense

	2016	2015
Interest revenue	133	193
Exchange gains	3,787	0
Total financial income	**3,920**	**193**
Interest expenses	-13,097	-18,784
Exchange losses	-2,637	-5,736
Total financial expense	**-15,734**	**-24,520**
Total financial income and expense – net	**-11,814**	**-24,327**

NOTE 10 Exchange differences – net

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

	2016	2015
Other operating expenses	-1,183	935
Total financial income and expense (note 9)	1,150	-5,736
Exchange differences – net	**-33**	**-4,801**

NOTE 11 Income tax

	2016	2015
Current tax:		
Current tax for net profit for the year	-4,547	-
Earlier years adjustments	-	1,642
Total current tax	**-4,547**	**1,642**
Deferred tax		
Emerged and reversed taxable temporary differences	-807	-3,762
Total deferred tax	**-807**	**-3,762**
Total income tax	**-5,354**	**-2,120**

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

	2016	2015
Profit before taxes	**48,748**	**48,199**
Income tax calculated using the Swedish tax rate (22%)	-10,725	-10,604
Effects of the foreign tax rates	478	708
Tax effects attributable to:		
Non-deductible expenses	-2,380	-2,582
Non-taxable revenue	1,678	3,978
Earlier years adjustments	-	1 642
Other	-341	180
Tax attributable to unreported tax loss carry forwards	5,936	4 558
Tax expense	**-5,354**	**-2,120**

NOTE 12 Intangible assets

Acquisition cost	Goodwill	Trademark	Customer relations	Technology	Patents and licenses	Total
As of January 1, 2015						
Acquisition cost	172,900	46,669	49,194	17,590	458	286,810
Accumulated amortisation			-2,000	-567	-97	-2,664
Carrying amount	**172,900**	**46,669**	**47,194**	**17,023**	**361**	**284,146**
Financial year 2015						
Carrying amount brought forward	172,900	46,669	47,194	17,023	361	284,146
Exchange differences	-6,366	-1,972	-1,325	-641	-22	-10,326
Purchases	3,654				508	4,162
Reclassifications					325	325
Amortisations			-6,000	-1,700	-281	-7,981
Carrying amount carried forward	**170,188**	**44,697**	**39,869**	**14,682**	**891**	**270,326**
As of December 31, 2015						
Acquisition cost	170,188	44,697	47,869	16,949	1,261	280,963
Accumulated amortisation			-8,000	-2,267	-370	-10,637
Carrying amount	**170,188**	**44,697**	**39,869**	**14,682**	**891**	**270,326**
Financial year 2016						
Carrying amount brought forward	**170,188**	**44,697**	**39,869**	**14,682**	**891**	**270,326**
Exchange differences	7,266	2,297	1,399	678	26	11,664
Purchases					3,059	3,059
Amortisations			-6,000	-1,700	-436	-8,136
Carrying amount carried forward	**177,453**	**46,993**	**35,268**	**13,660**	**3,540**	**276,913**
As of December 31, 2016						
Acquisition cost	177,453	46,993	49,268	17,627	4,346	295,686
Accumulated amortisation			-14,000	-3,967	-806	-18,773
Carrying amount	**177,453**	**46,993**	**35,268**	**13,660**	**3,540**	**276,913**

Considerations of impairment need for goodwill and trademark

Goodwill and trademarks have an indefinite useful life and are monitored in each cash generating unit by the executive management. Goodwill and trademarks divided by cash generative unit are summarised as follows:

Goodwill	2016-12-31	2015-12-31	2015-01-01
Raw material	127,017	121,283	126,335
Insulation	9,507	9,507	5,854
Packaging Sweden	9,615	9,615	9,615
Packaging Denmark	31,314	29,783	31,096
Total	**177,453**	**170,188**	**172,900**

Trademark	2016-12-31	2015-12-31	2015-01-01
Packaging Denmark	46,993	44,497	46,669
Total	**46,993**	**44,497**	**46,669**

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 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 9% (2015: 9%).

The long-term sustainable growth rate has been estimated to 2% (2015: 2%) for all cash generative units and has been assessed in accordance with industry forecasts. A completed inquiry of the impairment need regarding goodwill demonstrates that no impairment need exists. A change in the discount rate of 1% or reduced cash flow of 10% would not change the outcome of the inquiry.

NOTE 13 Tangible assets

	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress and advance payments for property, plant and equipment	Total
As of 1 January 2015					
Acquisition cost	145,985	182,350	3,277	12,152	343,764
Accumulated depreciation	-2,664	-10,426	-324	0	-13,414
Carrying amount	**143,321**	**171,924**	**2,953**	**12,152**	**330,350**
Financial year 2015					
Carrying amount brought forward	143,321	171,924	2,953	12,152	330,350
Exchange difference	-5,660	-3,688	-278		-9,626
Purchase	2,057	26,231	7,982	1,918	38,188
Reclassifications	2,156			-9,573	-7,417
Disposals		-140	786		646
Depreciations	-6,295	-29,530	-1,131		-36,956
Carrying amount carried forward	**135,579**	**164,797**	**10,312**	**4,497**	**315,185**
As of 31 December 2015					
Acquisition cost	144,538	204,753	11,767	4,497	365,555
Accumulated depreciation	-8,959	-39,956	-1,455		-50,370
Carrying amount	**135,579**	**164,797**	**10,312**	**4,497**	**315,185**
Financial year 2016					
Carrying amount brought forward	135,579	164,797	10,312	4,497	315,185
Exchange difference	5,058	4,793	397	213	10,461
Purchases	4,950	25,925	23,780	5,518	60,173
Reclassifications	741	-2,486	2,381	-3,171	-2,535
Disposals	-16,210	-147			-16,357
Depreciations	-6,150	-29,391	-2,930		-38,471
Carrying amount carried forward	**123,968**	**163,491**	**33,940**	**7,057**	**328,456**
As of 31 December 2016					
Acquisition cost	139,077	244,753	38,395	7,057	429,282
Accumulated depreciation	-15,109	-81,262	-4,455	0	-100,826
Carrying amount	**123,968**	**163,491**	**33,940**	**7,057**	**328,456**

NOTE 14 Participations in associated companies

The shares in the associated company Jackson A/S (Thermisol A/S) reg.no. 20 04 79 41, with registered office in Hedenstedt, Norway were sold in 2015. The capital gain of KSEK 16,917 is reported in the income statement as Share of profit after tax from associated companies, reported using the equity method.

NOTE 15 Financial instruments by category

2016-12-31	Loan receivables and account receivables	Total
Balance sheet assets		
Other long-term receivables	252	252
Account receivables	189,798	189,798
Other current receivables	816	816
Cash and cash equivalents	23,153	23,153
Total	**214,019**	**214,019**

2016-12-31	Other financial liabilities	Total
Balance sheet liabilities		
Liabilities to credit institutions	210,641	210,641
Liabilities to associated companies	29,566	29,566
Current liabilities to credit institutions	71,231	71,231
Account payables	149,830	149,830
Factoring debt	76,277	76,277
Total	**537,545**	**537,545**

2015-12-31	Loan receivables and account receivables	Total
Balance sheet assets		
Account receivables	175,951	175,951
Other current receivables	2,707	2,707
Cash and cash equivalents	111,583	111,583
Total	**290,241**	**290,241**

2015-12-31	Other financial liabilities	Total
Balance sheet liabilities		
Liabilities to credit institutions	255,266	255,266
Liabilities to associated companies	29,739	29,739
Current liabilities to credit institutions	130,367	130,367
Account payables	135,766	135,766
Factoring debt	89,267	89,267
Total	**640,405**	**640,405**

2015-01-01	Loan receivables and account receivables	Total
Balance sheet assets		
Other long-term receivables	10	10
Account receivables	170,322	170,322
Other current receivables	14,707	14,707
Cash and cash equivalents	89,065	89,065
Total	**274,104**	**274,104**

2015-01-01	Other financial liabilities	Total
Balance sheet liabilities		
Liabilities to credit institutions	358,249	358,249
Liabilities to associated companies	30,879	30,879
Current liabilities to credit institutions	86,472	86,472
Account payables	181,122	181,122
Factoring debt	82,328	82,328
Total	**739,050**	**739,050**

NOTE 16 Account receivables

SEK	2016-12-31	2015-12-31	2015-01-01
Account receivables	192,284	176,628	171,107
Deducted: provisions for impairment for doubtful receivables	-2,486	-677	-785
Account receivables – net	**189,798**	**175,951**	**170,322**

The ageing of debts is listed as follows:

SEK	2016-12-31	2015-12-31	2015-01-01
Not yet matured	167,430	148,334	149,273
1-30 days	16,755	21,745	19,975
31-60 days	1,588	2,891	1,694
> 61 days	6,511	3,658	165
Deducted: provisions for impairment for doubtful receivables	-2,486	-677	-785
Account receivables - net	**189,798**	**175,951**	**170,322**

Matured account receivables not part of the provisions for impairment for doubtful receivables amount to the following amount:

	2016-12-31	2015-12-31	2015-01-01
Matured account receivables not part of the provisions for impairment for doubtful receivables	22,368	27,617	21,049

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

	2016-12-31	2015-12-31	2015-01-01
SEK	71,287	66,955	63,316
EUR	77,680	71,580	56,689
GBP	3,138	9,903	6,289
NOK	6,859	2,584	14,836
DKK	30,833	24,929	29,192
	189,798	**175,951**	**170,322**

There is no impairment need for any asset pertinent to other categories of account receivables and other current receivables. The maximum exposure to credit risk as of the balance sheet day is the carrying amount for each category of receivables stated above.

