

**Thrace Polybulk AB**

Directors' report and financial  
statements

31 December 2020

## **Directors and advisers**

Directors                      Per Skjellaug (Managing Director)  
   Costas Halioris (Chairman)

Secretary                      Costas Halioris

Registered Office              Glasgatan 21  
   721 30 Köping  
   Sweden

**Income Statement**  
 for the year ended 31 December 2020

	Note	2020 Continuing operations SEK000	2019 Continuing operations SEK000
<b>Revenue</b>	1	173 274	196 181
Cost of sales		(143 912)	(164 747)
		<hr/>	<hr/>
<b>Gross profit</b>		29 362	31 434
Other operating expenses	2	(19 250)	(20 165)
		<hr/>	<hr/>
<b>Operating profit</b>	1-3	10 112	11 270
Financial income	5	753	2 863
Financial expenses	5	(1)	(16)
		<hr/>	<hr/>
Net financing income		10 864	14 117
		<hr/>	<hr/>
<b>Profit before tax</b>		10 864	14 117
Taxation	6	(2 333)	(3 043)
		<hr/>	<hr/>
<b>Profit for the year attributable to equity holders of the company</b>		8 531	11 073
		<hr/> <hr/>	<hr/> <hr/>

**Statement of Changes in Equity**  
*for year ended 31 December 2020*

	<b>Share capital SEK000</b>	<b>Retained earnings SEK000</b>	<b>Total equity SEK000</b>
<b>Balance at 1 January 2020</b>	100	46 290	46 390
Paid dividend		-10 000	-10 000
Profit for the year		8 531	8 531
<b>Balance at 31 December 2020</b>	<b>100</b>	<b>44 821</b>	<b>44 921</b>
Balance at 1 January 2019	100	44 017	44 117
Paid dividend		- 8 800	-8 800
Profit for the year		11 073	11 073
<b>Balance at 31 December 2019</b>	<b>100</b>	<b>46 290</b>	<b>46 390</b>

## Balance Sheets

*At 31 December 2020*

	Note	2020 SEK000	2019 SEK000
<b>Non-current assets</b>			
Property, plant and equipment	7	488	946
Intangible assets	8	8 584	8 584
		<u>9 072</u>	<u>9 530</u>
<b>Current assets</b>			
Stocks	9	24 341	21 972
Trade and other receivables	10	20 892	26 417
Income taxes recoverable			
Cash and cash equivalents	11	14 939	15 010
		<u>60 172</u>	<u>63 399</u>
<b>Total assets</b>		<u><u>69 244</u></u>	<u><u>72 929</u></u>
<b>Current liabilities</b>			
Trade and other payables	12	22 434	24 651
Tax payable		0	0
		<u>22 434</u>	<u>24 651</u>
<b>Non-current liabilities</b>			
Employee benefits	13		
Deferred tax liabilities	14	1 888	1 888
		<u>1 888</u>	<u>1 888</u>
<b>Total liabilities</b>		<u><u>24 322</u></u>	<u><u>26 539</u></u>
<b>Net assets (liabilities)</b>		<u><u>44 921</u></u>	<u><u>46 390</u></u>
<b>Equity attributable to equity holders of the company</b>			
Share capital	15	100	100
Retained earnings	15	44 821	46 290
<b>Total equity</b>		<u><u>44 921</u></u>	<u><u>46 390</u></u>

These financial statements were approved by the board of directors on 24.03 2021 and were signed on its behalf by:

