

*Unauthorized translation*

The Board of Directors and the Managing Director of

**Apollo Vredestein Nordic AB**

Corporate identity number 556516-7334

hereby submit the

**Annual accounts  
turnover.**

for the financial year 1 April 2017 - 31 March 2018

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### Operations

The company's main operations consist of sales of Vredestein's tires in Sweden, Norway, Danmark The Board of Directors and the Managing Director of include tires for cars, agricultural machines and implement tires. The other brand name is Apollo, tires for cars, whi Apollo Vredestein Nordic AB

The company is registered and administrated in Gothenburg with a number of travelling salesmen. The inventory is kept in Gothenburg and in Vejle in Denmark.

The year has been characterized by restraint from the customers, which also has resulted in no increase in turnover.

### Owners

The company is a wholly-owned subsidiary to Apollo Vredestein B.V., the Netherlands, which is owned by Apollo Tyres Ltd, registered in India. Apollo is a major actor on the Asian market.

### Significant events during the year

The company has been reorganized during 2017 and as a result of this we can see increased sales in Q4.

### Sales, profit/loss and financial position

| (kSEK)                       | 2017/2018 <sup>(2)</sup> | 2016/2017 <sup>(2)</sup> | 2015/2016 <sup>(2)</sup> | 2014/2015 <sup>(2)</sup> | 2013/2014 <sup>(2)</sup> |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Net sales                    | 145 930                  | 146 925                  | 147 066                  | 157 009                  | 145 915                  |
| Result after financial items | 2 978                    | 3 469                    | -2 548                   | 2 715                    | 799                      |
| Balance sheet total          | 82 712                   | 93 198                   | 87 912                   | 93 880                   | 77 850                   |
| Equity ratio                 | 11,4%                    | 7,2%                     | 4,5%                     | 6,5%                     | 2,7%                     |

<sup>(1)</sup> Adjusted equity / Equity ratio. Adjusted equity is equity + untaxed reserved deducted by deferred tax liability.

<sup>(2)</sup> From 1 April 2014 the company applies BFNR 2012:1 Annual accounts and consolidated accounts ("K3"). The comparative year 2013 has been recalculated according to K3. Prior years have not been recalculated. Previously the company applied the Swedish Annual Accounts Act and general guidelines from the Swedish Accounting Standards Board except BFNR 2008:1 ("K2").

Management believes in a positive development in 2018/2019 for then danish and the swedish markets. For norweigan markets 2018/19 management expects to come back to come back to 2016/17 volumes.

### Significant events after year-end

No significant events have occurred after year-end.

### Information about risks and uncertainties

Except for change in the economy in general and indirectly in the car industry, the company does not expect any specific risks or uncertainties.

### Proposal for the appropriation of profits

The board of directors proposes that the profits available for appropriation; SEK 8 300 533 kronor, including profit for the year, 2 776 469 kronor, to be carried forward.

Please refer to the following income statement, balance sheet and cash flow statement and notes to the financial statements regarding the company's profits and financial position in general.

## Income statement

| <i>Amount in SEK</i>                                 | <i>Note</i> | <i>2017-04-01<br/>- 2018-03-31</i> | <i>2016-04-01<br/>- 2017-03-31</i> |
|--|-------------|------------------------------------|------------------------------------|
| Net sales  | 1           | 145 390 441                        | 146 894 164                        |
| Other operating income                               | 2           | 4 958                              | 30 874                             |
|  |             | <u>145 395 399</u>                 | <u>146 925 038</u>                 |
| <b>Operating expenses</b>                            |             |                                    |                                    |
| Goods for resale                                     |             | -98 699 369                        | -99 572 911                        |
| Other external expenses                              | 3,4         | -32 770 291                        | -31 732 154                        |
| Personnel costs                                      | 5           | -10 807 255                        | -11 243 922                        |
| Amortization of tangible and intangible fixed assets | 6           | -29 535                            | -546 878                           |
| <b>Operating profit</b>                              |             | <u>3 088 949</u>                   | <u>3 829 173</u>                   |
| <b>Result from financial items</b>                   |             |                                    |                                    |
| Other interest income and similar profit/loss items  |             | 6 255                              | 5 752                              |
| Interest expense and similar profit/loss items       | 7           | -520 338                           | -365 637                           |
| <b>Result after financial items</b>                  |             | <u>2 574 866</u>                   | <u>3 469 288</u>                   |
| <b>Result before tax</b>                             |             | <u>2 574 866</u>                   | <u>3 469 288</u>                   |
| Tax on profit for the year                           | 8           | 201 603                            | -819 756                           |
| <b>Net profit for the year</b>                       |             | <u>2 776 469</u>                   | <u>2 649 532</u>                   |