The Group has not provided any account receivables or other receivables as guarantee for any liability.

NOTE 17 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 KSEK 1,027,393 (2015: KSEK 1,088,624). The Group reversed KSEK 0 in 2016 (2015: KSEK 0) of earlier impairment of the inventory. The reversed amount is reported in the item raw materials and consumables in the income statement.

NOTE 18 Prepaid expenses and accrued income

	2016-12-31	2015-12-31	2015-01-01
Accrued bonus and discount revenue	1,491	1,371	2,566
Accrued shipping subsidies	335	615	1,129
Prepaid energy tax expenses	4,546	1,567	1,506
Prepaid rent for premises	2,334	1,972	2,199
Prepaid insurance charges	900	1,779	423
Prepaid cost of investment for IT	0	0	324
Other items	9,156	3,283	750
Total	**18,762**	**10,587**	**8,897**

NOTE 19 Cash and cash equivalent

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

	2016-12-31	2015-12-31	2015-01-01
Bank balances	23,153	111,583	89,065

NOTE 20 Share capital

The share capital consists of 103,000 ordinary shares with the quotient value of SEK 1. The number of shares was increased in 2016 through an issue of 3,000 new shares. The number of shares as of December 31, 2016: 103,000 (December 31, 2015: 100,000, January 1, 2015: 100,000). The number of votes per share is 1. All shares issued by the parent company are fully paid.

NOTE 21 Borrowings

	2016-12-31	2015-12-31	2015-01-01
Long-term			
Liabilities to credit institutions	210,641	255,266	358,249
Liabilities to associated companies	29,566	29,739	30,879
Total long-term borrowing	**240,207**	**285,005**	**389,128**
Short-term			
Liabilities to credit institutions	71,231	130,367	86,472
Total short-term borrowing	**71,231**	**130,367**	**86,472**

Liabilities to credit institutions mature by 2028 and run at an average interest rate of 3.1% per annum (2015: 3.1% per annum). Under the terms of the main loan agreements, the Group is obligated to comply with the following conditions of a loan related to EBITDA/ net debt, interest coverage ratio, EBITDA and investments.

The Group has, on one occasion in 2015 and one in 2016, violated the financial covenants pertinent to existing loan agreements. On both occasions, an approval of deviation of the loan agreement has been received by the lender. Costs burdening the company as a result of the deviation of the loan agreement have been limited.

Securities for liabilities to credit institutions have been provided in the form of floating charge with a value of MSEK 485 and pledged shares in subsidiaries with a value of MSEK 271. See note 28 for previous years.

A number of the liabilities to associated companies are subordinated bank loans and a number of them mature by 2019. Loans to associated companies run at an average interest rate of 2.4% per annum (2015: 2.4% per annum).

The terms of interest are determined on a rolling three-month basis with a fixed margin on STIBOR or EURIBOR.

The carrying amount of the Group's borrowing is estimated to be a good approximation of its fair value as the loans run at floating interest rate.

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

	2016-12-31	2015-12-31	2015-01-01
SEK	101,516	197,543	241,863
EUR	21,432	23,232	24,392
DKK	3,643	2,479	0

The Group has the following unutilised credit facilities:

	2016-12-31	2015-12-31	2015-01-01
Cheque account	80,000	5,093	15,105
Factoring	24,177	6,651	17,585

NOTE 22 Obligations pertinent to employee remuneration

The Group provides defined benefit pension plans in Finland. All defined benefit pension plans are based on final salary, which provides employees covered by the pension plan benefits in the form of a guaranteed level of pension payments for life.

The benefit amount depends on the employee's period of service and salary at the retirement date. The pension plan is contractually covered by insurance contracts from which compensation is paid.

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

	2016-12-31	2015-12-31	2015-01-01
Present value of funded liabilities	29,485	24,199	25,492
Fair value of plan assets	22,176	17,713	18,137
Debt in balance sheet	**7,309**	**6,486**	**7,355**

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

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	Present value of the obligation	Fair value of plan assets	Total
As of 1 January 2016			
Costs of service during the current year	975	0	975
Interest expense (revenue)	587	-445	142
Total accounted for in the income statement	**1,563**	**-445**	**1 118**
Return on plan assets excluding amounts included in interest expense / revenue	0	-1 846	-1 846
(Profit) / loss as a result of changes in financial assumptions	3,148	0	3,148
Experience-based (profits) / losses	-584	0	-584
Total reported in other comprehensive income	**2,564**	**-1 846**	**718**
As of 1 January 2015			
Costs of service during the current year	1,029	0	1,029
Interest expense /(revenue/income)	477	-356	122
Total accounted for in the profit and loss statement	**1,506**	**-356**	**1,151**
Return on plan assets excluding amounts included in interest expense / (revenue/income)	0	1,279	1,279
(Profit) / loss as a result of changes in financial assumptions	-1,745	0	-1,745
Experience-based (profits) / losses	0	0	0
Total reported in other comprehensive income	**-1,745**	**1,279**	**-466**

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

At the most recent valuation date, the present value of the defined benefit obligation amounted to KSEK 29,485 (December 31, 2015: KSEK 24,199, January 1, 2015: KSEK 25,492), all attributable to active employees.

The most critical actuarial assumptions were:

Finland	2016-12-31	2015-12-31	2015-01-01
Discount rate	1.60%	2.35%	1.90%
Salary increase	2.00%	2.00%	2.00%
Pension increase	0.00%	0.00%	0.00%

Assumptions regarding length of life are determined based on public statistics and experience from mortality surveys in Finland, in consultation with actuarial expertise.

These assumptions signify the following average remaining years of living for a person retiring at the age of 65:

Finland	2016-12-31	2015-12-31	2015-01-01
Retirement at the report period's end:			
Men	0	0	0
Women	0	0	0
Retirement 20 years after the report period's end:			
Men	0	0	0
Women	0	0	0

The sensitivity for changes to the significant assumptions taken into consideration for the defined benefit obligation is:

		Pension commitment		Plan assets	
	Change	Increase	Decrease	Increase	Decrease
Discount rate	0.50%	-7.30%	8.30%	-7.30%	8.30%
Salary increase	0.50%	3.00%	-2.90%	0.00%	0.00%
Pension benefit increase	0.25%	-	-	-	-
Expectation of life	5.00%	-0.50%	0.50%	-0.60%	0.60%

The sensitivity analyses above are based on the change of an assumption, other variables 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 2017, the defined pension plan fees are expected to amount to KSEK 1,217. The considered average term for the pension commitment is 14.3 years. Analyses of the term regarding expected undiscounted payments for defined benefit pension plans are listed below:

As of 31 December 2016	Within 1 yr.	1-2 yr.	2-5 yr.	5 yr. or more
Defined benefit pension plans in Finland	0	244,157	3,176,208	10,229,808

As of 31 December 2015	Within 1 yr.	1-2 yr.	2-5 yr.	5 yr. or more
Defined benefit pension plans in Finland	57,821	230,458	1,896,778	9,247,075

NOTE 23 Other provisions

	Restoration of environ-ment	Restructuring measures	Health benefits	Staff benefits	Total
As of 1 January 2015	450	1,166	666	2,226	4,508
Reported in the income statement:					
– additional provisions	7				7
Utilised during the year		-1,166	-54	-337	-1,557
As of 31 December 2015	**457**	**0**	**612**	**1,889**	**2,958**

	Restoration of environ-ment	Restructuring measures	Health benefits	Staff benefits	Total
As of 1 January 2016	457	0	612	1,889	2,958
Reported in the income statement					
– additional provisions	189		29		218
Utilised during the year				-736	-736
As of 31 December 2016	**646**	**0**	**641**	**1,153**	**2,440**

	2016-12-31	2015-12-31	2015-01-01
Long-term provision	2,440	2,958	3,342
Short-term provision			1,166
Total provisions	**2,440**	**2,958**	**4,508**

NOTE 24 Deferred income tax

	Assets		Liabilities	
	2016	2015	2016	2015
Tax loss carry forwards	5,160	4,549		
Tangible assets			4,198	3,677
Provisions	129	92		
Pension commitments and similar	1,462	1,297		
Surplus value pertinent to acquisitions			11,211	8,468
Inventory			88	
Netting	-5,682	-5,938	-5,682	-5,938
Deferred tax assets/liabilities	**1,069**	**0**	**9,815**	**6,207**

Deferred tax assets are assessed at limited values and utilised within 12 months.

