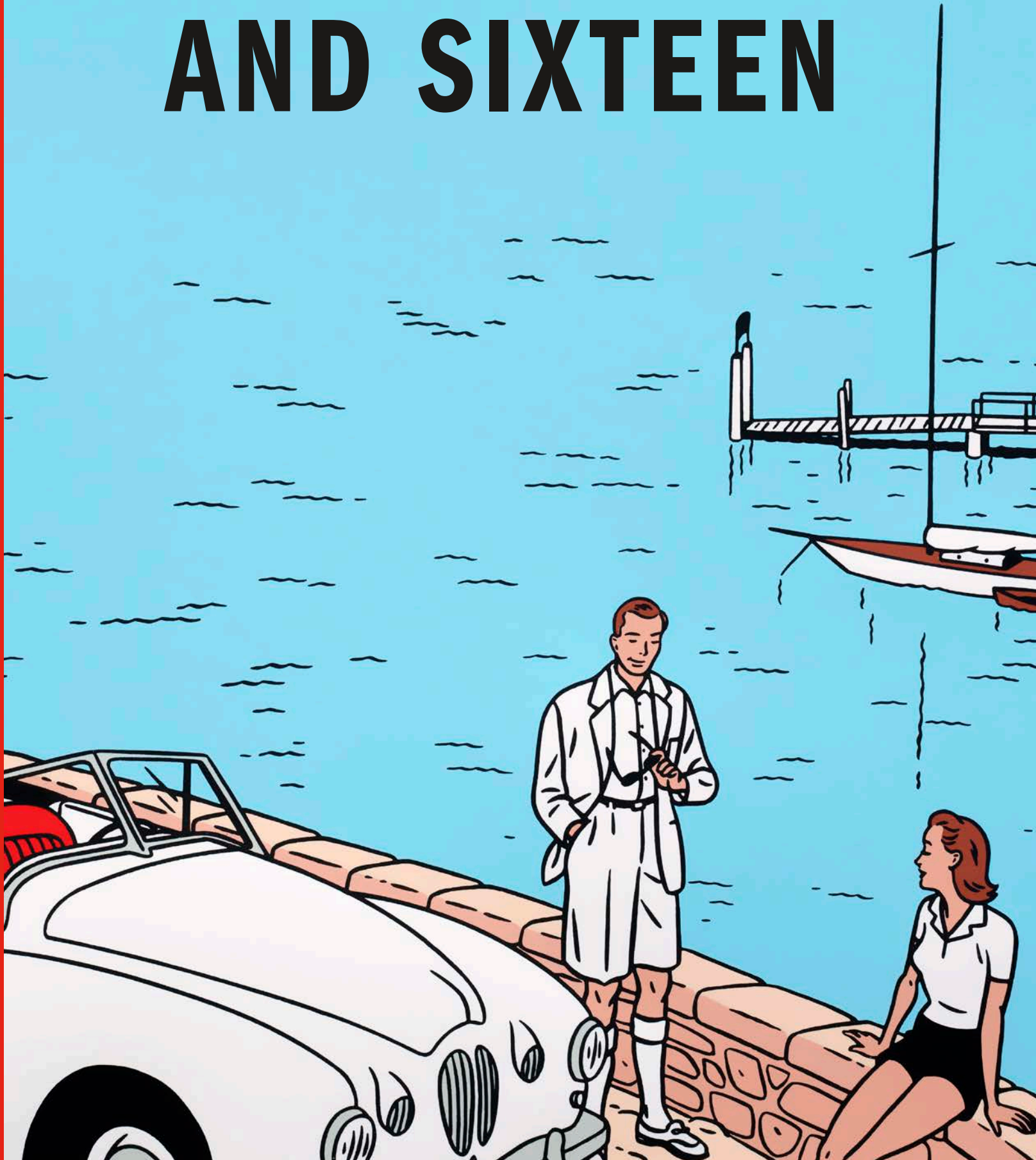
