Thrace Polybulk AB

Directors' report and financial statements

31 December 2017

Signed for identification only:

KPMG AB

Directors and advisers

Directors	Per Skjellaug (Managing Director) Costas Halioris (Chairman)
Secretary	Costas Halioris
Registered Office	Glasgatan 21 721 30 Köping Sweden

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Income Statement

for the year ended 31 December 2017

	Note	**2017 Continuing operations SEK000**	**2016 Continuing operations SEK000**
Revenue	*1*	**233 433**	**199 337**
Cost of sales		**(181 721)**	**(150 579)**
Gross profit		**51 712**	**48 758**
Other operating expenses	*2*	**(31 681)**	**(27 443)**
Operating profit	*1-3*	**20 031**	**21 315**
Financial income	*5*	**2 199**	**3 417**
Financial expenses	*5*	**(7)**	**-**
Net financing income		**22 223**	**24 732**
Profit before tax		**22 223**	**24 732**
Taxation	*6*	**(4 909)**	**(5 459)**
Profit for the year attributable to equity holders of the company		**17 314**	**19 273**

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Statement of Changes in Equity
for year ended 31 December 2017

	Share capital SEK000	Retained earnings SEK000	Total equity SEK000
Balance at 1 January 2016	100	34 178	34 278
Paid dividend		- 9 000	-9 000
Profit for the year		17 314	17 314
Balance at 31 December 2017	**100**	**42 492**	**42 592**
Balance at 1 January 2015	100	41 763	41 863
Paid dividend		-26 859	-26 859
Profit for the year		19 274	19 243
Balance at 31 December 2016	**100**	**34 178**	**34 278**

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Balance Sheets

At 31 December 2017

	Note	2017 SEK000	2016 SEK000
Non-current assets			
Property, plant and equipment	7	1 970	1 078
Intangible assets	8	8 584	8 584
		10 554	9 662
Current assets			
Stocks	9	25 176	23 328
Trade and other receivables	10	28 818	29 579
Income taxes recoverable		-	-
Cash and cash equivalents	11	21 008	16 335
		75 002	69 242
Total assets		85 556	78 904
Current liabilities			
Trade and other payables	12	36 814	39 219
Tax payable		4 262	3 519
		41 076	42 738
Non-current liabilities			
Employee benefits	13		
Deferred tax liabilities	14	1 888	1 888
		1 888	1 888
Total liabilities		42 964	44 626
Net assets (liabilities)		42 592	34 278
Equity attributable to equity holders of the company			
Share capital	15	100	100
Retained earnings	15	42 492	34 178
Total equity		42 592	34 278

These financial statements were approved by the board of directors on 15.03 2018 and were signed on its behalf by:

Costas Halioris
Chairman

Per Skjellaug
MD

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Cash Flow Statements

for year ended 31 December 2017

		2017 SEK000	2016 SEK000
Cash flows from operating activities			
Profit (loss) for the year		22 223	24 732
Adjustments for:			
Depreciation, amortisation and impairment		436	436
Financial income		(2 192)	13
Profit/loss sales fixed assets		(255)	-
Provisions		(2 273)	586
FX differences		(1 399)	(4 119)
Operating profit (loss) before changes in working capital and provisions		16 540	21 648
In (decrease) in trade and other receivables		467	(8 143)
Decrease (increase) in stock		(1 847)	(2 384)
Decrease (increase)in trade and other payables		1 785	15 919
Other non-cash transactions		2 228	-
Cash generated from the operations		19 173	27 040
Tax paid		(4 299)	(2 815)
Net cash from operating activities		14 874	24 225
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		284	
Interest received			
Acquisition of property, plant and equipment		(1 451)	(5)
Net cash from investing activities		(1 167)	(5)
Cash flows from financing activities			
Interest paid		(34)	
Paid dividend		(9 000)	(26 859)
Net cash from financing activities		(9 034)	(26 859)
Net decrease (increase) in cash and cash equivalents		16 335	(2 639)
Exchange on cash at bank		0	0
Cash and cash equivalents at 1 January		4 673	18 974
Cash and cash equivalents at 31 December	*11*	21 008	16 335

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Accounting policies

Thrace Polybulk AB is a company incorporated in Sweden.