## Balance sheet

| <i>Amount in SEK</i>                  | <i>Not</i> | <i>2018-03-31</i> | <i>2017-03-31</i> |
|---------------------------------------|------------|-------------------|-------------------|
| <b>ASSETS</b>                         |            |                   |                   |
| <b><i>Intangible fixed assets</i></b> |            |                   |                   |
| Goodwill                              | 9          | —                 | —                 |
| <b><i>Tangible fixed assets</i></b>   |            |                   |                   |
| Equipment                             | 10         | 59 069            | 88 604            |
|                                       |            | 59 069            | 88 604            |
| <b><i>Financial assets</i></b>        |            |                   |                   |
| Deferred tax asset                    | 11         | 274 467           | 898 802           |
|                                       |            | 274 467           | 898 802           |
| <b>Total fixed assets</b>             |            | <b>333 536</b>    | <b>987 406</b>    |
| <b>Current assets</b>                 |            |                   |                   |
| <b><i>Inventory</i></b>               |            |                   |                   |
| Goods for resale                      |            | 15 102 176        | 17 103 594        |
| Advance payment to suppliers          |            | 133 665           | 506 830           |
|                                       |            | 15 235 841        | 17 610 424        |
| <b><i>Current receivables</i></b>     |            |                   |                   |
| Accounts receivable                   |            | 61 400 196        | 66 477 343        |
| Current tax assets                    |            | 378 030           | 378 030           |
| Other receivable                      |            | 975 715           | 122 821           |
| Prepaid expenses and accrued income   | 12         | 291 698           | 310 440           |
|                                       |            | 63 045 639        | 67 288 634        |
| <b>Cash and bank</b>                  |            | <b>4 096 600</b>  | <b>7 147 824</b>  |
| <b>Total current assets</b>           |            | <b>82 378 080</b> | <b>92 046 882</b> |
| <b>TOTAL ASSETS</b>                   |            | <b>82 711 616</b> | <b>93 034 288</b> |

## Balance sheet

| <i>Amount in SEK</i>                            | <i>Not</i> | <i>2018-03-31</i> | <i>2017-03-31</i> |
|---|------------|-------------------|-------------------|
| <b>EQUITY AND LIABILITIES</b>                   |            |                   |                   |
| <b>Equity</b>                                   |            |                   |                   |
| <i>Restricted equity</i>                        |            |                   |                   |
| Share capital (9 500 shares quotient value 100) |            | 950 000           | 950 000           |
| Statutory reserve                               |            | 190 000           | 190 000           |
|   |            | <u>1 140 000</u>  | <u>1 140 000</u>  |
| <i>Non-restricted equity</i>                    |            |                   |                   |
| Profit brought forward                          |            | 5 524 064         | 2 874 532         |
| Profit for the year                             |            | 2 776 469         | 2 649 532         |
|   |            | <u>8 300 533</u>  | <u>5 524 064</u>  |
|   |            | 9 440 533         | 6 664 064         |
| <b>Current liabilities</b>                      |            |                   |                   |
| Accounts payable                                |            | 1 488 707         | 3 343 388         |
| Liabilities to group companies                  |            | 58 054 096        | 70 936 888        |
| Other liabilities                               |            | 11 695 783        | 9 842 319         |
| Accrued expenses and deferred income            | 13         | 2 032 497         | 2 247 629         |
|   |            | <u>73 271 083</u> | <u>86 370 224</u> |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |            | <b>82 711 616</b> | <b>93 034 288</b> |