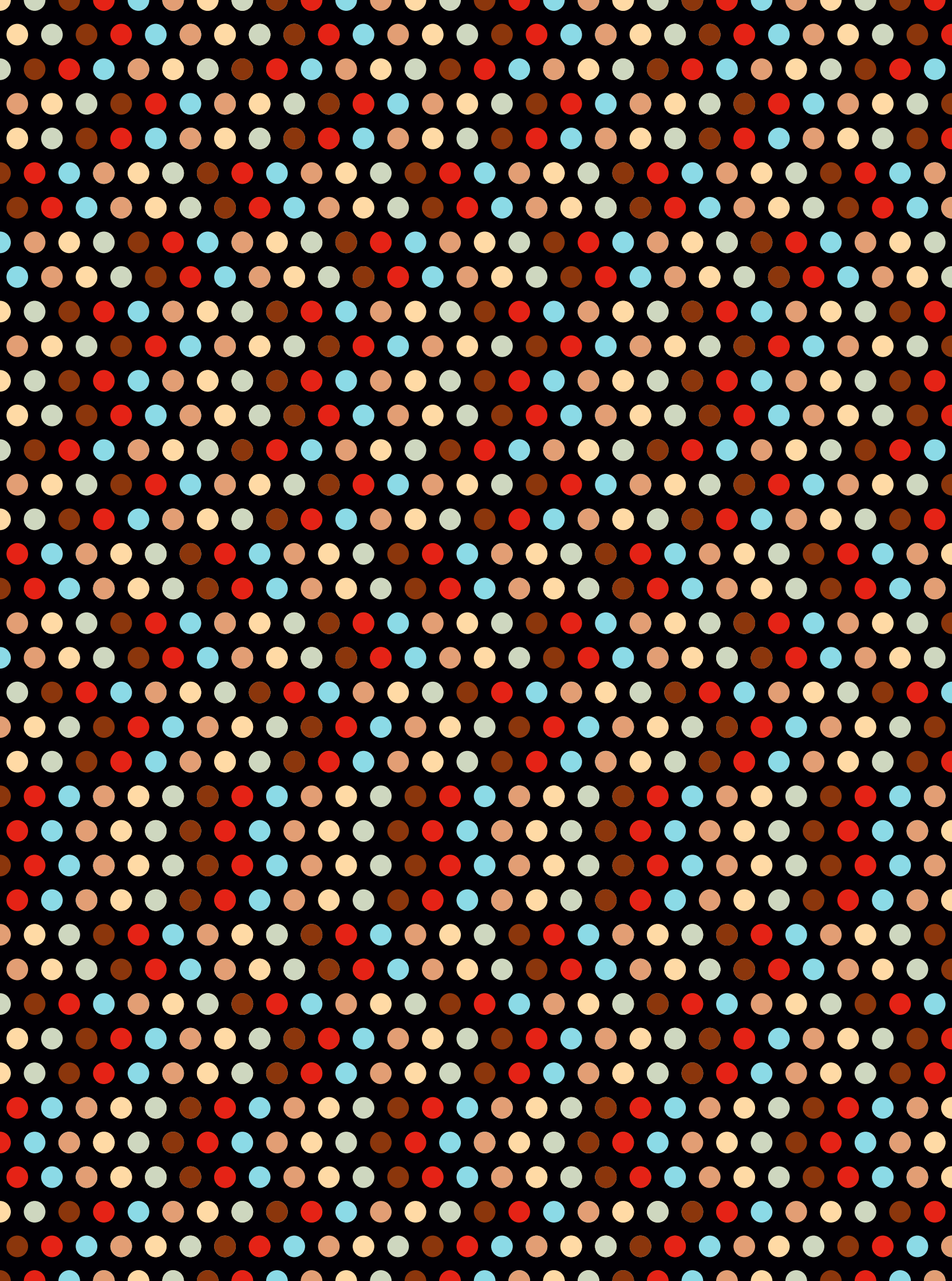


