



Report

Q3 | 2018



HIGHLIGHTS

- BEWiSynbra reported net sales of SEK 1,160.2 million for Q318, up from SEK 459.7 million for Q317, an increase of 152 per cent of which 133 percentage points (pp) was explained by acquisitions
- For the first nine months of 2018, the Group reported net sales of SEK 2,685.8 million, an increase of 98 per cent from the SEK 1,347.4 reported for 2017, whereof 81 pp relate to acquisitions
- EBIT for the Group was SEK 33.2 million for the third quarter (SEK 22.7 million) and SEK 122.7 million for the first three quarters of 2018 (SEK 35.8 million).
- Adjusted EBITDA² was SEK 98.3 million in Q318 (SEK 41.8 million) and SEK 216.1 million (SEK 78.2 million) for the first nine months of 2018
- The earnings were negatively impacted by items affecting comparability of SEK 20.1 million for the quarter and SEK 4.2 million for the first nine months
- In September, the Group completed the acquisitions of BEWi Produkter AS and BEWi Polar AS, together BEWi Norway, as well as BEWi Automotive AB
- In May 2018, BEWi Group completed the acquisition of Synbra Holding B.V. and the combined companies changed name to BEWiSynbra Group
- Following the integration of BEWi and Synbra, the Group has identified synergies with an expected net positive effect on adjusted EBITDA of SEK 70 million for 2019
- The Group has announced that its owners are considering a potential listing of its shares on a Nordic stock exchange
- In October, the Group announced its launch of BEWiSynbra Circular, which will lead the Group's strategically important recycling initiatives going forward

CONSOLIDATED KEY FIGURES¹

Amounts in million SEK (except percentage and operational figures)	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Net sales	1,160.2	459.7	2,685.8	1,347.4	1,875.5
Operating income/ EBIT	33.2	22.7	122.7	35.8	34.8
Adjusted EBITDA ²	98.3	41.8	216.1	78.2	110.2
Adj. EBITDA margin (%)	8.5%	9.1%	8.0%	5.8%	5.9%
Items affecting comparability	-20.1	-6.2	-4.2	-4.1	-23.8
EBITDA	78.2	35.6	211.8	74.1	86.5
EBITDA margin (%)	6.7%	7.7%	7.9%	5.5%	4.6%
Adjusted EBITA	65.3	31.3	149.2	46.3	66.8
Adj. EBITA margin (%)	5.6%	6.8%	5.6%	3.4%	3.6%
EBITA	45.2	25.2	144.9	42.2	43.0
EBITA margin (%)	3.9%	5.5%	5.4%	3.1%	2.2%
Operating cash flow	93.5	16.9	96.2	26.6	102.5
Capital Expenditure (CAPEX)	-41.5	-19.1	-95.4	-69.8	-96.2
Cash and cash equivalents	167.3	24.3	167.3	24.3	110.6

¹ Definitions included on page 10

² Adjusted EBITDA is EBITDA before items affecting comparability

FINANCIAL REVIEW

In May 2018, BEWi Group completed the acquisition of Synbra Holding. The acquisition is the main explanation for the increase in the numbers presented below.

The acquisitions of BEWi Produkter AS, BEWi Polar AS, and BEWi Automotive AB were completed on 28 September 2018 and thus the companies are included in the Group's balance sheet as of 30 September 2018.

GROUP RESULTS

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

Profit and loss

Net sales for the third quarter of 2018 amounted to SEK 1,160.2 million, (SEK 459.7 million). This represents a 152 per cent increase in sales, of which 133 percentage points (pp) is explained by acquisitions, 6 pp by currency and 14 pp organic growth.

For the first three quarters of 2018, net sales grew by 98 per cent compared to the first nine months of 2017, amounting to SEK 2,685.8 million (SEK 1,347.4 million), whereof 81 pp relate to acquisitions, 6 pp to currency and 11 pp to organic growth.

In general, BEWiSynbra experiences good market demand in all geographical markets the Group operates in, as well as across segments. Organic growth in the quarter was driven by increased sales in Raw and Insulation. Sales in Packaging & Components decreased slightly and was related to the operation in Sweden that has experienced production constraints and thus not being able to deliver the volumes expected.

Operating expenses for the Group amounted to a total of SEK 1,127.2 million for the quarter (SEK 437.1 million). For the first nine months of 2018, operating expenses amounted to SEK 2,563.2 million (SEK 1,320.7).

Raw materials and consumables amounted to SEK 669.6 million in the quarter (SEK 259.0 million), representing 57.7 per cent (56.3 per cent) of net sales.

For the first nine months, these expenses totalled SEK 1,551.0 million (SEK 785.8), also representing 57.7 per cent (58.3 per cent) of net sales. The percentage fluctuates mainly with the gross margin in the Raw segment.

Personnel cost amounted to SEK 187.7 in the quarter (SEK 63.4 million). For the first nine months of 2018, personnel cost amounted to SEK 414.7 million (SEK 185.8 million), representing 15.4 per cent (13.8 per cent) of net sales. The increase in percentage is explained by a more labour-intensive production in Synbra. However, this is offset by production of higher value-added products, as explained under the segment review of Insulation. At the end of the quarter, the Group had 1,285 full-time equivalents (FTEs), up from 398 FTE's at the end of the third quarter last year.

Operating income for the Group was SEK 33.2 million for the third quarter (SEK 22.7 million) and SEK 122.7 million for the first three quarters of 2018 (SEK 35.8 million).

Items affecting comparability amounted to SEK 20.1 million in the third quarter (SEK 6.2 million) and SEK 4.2 million for the first three quarters (SEK 4.1 million). The items in the quarter consist of costs related IPO evaluation of SEK 7.5 million, transaction costs of SEK 3.2 million, severance cost of SEK 9.0 million and other costs of SEK 0.4 million. For the first three quarters, the items include IPO evaluation of SEK 7.5 million, transaction costs of 28.3 million, severance cost of SEK 20.0 million, gain from divestment of real estate of SEK 51.6 million and other costs of SEK 0.5 million.

Adjusted EBITDA, which is EBITDA adjusted for the items affecting comparability mentioned above,

amounted to SEK 98.3 million (SEK 41.8 million). This represents an adjusted EBITDA margin of 8.5 per cent for the quarter (9.0 per cent). The decrease in margin for the quarter is mainly explained by a less profitable quarter in the Swedish P&C operation due to production constraints and temporary increased costs in Denmark due to transfer of production. In addition, strong competition in the Nordic insulation market is putting some pressure on margins. Also, in the third quarter of 2017, the RAW segment delivered higher margins than in 2018 related to normal margin movements over quarters coming from the lag between the continuous sales price adjustments related to fluctuations in raw material cost.