The company financial statement have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS's").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Measurement convention
The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

Base of preparation
The company's business activities, together with the factors likely to affect its future development, performance and position are set in the business review.
The current global economic conditions continue to create some uncertainty, particularly in relation to the level of demand for the company's products.
The directors have a reasonable expectation that the company have adequate resources to continue their operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

Foreign currency
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

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Accounting policies *(continued)*

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Machinery, equipment, fixtures and fittings 5 years

Goodwill
Goodwill represents amounts arising on business acquisition.

In respect of acquisitions prior to 1 January 2005, goodwill is included at 1 January 2005 on the basis of its deemed cost, which represents the amount recorded under Swedish GAAP which was broadly comparable save that goodwill was amortised. In respect of business acquisitions that have occurred since 1 January 2005, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangible assets are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised but is tested annually for impairment.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances.

Impairment
The carrying amounts of the company's assets other than stocks and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Accounting policies *(continued)*

Trade and other receivables
Trade and other receivables are stated at their cost less impairment losses.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits
Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans
The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

All actuarial gains and losses as at 1 January 2017 were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2017 the Company recognises them in the period they occur directly into equity through the statement of recognised income and expense.

Trade and other payables
Trade and other payables are stated at their cost.

Revenue
Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Expenses
Operating lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Net financing costs
Net financing costs comprise interest payable and interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the statement of recognised income and expense.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Segment reporting
A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

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Notes to the consolidated IFRS financial statements

1 Segment reporting

Segment information is presented in respect of the company's business and geographical segments. The primary format, business segments, is based on the company's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Company comprises the following main business segments:

- FIBC products – the sale of polyprophene FIBCs
- Other polyprophene products

Geographical segments

The business segments are managed in Europe, Asia and rest of the world.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Business segments

	FIBC Continuing operations		Other Continuing operations		Consolidated	
	2017	2016	2017	2016	2017	2016
	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000
Total revenue from sales to external customers	215 103	184 330	18 330	15 007	233 433	199 337
Profit from operations					20 031	21 315
Net financing income					2 192	3 417
Income tax expense					(4 909)	(5 459)
Net profit for the year					17 314	19 273
Unallocated corporate assets					85 556	78 904
Total assets					85 556	78 904
Unallocated corporate liabilities					42 964	44 626
Total liabilities					42 964	44 626
Capital expenditure					-	-
Depreciation					436	436

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Notes *(continued)*

1 Segment reporting *(continued)*

Geographical segments

	UK Continuing operations		Republic of Ireland Continuing operations		Europe – other Continuing operations		USA Continuing operations		Other regions Continuing operations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000
Revenue from external Customers	20 800	84 55	0	0	205 724	181 679	981	557	5 838	8 646	233 343	199 337
Segment assets											85 556	78 904
Capital expenditure											0	0

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Notes *(continued)*

2 Expenses and auditors' remuneration

Included in profit are the following:

	2017 SEK000	2016 SEK000
Operating lease rentals	**846**	763

Auditors' remuneration:

	2017 SEK000	2016 SEK000
Audit	300	245
Other services	90	-
	390	245

3 Staff numbers and costs

The average number of persons employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Manufacturing	**0**	0
Selling	**3**	4
Administration	**0**	0
	3	4

The aggregate payroll costs of these persons were as follows:

	2017 SEK000	2016 SEK000
Wages and salaries	**3 774**	3 681
Social security costs	**877**	938
Other pension costs	**767**	801
	5 418	5 420

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Notes *(continued)*

4 Directors' emoluments

The directors received no remuneration during the year or in the previous year in respect of services provided to the company.

5 Finance income and expense

	2017	2016
	SEK000	SEK000
Interest income	**88**	**5**
Currency income	**2 111**	**3 412**
Financial income	**2 199**	**3 417**
Interest expense	**7**	**-**
Financial expenses	**7**	**-**

6 Taxation

Recognised in the income statement

	2017	2016
Current tax expense	**SEK000**	SEK000
Current tax on income for the year	**(4 909)**	**(5 459)**
Deferred tax income		
Tax rate 22 %		
Total tax in income statement	**(4 909)**	**(5 459)**