CELLMARK
THE ANNUAL REPORT

TWO THOUSAND AND SIXTEEN



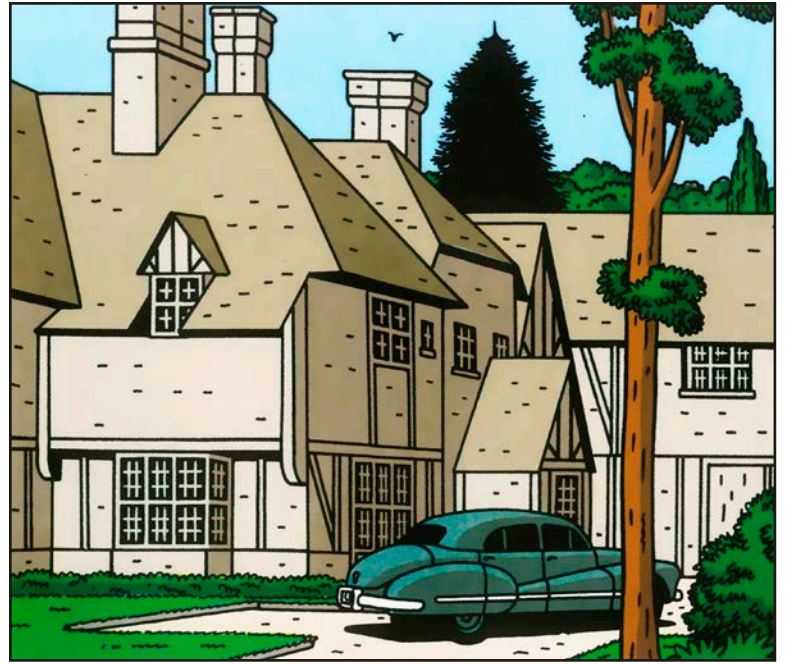


CELL MARK
TWO THOUSAND AND SIXTEEN



CellMark recognizes its responsibility to perform its services exceptionally with unmatched efforts and performance. Therefore, we have defined several guiding principles, which align closely with our mission and vision and support our business concept well.

Our Vision



Our vision is
Surpassing Expectations.



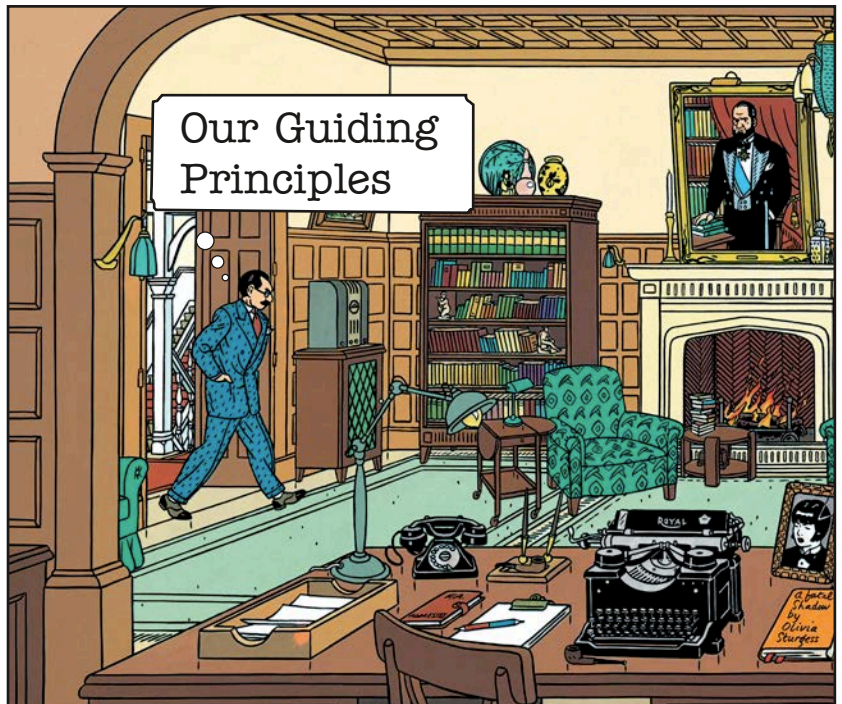
Our
Mission?



Our mission is
to bring products,
services and
solutions to the
world market.