## Memorandum items

| <i>Amount in SEK</i>                       |  | <i>2018-03-31</i> | <i>2017-03-31</i> |
|--|--|-------------------|-------------------|
| <b>Pledged assets</b>                      |  |                   |                   |
| <i>For liabilities and provisions</i>      |  |                   |                   |
| Liquid funds blocked for customs guarantee |  | None              | None              |
| <b>Contingent liabilities</b>              |  |                   |                   |
|  |  | None              | None              |



## Cash flow statement

| <i>Amounts in SEK</i>  | <i>2017-04-01</i><br><i>- 2018-03-31</i> | <i>2016-04-01</i><br><i>- 2017-03-31</i> |
|--|--|--|
| <b>Operating activities</b>  |  |  |
| Result after financial items   | 2 978 072                                | 3 469 288                                |
| Adjustments for items not included in the cash flow                          | 14 315 487                               | 1 365 205                                |
| Tax paid   | —  | —  |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>3 293 559</b>                         | <b>4 834 493</b>                         |
| <i>Cash flow from changes in working capital</i>                             |  |  |
| Decrease(+)/Increase(-) in inventory   | 2 334 753                                | -3 871 475                               |
| Increase(-)/decrease(+) in accounts receivable                               | 4 242 995                                | -5 617 783                               |
| Decrease(-)/Increase(+) in accounts payable                                  | -13 099 141                              | 1 677 262                                |
| <b>Cash flow from operating activities</b>                                   | <b>-3 227 834</b>                        | <b>-2 977 503</b>                        |
| <b>Investing activities</b>  |  |  |
| Acquisition of tangible assets   | —  | —  |
| <b>Cash flow from investing activities</b>                                   | <b>—</b>                                 | <b>—</b>                                 |
| <b>Cash flow for the year</b>  | <b>-3 227 834</b>                        | <b>-2 977 503</b>                        |
| <b>Cash and cash equivalents at the beginning of the year</b>                | <b>7 147 824</b>                         | <b>10 473 413</b>                        |
| <b>Exchange rate differences in cash and cash equivalents</b>                | <b>-176 610</b>                          | <b>-348 086</b>                          |
| <b>Cash and cash equivalents at the end of the year</b>                      | <b>15 4 096 600</b>                      | <b>7 147 824</b>                         |

## Notes to the financial statements

*Amount in SEK unless otherwise stated*

### General information

Vredestein Nordic AB corporate identity number 556516-7334 is a limited company registered in Mölndal, Sweden. The address to the head office is Flöjelbergsgatan 18. The company's operations mainly consist of sales of tires.

The parent company in the group of which Vredestein Nordic AB is a subsidiary is Apollo Tyres Ltd, corporate identity number L25111KL1972PLC002449, registered in India. The smallest parent company in the group of which Vredestein AB is a subsidiary is Apollo Vredestein B.V, corporate identity number 34223268, registered in the Netherlands. The consolidated financial statements of the foreign parent company is available at the parent company's head office; Postbus 27, 7500 AA Enschede, the Netherlands.

Of the total purchase of goods for resale and sales in SEK, 100 % of the purchase and 0 % of the sales refer to other companies in the group of which the company is a part.

### Accounting and valuation principles

The company applies the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual accounts and consolidated annual accounts ("K3").

### Revenue

Revenue is accounted for at actual value of the payments received or will be received, less VAT, discounts, returns and similar deductions.

### Sales

Income from sales of goods is accounted for when the goods are delivered and the ownership is transferred to the customer and all conditions below are fulfilled:

- The company has transferred all significant risks and advantages linked to the ownership of the goods,
- The company has no longer any commitment associated with ownership nor effective control over the goods sold,
- Revenue can be estimated in a reliable way,
- The financial advantages associated with the transaction probably will benefit the company, and
- Expenses occurred or will occur associated with the transaction can be estimated in a reliable way.