Deferred tax liabilities are assessed at limited values and paid within 12 months.

Changes to deferred tax or liabilities during the year, without consideration of the setoffs made within the same tax jurisdiction, are listed in the following:

	2016	2015
Balance brought forward	-6,207	-2,809
Exchange differences	-1,876	457
Reported in the income statement	-807	-3,762
Tax attributable to other comprehensive income	144	-93
Tax reported in equity	0	0
Balance carried forward	**-8,746**	**-6,207**

Deferred tax assets are reported for tax loss carry forwards or other deduction to the extent they are likely to be utilised against future taxable profits. Recognised tax loss carry forwards have no maturity date under the current legislation. The Group did not report deferred tax assets amounting to KSEK 37,783, usable against future taxable profit. The tax loss carry forwards are attributable to Sweden, Norway and Finland.

NOTE 25 Other current liabilities

	2016-12-31	2015-12-31	2015-01-01
Factoring debt	76,277	89,267	82,328
Other current liabilities	8,513	4,870	22,300
	84,790	**94,137**	**104,628**

The Finnish subsidiary Styrochem uses factoring to finance parts of its operations. The factoring debt is reported in other current liabilities and amount to MSEK 76 (December 31, 2015: MSEK 89, January 1, 2015: MSEK 82).

The fair value of other current liabilities is corresponding to their carrying amounts, as they are current by definition.

NOTE 26 Accrued expenses and deferred income

	2016-12-31	2015-12-31	2015-01-01
Auditing fees	936	785	393
Accrued wage debt	4,378	12,460	4,603
Accrued welfare dues	2,591	5,069	1,920
Accrued holiday pay including welfare dues	21,200	20,290	13,922
Accrued customer bonuses	12,775	13,140	14,887
Other items	11,810	5,078	4,057
Total	**53,690**	**56,822**	**39,782**

NOTE 27 Contingent liability

	2016-12-31	2015-12-31	2015-01-01
Guarantees, for own liabilities	47,178	70,751	82,261
Regional enterprise allowance	0	0	1,133
Total	**47,178**	**70,751**	**83,394**

NOTE 28 Pledged assets

	2016-12-31	2015-12-31	2015-01-01
Floating charge	484,756	463,869	481,456
Assets carrying ownership reservation	0	0	1,510
Pledged shares in subsidiaries	270,674	283,375	268,365
Total	**755,430**	**747,244**	**751,331**

NOTE 29 Associated companies and individuals

BEWi Group AB is the parent company of the Group as well as a holding company. BEWi Group AB is owned by Verdane Capital (Verdane EFT III SPV K/S, CVR-nr 29403475, Verdane EFT VII SPV K/S, CVR-nr 32153534) 48.5%, Bewi Holding AS, reg.no 995 172 879, 48.5% and employees, 3%. Other associated parties are all subsidiaries in the Group and all senior executives of the company, i.e. the board of directors and the executive management, and their family members. All transactions are in accordance with the market.

Sale of goods

	2016	2015
Sale of goods:		
Sale of goods to Bewi Holding AS	117,556	123,069
Total	**117,556**	**123,069**

Liabilities to associated companies

	2016-12-31	2015-12-31	2015-01-01
Loans from owners			
At the beginning of the year	29,739	30,879	30,879
Foreign currency translation	-173	-1,140	0
At the end of the year	**29,566**	**29,739**	**30,879**

Liabilities to associated companies refer to liabilities to Verdane Capital and Bewi Holding AS.

The Group has no provisions for impairment for doubtful debt pertinent to associated companies. The Group has not reported any costs arising from doubtful debt to associated companies during the period. No guarantees have been provided for the debt.

Receivables from associated companies originate to the largest extent from sale transactions and mature one month upon the date of sale. The liabilities to associated companies originate to the largest extent from purchase transactions and mature at the latest two months upon the date of purchase. A number of the liabilities are subordinated to external borrowings, and a number of them mature in 2019 at the latest.

Remunerations to senior executives of the company are stated in note 6.

NOTE 30 Adjustments for non-cash items, etc.

	2016-12-31	2015-12-31
Depreciations/amortisations	47,233	45,087
Net profit of disposals of real property	4,586	0
Total	**51,819**	**45,087**

NOTE 31 Subsequent events

Acquisitions

The parent company acquired 90% of the share capital in M-plast on January 2, 2017. The seller has the option to sell and BEWi has the option to acquire the remaining 10% of the shares (see description below). Furthermore, the parent company acquired the assets and liabilities of Por-Pac AB's Lindesberg plant on March 1, 2017. The purchase price were KSEK 15,000 and KSEK 13,768, for the assets and liabilities and shares respectively.

Negative goodwill arose for both acquisitions, amounting to KSEK -17,797, which was taken up as income in 2017, in conjunction with the acquisitions. The dissolution of the negative goodwill is reported in the item other operating income in the consolidated income statement. The negative goodwill arose when the purchase consideration was lower than the equity and when the purchase price was lower than the acquired net assets. Negative goodwill amounting to KSEK 9,867 refers to goodwill arising from the purchase of the net assets of a business and is taxable.

The table below summarises the purchase consideration for the acquisition of the Lindesberg plant and the fair value of the acquired assets and assumed liabilities reported on the acquisition date.

Purchase price as of March 1, 2017	
Cash and cash equivalents	15,000
Total purchase price	**15,000**

Carrying amounts of identifiable acquired assets and assumed liabilities	
Tangible assets	16,964
Inventory	7,903
Total identifiable net assets	**24,867**
Negative goodwill	**-9,867**

The table below summarises the purchase consideration for the acquisition of M-plast and the fair value of the acquired assets and assumed liabilities reported on the acquisition date.

Purchase price as of January 2, 2017	
Cash and cash equivalents	11,951
Contingent consideration	1,817
Liability to non-controlling interest holders	956
Total purchase consideration	**14,724**

Carrying amounts of identifiable acquired assets and assumed liabilities	
Tangible assets	48,101
Intangible assets	3,375
Inventory	9,485
Other receivables	7,515
Cash and cash equivalents	2,409
Other liabilities	-47,919
Deferred tax liabilities	-1,492
Total identifiable net assets	**21,474**
Negative goodwill	**-6,750**

An additional purchase price amounting to up to KSEK 1,817 (KEUR 190) could be paid out in cash during a three-year period until 2019, in the event that certain predetermined sales volumes are reached by the subsidiary during the financial years 2017-2018. The fair value of the contingent consideration of KSEK 1,817 has been estimated through calculating the present value of future estimated cash flows. The calculation is based on an assumed sale adjusted to probability.

Holders of non-controlling interests in M-plast are parties to the shareholder agreement under which they are entitled to sell their shares to BEWi Group during the period 2017-2019. The shares will be sold at a fixed price of KEUR 100 (appr. KSEK 956) and a liability in the same amount has been reported (see liability to non-controlling interest holders above). Under the agreement BEWi Group is correspondingly entitled to purchase the shares from the non-controlling interest holders.

Refinancing

In March 2017, the Group carried out a refinancing, entering an 18 month bridge financing, aiming to issue a bond loan within this period. A bond loan was issued in May 2017, which is to be publically listed.

The new financing will provide for an increased financial flexibility and an opportunity for growth.

NOTE 32 Effects of the change to International Financial Reporting Standards (IFRS)

The accounting principles set out in note 2 have been applied when the consolidated accounts for the BEWi Group have been prepared as of December 31, 2016 and for the comparative information presented as of December 31, 2015 as well as for the preparation of the report of the period's opening IFRS statement of financial position, as of January 1, 2015.