Our Guiding
Principles



CellMark's Guiding Principles are the bedrock of all our actions. Integrity is the foundation of our relationships, with each other and with our business partners.

Additionally ...



... we empower each other to be creative and decisive. CellMark is a company of global entrepreneurs; ...

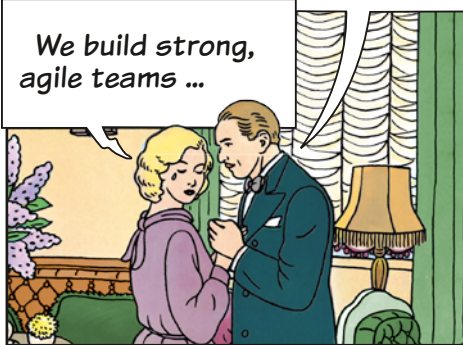


... we continually generate ideas and welcome change.



We care deeply about the welfare, health and well-being of our people, our business partners, and the communities in which we work and live.

We build strong, agile teams ...



... and align towards common goals

We develop long-lasting, mutually beneficial relationships while having fun.



We are supportive, promote open dialogues and treat each other with respect.

We celebrate our accomplishments and learn from our experiences.



We develop tools, training and guard-rails to facilitate sustainable growth.





Spring



A word from our President

We leave 2016 to the past with great learning experiences. I am amazed by the diversity, entrepreneurship and skillsets that our colleagues and partners around the globe demonstrate.

This entrepreneurial spirit and jointly accumulated knowledge creates a sense of direction and also a reassurance that we will continuously be able to support our partners to succeed across borders, using our business platform.

During the year, we battled through some financial burdens from the past and again had a number of lingering cases, for which we have now made proper reserves, facing a more predictable 2017. This is mirrored in our result landing at 10.5 MUSD profit after financial items. However, seeing that our operations generated a healthy robust result and with processes aligned for further growth, we have reasons to be cautiously optimistic.

Being as diverse as we are, with expert knowledge and capabilities now spanning eight business areas, it is worth mentioning that our core proposal is to be a leader in making international trade happen and a fast moving entrepreneur partner for international expansion, something we refer to as being a global meeting place for entrepreneurs.

By further strengthening our offerings with internal and external synergies, we build strong and agile teams to align towards a common goal, living our vision to surpass expectations for our stakeholders around the globe. It is a high aspiration promise, but a promise – to everyday do our best to meet and surpass the expectations that are put on us.

During 2016 we launched a new Division, CellMark Medical, a global trading hub for medical devices. One may think this is not part of who we are but the beauty of a truly international platform is that new products and services can be added, expanded and rolled out in a very efficient way. A concept we intend to keep refining to the service of those that are local and want to go global into the markets they normally do not service. It also mirrors the core concepts of our existence. The great interest in this new offering of CellMark Medical has surpassed our own expectations!

Internally we have launched a number of projects spanning from synergized global logistics with several promising initiatives to make it easier to business with us. Further, we have a number of digitalization and automation projects to be rolled out going forward and the organizational steps to ensure this was implemented during the year. We are designing our platform for further growth.

In addition, we are working hard to create as much predictability as we can financially in a very unpredictable global macro-economic surrounding.

Building on our cultural heritage of global trade and entrepreneurship, we see that through our Guiding Principles CellMark can work more aligned and towards common goals in a more efficient way as we empower each other to be creative and decisive. We demonstrated our principle, that we care, not only by focusing in our daily business but also by continuous support to the Non-profit foundation PaperSeed that assists and touches the lives of over 75,000 children around the globe.

As the CEO I am proud over the achievements in 2016, wishing to thank all employees and stakeholders that enable us to render services globally. I am also energized over the fact that the world is full of opportunities and we are eager to catch those as we move into the future!

Fredrik Anderson





About CellMark

CellMark is a leader in making international trade happen

Founded in 1984 in Gothenburg, Sweden, CellMark has its roots in the international trade and distribution of raw materials related to the global Pulp and Paper industry. Over the years, the company developed world-class supply chain service capabilities and expanded into new product fields.