### Foreign currencies

The company's accounts are in Swedish crowns (SEK)

### *Translation of items in foreign currencies*

Monetary items in foreign currencies are translated to closing day rate at closing date. Non-monetary items, which historically are valued in foreign currencies, are not translated. Exchange rate differences are accounted for in operating profit or as a financial item in the period when they occur, seen from the underlying transaction.

### Loan expenses

Loan expenses are accounted for in the income statement in the period when they occur.

### **Remunerations to employees**

Remunerations to employees in form of salaries, bonus, paid vacation, paid sick leave etc, and pensions are accounted for as it is earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The company has only defined contribution pension plans. There are no other long-term employee benefits.

#### *Defined contribution plans*

The company pays fixed contributions for defined contribution plans to a separate independent legal entity and has no obligation to pay additional fees. The company's result is charged with costs as the benefits are earned, which normally is when the premiums are paid.

### **Income tax**

The tax expense is the sum of current and deferred tax.

#### *Current tax*

Current tax is calculated on taxable earnings for the period. Taxable profit differs from the reported profit in the income statement since it is adjusted for non-taxable income and non-deductible expenses as well as income and expenses that are taxable or deductible in other periods. Current tax liability is calculated using tax rates applicable at balance sheet date.

#### *Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used in the computation of taxable profit. Deferred tax is recognized using the liability method. Deferred tax liabilities are recognized for almost all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to be utilized, wholly or partly, against the deferred tax asset.

The valuation of deferred tax is based on how the company, at balance sheet date, expects to recover the carrying value of the corresponding asset or settle the carrying amount of the associated liabilities. Deferred tax is calculated based on the tax rates at balance sheet date.

#### *Current and deferred tax for the period*

Current and deferred tax are recognized as an expense or income in the income statement, except when the tax relates to items recognized directly in equity. In such cases, the tax is also recognized directly in equity.

### **Intangible fixed assets**

#### *Goodwill*

Goodwill is reported at cost less accumulated depreciation and impairment losses. Depreciation is expensed so that the asset's cost is depreciated on a straight-line basis over its estimated useful life determined to 5 years.

#### *Derecognition*

An intangible asset is derecognised upon disposal or sale or when no future economic benefits are expected from use or scrapping/disposal. The gain or loss arising when an intangible asset is derecognised is the difference between what is possible to obtain, after deduction for direct selling expenses and the asset's carrying value. This is recognized in the income statement as other operating income or other operating expense.



### **Tangible fixed assets**

Tangible fixed assets are reported at cost less accumulated depreciation and any impairment.

The acquisition cost comprises the purchase price and expenses directly attributable to the acquisition to bring it to location and condition for use. Additional costs are only included in the asset or recognized as a separate asset when it is probable that future economic benefits associated with the item will gain the company and that the cost of the same can be estimated in a reliable way. All other costs for repairs and maintenance, and additional expenses are recognized in the income statement in the period in which they arise.

Depreciation of tangible fixed assets is expensed to cost of the asset, possibly less estimated residual value at the end of useful life and is depreciated over its estimated useful life. If an asset has been divided into various components each component is depreciated separately over its useful life. Depreciation begins when the tangible fixed asset can be put into use.

#### *Derecognition*

The carrying amount of property, plant and equipment is derecognised upon disposal or sale, or when no future economic benefits are expected from use or disposal/sale of the asset or component. The gain or loss arising when a tangible asset or a component is derecognised is the difference between what is likely to be obtained, after deduction for direct selling expenses and the carrying value. The capital gain or loss that arises when a tangible asset or component is removed from the balance sheet is reported in the income statement as other operating income or other operating expense.

The following depreciation periods are applied:

#### *Intangible fixed assets*

Goodwill

*Useful life*

5 years

#### *Tangible fixed assets*

Equipment

5 years

Estimated useful lives and depreciation methods are reviewed if there are indications that the expected consumption has changed significantly compared to the estimate at the previous balance sheet date. When the company changes the assessment of useful lives the assets' possible residual value is also reviewed. The effect of these changes are recognized prospectively.