When the opening statement of financial position (as of January 1, 2015), the statement of financial position as of December 31, 2015 and the income statement of the financial year 2015 under IFRS were prepared, amounts in previous accounts reported in accordance with BFNAR 2012:1 Annual reports and consolidated statements K3, were adjusted. An explanation of how the transition of previously applied accounting principles to IFRS affected the Group's income, financial position and cash flow is present in the following tables and pertinent notes.

Decisions made at the transition to accounting in accordance with IFRS

The transition to IFRS is reported in accordance with IFRS 1, at the first application of IFRS. The general rule is that all applicable IFRS and IAS standards in force and approved by the EU as of December 31, 2016, will be applied retroactively. IFRS 1 contains a certain leeway for companies.

Permitted exemptions when transition to IFRS is in progress

The permitted exemptions to the complete retroactive application of all standards are listed below, make up the exemptions the Group has chosen to apply in transition from previous accounting principles to IFRS.

Exemption for accumulated translation reserves

IFRS 1 allows for accumulated translation differences included in equity to be reset to zero at the time of transition to IFRS. This will result in an alleviation compared to determining accumulated translation differences in accordance with IAS 21, and the effects of changed exchange rates, from the point in time when a subsidiary or associated company was formed or acquired. The Group has chosen to reset all accumulated translation differences in the reserves to zero, and to keep them in the profit brought forward at the time of transition to IFRS as of January 1, 2015.

Exemption for business combinations

IFRS 1, regulating the transition to IFRS, allows for the standard IFRS 3, Business Combinations, to be applied, either prospective or from a specific point in time before the time of transition to IFRS. This allows for alleviations to a complete retroactive application, requiring a recalculation of all business combinations before the time of transition to IFRS. The Group has decided to apply IFRS 3 from September 1, 2014. Consequently, business combinations completed prior to that date have not been recalculated in accordance with IFRS 3. All business combinations from September 1, 2014 have accordingly been reported in compliance with IFRS 3.

Reconciliations between previously applied accounting principles and IFRS

The Group shall, under IFRS 1, disclose reconciliations of equity and total comprehensive income reported under previously applied accounting principles to corresponding items under IFRS. The Group's transition to accounting in accordance with IFRS had no effect on the total cash flows from the operating, investments or financing activity, presented in accordance with previously applied accounting principles. The tables below discloses the reconciliation of equity and total comprehensive income reported under previously applied accounting principles to corresponding items under IFRS.

Reconciliation of equity as of 1 January 2015 (time of transition) and as of 31 December 2015

	1 January 2015				31 December 2015			
KSEK	**Notes**	**Under previo-usly applied accounting principles**	**Total effect of the transition to IFRS**	**Under IFRS**	**Notes**	**Under previo-usly applied accounting principles**	**Total effect of the transition to IFRS**	**Under IFRS**
ASSETS								
Non-current assets								
Intangible assets								
Goodwill	a, b)	269,905	-97,005	172,900	a, b)	224,618	-54,430	170,188
Other intangible assets	c)	361	110,885	111,246	c)	891	99,247	100,138
Tangible assets								
Lands and buildings	c)	134,780	8,541	143,321	c)	128,126	7,453	135,579
Other tangible assets		187,029	0	187,029		179,606	0	179,606
Financial assets		8,929		8,929		0	0	0
Deferred tax assets	d)	2,259	-2,259	0	d)	1,510	-1,510	0
Current assets								
Inventory								
Raw materials and consumables	e)	106,373	7,041	113,414		30,683	0	30,683
Work-in-progress		5,293	0	5,293		4,184	0	4,184
Finished goods and goods for resale		17,742	0	17,742		64,532	0	64,532
Account receivables and other current receivables		195,332	0	195,332		189,995	0	189,995
Cash and cash equivalents		89,065	0	89,065		111,583	0	111,583
Total assets		**1,017,068**	**27,204**	**1,044,272**		**935,728**	**50,760**	**986,488**

	1 January 2015				31 December 2015			
KSEK	**Notes**	**Under previo-usly applied accounting principles**	**Total effect of the transition to IFRS**	**Under IFRS**	**Notes**	**Under previo-usly applied accounting principles**	**Total effect of the transition to IFRS**	**Under IFRS**
EQUITY AND LIABILITIES								
Equity	f)				e)			
Share capital		100	0	100		100	0	100
Additional paid-in capital		232,350	0	232,350		232,350	0	232,350
Reserves	i)	0	0	0	i)	0	-4,077	-4,077
Accumulated profit or loss (including net profit for the year)		-27,598	20,647	-6,951		-6,095	45,365	39,270
Total equity		**204,852**	**20,647**	**225,499**		**226,355**	**41,287**	**267,642**
Non-controlling interest		**659**	**0**	**659**		**890**	**0**	**890**
Non-current liabilities								
Pension benefits	g)	0	7,355	7,355	g)	0	6,486	6,486
Other provisions	h)	4,058	450	4,508	h)	2,501	457	2,958
Deferred tax liability	d)	4,086	-1,249	2,837	d)	3,677	2,530	6,207
Liabilities to credit institutions		358,249	0	358,249		255,266	0	255,266
Liabilities to associated companies	j)	29,244	1,635	30,879	j)	28,391	1,348	29,739
Current liabilities								
Account payables and other current liabilities		374,503	0	374,503		360,478	0	360,478
Accrued expenses and deferred income	j)	41,417	-1,635	39,782	j)	58,170	-1,348	56,822
Total equity and liabilities		**1,017,068**	**27,204**	**1,044,272**		**935,728**	**50,760**	**986,488**

Reconciliation of total comprehensive income for the financial year 2015

		Financial year 2015		
Total comprehensive income KSEK	**Notes**	**Income statement (under previously applied accounting principles)**	**Total effect of the transition to IFRS**	**Under IFRS**
Net sales		1,592,909	0	1,592,909
Change in stock of products in progress, finished goods and work in progress		961	0	961
Other operating income		683	0	683
Total operating income		**1,594,553**	**0**	**1,594,553**
Raw materials and consumables	e)	-1,005,960	-7,041	-1,013,001
Goods for resale		-75,623	0	-75,623
Other external costs		-220,419	0	-220,419
Personnel costs	g)	-184,338	103	-184,235
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	c)	-81,608	36,521	-45,087
Other operating expenses		-579	0	-579
Operating income		**26,026**	**29,583**	**55,609**
Financial income		193	0	193
Financial expense	h)	-24,513	-7	-24,520
Financial income and expense - net		**-24,320**	**-7**	**-24,327**
Share of profit from associated companies, reported using the equity method		16,917	0	16,917
Income before tax		**18,623**	**29,576**	**48,199**
Income tax	d)	950	-3,070	-2,120
Net income for the year		**19,573**	**26,506**	**46,079**
Other comprehensive income:				
Items that may be reclassified in the income statement				
Exchange difference	i)	0	-4,077	-4,077
Items that will not be reclassified in the income statement:				
Remeasurements of defined benefit pension plans	g)	0	466	466
Income tax pertinent to remeasurements of defined benefit pension plans	d)	0	-93	-93
Other comprehensive income for the year, net after taxes		**0**	**-3,705**	**-3,705**
Total comprehensive income		**19,573**	**22,801**	**42,374**

a) Recalculation of business combinations

BEWi has decided to apply the exemption set out in IFRS 1 and recalculate the completed business transactions from September 1, 2014 and onwards (See the description above of Exemption for business combinations). On September 1, 2014, the Group acquired Genevad Holding AB and Cabee Oy (owner of the Styrochem-group) and the assets and liabilities of the Swedish and Danish packaging operations (Flamingo and Packaging). The Group has not carried out any acquisitions, after September 1, 2014, during the financial years 2014 and 2015. The significant differences between previously applied accounting principles and IFRS 3, applicable for the acquisition taking place on September 1, 2014 which was recalculated, are that intangible assets are identified separately from goodwill under IFRS 3. The item goodwill reported under previously applied accounting principles, consists of both goodwill arising from acquisitions and goodwill arising from the purchase of the net assets of a business. Acquisition costs reported as a part of the purchase consideration, in accordance with previously applied accounting principles, occurred in conjunction with the acquisitions. These expenditures shall, under IFRS, be carried as an expense. No deferred tax liability arises from surplus values identified to be attributable to purchase of the net assets of a business, provided that the carrying amounts initially are equivalent to the tax base.