Today, CellMark serves as a global meeting place for entrepreneurial companies seeking business opportunities, international expansion and collaborative innovation relationships. We work with business partners to deliver products, services, and solutions to the world market.

CellMark specializes in a variety of supply chain services, including sales and marketing, logistics and financial, regulatory compliance, custom manufacturing, product development, technology, and innovation. With our network of 65 offices in 30 countries, we connect global entrepreneurs in a broad range of industries, including Chemicals, Metals, Pulp, Paper, Packaging, Recycling, Energy and Medical Devices.

Our platform helps companies exchange products and services more efficiently. It streamlines business transactions while mitigating risk and minimizing impacts on natural resources. Additionally, it facilitates superior, day-to-day interaction with clients and helps us continuously guide and serve our business partners.

All told, the CellMark Group includes about 700 professionals who feature an in-depth understanding of even small changes in the market's culture and mechanics. The company is privately held and owned by its employees. It has annual sales of USD 2.7 billion, and its annual trading volume is 6 million tons.

CellMark comprises entrepreneurs seeking new markets and business opportunities. We embrace the challenges involved in creating innovative solutions with our partners. We take pride in contributing to global sustainability efforts, and are committed to strengthening educational opportunities in partnership with the PaperSeed Foundation.

Learn more about us at www.cellmark.com.





CellMark Pulp

Global pulp and fiber markets were challenging in 2016, as they have been in recent years. Pricing and demand for many grades was extremely low. Despite these hurdles, CellMark's Pulp Division enjoyed record pulp and biomass sales for the year.

The global pulp market grew by 4 percent in 2016. Once again, China led all markets with a 13 percent consumption gain – a rate required to satisfy its 120 million ton-per-year paper market. Several factors drove Chinese pulp demand last year. These included increases in tissue capacity, an improving market for higher quality fibers (as domestic mills were shuttered), a brief recovery in exports for Chinese papermakers, and the substitution of kraft pulps for viscose fibers.

Although volumes improved, pulp pricing gained little traction throughout the year. In 2017, we already see capacity increases in hardwood and softwood pulp (6 million and 2.9 million tons, respectively between 2017 and 2019). We will continue to faithfully and diligently represent our suppliers and customers during these periods of volatility.

In addition to the Pulp Division's record volume in 2016, our global platform continues to attract new partnership opportunities for greenfield pulp mill agencies, new account development and innovative new fiber based products looking for sales and service offerings. Our core Pulp business continues to demonstrate growth and vitality.

Diverse Division

The Pulp Division is highly diversified and incorporates several platforms and products. For example, CellMark's Energy group trades wood pellets both in Europe and Asia for industrial and residential use. Indeed, CellMark has emerged as the largest wood pellets trader in Asia. Despite a 3 percent increase in global wood pellet demand (28 million tons per year), the market remains beset by low oil prices, muted industrial demand, and seasonal factors resulting in record low prices.

The challenges are significant, but CellMark Pulp is committed. The Division trades on behalf of key producer partners in the southern USA, Vietnam, and in support of Green Pellet Sarawak, our joint-venture pellet mill in Malaysia. Moreover, we will begin a wood pellet production partnership in Vietnam this year.

Other Pulp Division activities include our Waste-to Energy group (Refused Derived Fuel to energy producers); Sabela (wood biomass sourcing/supply in France); and caustic soda trading in the Nordic countries. The WTE group continues to grow while solidifying contracts to import waste from the UK and other European countries for incineration/energy customers. Additionally, Sabela bolstered its supply position for wood chips and whole logs – wood that otherwise would go to waste – to provide heat and/or electricity customers in France. And caustic soda trading was at a record level for the year. The Pulp Division – in all of its various forms – is poised to grow and thrive in 2017.

Doug Smith





CellMark Paper

Results were mixed in 2016 for CellMark Paper. The Division made several important strides by dramatically enhancing its trading volumes in Asia and Europe. These regions had struggled in recent years, beset by poor economic environments and bad debt. In 2106, however, the Division's streamlined approach to these strategic markets paid off. Growth was steady, and is continuing in 2017. In North America, the performance was not as strong. Domestic conditions were problematic, marked by declining demand across all paper grades.