### **Write-down of tangible and intangible fixed assets**

The company analyzes the carrying values of tangible assets and intangible assets at each balance sheet date to determine whether there is any indication that those assets have declined in value. If so, the asset's recoverable amount is estimated in order to determine the value of a possible impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount is the higher of fair value less selling costs and value in use. Fair value less selling costs is the price which the company expects to obtain in a sale between knowledgeable, independent parties and who have an interest in the transaction, less the costs that are directly attributable to the sale. When calculating the fair value estimated future cash flows are discounted to present value using a pre-tax rate that reflects current market assessments of the money's time value and the risks associated with the asset. In order to calculate future cash flows, the company used budget and forecasts for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is set at a value lower than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to recoverable amount. An impairment loss is immediately expensed in the income statement.

### **Financial instruments**

A financial asset or financial liability is reported in the balance sheet when the company becomes party to the instrument's contractual conditions. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the company loses control over it. A financial liability, or part of the financial liability is derecognised when the contractual obligation is fulfilled or otherwise ceases.

At the initial reporting current assets and current liabilities are valued at cost.

After the initial reporting assets are valued at the lower of cost and net realizable value at the balance sheet date. Current liabilities are valued at nominal value.

After the initial reporting long-term receivables and long-term liabilities are valued at cost.

### **Inventory**

Inventories are valued at the lower of cost and net realizable value at the balance sheet date. Cost is calculated using the first-in-first-out (FIFO) method. Net realizable value is the sales value less estimated costs that are directly attributable to the sale transaction.

The cost includes purchase, production cost and other costs incurred in bringing the inventories to their present location and condition.

### **Lease agreements**

A finance lease is a contract under which the risks and benefits associated with ownership of an asset are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. All leases are accounted for as operating leases.

#### *Lessee*

Lease payments for operating leases are expensed on a straight-line basis over the lease term unless another systematic approach better reflects the user's benefit over time.

### **Cash flow statement**

The cash flow statement shows the company's changes in cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The reported cash flow includes only transactions that involve receipts and disbursements.

### **Significant estimates and judgments**

#### *Key sources of estimation of uncertainty*

Listed below are the key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date, which involve a significant risk of material adjustments to the carrying values of assets and liabilities within the next financial year.

1. Bad debts
2. Inventory obsolescence
3. Deferred tax

#### *Important judgments when applying Vredestein Nordic AB's accounting principles*

We do not see any significant judgments regarding the application of the accounting policies.

**Note 1 Net sales per geographical market**

|  | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|--|----------------------------|----------------------------|
| <i>Net sales per geographical market</i> |                            |                            |
| Sweden                                   | 38 001 116                 | 28 906 945                 |
| Denmark                                  | 43 875 610                 | 35 397 376                 |
| Finland                                  | 9 061 008                  | 9 642 385                  |
| Norway                                   | 51 605 505                 | 70 839 949                 |
| Others                                   | <u>2 847 202</u>           | <u>2 107 509</u>           |
|  | 145 390 441                | 146 894 164                |

**Note 2 Other operating income**

|                     |              |               |
|---------------------|--------------|---------------|
| Exchange gains      | -            | -             |
| Recovered bad debts | <u>4 958</u> | <u>30 874</u> |
|                     | 4 958        | 30 874        |

**Note 3 Auditors' fees**

Audit assignments involve audit of the annual accounts and the Board and the managing director's administration of the company, as well as advice or other assistance arising from observations during such review or implementation of such other tasks. Audit activities other than the audit assignment refers to various types of quality assurance services that will result in a report, certificate or similar. Tax services include advice relating to tax, VAT and private taxation. Everything else is other services.