So far this year, the Group has reported adjusted EBITDA of SEK 216.1 million (SEK 78.2 million).

Net financial items came in at SEK -25.8 million in the third quarter this year (SEK -7.3 million), while for the first three quarters net financial items was SEK -55.1 million (SEK -20.2 million). Of the SEK 25.8 million, approx. SEK 16 million is related to interest for financing and cost related to credit facilities and bank accounts, approx. SEK 3 million is related to financing costs (non-cash item) and approx. SEK 6 million is related to revaluation of intercompany balances and a fair value revaluation of a currency interest swap (non-cash item). The residual, approx. SEK 0.8 million, is realized foreign exchange losses from payments in other currencies other than respective entities reporting currency.

The financial expenses were impacted by higher financing expenses related to the company's bond loans.

Tax expenses were SEK 10.9 million (SEK 0.3 million) and SEK 38.0 million (SEK 2.1 million) for the third quarter and first nine months this year respectively. The increase relates to higher profits from Synbra's operations.

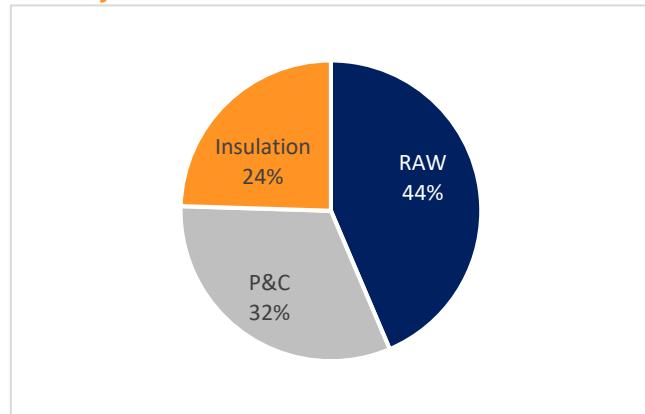
The Swedish fiscal entities have a negative earning before tax that is explained by less profitable operation in combination with transaction and other corporate cost to which no tax asset has been recognized. This results in the high tax rate for the Group.

Net income for the quarter was SEK -3.6 million (SEK 15.1 million). For the first three quarters, net income amounted to SEK 29.7 million (SEK 13.5 million).

SEGMENTS

BEWiSynbra Group is organised in three operating segments; RAW material (Upstream), Packaging & Components (P&C) and Insulation.

Share of Net sales



RAW materials

The RAW materials segment produces EPS beads, that is sold both internally as well as externally. BEWiSynbra has two factories producing EPS beads, in Porvoo, Finland, and Etten-Leur, Netherlands, with a combined production capacity of 185,000 tonnes of EPS beads per year, divided between white EPS and grey EPS.

Key figures RAW

Amounts in SEK million	Q318	Q317	YTD18	YTD17
Segment sales	709.3	304.5	1,702.3	845.2
Adj. EBITDA	35.5	27.0	92.9	34.2
Adj. EBITA	27.8	23.6	73.2	27.5

Segment sales for RAW amounted to SEK 709.3 million for the third quarter 2018 (SEK 304.5 million). This corresponds to an increase of 133 per cent, of which 105 pp relate to acquisitions, 20 pp to organic growth and 8 pp to currency effects. Sales to external customers amounted to SEK 505.9 million (SEK 234.9 million). For the first three quarters of 2018, sales for RAW came in at SEK 1,702.3 million (SEK 845.2 million), corresponding to an increase of 101 per cent of which 68 pp relate to acquisitions, 25 pp to organic

growth and 9 pp to currency effects. Organic growth is driven both by volume and price. The general market price for EPS raw material has increased in the quarter and YTD by 3-5 per cent.

Adjusted EBITDA in the quarter for the RAW segment amounted to SEK 35.5 million (SEK 27.0 million), representing a margin of 5.0 per cent (8.9 per cent). The segment sells pure commodity raw material. Earnings in individual quarters are impacted by production and sales volumes in the period as well as the impact from the continuing price adjustment of customer contracts based on current prices of the raw material styrene. The time lag between changes in cost for raw material and the price adjustment towards the customers impacts margins in individual quarters. So far this year, the adjusted EBITDA margin for the segment was 5.5 per cent (4.0 per cent). The margin has improved due to higher volumes and higher average gross margins over the first three quarters compared to the corresponding period last year.

Packaging and Components (P&C)

The P&C segment offers products and solutions to a range of industries and applications. Examples are EPS boxes for transportation of fish, other food products or medicine, and components for cars and heating systems. The products have a high degree of customer specialisation, explaining the higher margins normally achieved compared to the RAW and Insulation segments.

In total, BEWiSynbra has 12 facilities in 5 countries producing P&C products.

Key figures P&C

Amounts in SEK million	Q318	Q317	YTD18	YTD17
Segment sales	293.8	120.6	689.6	370.2
Adj. EBITDA	25.5	13.7	61.9	45.2
Adj. EBITA	8.5	9.0	32.6	31.1

Segment sales for the quarter for P&C amounted to SEK 293.8 million (SEK 120.6 million), corresponding to an increase of 144 per cent of which 143 pp relate to acquisitions, 4 pp currency effects and -2 pp organic growth. The negative organic growth in the quarter relates to production constraints in Sweden. For the first nine months of the year, segment sales were SEK

689.6 million (SEK 370.2 million). This corresponds to an increase of 86 per cent, where 80 pp is explained by acquisitions, 2 pp organic growth and 4 pp currency effects.

Adjusted EBITDA for the quarter amounted to SEK 25.5 million (SEK 13.7 million), representing a margin of 8.7 per cent (12.0 per cent). The lower margin in the quarter relates to operations in Sweden and Denmark. In Sweden, production constraints have impacted volumes and increased cost. In Denmark, costs are higher in the quarter due to the closure of the production plant in Såby which has been transferred to Hobro. Extra costs have incurred related to the transfer and production efficiency temporarily has been negatively impacted.

For the first nine months, the margin was 12.3 per cent (12.2 per cent). Upon completion of the acquisition of Synbra, the inventory was booked at market value in the opening balance sheet. This impacted the adjusted EBITDA negatively by SEK 6 million in the second quarter this year due to reduced margins at realization of the inventory.

Insulation

The Insulation segment offers insulation products for the building and construction industry, as well as for infrastructure projects. Examples are road fillers, insulation boards, and various construction systems. Netherlands is the main contributor to the Insulation segment, representing more than 60 per cent of the total sales for the segment. In total, BEWiSynbra has 8 facilities in 4 countries producing Insulation products.