**Costas Halioris**  
*Chairman*

**Per Skjellaug**  
*MD*

**Cash Flow Statements**  
*for year ended 31 December 2020*

	2020 SEK000	2019 SEK000
<b>Cash flows from operating activities</b>		
Profit (loss) for the year	10 864	14 117
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	459	459
Financial income	(752)	(2 846)
Profit/loss sales fixed assets	0	(29)
Provisions	0	684
FX differences	0	(44)
	<hr/>	<hr/>
<b>Operating profit (loss) before changes in working capital and provisions</b>	10 571	12 341
In (decrease) in trade and other receivables	5 239	4 720
Decrease (increase) in stock	-2 369	6 202
Decrease (increase) in trade and other payables	-2 217	(7 573)
Other non-cash transactions	0	0
	<hr/>	<hr/>
<b>Cash generated from the operations</b>	11 224	15 689
Tax paid	-2 047	(4 384)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	9 177	11 289
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	0	100
Interest received	1	16
Acquisition of property, plant and equipment		
	<hr/>	<hr/>
<b>Net cash from investing activities</b>	1	116
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Interest paid	-1	-16
Paid dividend	(10 000)	(8 800)
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	(10 001)	(8 816)
	<hr/>	<hr/>
Net decrease (increase) in cash and cash equivalents	-823	2 604
Exchange on cash at bank	752	2 847
Cash and cash equivalents at 1 January	15 010	9 559
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	14 939	15 010
	<hr/> <hr/>	<hr/> <hr/>

## **Accounting policies**

Thrace Polybulk AB is a company incorporated in Sweden.

The company financial statement has 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.

## **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.



## **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 2020 were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2020 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.

## 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 polypropylene FIBCs
- Other polypropylene 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**

	<b>FIBC</b>		<b>Other</b>		<b>Consolidated</b>	
	<b>Continuing operations</b>		<b>Continuing operations</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>SEK000</b>	<b>SEK000</b>	<b>SEK000</b>	<b>SEK000</b>	<b>SEK000</b>	<b>SEK000</b>
Total revenue from sales to external customers	<b>165 099</b>	<b>185 167</b>	<b>8 175</b>	<b>11 014</b>	<b>173 274</b>	<b>196 181</b>
Profit from operations					<b>10 112</b>	<b>11 270</b>
Net financing income					<b>752</b>	<b>2 846</b>
Income tax expense					<b>(2 333)</b>	<b>(3 043)</b>
Net profit for the year					<b>8 531</b>	<b>11 073</b>
Unallocated corporate assets					<b>69 244</b>	<b>72 929</b>
Total assets					<b>69 244</b>	<b>72 929</b>
Unallocated corporate liabilities					<b>24 322</b>	<b>26 539</b>
Total liabilities					<b>24 322</b>	<b>26 539</b>
Capital expenditure					<b>-</b>	<b>-</b>
Depreciation					<b>459</b>	<b>459</b>

**Notes** *(continued)*

**1 Segment reporting** *(continued)*

**Geographical segments**

	UK		Republic of Ireland		Europe – other		USA		Other regions		Consolidated	
	Continuing operations		Continuing operations		Continuing operations		Continuing operations		Continuing operations			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000	SEK000
Revenue from external Customers	22 427	18 903	0	0	148 563	171 716	291	1 161	1 993	4 401	173 274	196 181
Segment assets											<u>69 244</u>	<u>72 929</u>
Capital expenditure											<u>0</u>	<u>0</u>

**Notes** (continued)

**2 Expenses and auditors' remuneration**

Included in profit are the following:

	2020 SEK000	2019 SEK000
7		
Operating lease rentals	0	0
	0	0

Auditors' remuneration:

	2020 SEK000	2019 SEK000
Audit	300	400
Other services	40	50
	340	450

**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	
	2020	2019
Manufacturing	0	0
Selling	3	4
Administration	0	0
	3	4

The aggregate payroll costs of these persons were as follows:

	2020 SEK000	2019 SEK000
Wages and salaries	3 683	3 300
Social security costs	370	272
Other pension costs	615	651
	4 668	4 223

**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**

	<b>2020</b>	<b>2019</b>
	<b>SEK000</b>	<b>SEK000</b>
Interest income	1	13
Currency income	752	2 833
	<hr/>	<hr/>
Financial income	753	2 846
	<hr/>	<hr/>
Interest expense	1	16
	<hr/>	<hr/>
Financial expenses	0	0
	<hr/>	<hr/>