The adjustments to goodwill and additional net assets that have followed the recalculation of the acquisition analyses in accordance with IFRS 3 are tabled below.

Goodwill, based on acquisition analysis on September 1, 2014 (KSEK) under previously applied accounting principles	**283,249**
Adjustments following the recalculation of the acquisition analyses under IFRS 3 on September 1, 2014:	
Customer relations	48,000
Trademark	45,000
Technology	17,000
Lands and buildings	8,500
Deferred tax liability	-5,100
Total adjustments to net assets	**113,400**
Adjustments to acquisition costs (reduces purchase consideration)	**2,477**
Total adjustment (reduction) of reported goodwill following recalculation of acquisition analyses under IFRS 3	**115,877**
Goodwill under IFRS as of September 1, 2014	**167,372**

b) Goodwill

In the accounts prepared in accordance with previously applied accounting principles, goodwill was amortised during the period in which it was expected to carry economic benefits. Goodwill is not amortised under IFRS, but impairment tested annually. The annual impairment tests carried out in accordance with IFRS as of January 1, 2015 and December 31, 2015 have not proved any existence of impairment need for goodwill. Following the Group's decision to recalculate business combinations from September 1, 2014 and onwards, in accordance with the exemption set out in IFRS 1, amortisations on goodwill made under previously applied accounting principles, will be reversed as of that date. The reversal of amortisations carried out during the financial year 2014 will affect the profit brought forward, while the reversal of amortisations reported during the financial year 2015 will affect the net profit for the year.

The table below states the total effect on goodwill in conjunction with the transition to IFRS:

Goodwill (KSEK)	**As of 1 January 2015**	**Additional adjustments during 2015**	**As of 31 December 2015**
Goodwill under previously applied accounting principles	**269,905**		**224,618**
Reversals of amortisations on acquisition goodwill	6,610	25,211	31,821
Reversals of amortisations on goodwill arising from the purchase of the net assets of a business	6,592	19,775	26,367
Reclassification of intangible and tangible assets and reporting of deferred tax according to recalculated acquisition analyses	-113,400	0	-113,400
Adjustments to acquisition costs	-2,477	0	-2,477
Translation difference	5,670	-2,411	3,259
Total adjustments to goodwill	**-97,005**	**42,575**	**-54,430**
Total goodwill IFRS	**172,900**	**42,575**	**170,188**

c) Other intangible assets and tangible assets

Further to **a)** above, additional intangible assets in the form of customer relations, trademarks and technology emerge, as well as tangible assets in the form of lands and buildings not included in goodwill under IFRS, but reported separately. The useful life of customer relations has been assessed to be 8 years, technology 10 years and buildings 5-20 years. Trademarks are assessed to have an indefinite useful life and are therefore tested for impairments instead. The recalculation of the business combinations has occurred as of the September 1, 2014, meaning that amortisations/depreciations of additional intangible and tangible assets are commenced as of that date. Furthermore, deferred tax pertinent to the acquisitions other than the purchases of the net assets of a business will arise (reporting and realisation). See **d)** below for deferred tax.

The adjustments are listed below, to the opening IFRS balance sheet as of January 1, 2015, the balances as of December 31, 2015 attributable to intangible and tangible assets as well as deferred tax liability arising from recalculating the acquisition in accordance with IFRS 3.

Additional intangible assets following the recalculation of acquisition analyses as of September 1, 2014 (KSEK)	Amounts	Additional depreciations/ realisations of deferred tax	Total adjustments as of 1 January 2015	Additional deprecia-tions/rea-lisations of deferred tax	Total adjustments as of 31 December 2015
Customer relations	48,000	-2,000	46,000	-6,000	40,000
Trademarks	45,000	0	45,000	0	45,000
Technology	17,000	-567	16,433	-1,700	14,733
Lands and buildings	8,500	-255	8,245	-765	7,480
Deferred tax liability	-5,100	164	-4,936	493	-4,443
Exchange difference intangible assets	0	3,452	3,452	-3,938	-486
Exchange difference tangible assets	0	296	296	-323	-27
Exchange difference deferred tax	0	-177	-177	193	16
Additional net assets	**113,400**	**914**	**114,314**	**-12,040**	**102,274**
Additional intangible assets under IFRS	**110,000**	**885**	**110,885**	**-11,638**	**99,247**
Additional tangible assets IFRS	**8,500**	**41**	**8,541**	**-1,088**	**7,453**
Additional deferred tax liability, intangible and tangible assets	**-5,100**	**-13**	**-5,113**	**686**	**-4,427**

Reversals of amortisations of goodwill and additional depreciations of intangible assets have had the following effects on depreciations in the consolidated income statement for the financial year 2015 and the accumulated profit or loss as of January 1, 2015:

Effects on amortisations and depreciations of intangible and tangible assets in the accumulated profit or loss and consolidate income statement (KSEK)	Financial year 2015	As of 1 January 2015
Reversals of amortisations on acquisition goodwill	25,211	6,610
Reversals of amortisations on goodwill arising from the purchase of the net assets of a business	19,775	6,592
Additional amortisations of intangible and tangible assets	-8,465	-2,822
Total effect on amortisations in the consolidated income statement	**36,521**	**10,380**

d) Deferred tax

Deferred tax is reported for all IFRS adjustments when they lead to temporary differences on the balance sheet. Deferred tax is reported in accordance with tax rates applicable for the country to which the underlying asset or liability is pertinent. Deferred tax is calculated from tax rates in Sweden, Finland and Denmark. Deferred tax liabilities and assets are offset in the event that a legal right exists to offset the deferred tax against current tax liabilities.

Goodwill has ceased to be amortised as of September 1, 2014 following the fact that goodwill is not amortised under IFRS. Therefore, a temporary difference arises, with regard to the portion of the goodwill item reflecting the goodwill arising from the purchase of the net assets of a business when amortisation of it is deductible. Tax loss carry forwards in Finland are valued at the same amount as the deferred tax liability attributable to the country.

Deferred tax assets (KSEK)	Note	As of 1 January 2015	As of 31 December 2015
Deferred tax assets under previously applied accounting principles		2,259	1,510
Deferred tax assets on obligations pertinent to remunerations to employees for defined benefit pension plans	g)	1,471	1,299
Deferred tax assets for provisions for restoration of lands	h)	90	90
Deferred tax assets for tax loss carry forwards, Finland		4,960	3,039
Total adjustments after transition to IFRS		**6,521**	**4,428**
Netting of deferred tax assets against deferred tax liability		**-8,780**	**-5,938**
Total deferred tax assets under IFRS		**0**	**0**

Deferred tax liability (KSEK)	Note	As of 1 January 2015	As of 31 December 2015
Deferred tax liability under previously applied accounting principles		4,086	3,677
Deferred tax liability for reversal of amortisation of goodwill arising from the purchase of the net assets of a business	b)	1,010	4,041
Deferred tax liability for additional intangible and tangible assets following recalculation of acquisitions, net after realisations of deferred tax pertinent to depreciations and amortisations	b)	4,936	4,443
Deferred tax liability for reversal of impairment of the raw material inventory	e)	1,408	0
Exchange difference		177	-16
Total adjustments		**7,531**	**8,468**
Netting of deferred tax liabilities against deferred tax assets		**-8,780**	**-5,938**
Total deferred tax liability under IFRS		**2,837**	**6,207**

Deferred tax liability and assets are adjusted as the underlying items, to which the taxes are pertinent, change. Income tax in the consolidated income statement is attributable to the following IFRS adjustments, by adjustments within the net profit for the year and other comprehensive income.

Adjustments to income tax reported within the net profit for the year	Note	Financial year 2015
Deferred tax for reversal of depreciation/amortisation of goodwill arising from the purchase of the net assets of a business	c)	-3,031
Deferred tax for reversal of impairment of the raw material stock	e)	1,408
Deferred tax on obligations pertinent to remunerations to employees for defined benefit pension plans	g)	-21
Realisation of deferred tax pertinent to depreciations and amortisations of additional intangible and tangible assets following recalculation of acquisitions	c)	493
Deferred tax for provisions for restoration of lands	h)	1
Deferred tax for tax loss carry forwards, Finland		-1,921
Total adjustments to income tax in the net profit for the year		**-3,072**
Adjustments to income tax reported in other comprehensive income		
Income tax on obligations pertinent to remunerations to employees for defined benefit pension plans	g)	-93
Total adjustments to income tax in other comprehensive income		**-93**

e) Inventory

Raw material for use in manufacturing is not impaired below the acquisition cost if the end product which the raw material is part of, is expected to be sold at a price corresponding to or exceeding the acquisition cost. The valuation is undertaken item by item in accordance with the previously applied accounting principles, which has led to the item raw material to be impaired even though it is part of a product expected to be sold at a price corresponding to or exceeding the acquisition cost. Following the transition to IFRS, the impairment of the raw material stock amounting to KSEK 7,041 has been reversed and the deferred tax liability of KSEK 1,048 has been reported following the adjustment made 1 January 2015. The accumulated profit or loss has increased by KSEK 5,633. The raw material inventory was disposed of in 2015, meaning that this adjustment is accrual.

f) Reclassifications of equity and effect on accumulated profit or loss

IFRS does not stipulate a division of the consolidated equity into restricted and non-restricted equity. Following a transition to IFRS accounting, the portion of distributable reserves that is share premium reserves is reclassified as additional paid-in capital.