Key figures Insulation

Amounts in SEK million	Q318	Q317	YTD18	YTD17
Segment sales	393.9	120.3	834.5	351.6
Adj. EBITDA	44.6	2.7	78.7	3.4
Adj. EBITA	36.7	0.2	61.9	4.1

Segment sales for the quarter for Insulation amounted to SEK 393.9 million (SEK 120.3 million). This corresponds to an increase of 227 per cent of which 216 pp relate to the acquisitions of Synbra and Ruukin, 9 pp to organic growth and 2 pp currency effects. The organic growth is mainly driven by the market in Finland. For the first nine months of the year, segment sales were SEK 834.5 million (SEK 351.6 million), corresponding to an increase of 137 per cent.

145 pp can be explained by the acquisitions of Synbra, Ruukin and Solupak, 2 pp to currency effects and -10 pp to Insulation in Sweden.

Adjusted EBITDA for the quarter amounted to SEK 44.6 million (SEK 2.7 million), representing a margin of 11.3 per cent (2.6 per cent). For the first nine months of the year, the adjusted EBITDA for Insulation was SEK 78.7 million (SEK 3.4 million), corresponding to a margin of 9.4 per cent (1.3 per cent). The improved margins relate to the acquisition of Synbra where the Insulation operation offers higher value-added products compared to the product range offered by the old BEWi. At the acquisition of Synbra, the inventory was booked at market value in the opening balance sheet. This impacted the adjusted EBITDA in the second quarter negatively by SEK 3 million due to reduced margins at realization of the inventory.

FINANCIAL POSITION AND LIQUIDITY

Consolidated cash flow

Cash flow from operating activities totalled SEK 70.6 million for the third quarter 2018 (SEK 14.0 million), including a decrease in the working capital of SEK 23.5 million.

For the first nine months of 2018, operating cash flow amounted to SEK 25.8 million (SEK -41.6 million), including a net increase in working capital of SEK 52.5 million.

Cash flow used for investment activities was SEK 5.1 million in the quarter (SEK -31.9 million) and SEK -957.2 million (SEK -80.1 million) for the first nine months, whereof the latter primarily related to the Synbra acquisition.

Cash flow from financing activities amounted to SEK 7.6 million in the quarter (SEK 2.9 million). For the first nine months of 2018, the cash flow from financing amounted to SEK 985.8 million (SEK 123.0 million), mainly reflecting the Group's issuance of a EUR 75 million bond loan in April and a SEK 400 million share issue in May 2018. In 2017, the Group refinanced and issued a bond loan of SEK 550 million with maturity in 2020.

Consolidated financial position

As of 30 September 2018, total assets amounted to SEK 4,167.8 million, compared to SEK 1,334.5 million at 31 December 2017 and SEK 1,243.7 million at 30 September 2017. Total equity amounted to SEK 1,595.3 million, representing an equity ratio of 38.3 per cent. At year-end 2017, the equity ratio was 29.2 per cent. The increase in equity mainly reflects the share issues of SEK 400 million in May and SEK 765 million in September this year, as well as the Group's positive contribution from operations.

Net debt amounted to SEK 1,229.9 million at the end of the quarter, compared to SEK 551.5 million at the same time last year and up from SEK 466.4 million at the end of 2017. The increase mainly reflects the issue of the bond loan of EUR 75 million in April 2018.

The group had cash and cash equivalents of SEK 167.3 million as of 30 September 2018, up from SEK 110.6 million as of 31 December 2017 and up from SEK 24.3 million as of 30 September 2017.

Capital expenditures

Capital expenditures in the operations totalled SEK 41.5 million for the third quarter (SEK 19.1 million) and were primarily related to the closure of the plant in Såby and the move of operations there to the plant in Hobro in Denmark, as well as investments in the Packaging & Components operations in Sweden following the acquisition of the Lindesberg business in 2017.

For the first nine months of 2018, capital expenditures were SEK 95.4 million (SEK 69.8 million) and were primarily related to the same projects, in addition to normal replacement investments.

THE PARENT COMPANY

The BEWiSynbra Group AB (publ.) is the Parent Company of the Group. Earnings after tax for the third quarter and first nine months of 2018 amounted to a negative SEK 3.1 million (SEK -1.2 million) and a negative SEK 11.7 million (SEK -3.2 million) respectively. The equity in the Parent Company was SEK 1,386.7 million at 30 September 2018, up from SEK 240.0 million at 31 December 2017.

ACQUISITIONS

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

On 28 September 2018, BEWiSynbra Group AB also completed the acquisition of BEWi Automotive AB. BEWi Automotive mainly delivers products to the car industry. The consideration for the shares, in total SEK 51.0 million, included a cash component of SEK 16 million and the rest was paid by new ordinary shares in BEWiSynbra Group AB.

On 14 May 2018, BEWiSynbra Group AB acquired all shares in Synbra Holding BV, the parent company of the Synbra Group, a Dutch specialist in cellular plastics with operations in Northern Europe and Portugal, for a cash consideration of SEK 978.8 million. The Group, which had sales of approximately EUR 220 million in 2017, is an excellent complement to BEWi with regards to both products and geography. Following the acquisition, the parent company changed its name from BEWi Group AB to BEWiSynbra Group AB.

On 2 January 2018, BEWiSynbra Group AB acquired 60 per cent of the shares in Ruukin EPS Oy, a Finnish manufacturer of insulation materials, for a cash consideration of SEK 9.8 million.

SYNERGY PROGRAMME

The integration of former BEWi Group and Synbra Holding, as well as the integration of the recently acquired companies, is progressing well. The Group has identified synergies with an expected net positive effect on adjusted EBITDA of SEK 70 million for 2019. The synergies are to a large degree already implemented, and is divided into three main categories: Procurement, Denmark and Upstream.

The Group has prepared detailed synergy realisation processes, and these are progressing according to plan.

ORGANISATION

At 30 September 2018 the BEWiSynbra Group had 1,285 full-time equivalents, up from 398 at the end of 2017. The increase is attributable to the operations acquired during 2018.

SHARE INFORMATION

On 28 September 2018 the BEWiSynbra Group held an extraordinary general meeting which resolved the Board's proposal to increase the company's share capital by up to SEK 392,615.25 through an issue of up to 8,098,099 class A shares. The new shares were used to finance the acquisitions of BEWi Produkter AS, BEWi Polar AS and BEWi Automotive AB. The right to subscribe for the new shares were given, with deviation from the shareholders' pre-emption rights, exclusively to Frøya Invest AS and KMC Family AS.