**6 Taxation**

**Recognised in the income statement**

	<b>2020</b>	<b>2019</b>
	<b>SEK000</b>	<b>SEK000</b>
<i>Current tax expense</i>		
Current tax on income for the year	<hr/> <b>(2 333)</b> <hr/>	<hr/> <b>(3 043)</b> <hr/>

*Deferred tax income*

Tax rate 21,4 %

Total tax in income statement	<hr/> <b>(2 333)</b> <hr/>	<hr/> <b>(3 043)</b> <hr/>
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**Reconciliation of effective tax rate**

	<b>2020</b>	<b>2019</b>
	<b>SEK000</b>	<b>SEK000</b>
Profit before tax	10 864	14 117
Non taxable income		
Non-deductible expenses	39	22
Basis of tax in income statement	10 825	14 095
Total current tax in income statement 21,4 %	<b>(2 333)</b>	<b>(3 043)</b>

**Notes** (continued)

**7 Property, plant and equipment**

	<b>Machinery, equipment, fixtures and fittings SEK000</b>
Balance at 1 January 2020	2 606
Acquisitions	0
Disposals	<u>0</u>
Balance at 31 December 2020	2 606
<hr/>	
Balance at 1 January 2019	2 964
Acquisitions	0
Disposals	(358)
	<u>          </u>
Balance at 31 December 2019	2 606
<hr/>	
<b>Depreciation and impairment</b>	
Balance at 1 January 2020	(1 660)
Depreciation charge for the year	(458)
Disposals	<u>          </u>
Balance at 31 December 2020	(2 118)
<hr/>	
Balance at 1 January 2019	(1 488)
Depreciation charge for the year	(458)
Disposals	286
	<u>          </u>
Balance at 31 December 2019	(1 660)
<hr/>	
<b>Net book value</b>	
At 1 January 2020	946
<hr/>	
At 31 December 2020 and 1 January 2020	<u>458</u>
<b>At 31 December 2020</b>	<u><u>488</u></u>

**Notes** (continued)

**8 Intangible assets**

	<b>Goodwill SEK000</b>
<b>Cost and net book value</b>	
Balance at 1 January 2020	8 584
	<hr/>
<b>Balance at 31 December 2020</b>	
	<hr/> <hr/>
Balance at 1 January 2019	8 584
	<hr/>
<b>Balance at 31 December 2019</b>	<b>8 584</b>
	<hr/> <hr/>

*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:

	<b>Goodwill</b>	
	<b>2020 SEK000</b>	2019 SEK000
Trace Polybulk AB	<b>8 584</b>	8 584
	<hr/>	<hr/>
	<b>8 584</b>	8 584
	<hr/> <hr/>	<hr/> <hr/>

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:

	<b>2020</b>	2019
Period on which management approved forecasts are based	5 year	5 year
Growth rate applied beyond approved forecast period	3 %	3 %
Discount rate	5 %	5 %

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**

	<b>2020 SEK000</b>	2019 SEK000
Finished goods	<b>24 341</b>	21 972
	<hr/>	<hr/>
	<b>24 341</b>	21 972
	<hr/> <hr/>	<hr/> <hr/>

**Notes** (continued)

**10 Trade and other receivables**

	2019 SEK000	2019 SEK000
Trade receivables due from third parties	20 122	24 722
Trade receivables due from related parties	0	626
Other trade receivables and prepayments	770	1 069
	20 892	26 417
	20 892	26 417

**11 Cash and cash equivalents**

	2020 SEK000	2019 SEK000
Cash and cash equivalents per balance sheet	14 939	15 010
	14 939	15 010
	14 939	15 010

**12 Trade and other payables**

	2020 SEK000	2019 SEK000
Trade payables due to related parties	2 770	2 776
Trade payables and other payables	19 664	21 875
	22 434	24 651
	22 434	24 651

**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 2020, is TSEK 615 (651).

The expense is recognised in the cost of sales line in the income statement.