The significant effects on accumulated profit or loss including net profit for the year as of 1 January 2015 (the opening IFRS balance sheet) are summarised below:

KSEK	Note	As of 1 January 2015
Equity attributable to the equity holders of the Parent Company under previously applied accounting principles		**204,852**
Reversal of depreciations/amortisations of goodwill (acquisition goodwill and goodwill arising from the purchase of the net assets of a business)	b)	13,202
Additional depreciations/amortisations of intangible and tangible assets identified following a recalculation of acquisition	c)	-2,822
Reversal of the impairment of inventory	e)	7,041
Provisions for defined benefit pension plans	g)	-7,355
Acquisition costs reported in accumulated profit or loss following a recalculation of acquisition	a, b)	-2,477
Provisions for restoration of lands	h)	-450
Deferred tax	d)	4,267
Translation difference	i)	9,241
Total effect on equity from transition to IFRS		**20,647**
Equity attributable to the equity holders of the Parent Company under IFRS		**225,499**

g) Defined benefit pension plans
Remunerations after termination of employment, such as pension benefits, are divided into defined contribution plans and defined benefit plans in accordance with IAS 19 Employee benefits.

The subsidiary BEWi Styrochem Oy provides defined benefit pension plans previously not reported on the balance sheet under previously applied accounting principles. Regarding the defined benefit pension plans for current and previous employees of BEWi Styrochem Oy, IFRS requires actuarial assumptions to be utilised in order to calculate the commitment's amount as of January 1, 2015 and as of December 31, 2015.

The net pension commitment amounts to KSEK 7,355 as of January 1, 2015 and KSEK 6,486 as of December 31, 2015, based on obtained actuarial assumptions. The effect to the income statement for the financial year 2015 amounts to KSEK 103 and is reported in personnel costs. The effect to other comprehensive income amounts to KSEK 614 and consists of translation differences on the net pension commitment of KSEK 241, revaluation of the net pension commitment (actuarial gains and losses) of KSEK 466 and tax effect amounting to KSEK - 93.

h) Provision for the restoration of lands
Upon termination of the subsidiary Styrochem OY's lease dated 15 October 1997, the company is obligated to restore the property on which its plant is placed. BEWi deems an outflow for the restoration of the property and dismantling likely to occur. Following the transition to IFRS reporting as of 1 January 2015, a provision has been reported in reference to the restoration of the property, and a deferred tax asset has been calculated.

The provision amounts to KSEK 450 as of 1 January 2015 and is reported at present value. A calculation of present value includes the carrying amount of the provision to be increased over time, as a consequence of the approaching payment. The increase is reported in financial expense in the income statement. For the financial year 2015, the effect in the income statement and the adjustment to the amount of the provision on the balance sheet is equal to KSEK 7.

i) Reallocation of translation differences to reserves
The Group has opted to set translation differences to zero following the transition to IFRS, see description in Exemption for accumulated translation reserves above. The opening IFRS balance sheet as of 1 January 2015 have, however, been affected by translation differences amounting to KSEK 9,256 related to intangible and tangible assets and deferred tax arising from recalculation of acquisition.

During the financial year 2015, the translation differences attributable to revaluations of subsidiaries are reported, KSEK 2,161, recalculation of additional net assets from acquisitions (see above), KSEK -6,516 and recalculation of the pension commitment, KSEK 241 in other comprehensive income. The total effect to the other comprehensive income of the translation differences amounts to KSEK -4,114, in addition corresponding to balance carried forward of the reserves as of 31 December 2015. Translation differences are reported, as of the financial year 2015, in other comprehensive income and are accumulated in the item reserves in equity. A reclassification has therefore been made within the equity in relation to the exchange differences attributable to the revaluation of foreign subsidiaries and that have been reported in the accumulated profit or loss under previously applied accounting principles, KSEK 2,161, which leads to a decrease of the accumulated profit or loss and an increase of the item reserves by KSEK 2,161.

j) Reclassifications and restatements on the balance sheet and in the income
Balance sheet
Reclassifications and restatements have been made of the following items on the balance sheet; "Cash balance and bank" will be "Liquid resources", "Minority interest" has become "Non-controlling interest". Deferred tax assets are not reported as a financial asset but on a separate line not belonging to financial, tangible or intangible assets under IFRS.

Provisions under IFRS are not reported in a separate heading named "Provisions", but under any of the headings "Non-current liabilities" or "Current liabilities", depending on if the provision is long-term or short-term. The items "Additional paid-in capital" and "Reserves" emerges under IFRS. "Additional paid-in capital" classifies the portion of a new issue reflecting payments exceeding the share's nominal value and shareholders' contributions. The translation differences were set to zero as of 1 January 2015 reflected in the item "Reserves" being 0 in the opening IFRS balance sheet.

Interest expenses on loans shall be reported as a part of the loan under IFRS, leading to a reclassification of accrued liabilities. The liability to associated companies has increased by KSEK 1,635 as of 1 January 2015 and by KSEK 1,348 as of 31 December 2015, accrued liabilities have decreased by corresponding amounts as of these dates.

Income statement
Reclassifications and restatements have been made of the following items in the consolidated income statement; "Interest income" will be named "Financial income", "Interest expense and similar profit items" will be named " Financial expense". "Tax on net profit for the year" will be named "Income tax".

Transactions with shareholders are directly charged in equity under IFRS; other items are reported in other comprehensive income and are carried forward in "equity". For BEWi, this leads to exchange differences following revaluation of foreign subsidiaries and pension liability to be reported in other comprehensive income and brought forward in the item "Reserves" in "equity". In addition, the revaluation of the net pension commitment and its tax effect is reported in other comprehensive income, and is brought forward in the item "Accumulated profit or loss (including net profit for the year)".

Income statement of the parent company

		Financial year	
Amounts in KSEK	**Note**	**2016**	**2015**
Operating expenses			
Other operating expenses		-924	-504
Total operating expense		**-924**	**-504**
Operating income		**-924**	**-504**
Financial income	4,5	956	923
Financial expense	4,5	-799	-765
Financial income and expense – net	**4,5**	**157**	**158**
Appropriations		**662**	**0**
Profit or loss before taxes		**-767**	**-346**
Tax on net income for the year	6	0	0
Net income for the year		**-105**	**-346**

The net income for the year is equivalent to the comprehensive income.

The notes on pages 75 to 82 are an integrated part of this annual report.

Statement of financial position of the parent company

Amounts in KSEK	Note	2016-12-31	2015-12-31
ASSETS			
Financial assets			
Participations in Group companies	7	234,008	234,008
Receivables from associated companies	8	29,566	28,232
Total financial assets		**263,574**	**262,240**
Total non-current assets		**263,574**	**262,240**
Current assets			
Current receivables			
Receivables from Group companies	9	13,098	1,261
Tax assets		17	
Prepaid expenses and accrued income		10	0
Total current receivables		13,125	1,261
Cash and bank balances	10	2,524	682
Total current assets		**15,649**	**1,943**
Total assets		**279,223**	**264,183**

The notes on pages 75 to 82 are an integrated part of this annual report.

Amounts in KSEK	Not	2016-12-31	2015-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (100,000 shares)	11	103	100
Total restricted equity		**103**	**100**
Non-restricted equity			
Additional paid-in capital		244,868	232,350
Profit or loss brought forward		-287	59
Net profit or loss for the year		-105	-346
Total non-restricted equity		**244,476**	**232,063**
Total equity		**244,579**	**232,163**
Non-current liabilities			
Liabilities to Group companies	12	2,470	2,470
Liabilities to associated companies	12	28,909	27,604
Current liabilities			
Liabilities to Group companies	13	144	63
Current tax liabilities		0	17
Other current liabilities		806	628
Accrued expenses and deferred income		2,315	1,238
Total current liabilities	13	**3,265**	**1,946**
TOTAL EQUITY AND LIABILITIES		**279,223**	**264,183**

The notes on pages 75 to 82 are an integrated part of this annual report.