Reconciliation of effective tax rate

	2017	2016
	SEK000	SEK000
Profit before tax	**22 223**	**24 732**
Non taxable income		
Non-deductible expenses	**88**	**86**
Basis of tax in income statement	**22 311**	**24 813**
Total current tax in income statement 22 %	**(4 909)**	**(5 459)**

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Notes *(continued)*

7 Property, plant and equipment

	Machinery, equipment, fixtures and fittings SEK000
Balance at 1 January 2017	2 515
Acquisitions	1 357
Disposals	(945)
Balance at 31 December 2017	2 927
Balance at 1 January 2016	2 465
Acquisitions	50
Disposals	-
Balance at 31 December 2016	2 515
Depreciation and impairment	
Balance at 1 January 2017	(1 437)
Depreciation charge for the year	(436)
Disposals	916
Balance at 31 December 2017	(957)
Balance at 1 January 2016	(1 002)
Depreciation charge for the year	(435)
Disposals	-
Balance at 31 December 2016	(1 437)
Net book value	
At 1 January 2017	1 078
At 31 December 2016 and 1 January 2017	1 078
At 31 December 2017	**1 970**

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Notes *(continued)*

8 Intangible assets

	Goodwill SEK000
Cost and net book value	
Balance at 1 January 2017	8 584
Balance at 31 December 2017	**8 584**
Balance at 1 January 2016	8 584
Balance at 31 December 2016	**8 584**

Impairment loss and subsequent reversal

Goodwill considered significant in comparison to the Company's total carrying amount of such assets has been allocated to cash generating units or groups of cash generating units as follows:

	Goodwill	
	2017 SEK000	2016 SEK000
Trace Polybulk AB	**8 584**	8 584
	8 584	8 584

The recoverable amount of the above has been calculated with reference to the value in use. The key features of this calculation are shown below:

	2017	2016
Period on which management approved forecasts are based	5 year	5 year
Growth rate applied beyond approved forecast period	3 %	3 %
Discount rate	6%	6 %

The growth rate used in the value in use calculations reflect the expected industry growth rates over five years in the respective geographic territory

9 Stocks

	2017 SEK000	2016 SEK000
Finished goods	**25 176**	23 328
	25 176	23 328

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Notes *(continued)*

10 Trade and other receivables

	2017 **SEK000**	2016 SEK000
Trade receivables due from third parties	**21 386**	**20 215**
Trade receivables due from related parties	**3 789**	**3 112**
Other trade receivables and prepayments	**3 643**	**6 252**
	28 818	**29 579**

11 Cash and cash equivalents

	2017 **SEK000**	2016 SEK000
Cash and cash equivalents per balance sheet	**21 008**	16 235

12 Trade and other payables

	2017 **SEK000**	2016 SEK000
Trade payables due to related parties	**10 256**	**11 266**
Trade payables and other payables	**26 558**	**27 953**
	36 814	**39 219**

13 Employee benefits

Pension plans

The company provides pensions to its employees through the national, obligatory pension scheme which is a defined contribution scheme. The company also has two occupational pension schemes. One scheme is defined contribution, and one is defined benefit. The defined benefit plan is regarded as a multi employer plan and at present the actuarial company is unable to provide valuations in accordance with International GAAP. Therefore no disclosures are given in respect of the defined benefit scheme. The total pension costs expense on behalf of employees, for the year ended 2017, is TSEK 768 (801).
The expense is recognised in the cost of sales line in the income statement.

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Notes *(continued)*

14 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		*Liabilities*		*Net*	
	2017 **SEK000**	*2016* SEK000	***2017*** **SEK000**	*2016* SEK000	***2017*** **SEK000**	*2016* SEK000
Goodwill arising from the purchase of the net assets of a business				*1 888*	***1 888***	*1 888*
Net tax liabilities				*1 888*	***1 888***	*1 888*

Movement in deferred tax during the year

	1 January 2017 **SEK000**	***Recognised in income*** SEK000	***Recognised in equity*** **SEK000**	***Exchange*** SEK000	***31 December 2017*** **SEK000**
Goodwill arising from the purchase of the net assets of a business	***1 888***		-	-	***1 888***
	1 888		-	-	***1 888***