**Notes** (continued)

**14 Deferred tax assets and liabilities**

*Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	<i>Assets</i>		<i>Liabilities</i>		<i>Net</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>
<i>Goodwill arising from the purchase of the net assets of a business</i>			<b>1 888</b>	1 888	<b>1 888</b>	1 888
<i>Net tax liabilities</i>			<b>1 888</b>	1 888	<b>1 888</b>	1 888

*Movement in deferred tax during the year*

	<i>1 January</i>	<i>Recognised</i>	<i>Recognised</i>	<i>Exchange</i>	<i>31 December</i>
	<i>2020</i>	<i>in income</i>	<i>in equity</i>	<i>SEK000</i>	<i>2020</i>
	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>	<i>SEK000</i>
<i>Goodwill arising from the purchase of the net assets of a business</i>			-	-	
			-	-	

**15 Capital and reserves**

**Reconciliation of movement in capital and reserves**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>SEK000</b>	<b>SEK000</b>	<b>SEK000</b>
Balance at 1 January 2020	100	46 291	46 391
Adjustment deferred tax			
Paid dividend		(10 000)	(10 000)
Profit for the year		8 531	8 531
<b>Balance at 31 December 2020</b>	<b>100</b>	<b>44 822</b>	<b>44 921</b>
Balance at 1 January 2019	100	44 018	44 118
Adjustment deferred tax			
Paid dividend		(8 800)	(8 800)
Profit for the year		<u>11 073</u>	<u>11 073</u>
<b>Balance at 31 December 2019</b>	<b>100</b>	<b>46 291</b>	<b>46 391</b>

**Notes** (continued)

**15 Capital and reserves** (continued)

Share capital

	2020 SEK000	2019 SEK000
<i>Authorised</i>		
Ordinary shares of SEK100 each	1 000	1 000
	<u>          </u>	<u>          </u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of SEK100 each	100	100
	<u>          </u>	<u>          </u>

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 10,0 MSEK 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.

	2020			2019		
	Effective interest rate %	Total SEK000	0 - < 1 years SEK000	Effective interest rate %	Total SEK000	0 to <1years SEK000
Cash and cash equivalents*	1)	14 939	14 939		15 010	15 010
		<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>
		<u>14 939</u>	<u>14 939</u>		<u>15 010</u>	<u>15 010</u>
		<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>

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:

	2020 SEK000	2019 SEK000
Receivables	20 230	24 843
Cash and cash equivalents	14 939	15 010
	<u>          </u>	<u>          </u>
	<u>35 169</u>	<u>39 853</u>
	<u>          </u>	<u>          </u>

**Notes** *(continued)*

**16 Financial instruments** *(continued)*

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

	<b>2020</b> <b>SEK000</b>	<b>2019</b> <b>SEK000</b>
Europe other	18 421	25 123
Other regions	2 471	1 102
	<u>20 892</u>	<u>26 225</u>

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:

	<b>2020</b> <b>SEK000</b>	<b>2019</b> <b>SEK000</b>
Not past due	16 257	18 459
Past due 1-30 days	3 234	4 664
Past due 31-90 days	622	2 349
Past due 91-180 days	746	720
More than 180 days	33	33
	<u>20 892</u>	<u>26 225</u>

*Liquidity risk*

The maturities of financial liabilities excluding bank loans were:

	<b>2020</b> <b>SEK000</b>	<b>2019</b> <b>SEK000</b>
Payables aging		
Less than one year	<u>22 434</u>	<u>24 651</u>
	<u>22 434</u>	<u>24 651</u>

**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):

	<i>EUR</i>	<i>THB</i>	<i>2020 DKK</i>	<i>SEK</i>	<i>USD</i>
Receivables	1 092	0	1 382	597	700
Cash and cash equivalents	266	667	0	5 417	310
Payables	885	1 564	671	164	464
	<u>472</u>	<u>-895</u>	<u>711</u>	<u>5 851</u>	<u>545</u>
	<u><u>472</u></u>	<u><u>-895</u></u>	<u><u>711</u></u>	<u><u>5 851</u></u>	<u><u>545</u></u>