Changes in equity for the parent company

	Restricted equity	Non-restricted equity		
Amounts in KSEK	**Share capital**	**Additional paid-in capital**	**Profit or loss brought forward**	**Total**
Balance brought forward as of 1 January 2015	**100**	**232,350**	**59**	**232,509**
Net profit or loss for the year			-346	**-346**
Total comprehensive income	**100**	**232,350**	**-287**	**232,163**
Balance carried forward as of 31 December 2015	**100**	**232,350**	**-287**	**232,163**
Net profit or loss for the year			-105	**-105**
Total comprehensive income	**100**	**232,350**	**-392**	**232,058**
Transactions with shareholders, charged directly to equity	3	12,518		12,521
Balance carried forward as of 31 December 2016	**103**	**244,868**	-392	**244,579**

The notes on pages 75 to 82 are an integrated part of this annual report.

Cash flow statement for the parent company

		Financial year	
Amounts in KSEK	**Note**	**2016**	**2015**
Operating cash flow			
Profit before financial items		-923	-504
Adjustments for non-cash items, etc.		678	
Interest received		956	923
Interest paid		-816	-765
Operating cash flow before changes to working capital		**-105**	**-346**
Increase/decrease in other current receivables		-13,199	252
Increase/decrease in operating debt		2,625	741
Total change to working capital		**-10,574**	**993**
Operating cash flow		-10,679	647
Cash flow from investment activities			
New share issue		12,521	0
Cash flow from investment activities		**12,521**	**0**
Increase/decrease to liquid resources			
Cash flow for the year		**1,842**	**647**
Liquid resources at the beginning of the year		682	35
Liquid resources at the end of the year	10	**2,524**	682

The notes on pages 75 to 82 are an integrated part of this annual report.

PARENT COMPANY

Accounting principles and notes to the accounts

1 GENERAL INFORMATION

The parent company is a limited company (aktiebolag) registered in Sweden, registered office in Solna, Evenemangsgatan 31, SE-169 79 Solna.

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

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 parent company has transitioned to applying RFR 2 in conjunction with the Group's transition to IFRS accounting for the consolidated accounts.

The transition from previously applied accounting principles to RFR2 has no effect on the income statement, the statement of financial position, equity or cash flow.

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

The preparation of reports in accordance with RFR 2 demands the utilisation of a number of critical accounting estimates. In addition, the executive management undertakes several assessments when applying the parent company's accounting principles. The areas that include a high degree of assessments, which are complex 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 stated below:

Layout

The income statement and statement of financial position are 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

IAS 39 is not applied for the parent company 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.

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NOTE 3 Operational lease contracts

The parent company had no lease agreements during the financial year.

NOTE 4 Interest incomes with similar profit or loss items and interest expense with similar profit or loss items

	2016	2015
Interest income, Group companies	924	923
Exchange gains	32	0
Total interest incomes and similar profit or loss items	**956**	**923**
Interest expense	-701	-703
Interest expense, Group companies	-82	-62
Exchange loss	-7	0
Other financial expense	-9	0
Total interest expense with similar profit or loss items	**-799**	**-765**
Total financial income and expense - net	**157**	**158**

NOTE 5 Exchange differences – net

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

	2016	2015
Financial income and expense - net	25	0
Total	**25**	**0**

NOTE 6 Income tax

Tax reported in the income statement:

	2016	2015
Current tax:		
Current tax for net profit for the year	0	0
Adjustments for previous years	0	0
Total current tax	**0**	**0**

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

	2016	2015
Profit before taxes	-105	-346
Income tax calculated using the Swedish tax rate (22%)	23	76
Tax effects attributable to		
Tax attributable to unreported tax loss carry forwards	-23	-76
Total tax reported	**0**	**0**

Unutilised tax loss carry forwards for which no deferred tax asset has been reported amount to 450 (346).

NOTE 7 Shares in subsidiaries

	2016-12-31	2015-12-31
Acquisition cost brought forward	234,008	234,008
Accumulated acquisition cost carried forward	234,008	234,008
Carrying amount carried forward	**234,008**	**234,008**

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 2016-12-31	Carrying amount 2015-12-31
Directly held							
Genevad Holding AB	556707-1948	Norrtälje, Sweden	100,000	100	0	234,008	234,008

The companies below are part of the sub-group to BEWi Group with Genevad Holding AB, 556707-1948 as the parent company.

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 2016-12-31	Carrying amount 2015-12-31
Held indirectly							
Genevad Vårgårda Holding AB	556144-2426	Laholm, Sweden	946	90,1	0	42,485	42,485
Bewi Insulation AB	556541-7788	Norrtälje, Sweden	6,302	100	0	30,127	30,127
BWI Dorotea AB	556669-9434	Norrtälje, Sweden	12,000	100	0	1,701	1,701
IBO System AB	556628-9178	Herrljunga, Sweden	100	100	0	100	100
Norden Insulation AS	986 795 693	Norway	1,000	100	0	7,783	5,892
BEWI Cabee Oy	2083942-8	Finland	44,355	100	0	62 516	20,126
BEWI Flamingo AS	DK31867304	Denmark	500,000	100	0	30,644	30,644
BEWI Packaging AB	556961-3309	Norrtälje, Sweden	500	100	0	15,050	15,050

NOTE 8 Receivables from associated companies

	2016-12-31	2015-12-31
Acquisition cost carried forward	28,231	29,407
Translation of foreign currency	1,335	-1,175
Carrying amount carried forward	**29,566**	**28,232**

NOTE 9 Current receivables

	2016-12-31	2015-12-31
Receivables from Group companies	13,098	1,261
Total	**13,098**	**1,261**

NOTE 10 Cash and bank balances

	2016-12-31	2015-12-31
Cash and bank balances	2,524	682
Total	**2,524**	**682**

NOTE 11 Share capital

For information regarding the share capital, see note 20 to the consolidated accounts.

NOTE 12 Long-term liabilities

	2016-12-31	2015-12-31
Liabilities to Group companies	2,470	2,470
Liabilities to associated companies	28,909	27,604
Total	**31,379**	**30,074**

Liabilities to Group companies reported in SEK mature upon request and run at an average interest rate of 3.25% per annum (2015: 3.27% per annum). Liabilities to associated companies are reported in EUR. A number of the liabilities to associated companies are subordinated bank loans and a number of them mature by 2019. The average interest rate amounts to 2.4% per annum (2015: 2.4% per annum).

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

	Carrying amount			Fair value		
	2016-12-31	**2015-12-31**	**2015-01-01**	**2016-12-31**	**2015-12-31**	**2015-01-01**
Liabilities to Group companies	2,470	2,470	1,600	2,470	2,470	1,600
Liabilities to associated companies	28,909	27,604	29,244	28,909	27,604	29,244
Total	**31,379**	30,074	30,844	**31,379**	30,074	30,844

The carrying amounts of the parent company's borrowing are assessed to be a reasonable approximation of the fair value as the loans run with floating interest rates.

Non-current liabilities maturing later than five years after the balance sheet date amount to 19,707 (19,658)

Liquidity risk

The table below contains an analysis of the Group's non-derivative financial liabilities, divided by the period of time remaining from the balance sheet day to the agreed maturity date. The stated amounts are the agreed, undiscounted cash flows.

As of 31 December 2016	**< 1 yr.**	**1-2 yr.**	**2-5 yr.**	**> 5 yr.**
Liabilities to associated companies	1,458	1,297	1,092	25,281
Other current liabilities	3,121	0	0	0
Total	**4,579**	**1,297**	**1,092**	**25,281**

As of 31 December 2015	**< 1 yr.**	**1-2 yr.**	**2-5 yr.**	**> 5 yr.**
Liabilities to associated companies	1,382	1,302	10,557	25,675
Other current liabilities	1,883	0	0	0
Total	**3,265**	**1,302**	**10,557**	**25,675**

NOTE 13 Other current liabilities

	2016-12-31	**2015-12-31**
Liabilities to Group companies	144	63
Other current liabilities	3,120	1,883
Total	**3,265**	**1,946**

The fair values of current liabilities are equivalent to their carrying amounts, as the discount effect is insignificant.