On 10 September 2018, in combination with the announcement of the above-mentioned acquisitions, BEWiSynbra Group and its shareholders announced the evaluation of a prospective listing of the company's shares on a Nordic stock exchange. Carnegie and DNB Markets have been appointed as Joint Global Coordinators and Joint Bookrunners, while ABG Sundal Collier has been appointed as Joint Bookrunner.

SIGNIFICANT RISK AND UNCERTAINTIES

The Group's and the Parent Company's risks and risk management are described in the 2017 Annual Report. An acquisition of the scope that the Synbra Group represents does not in itself change the risks described in the Annual report but does change their weighting. Of the risks described, the Synbra acquisition involves increased emphasis on acquisitions and integration among the operational risks, while the financial risks are characterized by increased focus on currency risk in the form of greater

exposure between EUR and SEK (the reporting currency) as well as increased interest-rate risk linked to higher net debt.

EVENTS AFTER THE CLOSE OF THE QUARTER

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

thus the establishment of BEWiSynbra Circular is strategically important.

BEWiSynbra Circular will be responsible for collecting and recycling EPS material for the Group and will be a core function going forward. BEWiSynbra has defined an ambitious medium-term recycling target of 60,000 tonnes of EPS.

Used EPS-parts are completely recyclable and the Group already recycle some volumes of both its packaging and insulation products

Stockholm, 26 October 2018
The Board of Directors and CEO
BEWiSynbra Group AB



Auditor's report

BEWiSynbra Group AB (publ), corp. reg. no. 556972-1128

Introduction

We have reviewed the condensed interim financial information (interim report) of BEWiSynbra Group AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 26 October 2018

PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

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

ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating income (EBIT)	33.2	22.7	122.7	35.8	34.8
Amortisations	11.9	2.5	22.2	6.4	8.2
EBITA	45.2	25.2	144.9	42.2	43.0
Items affecting comparability	20.1	6.2	4.2	4.1	23.8
Adjusted EBITA	65.3	31.3	149.2	46.3	66.8
EBITA	45.2	25.2	144.9	42.2	43.0
Depreciations	33.1	10.4	67.0	31.9	43.4
EBITDA	78.2	35.6	211.9	74.1	86.5
Items affecting comparability	20.1	6.2	4.2	4.1	23.8
Adjusted EBITDA	98.3	41.8	216.1	78.2	110.2

Items affecting comparability amounted to SEK 20.1 million for the third quarter of 2018 (SEK 6.2 million) and SEK 4.2 million for the first three quarters (SEK 4.1 million). The items in the third quarter of 2018 consist of costs related to IPO evaluation, transaction costs and severance costs. For the first three quarters of 2018, the items include IPO evaluation costs, transaction costs, severance costs and gain from divestment of real estate. The items in the third quarter of 2017 are mainly related to a dispute with a supplier and the items in the first three quarters of 2017 to that same dispute, as well as to a production stop in a factory in Finland and the impact of negative goodwill.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

The report has been subject to limited review.

CONSOLIDATED STATEMENT OF INCOME

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Net sales	1,160.2	459.7	2,685.8	1,347.4	1,875.5
Other operating income	0.1	0.0	0.1	9.1	9.3
Total operating income	1,160.4	459.7	2,685.9	1,356.5	1,884.8
Raw materials and consumables	-669.6	-259.0	-1,551.0	-785.8	-1,110.3
Goods for resale	-18.7	-14.4	-61.5	-52.5	-68.5
Other external costs	-210.3	-87.4	-502.6	-258.3	-368.2
Personnel cost	-187.7	-63.4	-414.7	-185.8	-251.4
Depreciation/ amortisation and impairment of tangible and intangible assets	-45.0	-12.9	-89.1	-38.3	-51.6
Share of income from associated companies	4.1		4.1		
Capital gain from sale of assets	0.1		51.6		
Total operating expenses	-1,127.2	-437.1	-2,563.2	-1,320.7	-1,850.0
Operating income (EBIT)	33.2	22.7	122.7	35.8	34.8
Financial income	1.0	0.2	3.1	0.3	2.6
Financial expenses	-26.8	-7.5	-58.2	-20.5	-30.6
Net financial items	-25.8	-7.3	-55.1	-20.2	-28.0
Income before tax	7.3	15.3	67.7	15.6	6.8
Income tax expense	-10.9	-0.3	-38.0	-2.1	32.8
Net profit/ loss for the period	-3.6	15.1	29.7	13.5	39.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Profit/loss for the period	-3.6	15.1	29.7	13.5	39.6
Other comprehensive income					
Items that may later be reclassified to profit or loss					
Exchange rate differences	-10.4	-0.2	17.5	-0.7	9.8
Items that will not be reclassified to profit or loss					
Remeasurements of net pension obligations	-0.4	-0.1	-0.6	0.2	0.6
Income tax pertinent to remeasurements of net pension obligations	0.0		0.0		-0.1
Other comprehensive income, net after tax	-10.9	-0.2	16.8	-0.5	10.2
Total comprehensive income/ loss for the period	-14.5	14.8	46.5	13.0	49.8

NET PROFIT / LOSS ATTRIBUTABLE TO:

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Net profit/loss for the period attributable to:					
Parent Company shareholders	-3.4	14.6	30.1	12.9	38.8
Non-controlling interests	-0.2	0.5	-0.4	0.6	0.8
Total comprehensive income attributable to:					
Parent Company shareholders	-14.3	14.3	46.3	12.4	49.0
Non-controlling interests	-0.2	0.5	0.3	0.6	0.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK million	30.9.2018	30.9.2017	31.12.2017
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	1,061.6	179.0	183.7
Other intangible assets	489.2	95.4	95.7
Total intangible assets	1,550.8	274.4	279.4
Property, plant and equipment			
Land and buildings	391.8	139.9	150.2
Plant and machinery	644.2	193.0	232.3
Equipment, tools, fixtures and fittings	64.9	13.1	37.5
Construction in progress and advance payments	90.5	79.4	33.1
Total property, plant and equipment	1,191.4	425.5	453.1
Financial assets			
Shares in associates	4.1		
Net pension assets	34.6	0.0	0.0
Derivative instruments		8.9	
Other long-term receivables	1.1	0.3	1.0
Participation in other companies	2.6	1.0	1.0
Total financial assets	42.4	10.2	2.0
Deferred tax assets	36.1	0.5	37.3
TOTAL NON-CURRENT ASSETS	2,870.7	710.6	771.8
CURRENT ASSETS			
Inventory	378.4	200.0	183.7
Current receivables			
Accounts receivables	731.4	265.0	218.8
Tax assets	11.0	3.1	3.7
Other current receivables	41.3	25.8	30.5
Prepaid expenses and accrued income	15.8	14.9	15.4
Other financial assets	1.8	0.0	0.0
Cash and cash equivalents	167.3	24.3	110.6
Total current receivables	968.6	333.1	379.0
TOTAL CURRENT ASSETS	1 347.0	533.1	562.7
TOTAL ASSETS	4,167.8	1 243.7	1,334.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT.