CellMark Paper's Miami team, which manages Central, South and Latin America, performed well by expanding its presence in several key accounts, and starting promising partnerships with others. Unfortunately, this progress was stunted somewhat by bad debt in the difficult South American market. The Division has implemented several measures to combat these market-related adversities. For example, it will sharpen its focus on becoming the lowest-cost provider in the global arena. In addition, our traders are embracing more grades that show real promise.

The Division is looking forward to the rest of 2017, and beyond, as it is now free from several difficult legacy issues. These included a legal dispute in Japan, the selloff of a geographically challenging West Coast merchant organization, and additional resolution of bad debt in Miami.

Additionally, the Division has secured – and extended – several very significant customer supply relationships, with mills all over the world. Moreover, our pipeline features several exciting projects that will leverage our synergies with other CellMark divisions, notably the Packaging, Pulp and Recycling divisions. These programs, too, are global in nature.

In 2016, CellMark Paper, relied on our partners and suppliers more than ever, and we are extremely grateful for their loyalty, support, and long-term commitments. We would also like to thank our customers, who were extraordinary partners last year. We look forward to further solidifying our relationships with them in 2017, by anticipating their needs and surpassing expectations. In addition, we are grateful to our committed, innovative and hardworking employees – the lifeblood of our Division.

In summary, CellMark Paper embarked on several programs to consolidate the division in 2016, and to return to its role as a significant contributor to the CellMark Group. We thank our senior management team for supporting these efforts, and look forward to seeing them come to fruition.

Joe Hoffman





CellMark Packaging

During 2016, corrugated box growth was just over 3 percent on a global basis, based on area of boxes produced. While this figure looks to be tracking GDP levels, as would be the historical tendency, we did see a shift in where box consumption is growing most. Even though CellMark Packaging activity is heavily focused on containerboard (the components of corrugated boxes), we follow end-use trends of all types of packaging to determine consumption trends.