NOTE 14 Financial instruments by category

2016-12-31	Loan receivables and trade receivables	Total
Assets on the balance sheet		
Shares in Group companies	234,008	234,008
Non-current receivables from associated companies	29,566	29,566
Current receivables from Group companies	13,098	13,098
Cash and bank balances	2,524	2,524
Total	**279,196**	**279,196**

	Other financial liabilities	Total
Liabilities on the balance sheet		
Non-current liabilities to Group companies	2,470	2,470
Non-current liabilities to associated companies	28,909	28,909
Current liabilities to Group companies	144	144
Other current liabilities	806	806
Total	**32,329**	**32,329**

2015-12-31	Loan receivables and trade receivables	Total
Assets on the balance sheet		
Shares in Group companies	234,008	234,008
Non-current receivables from associated companies	28,232	28,232
Current receivables from Group companies	1,261	1 261
Cash and bank balances	682	682
Total	**264,183**	**264,183**

	Other financial liabilities	Total
Liabilities on the balance sheet		
Non-current liabilities to Group companies	2,470	2,470
Non-current liabilities to associated companies	27,604	27,604
Current liabilities to Group companies	63	63
Other current liabilities	628	628
Total	**30,765**	**30,765**

NOTE 15 Pledged assets

	2016-12-31	2015-12-31
Guarantees for intra-group liabilities	47,178	70,751
Pledged shares in subsidiary	234,008	234,008
Total	**281,186**	**304,759**

NOTE 16 Associated companies and individuals

The following transactions with associates have occurred:

Loans from associates	**2016-12-31**	**2015-12-31**
Loans from owners		
At the beginning of the year	27,604	29,244
Translation of foreign currency	1,305	-1,640
At the end of the year	**28,909**	**27,604**

The interest charges pertinent to loans from associated companies are reported as accrued expenses and deferred income and amount to KSEK 787 (31 December 2015; KSEK 702).

Loans from associates refer to loans from owners. The lenders are BEWi Holding AS and Verdane.

A number of the loans to associates are subordinated external borrowings and a number of them mature by 2019 with an annual interest rate of 2.4%. The loans are not pledged and are paid in cash.

Remunerations to senior executives of the company are stated in note 6 to the consolidated accounts.

The consolidated accounts and annual report of the parent company are to be presented and adopted at the Annual General Meeting on 2017-06-30

Stockholm 2017-06-16

Christian Bekken
CEO

Göran Vikström
Chairman of the board

Per Nordlander
Member of the board

Gunnar Syvertsen
Member of the board

Kristina Schauman
Member of the board

Bernt Thoresen
Member of the board

The auditor's report has been submitted on 2017-06-16
PricewaterhouseCoopers AB

Magnus Brändström
Authorised public accountant

Auditor's report

To the Annual General Meeting of BEWi Group AB (publ), reg.no. 556972-1128

REPORT CONCERNING THE ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

Statements

We have performed an audit of the annual report and consolidated accounts of BEWi Group AB (publ) for 2016. The company's annual report and the consolidated accounts are found on pages 26-83 of this document. In our opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and provides, in all material respects, a true and fair view of the parent company's financial position as of 31 December 2016 and of the financial profit and cash flows for the year in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide, in all material respects, a true and fair view of the group's financial position as of 31 December 2016 and of the financial profit and cash flows for the year in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as the Annual Accounts Act. The board of directors' report is compatible with the other sections of the annual report and consolidated accounts. We recommend the Annual General Meeting to adopt the income statement and statement of financial position for the parent company and the consolidated income statement and statement of financial position for the group, respectively.

Basis for statement

We have performed the audit in compliance with International Standards on Auditing (ISA) and the Swedish Generally Accepted Auditing Standards (Swedish GAAS). Our responsibilities under these standards are closely described in the Auditor's responsibility section. We are independent of the parent company and the group in accordance with the Swedish GAAS and we have in all other respects fulfilled the requirements of our responsibilities pursuant to professional ethics. We are of the opinion that the obtained audit evidence is sufficient and appropriate to form a basis for our statements.

Additional information to the annual report and consolidated accounts

This document contains additional information to the annual report and consolidated accounts, which is given on pages 1-25. The board of directors and the CEO are responsible for this information. Our statement with regard to the annual report and consolidated accounts does not consider this information and we make no statement with assurance in reference to this information.

In conjunction with our audit of the annual report and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information to a significant extent is incompatible with the annual report or the consolidated accounts. This review includes taking into consideration the knowledge otherwise obtained during the performed audit, and we assess whether the other information appears to contain material misstatements. Should we, based on the work performed in this respect, conclude that the other information contains material misstatements; it would have to be reported. We have nothing to report in this respect.

The responsibility of the board of directors and CEO

The board of directors and the CEO are responsible for the annual report and consolidated reports to be prepared and that they provide a true and fair view, in accordance with the Annual Accounts Act and the International Financial Reporting Standards (IFRS) as adopted by the EU. Furthermore, the board of directors and the CEO are responsible for the internal control deemed to be required for the preparation of an annual report and consolidated accounts free from material misstatements, whether from improper actions or errors. In preparation of the annual reports and consolidated accounts, the board of directors and the CEO are responsible for the assessment of the company and the group's capacity to continue its operations. They disclose, when appropriate, any condition that may affect the capacity to continue operations and the going concern assumption. The going concern assumption is not applicable if the board of directors and the CEO intend to liquidate the company, discontinue operations or if they do not have any realistic alternatives other than taking one of these actions.

Auditor's responsibility

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether from improper actions or errors and to give an auditor's report containing our statements.

Reasonable assurance means a high level of assurance, but is no guarantee for an audit performed under ISA and Swedish GAAS to always discover a material misstatement should they exist. Misstatements may arise from improper actions or errors and are deemed to be material in the event that they separately or in conjunction may be expected to influence economic decisions made by users, based on the annual report and consolidated accounts.

An additional description of our responsibilities for the audit of the annual report and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors (Revisorsinspektionen) www.revisorsinspektionen. se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is incorporated to the auditor's report by reference.

REPORT CONCERNING OTHER LEGAL REQUIREMENTS

Statements
In addition to our audit of the annual report and consolidated accounts, we have performed an audit of the administration of the board of directors and CEO of BEWi Group AB (publ) for 2016 as well as of the proposal for profit distribution of the company's profit or loss. We recommend the Annual General Meeting to appropriate the profit in accordance with the proposal and to discharge the board of directors and CEO of liability for the financial year.

Basis for statement
We have performed the audit in compliance with the Swedish GAAS. Our responsibilities under these standards are closely described in the Auditor's responsibility section. We are independent of the parent company and the group in accordance with the Swedish GAAS and we have in all other respects fulfilled the requirements of our responsibilities pursuant to professional ethics. We are of the opinion that the received audit evidence is sufficient and appropriate to form a basis for our statements.

The responsibility of the board of directors and CEO
The board of directors and the CEO are responsible for the proposal for profit distribution. In the event of a dividend proposal, this responsibility includes assessing whether the dividend is justifiable considering the requirements determined by the line of business of the parent company and group, of the equity, need to strengthen the balance sheet, liquidity and financial position in general.

The board of directors is responsible for the organisation and administration of the company's affairs. This includes the continuous assessment of the company and group's financial position, and to make sure that the company is organised to control the bookkeeping, management of funds, and other economic affairs in an assuring manner. The CEO is responsible for the ongoing operations under the board of directors' guidelines and instructions and for the taking measures required for the company's bookkeeping to be in accordance with legislation and for an assuring management of funds.

Auditor's responsibility
Our objective concerning the audit of the administration, therewith our statement regarding the discharge of liability, is to obtain audit evidence in order to assess with reasonable assurance whether any member of the board or CEO in any material respect has:

- taken any measure or become guilty of negligence that may cause liability for damages towards the company
- in any other way acted in breach of the Swedish Companies Act, the Annual Accounts Act, or the articles of association.

Our objective concerning the audit of the proposal for profit distribution of the company's profit or loss, therewith our statement regarding it is to assess with reasonable assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance means a high level of assurance, but is no guarantee for an audit performed under Swedish GAAS to always discover measures or negligence causing liability for damages towards the company or for a proposal for profit distribution to be in accordance with the Swedish Companies Act.

An additional description of our responsibilities for the audit of the annual report and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors (Revisorsinspektionen) www.revisorsinspektionen. se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is incorporated to the auditor's report by reference.

Stockholm, June 16, 2017

PricewaterhouseCoopers AB

Magnus Brändström
Authorised public accountant

Glossary

Cellular plastic is used as a collective name for a variety of different expanding plastics. Commonly occuring 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.

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