Amounts in SEK million	30.9.2018	30.9.2017	31.12.2017
EQUITY			
Share capital	1.3	0.1	0.5
Additional paid-in capital	1,020.0	244.9	244.5
Reserves	29.6	2.9	13.4
Accumulated profit (including net profit for the period)	151.2	95.0	121.2
Equity attributable to Parent Company shareholders	1,584.1	342.9	379.6
Non-controlling interests	11.2	9.9	10.3
TOTAL EQUITY	1,595.3	352.8	389.9
LIABILITIES			
Non-current liabilities			
Pensions and similar obligations to employees	17.1	7.2	6.6
Other provisions	7.4	3.3	7.2
Deferred tax liability	187.9	9.7	9.8
Bond loan	1,290.8	536.5	537.8
Derivative liability	24.6	0.0	2.7
Other interest-bearing liabilities	62.2	31.8	31.3
Total non-current liabilities	1,590.0	588.5	595.4
Current liabilities			
Other interest-bearing liabilities	44.2	7.5	7.9
Other financial liabilities	1.6	2.4	2.4
Accounts payable	519.9	183.7	231.4
Current tax liabilities	84.4	5.6	5.1
Other current liabilities	87.3	39.1	30.6
Accrued expenses and deferred income	245.0	64.2	71.8
Total current liabilities	982.5	302.5	349.2
TOTAL LIABILITIES	2,572.4	891.0	944.6
TOTAL EQUITY AND LIABILITIES	4,167.8	1,243.7	1,334.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

Amounts in SEK million	1.1.-30.9.2018	1.1.-30.9.2017	1.1.-31.12.2017
OPENING BALANCE	389.9	331.5	331.5
Net profit/ loss for the period	29.7	13.5	39.6
Other comprehensive income	16.8	-0.5	10.2
Total comprehensive income	46.5	13.0	49.8
New share issue	1,165.0		
Transaction cost	-6.7		
Dividend non-controlling interests	-0.8		
Acquisition non-controlling interest	2.7	8.2	8.5
Divestment non-controlling interest	-1.3		
Total transactions with shareholders	1,158.9	8.2	8.5
CLOSING BALANCE	1,595.3	352.8	389.9
of which attributable to non-controlling interests	11.2	9.9	10.3

*8,098,099 shares issued on 28 September 2018 are not yet registered.

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
EBIT	33.2	22.7	122.7	35.8	34.8
Adjustment for non-cash items etc.	36.8	15.5	26.0	29.2	47.4
Net financial items	-21.9	-2.3	-42.4	-12.1	-24.5
Income tax paid	-1.0	-0.6	-28.1	-2.9	-6.8
Cash flow from operating activities before changes in working capital	47.1	35.3	78.3	50.0	50.9
Changes in working capital	23.5	-21.2	-52.5	-91.6	20.3
Cash flow from operating activities	70.6	14.0	25.8	-41.6	71.3
Acquisitions non-current assets	-41.5	-19.1	-95.4	-69.8	-96.2
Divestment non-current assets	0.7	0.0	112.9	0.0	0.0
Business acquisitions/ financial investments	46.0	-12.8	-974.8	-10.4	-10.9
Cash flow from investing activities	5.1	-31.9	-957.2	-80.1	-107.1
Borrowings	30.2	2.9	785.1	1 105.1	1 105.0
Repayment of debt	-21.8	0.0	-191.8	-982.1	-982.1
Dividend to non-controlling interests	-0.8	0.0	-0.8	0.0	0.0
New issue, net	0.0	0.0	393.3	0.0	0.0
Cash flow from financing activities	7.6	2.9	985.8	123.0	123.0
Cash flow for the period	83.3	-15.0	54.4	1.3	87.1
Opening cash and cash equivalents	84.0	39.5	110.6	23.2	23.2
Exchange difference in cash	-0.1	-0.2	2.3	-0.2	0.3
Closing cash and cash equivalents	167.3	24.3	167.3	24.3	110.6

INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Net sales	2.5	0.7	7.2	0.7	3.9
Other operating expenses	-7.5	-1.9	-18.9	-2.7	-9.4
Operating income	-5.0	-1.1	-11.6	-2.0	-5.5
Interest income and similar items	21.7	6.8	42.7	9.4	16.2
Interest expenses and similar items	-19.8	-6.8	-42.8	-10.6	-18.0
Total expenses from financial items	1.9	-0.1	-0.1	-1.2	-1.8
Appropriations	0.0	0.0	0.0	0.0	2.8
Income before tax	-3.1	-1.2	-11.7	-3.2	-4.6
Tax on net profit/ loss for the period	0.0	0.0	0.0	0.0	0.0
Net loss for the period	-3.1	-1.2	-11.7	-3.2	-4.6

STATEMENT OF FINANCIAL POSITION FOR THE PARENT COMPANY

Amounts in SEK million	1.1.-30.9.2018	1.1.-30.9.2017	1.1.-31.12.2017
Non-current assets	2,750.8	818.1	818.1
Current assets	52.5	18.9	32.8
TOTAL ASSETS	2,803.3	837.0	850.9
 Equity	 1,386.7	 241.4	 240.0
Non-current liabilities	1,328.1	573.3	574.5
Current liabilities	88.5	22.3	36.4
TOTAL EQUITY AND LIABILITIES	2,803.3	837.0	850.9

*8,098,099 shares issued on 28 September 2018 are not yet registered.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 General information

The Company and the Group

BEWiSynbra Group AB (publ), corporate registration number 556972-1128, is a holding company registered in Sweden with a registered office in Solna, address Gårdsvägen 13, SE-169 79 Solna, Sweden. The BEWiSynbra Group's interim report for January – September 2018 was approved by the Board of Directors for publication on 25 October 2018.

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

NOTE 2 Accounting policies

The BEWiSynbra Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied comply with those described in BEWi Group AB's Annual Report for 2017, with the exceptions of IFRS 9 and IFRS 15, as described below. This interim report has been prepared in accordance with IAS 34 Interim financial reporting and the Annual Accounts Act.