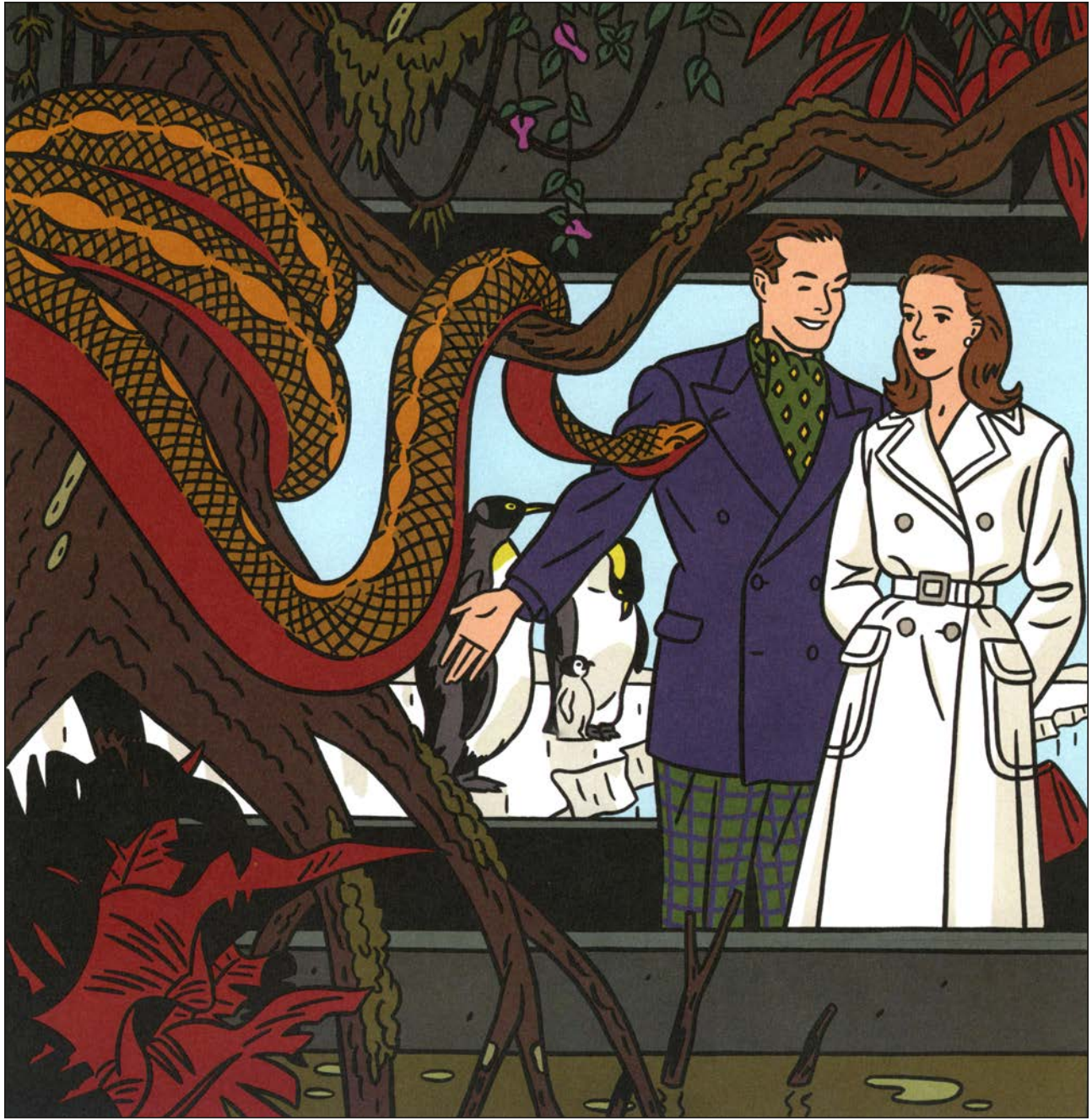
There are changes in where containerboard supply is growing. Asia-Pacific continues to drive the global growth of packaging demand, while Europe and North America posted small increases from past years in 2016. Developing economies in Africa, Latin America and Southeast Asia show steady growth, and are looking to new regional mill capacity for containerboard. Additionally, conversion of paper machines to containerboard production remains a strong trend. Almost 10 million tons of capacity shifted to containerboard as the outlook for these industrial grades is better than the fine paper or publishing grades they are replacing.

CellMark Packaging's activity and industry support has followed these changes. New capacity is becoming regional in many cases, resulting in shorter shipping distances from mills to users, and ultimately less expensive board grades. High-value boards, such as white liners or semi-chemical medium, are still in demand globally. We constantly adapt our sales and logistics support to reflect these trends.

While the market seems to consider containerboard to be the "golden child" of product types, kraft paper packaging for industrial sacks remains flat. Our years-long support of this sector has given us a truly global overview. However, last year's demand decline was one we did not forecast correctly. Limited new capacity has come into the kraft paper arena, but not enough to upset the demand balance. Regional economic difficulties, which reduced infrastructure and building activity, created an over-supply and corresponding pricing decay.

The strong US dollar impacted the competitiveness of some of our American mill partners. However, European and Asian mills could make up for these shortfalls. Our logistics professionals worked to support the changes brought by our sales network, and kept customers supplied consistently. In summary, 2016 presented new challenges, but CellMark Packaging adapted to provide value to our mill and customer relationships, and earned an acceptable result.