15 Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital SEK000	**Retained earnings SEK000**	**Total equity SEK000**
Balance at 1 January 2017	100	34 178	34 278
Adjustment deferred tax			
Paid dividend		(9 000)	(9 000)
Profit for the year		17 314	17 314
Balance at 31 December 2017	**100**	**42 492**	**42 592**
Balance at 1 January 2016	100	41 763	41 863
Paid dividend		(26 859)	(26 859)
Profit for the year		19 274	19 274
Balance at 31 December 2016	**100**	**34 178**	**34 278**

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Notes *(continued)*

15 Capital and reserves *(continued)*

Share capital

	2017 SEK000	2016 SEK000
Authorised		
Ordinary shares of SEK100 each	**1,000**	1,000
Allotted, called up and fully paid		
Ordinary shares of SEK100 each	**100**	100

The number of shares outstanding at the beginning and end of the financial year was 1000 shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

Dividend was paid with SEK 9 000 000 during the year.

16 Financial instruments

The Company did not have any outstanding forward exchange contracts at the year end.

Exposure to interest rate risk, credit risk, foreign currency risk and market price risk associated with the price of polymer raw material arises in the normal course of the company's business. No derivative financial techniques or formal hedging techniques are used by the company.

Interest rate risk

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are reprised.

	2017			2016		
	Effective interest rate %	Total SEK000	0 - < 1 years SEK000	Effective interest rate %	Total SEK000	0 to <1years SEK000
Cash and cash equivalents*	1)	**21 008**	**21 008**		**16 335**	**16 335**
		21 008	**21 008**		**16 335**	**16 335**

1) This balance earns interest at a floating rate.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers. Credit risk is managed by the insurance of debts.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017 SEK000	2016 SEK000
Receivables	25 175	23 330
Cash and cash equivalents	21 008	16 335
	46 183	**39 665**

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Notes *(continued)*

16 Financial instruments *(continued)*

The maximum exposure to credit risk for receivables at the reporting date by geographic region was:

	2017 SEK000	2016 SEK000
Europe other	27 178	29 234
Other regions	1 640	345
	28 818	**29 579**

The maximum exposure to credit risk relates entirely too Wholesale customers or related parties for the current and prior years.

The ageing of receivables (trade and other receivables) at the reporting date was:

	2017 SEK000	2016 SEK000
Not past due	25 793	24 889
Past due 1-30 days	2 740	2 122
Past due 31-90 days	288	702
Past due 91-180 days	0	1 866
More than 180 days	(3)	0
	28 818	**29 579**

Liquidity risk

The maturities of financial liabilities excluding bank loans were:

	2017 SEK000	2016 SEK000
Payables aging		
Less than one year	36 814	39 219
	36 814	**39 219**

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Notes *(continued)*

16 Financial instruments *(continued)*

Foreign currency risk

The company incurs foreign currency risk on sales and purchases that are denominated in a currency other than SEK. The currencies giving rise to this are primarily Euros. No formal hedging policy is used.

The company's exposure to foreign currency risk was (in local currency):

			2017		
	EUR	***THB***	***DKK***	***SEK***	***USD***
Receivables	**1 702**	**0**	**502**	**729**	**889**
Cash and cash equivalents	**1 032**	**498**	**0**	**4 562**	**355**
Payables	**-2 319**	**-10 955**	**-503**	**-803**	**-401**
	415	***-10 457***	***-1***	***4 488***	***843***

			2016		
	EUR	***THB***	***GBP***	***SEK***	***USD***
Receivables	**1 829**	**2 987**	**0**	**4 301**	**712**
Cash and cash equivalents	**655**	**792**	**42**	**6 269**	**347**
Payables/accruals	**-2 475**	**-16 042**	**0**	**-704**	**-375**
	9	***-12 263***	***42***	***9 866***	***684***

The following significant exchange rates applied during the year:

	Average rate		**Closing rate**	
	2017	2016	**2017**	2016
EUR	**9,6569**	**9,4713**	**9,7922**	**9,5525**
USD	**8,4365**	**8,4488**	**8,1797**	**9,0646**
NOK	**100,63**	**100,45**	**99,46**	**105,04**
GBP	**10,9729**	**11,3502**	**11,0345**	**11,1372**

Market risk

The principal market risk relates to fluctuations in the price of polymer raw material.