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

IFRS 9 and IFRS 15 went into effect as of 1 January 2018. IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement as the standard for accounting for financial instruments in IFRS. Compared with IAS 39, IFRS 9 involves changes primarily regarding classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting. IFRS 15 replaced previous standards concerning revenue recognition in IFRS, namely IAS 18 Revenue and IAS 11 Construction contracts and the related SICs and IFRICs. The transition to IFRS 9 and IFRS 15 has had no material impact on the Group's earnings or the classification, measurement or recognition of the Group's assets and liabilities, which are also described in Note 2 of the Annual Report for 2017.

IFRS 16 Leases has not yet been adopted by the EU but is expected to be applied as of 1 January 2019. BEWiSynbra does not intend to apply IFRS 16 in advance. The work on evaluating the consequences of this standard is in progress, but it is still too early to assess the full consequences for the Group's earnings and financial position.

NOTE 3 Related party transactions

Sales to BEWi Holding AS, with the same ownership constellation behind it as Frøya Invest AS, owners of 63.6 percent of the shares in BEWiSynbra Group AB, totalled SEK 56.4 million (36.5) during the quarter and SEK 141.9 million (109.4) during the period January - September. In Q2 2018, five properties in Denmark and Sweden were sold for SEK 110 million in a sale and leaseback transaction to a company with the same owner as Frøya Invest AS. The acquisitions in Q3 2018 of BEWi Produkter AS, BEWi Polar AS and BEWi Automotive AS were done from Frøya Invest AS and a company with the same owner as Frøya Invest AS. Sales during the quarter to 34 percent owned Isobouw GmbH (formerly 100 percent owned by Synbra) totalled SEK 69.5 million during the quarter and SEK 134.4

in the nine month period. The transactions were conducted on normal market terms.

NOTE 4 Segment information

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The Board of Directors constitutes the chief operating decision maker for the BEWiSynbra Group and takes strategic decisions in addition to evaluating the Group's financial position and earnings. Group Management has determined the operating segments based on the information that is reviewed by the Board and used for the purposes of allocating resources and assessing performance. The Board assesses the operations based on three operating segments: Raw Material, Insulation and Packaging & Components. Sales between segments take place on market terms.

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Raw material					
Segment revenue	709.3	304.5	1 702.3	845.2	1 189.6
Intra-group revenue	-203.4	-69.6	-462.2	-164.2	-197.2
Revenue from external customers	505.9	234.9	1 240.1	681.0	992.4
Insulation					
Segment revenue	393.9	120.3	834.5	351.6	458.7
Intra-group revenue	-23.9	-14.8	-56.6	-50.2	-65.2
Revenue from external customers	370.0	105.5	777.9	301.5	393.5
Packaging and Components					
Segment revenue	293.8	120.6	689.6	370.2	495.2
Intra-group revenue	-9.5	-1.2	-21.8	-5.3	-5.6
Revenue from external customers	284.3	119.4	667.8	364.9	489.6
Total					
Total segment revenue	1 397.0	545.3	3 226.3	1 567.1	2 143.5
Total Intra-group revenue	-236.8	85.6	-540.6	-219.7	-268.0
Total revenue from external customers	1 160.2	459.7	2 685.8	1 347.4	1 875.5
Adj. EBITDA					
Raw material	35.5	27.0	92.9	34.2	64.3
Insulation	44.6	2.7	78.7	3.4	0.8
Packaging and Components	25.5	13.7	61.9	45.2	52.1
Unallocated	-7.2	-1.6	-17.3	-4.5	-7.0
Total adj. EBITDA	98.3	41.8	216.1	78.2	110.2
EBITDA					
Raw material	33.8	25.9	91.2	27.5	58.3
Insulation	44.4	2.6	100.9	9.9	7.1
Packaging and Components	20.3	9.2	84.6	42.9	39.5
Unallocated	-20.1	-2.2	-64.9	-6.2	-18.4
Total EBITDA	78.3	35.6	211.8	74.1	86.5

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
EBITA					
Raw material	26.1	22.5	71.5	17.2	44.1
Insulation	36.4	0.1	84.1	2.5	-2.8
Packaging and Components	3.3	4.5	55.2	28.8	20.2
Unallocated	-20.6	-1.8	-66.0	-6.3	-18.5
Total EBITA	45.2	25.2	144.9	42.2	43.0
EBIT					
Raw material	24.1	21.8	67.4	15.3	44.5
Insulation	31.3	0.1	76.0	2.5	-3.7
Packaging and Components	-0.5	3.0	46.9	24.3	20.3
Unallocated	-21.7	-2.2	-67.6	-6.3	-26.3
Total EBIT	33.2	22.7	122.7	35.8	34.8
Net financial items	-25.8	-7.3	-55.1	-20.2	-28.0
Income before tax	7.3	15.3	67.7	15.6	6.8

EBIT for Insulation in the quarter and the period from January to September 2018 was impacted positively by a capital gain on property sales of SEK 22.7 million. EBIT for Packaging in the quarter and the period from January to September 2018 was impacted positively by a capital gain on property sales of SEK 28.8 million.

Synbra's part of change in segment sales

Amounts in SEK million or percentage (%)	Q3 2018	%	YTD 2018	%
Raw material	187.6	69.2	312.9	56.0
Insulation	241.1	91.1	444.3	92.8
Packaging	165.1	100.1	286.1	95.2

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

Amounts in SEK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Finland (Porvoo)	318.3	234.9	927.2	681.0	992.4
Netherlands (Etten-Leur)	187.6	0.0	312.9	0.0	0.0
Raw material	505.9	234.9	1 240.1	681.0	992.4
Packaging & Components and Insulation					
Total Finland	46.2	28.6	115.1	55.6	78.8
Total Sweden	118.5	124.3	359.4	397.2	518.1
Total Denmark	142.4	56.8	337.4	179.2	240.3
Total Norway	17.6	15.2	38.0	34.4	45.9
Total Netherlands	278.7	0.0	510.7	0.0	0.0
Total Portugal & Spain	50.9	0.0	85.2	0.0	0.0
Total P&C and Insulation	654.3	224.8	1 445.7	666.4	883.1
Total Group	1 160.2	459.7	2 685.8	1 347.4	1 875.5