  

	<i>EUR</i>	<i>THB</i>	<i>2019 DKK</i>	<i>SEK</i>	<i>USD</i>
Receivables	936	0	1 947	4 147	661
Cash and cash equivalents	657	883	0	3 424	57
Payables	1 240	2 371	818	1 213	260
	<u>353</u>	<u>-1 488</u>	<u>1 129</u>	<u>6 358</u>	<u>458</u>
	<u><u>353</u></u>	<u><u>-1 488</u></u>	<u><u>1 129</u></u>	<u><u>6 358</u></u>	<u><u>458</u></u>

The following significant exchange rates applied during the year:

	<i>Average rate</i>		<i>Closing rate</i>	
	2020	2019	2020	2019
EUR	10,4229	10,2969	9,9800	10,3761
USD	9,2965	9,0916	8,1361	9,2646
NOK	0,9530	103,4679	0,9481	105,1383
GBP	11,3993	11,7114	11,0173	12,1445

*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 2020 it is estimated that a general increase of one percentage point in interest rates would increase the company's profit before tax by approximately SEK 173k (2019: increase by SEK 196k).

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 70k for the year ended 31 December 2020 (2019: SEK 72k).

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 1,3 mill (2019: SEK 1,5 mill).

*Fair values*

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

**Notes** (continued)

**17 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	<b>2020</b> <b>SEK000</b>	2019 SEK000
Less than one year	<b>0</b>	0
Between one and five years	-	-
	<hr/>	<hr/>
	<b>0</b>	0
	<hr/> <hr/>	<hr/> <hr/>

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.

**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:

<b>2020</b>	<b>Thrace Ipoma SA SEK000</b>	<b>Thrace Plastics Co SA SEK000</b>	<b>Thrace Nonwoven SEK000</b>	<b>Don &amp; Low Limited SEK000</b>	<b>Synthetic (Holdings) Ltd SEK000</b>	<b>Thrace Polybulk AS SEK000</b>	<b>Thrace SUM SEK000</b>
<b>Revenue transactions</b>							
Sales to	0	0	0	0	0	0	0
Purchases from	0	0	5 012	0	0	0	5 012
Services from/Contributions to	0	2 271	0	0	0	9 435	11 706
Interest received							
<b>Balances at the year end</b>							
Debtors	0	0	0	0	0	0	0
Creditors	0	0	3 988	0	0	0	3 988
<b>2019</b>							
<b>2019</b>	<b>Thrace Ipoma SA SEK000</b>	<b>Thrace Plastics Co SA SEK000</b>	<b>Thrace Nonwoven SEK000</b>	<b>Don &amp; Low Ltd SEK000</b>	<b>Synthetic (Holdings) Ltd SEK000</b>	<b>Thrace Polybulk AS SEK000</b>	<b>Thrace SUM SEK000</b>
<b>Revenue transactions</b>							
Sales to	0	0	0	0	0	0	0
Purchases from	15 861	0	6 351	0	0	0	22 212
Services from/Contributions to	0	2 727	0	0	0	9 898	12 625
Interest received							
<b>Balances at the year end</b>							
Debtors	0	0	0	0	0	0	0
Creditors	0	-83	2 831	0	0	-626	2 122

**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.

# Auditor's Report

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

## Report on the annual accounts

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### Opinions

We have audited the annual accounts of Thrace Polybulk AB for the year 2020.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Thrace Polybulk AB as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

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### 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.

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### 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.

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### 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

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### Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Thrace Polybulk AB for the year 2020 and the proposed appropriations of the company's profit or loss.

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

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### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of 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.

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### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general. The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial

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

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### Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the

proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Göteborg 2021-03-24

KPMG AB

*Signed on the Swedish Original*

Daniel Haglund

Authorized Public Accountant