|                    | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|--------------------|----------------------------|----------------------------|
| <i>Deloitte AB</i> |                            |                            |
| Audit assignment   | <u>117 500</u>             | <u>112 000</u>             |
|                    | 117 500                    | 112 000                    |

**Note 4 Other external expenses**

|   | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|---|----------------------------|----------------------------|
| <i>Assets held through operating leases</i> |                            |                            |
| Leasing fees paid during the financial year | 911 664                    | 940 000                    |
| <i>Future leasing fees</i>                  |                            |                            |
| Within one year                             | 544 000                    | 928 000                    |
| Later than one year but within five years   | 109 000                    | 638 000                    |
| Later than five years                       | <u>-</u>                   | <u>-</u>                   |
|   | 653 000                    | 1 566 000                  |



**Note 5 Employees, personnel costs and remuneration to the board of directors**

|                                    | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|------------------------------------|----------------------------|----------------------------|
| <b>Average number of employees</b> |                            |                            |
| Sweden                             | 9                          | 10                         |
| Whereof men                        | 67%                        | 70%                        |
| Norway                             | 2                          | 2                          |
| Whereof men                        | 100%                       | 100%                       |
| Denmark                            | 1                          | 1                          |
| Whereof men                        | 100%                       | 100%                       |
| Finland                            | -                          | -                          |
| Whereof men                        | -                          | -                          |
| Total                              | <u>12</u>                  | <u>13</u>                  |
| Whereof men                        | 75%                        | 77%                        |

**Distribution of management as per balance sheet date**

|   |          |          |
|---|----------|----------|
| Women:  |          |          |
| board members   | -        | -        |
| other members of management including the managing director | -        | -        |
| Men:  |          |          |
| board members   | 2        | 2        |
| other members of management including the managing director | <u>1</u> | <u>1</u> |
| <b>Total</b>  | <b>3</b> | <b>3</b> |

**Salaries, other remunerations and social security charges**

|  |                  |                  |
|--|------------------|------------------|
| The board of directors and the managing director | 1 243 596        | 1 164 612        |
| Other employees                                  | <u>6 391 244</u> | <u>6 661 794</u> |
| Total  | 7 634 840        | 7 826 406        |
| Social security charges                          | 2 845 824        | 2 993 071        |
| (whereof pension costs)                          | (666 672)        | (812 775)        |

Of the company's total pension cost kSEK 188 tkr (257) relates to the board of directors and the managing director. There are no outstanding pension obligations to them.

**Note 6 Depreciation of tangible and intangible fixed assets**

|           | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|-----------|----------------------------|----------------------------|
| Goodwill  | -                          | -506 334                   |
| Equipment | <u>-29 535</u>             | <u>-40 544</u>             |
|           | -29 535                    | -546 878                   |

**Note 7 Interest expense and similar profit and loss items**

|                                   | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|-----------------------------------|----------------------------|----------------------------|
| Interest expense, group companies | <u>-520 338</u>            | <u>-365 637</u>            |
|                                   | -520 338                   | -365 637                   |



**Note 8 Tax on profit for the year**

|   | 2017-04-01<br>- 2018-03-31 | 2016-04-01<br>- 2017-03-31 |
|---|----------------------------|----------------------------|
| Current tax   | -                          | -                          |
| Deferred tax from previous years                                    | 825 938                    |                            |
| Deferred tax  | -624 335                   | -819 756                   |
| <b>Tax on profit for the year</b>                                   | <b>201 603</b>             | <b>-819 756</b>            |
| <b>Reconciliation of tax for the year</b>                           |                            |                            |
| Profit before tax   | 2 574 866                  | 3 469 288                  |
| Tax calculated with tax rate 22 %                                   | -566 470                   | -763 244                   |
| Tax effect from non-deductible expenses referring to representation | -55 289                    | -53 804                    |
| Tax effect from non-deductible expenses for association fees        | -2 576                     | -2 708                     |
| Utilized loss carry-forwards  | -                          | -                          |
| Capitalization of previously unrecognized loss carry-forwards       | -                          | -                          |
| Not utilized loss carry-forwards                                    | -                          | -                          |
| <b>Net tax income for the year</b>                                  | <b>-624 335</b>            | <b>-819 756</b>            |