NOTE 5 The Group's borrowings

Amounts in SEK million	30.9.2018	30.9.2017	31.12.2017
Non-current liabilities			
Bond loan	1,290.8	536.5	537.8
Liabilities to credit institutions	21.9	19.1	19.3
Liabilities, financial leases	40.3	12.7	12.0
Total	1,353.0	568.3	569.1
Current liabilities			
Liabilities to credit institutions	0.6	3.4	3.6
Liabilities, financial leases	3.3	3.1	3.3
Debt factoring	8.1		
Overdraft	31.2		
Liabilities to non-controlling interests	1.0	1.0	1.0
Total	44.2	7.5	7.9
Total liabilities	1,397.2	575.8	577.0
Cash and cash equivalents	167.3	24.3	110.6
Net debt	1,229.9	551.5	466.4

The Group's current loan structure

The Group was refinanced in the spring of 2017, at which point the Parent Company issued a corporate bond of SEK 550 million that was simultaneously listed on the Nasdaq Stockholm corporate bond list. The bond will expire on June 8, 2020. Moreover, a new overdraft facility of SEK 100 million was received from the Group's principal bank. As part of the financing of the Synbra acquisition, a new corporate bond of EUR 75 million was issued on April 19, 2018, which was listed on the Nasdaq Stockholm corporate bond list on June 14. The bond will expire on April 19, 2022. In connection with the issue of the new bond, the Group's principal bank increased the overdraft facility by SEK 175 million to a total of SEK 275 million. Of the overdraft facility, SEK 31.1 million was utilized at 30 September 2018.

The bond is recognized under the effective interest method at amortized cost after deductions for transaction costs. Interest terms, as well as nominal interest rates and average interest rates recognized during the quarter and the first three quarters of the year are presented in the table below.

Interest rates bonds		Nominal interest		Average interest	
Bond loans	Interest terms	1.7-30.9.2018	1.1-30.9.2018	1.7-30.9.2018	1.1-30.9.2018
550 MSEK	Stibor 3m + 4.40%	4.03-4.05%	3.88-4.05%	5.02%	5.01%
75 MEUR	Euribor 3m + 4.75%	4.36-4.43%	4.36-4.43%	5.49%	5.50%

In order to hedge the EUR exposure on intra-group lending to subsidiaries, the Group entered into a currency interest swap in connection with issuing of the first bond, where the Group borrows EUR 41.2 million and lends the equivalent amount in SEK, valued at the swap entrance at SEK 401.7 million. The swap expires in April 2020. The swap is reported in net in the balance sheet as a derivative, and the carrying amount at 30 September 2018 amounted to SEK 25.6 million (2.7 at December 31, 2017). The currency interest swap carries an interest margin of

0.24% between borrowing and lending. In addition to the bond, the Group has a number of liabilities regarding financial leases and a number of liabilities in acquired companies in the form of liabilities to credit institutions and liabilities pertaining to factoring. Factoring in BEWiSynbra is being gradually phased out and replaced with the increased overdraft facility.

Pledged assets

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

NOTE 6 Fair value and financial instruments

Amounts in SEK million	Level 1	Level 2	Level 3	Total	Carrying amount
Financial assets measured at fair value through profit and loss					
Participation in other companies			2.6	2.6	2.6
Current derivative assets		1.8		1.8	1.8
Total financial assets measured at fair value through profit and loss	1.8	2.6		4.4	4.4
Financial liabilities measured at amortised cost					
Bond loans	1,358.6			1,358.6	1,290.8
Other financial liabilities					
Earnouts			1.6	1.6	1.6
Long-term derivative liability		24.6		24.6	24.6
Total other financial liabilities	24.6	1.6		26.2	26.2

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

Level 3 – Changes during the period (SEK m)	Participation in other companies	Earnouts
At 31 December 2017	1.0	2.4
Exchange rate difference	0.1	0.2
Through acquisitions of Group companies	1.5	–
Liability settlement	–	-1.0
At 30 September 2018	2.6	1.6

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

* Level 2 – Other observable data for the asset or liability are listed prices included in Level 1, either directly (as price) or indirectly (derived from price).

* Level 3 – Data for the asset or liability that is not based on observable market data.

NOTE 7 Business combinations

Acquisition of BEWi Produkter AS and BEWi Polar AS, together BEWi Norway

On 28 September 2018, BEWiSynbra Group AB completed the acquisitions of BEWi Produkter AS and BEWi Polar AS, in the following referred to as BEWi Norway, for a total price of SEK 730 million. BEWi Norway delivers a range of packaging products, the main product being fish boxes made from EPS for transportation of fresh fish. Adjusted for the divestment of its Norplasta business, prior to BEWiSynbra's acquisition, BEWi Norway had sales of approximately SEK 400 million in 2017. The consideration for the shares was paid in full by new ordinary shares in BEWiSynbra. In connection with the acquisition, BEWiSynbra entered into an agreement with the seller, which gives BEWiSynbra the right to acquire shares in an associate from the seller within a certain time frame. Should that right not be exercised, BEWiSynbra will receive SEK 5 million from the seller. That same amount has reduced the acquisition price and is recognized as a receivable. Transaction costs until September 30 amounted to SEK 0.5 million and are recognized under Other external costs. The purchase price and fair value of assets and liabilities acquired are shown in the table below. The acquisition analysis is preliminary; all surplus amounts have initially been allocated to goodwill. A complete acquisition analysis is expected to be completed during the fourth quarter, at which time the material differences are expected to be related to a reduction of goodwill and an equivalent increase of intangible assets, such as brands, customer relations and technology. Goodwill is not tax-deductible.

Since BEWi Norway was acquired by the end of September, it did not contribute anything to the consolidated income statement for the reported periods. Net sales and EBIT in BEWi Produkter AS during the first nine months of 2018 amounted to SEK 289.4 million and SEK 30.9 million respectively. Of those numbers, the Norplasta business, which was divested prior to the acquisition, contributed SEK 58.7 million to net sales and SEK -7.8 million to EBIT. Net sales and EBIT in BEWi Polar AS during the first nine months of 2018 amounted to SEK 128.6 million and SEK 3.4 million respectively.

Amounts in SEK million

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

Recognized amount of identifiable assets acquired and liabilities assumed

Property, plant and equipment	119.7
Financial assets	0.2
Inventory	27.2
Current receivables	63.1
Cash and cash equivalents	45.8
Provisions	0.0
Liabilities financial leases	-28.8
Deferred tax liabilities	-5.4
Current liabilities	-69.1
Total identifiable net assets	152.7
Goodwill	572.3

* The acquisition analysis is preliminary.