Sensitivity analysis

In managing interest rate, currency and market risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in interest rates, foreign exchange rates and raw material prices would have an impact on consolidated earnings.

At 31 December 2017 it is estimated that a general increase of one percentage point in interest rates would increases the company's profit before tax by approximately SEK 210 (2016: increase by SEK 210).

It is estimated that a general increase of one percentage point in the value of the against other foreign currencies would have increased the company's profit before tax by approximately SEK 311k for the year ended 31 December 2017 (2016: SEK 277k).

It is estimated that a general increase of one percentage point in raw material prices would have decreased the company's profit before tax by approximately ca SEK 1,6 mill (2016: SEK 1,5 mill).

Fair values

The fair values are equal to the carrying amounts shown in the balance sheet.

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Notes *(continued)*

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	SEK000	SEK000
Less than one year	**846**	763
Between one and five years	**-**	-
	846	763

The company leases vehicles, offices and warehousing. The leases typically run for periods up to five years.

There are no terms of renewal, purchase options, escalation clauses or restrictions imposed by operating lease arrangements.

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Notes *(continued)*

18 Related parties

Identity of related parties

The company is controlled by Thrace Plastics Co SA the ultimate parent company. The company also trades with fellow subsidiaries and jointly controlled entitled of Thrace Plastics Co SA.

The related party transactions during the year and the balances as at the year end with these related parties are shown below:

2017	Thrace Ipoma SA SEK000	Thrace Plastics Co SA SEK000	Thrace Nonwoven SEK000	Don & Low Limited SEK000	Synthetic (Holdings) Ltd SEK000	Thrace Polybulk AS SEK000	Thrace SUM SEK000
Revenue transactions							
Sales to	0	0	0	0	0	0	0
Purchases from	45 420	0	7 503	0	0	0	52 923
Services from/Contributions to	0	2 590	0	0	0	8 637	11 227
Interest received							
Balances at the year end							
Debtors	0	0	0	0	0	0	0
Creditors	6 734	0	3 522	0	0	-1 180	9 076

2016	Thrace Ipoma SA SEK000	Thrace Plastics Co SA SEK000	Thrace Nonwoven SEK000	Don & Low Ltd SEK000	Synthetic (Holdings) Ltd SEK000	Thrace Polybulk AS SEK000	Thrace SUM SEK000
Revenue transactions							
Sales to	0	0	0	0	0	0	0
Purchases from	36 749	0	7 622	0	0	0	44 371
Services from/Contributions to	0	2 440	0	0	0	9 669	12 109
Interest received							
Balances at the year end							
Debtors	0	0	1 882	0	0	0	1 882
Creditors	6 009	566	6 230	0	0	-1 539	11 266

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Notes *(continued)*

18 Related parties *(continued)*

Transactions with parent company, fellow subsidiaries and jointly controlled entities

Transactions with Thrace Plastics Co SA, fellow subsidiaries and jointly controlled entities are on normal commercial terms and amounts due are unsecured.

Transactions with key management personnel

Directors of the Company and their immediate relatives hold no shares in the company. There have been no transactions with key management personnel, Board Members or Director of the Company.

19 Capital commitments

There were no capital commitments in either year.

20 Ultimate parent company and parent company of larger group

The company is a wholly owned subsidiary undertaking of Synthetic Holding Ltd. The ultimate controlling party is Thrace Plastics Co SA.

The largest group in which the results of the parent company and company are consolidated is that headed by Thrace Plastics Co SA, incorporated in Greece. The consolidated financial statements of this group are available to the public and may be obtained from The Ministry of Development, Secretariat of Commerce, Kanigos Square, GR 10181, Athens, Greece.

Signed for identification only:

KPMG AB

Auditor's Report

To the general meeting of the shareholders of Thrace Polybulk AB, corp. id 556610-2983

Report on the annual accounts

Opinions

We have audited the financial statements of Thrace Polybulk AB which comprise the balance sheet as at 31December 2017, income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Thrace Polybulk AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Sweden.

Other Matter

The Thrace Group publishes consolidated financial statements which are its primary financial statements. The financial statements of Thrace Polybulk AB (subsidiary alone) have been prepared solely to comply with the reporting requirements in Thrace Group.

Göteborg 2018-05-14

KPMG AB

Lars Andersson

Authorized Public Accountant