**Note 9 Goodwill**

|   | 2018-03-31        | 2017-03-31        |
|---|-------------------|-------------------|
| <i>Accumulated acquisition cost</i>               |                   |                   |
| Opening balance and closing balance               | 2 531 654         | 2 531 654         |
| Acquisitions                                      | -                 | -                 |
|   | <u>2 531 654</u>  | <u>2 531 654</u>  |
| <i>Accumulated depreciation according to plan</i> |                   |                   |
| Opening balance                                   | -2 531 654        | -2 025 320        |
| Depreciation for the year according to plan       | -                 | -506 334          |
|   | <u>-2 531 654</u> | <u>-2 531 654</u> |
| <b>Residual value</b>                             | <b>-</b>          | <b>-</b>          |

Goodwill is related to the acquisition of the Norwegian operations.

**Note 10 Equipment**

|   | 2018-03-31      | 2017-03-31      |
|---|-----------------|-----------------|
| <i>Accumulated acquisition cost</i>               |                 |                 |
| Opening balance                                   | 436 208         | 436 208         |
| Purchase  | -               | -               |
| Sales and disposals                               | -               | -               |
|   | <u>436 208</u>  | <u>436 208</u>  |
| <i>Accumulated depreciation according to plan</i> |                 |                 |
| Opening balance                                   | -347 604        | -307 060        |
| Sales and disposals                               | -               | -               |
| Depreciation for the year according to plan       | -29 535         | -40 544         |
|   | <u>-377 139</u> | <u>-347 604</u> |
| <b>Residual value</b>                             | <b>59 069</b>   | <b>88 604</b>   |

**Note 11 Deferred tax asset**

|                                | 2018-03-31     | 2017-03-31     |
|--------------------------------|----------------|----------------|
| Unutilized loss carry-forwards | 274 467        | 898 685        |
|                                | <u>274 467</u> | <u>898 685</u> |

**Note 12 Prepaid expenses and accrued income**

|                   | 2018-03-31     | 2017-03-31     |
|-------------------|----------------|----------------|
| Prepaid rent      | 94 336         | 94 148         |
| Prepaid lease fee | 77 821         | 86 255         |
| Other             | 119 541        | 129 037        |
|                   | <u>291 698</u> | <u>310 440</u> |

**Note 13 Accrued expenses and deferred income**

|                   | <i>2018-03-31</i> | <i>2017-03-31</i> |
|-------------------|-------------------|-------------------|
| Personnel costs   | 928 705           | 950 312           |
| Freight           | 409 613           | 400 000           |
| Environmental fee | 594 179           | 897 317           |
|                   | <u>2 032 497</u>  | <u>2 247 629</u>  |

**Note 14 Adjustments for items not included in the cash flow**

|                                      | <i>2018-03-31</i> | <i>2017-03-31</i> |
|--------------------------------------|-------------------|-------------------|
| Depreciation                         | 29 535            | 546 878           |
| Write-down of receivables            | 159 052           | 275 241           |
| Unrealized exchange rate differences | 126 900           | 543 086           |
|                                      | <u>315 487</u>    | <u>1 365 205</u>  |

**Note 15 Liquid funds in cash flow**

|  | <i>2018-03-31</i> | <i>2017-03-31</i> |
|--|-------------------|-------------------|
| Available at banks and other credit institutions | 4 096 600         | 7 147 824         |
|  | <u>4 096 600</u>  | <u>7 147 824</u>  |

**Note 16 Information about related parties**

Transactions between the company and related parties took place on market terms.

**Göteborg 2018-05-09**

Mathias Heimann  
*Chairman of the board*

Dimitrios Papadopoulos  
*Managing director*  
*Member of the board of directors*

Our auditors' report was submitted on June 8 2018  
Deloitte AB  
*Signature on original document*

Kristian Stensjö  
*Authorized public accountant*