Acquisition of BEWi Automotive AB

On 28 September 2018, BEWiSynbra Group AB completed the acquisition of BEWi Automotive AB. BEWi Automotive mainly delivers products to the car industry. The consideration for the shares, in total SEK 51 million, included a cash component of SEK 16 million and the rest was paid by new ordinary shares in BEWiSynbra. Transaction costs until September 30 are not material. The purchase price and fair value of assets and liabilities acquired are shown in the table below. The acquisition analysis is preliminary; all surplus amounts have initially been allocated to goodwill. A complete acquisition analysis is expected to be completed during the fourth quarter, at which time the material differences are expected to be related to a reduction of goodwill and an equivalent increase of intangible assets, such as brands, customer relations and technology. Goodwill is not tax-deductible.

Since BEWi Automotive AB was acquired by the end of September, it did not contribute anything to the consolidated income statement for the reported periods. Net sales and EBIT in BEWi Automotive AB during the first nine months of 2018 amounted to SEK 88.1 million and SEK 1.7 million respectively.

Amounts in SEK million

Issue in kind	35.0
Cash consideration	16.0
Total purchase price	51.0

Recognized amount of identifiable assets acquired and liabilities assumed

Property, plant and equipment	24.7
Inventory	5.9
Current receivables	19.4
Cash and cash equivalents	2.8
Interest-bearing liabilities to credit institutions	-10.6
Liabilities financial leases	-1.7
Debt factoring	-8.1
Deferred tax liabilities	-1.1
Current liabilities	-19.7
Total identifiable net assets	11.6
Goodwill	39.4

* The acquisition analysis is preliminary.

Acquisition of Synbra Holding B.V.

On 14 May 2018, all shares were acquired in Synbra Holding B.V., the parent company of the Synbra Group, a Dutch specialist in cellular plastics with operations in Northern Europe and Portugal. The Group, which had sales of approximately EUR 220 million in 2017, is an established manufacturer of construction and packaging solutions and an excellent complement to BEWi as regards both products and geography. In addition to a cash price of SEK 978.8 million, BEWi also settled external loans to credit institutions of SEK 88.4 million in Synbra and paid SEK 33.9 million into two pensions funds linked to Synbra's previous operations in the UK. To finance the acquisition, BEWi issued new shares of SEK 400 million as well as a new corporate bond of EUR 75 million. Financing costs in connection with these issuances totalled SEK 6.7 million and SEK 23.3 million, respectively, and was recognized directly against equity and bond debts. Transaction costs recognized in profit or loss totalled SEK 6.9 million during 2017 and SEK 24.6 million during 2018 and were recognized under Other external costs.

The company was consolidated as of 1 May 2018 adjusted for material transactions (such as the divestment of 66

per cent of Synbra's share in its German subsidiary Isobouw GmbH) during the period from 1 May to 14 May 2018, which was the acquisition date. In the second quarter of 2018, Synbra contributed SEK 449.5 million to the Group's net sales and SEK 75.6 million to EBITDA before items affecting comparability (before transaction costs). During the third quarter, a complete acquisition analysis was carried out. The purchase price and fair value of assets and liabilities acquired after this acquisition analysis are shown in the table below. Goodwill is not tax-deductible. As a result of the acquisition analysis, operating income as of 30 June has been retroactively negatively impacted by fair value adjustments of SEK 10.2 million related to inventories and SEK 7.7 million in depreciations and amortisations of fair value adjustments of intangible and tangible fixed assets.

Since the acquisition in May, Synbra has contributed SEK 1,043.3 million the Group's net sales and SEK 122.7 million to EBIT. Net sales for Synbra Group during the first nine months of 2018, amounted to SEK 1,996.0 million and EBIT to SEK 84.6 million, excluding the effects from the acquisition analysis. Of those numbers, the German business, which was divested in connection with acquisition, contributed SEK 257.8 million to net sales and SEK -20.0 million to EBIT.

Amounts in SEK million

Cash purchase price at 14 May 2018	978.8
Total purchase price	978.8
Recognized amount of identifiable assets acquired and liabilities assumed	
Trademarks	104.8
Customer relations	227.2
Technology	61.2
Intangible assets	20.6
Property, plant and equipment	609.0
Financial assets	19.7
Deferred tax assets	7.9
Inventory	187.6
Current receivables	375.2
Cash and cash equivalents	-2.7
Provisions	-17.0
Debt factoring	-89.3
Other interest-bearing liabilities to credit institutions	-88.4
Deferred tax liabilities	-170.1
Current liabilities	-521.7
Total identifiable net assets	724.0
Goodwill	254.8

* The acquisition analysis is preliminary.

Acquisition of Ruukin EPS Oy

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

of EUR 2.5 million in 2017 and produces insulation products at a plant in Ruukin, Finland. Goodwill arising in connection with the acquisition pertains to expected profitability and estimated synergies related to a stronger position for the Group in the Finnish insulation market. Goodwill is not tax-deductible. Non-controlling interests have been valued at the proportional share of the interest in the recognized value of the identifiable net assets of the acquired company. Transaction costs attributable to the acquisition totalled SEK 0.4 million during 2017 and SEK 0.2 million during 2018 and were recognized under Other external costs in profit or loss. The company was consolidated from the date of acquisition (i.e. from the beginning of the year) and contributed SEK 23.4 million to the Group's net sales and SEK -1.5 million to EBIT for the first nine months of 2018. The purchase price and fair value of assets and liabilities acquired are shown in the table below.

Amounts in SEK million

Cash purchase price at 2 January 2018	9.8
Total purchase price	9.8
Recognized amount of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	5.7
Inventory	1.3
Current receivables	1.7
Cash and cash equivalents	1.4
Interest-bearing liabilities	-2.2
Current liabilities	-1.0
Total identifiable net assets	6.9
Non-controlling interests	-2.8
Goodwill	5.7

* The acquisition analysis is preliminary.

Acquisition-related liabilities

In 2018, an earnout of EUR 75 thousand related to the acquisition of Solupak Oy (now BEWi Insulation Oy) and EUR 18 thousand related to the acquisition of M-Plast Oy (now BEWi M-Plast Oy), both acquired in 2017, were settled. The payments of the earnouts were based on the companies' sales and EBITDA during 2017 and early 2018.

<i>Amounts in SEK million</i>	Earnouts	Liabilities to non-controlling interests
Acquisition-related liabilities		
At 31 December 2017	2.4	1.0
Exchange rate difference	0.2	0.0
Liability settlement	-1.0	-
At 30 September 2018	1.6	1.0

NOTE 8 Significant events after the end of the period

On 19 October 2018, the Group announced the launch of BEWiSynbra Circular. BEWiSynbra Circular will be responsible for collecting and recycling EPS material for the Group and will be a core function going forward. BEWiSynbra has defined an ambitious medium-term recycling target of 60,000 tonnes of EPS.