Paul Busnardo





CellMark Recycling

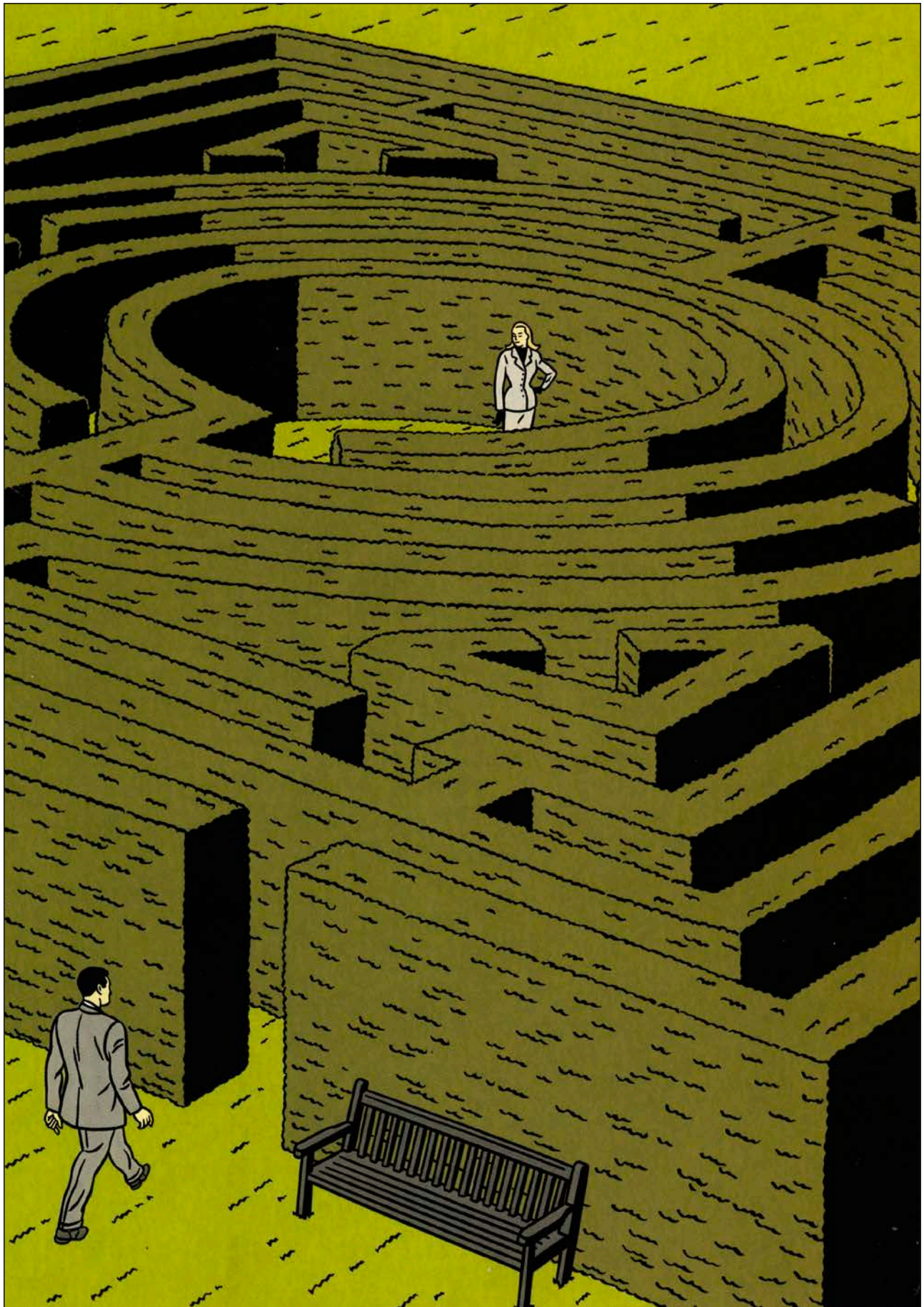
As the new Division President, 2016 was an exciting year for me personally. However, nothing dramatic, unanticipated, or worth mentioning happened in our market. We continued our strategy to concentrate on our core competencies, streamline our internal processes, and grow in each business area. By the end of the year, I'm happy to report, we had increased our bottom line contribution 35% above 2015's figure.

Our best performing areas were recycling plants, and job lot/stock lot trading. This speaks volumes to the overall diversification within the Recycling group, which has traditionally been focused on global trading of recyclables. Although, our meaningful contributors to our results, our trading groups within the US and International, were challenged by lackluster demand for recyclables.

As the year ended, we noticed that the generation of recyclables did not increase significantly in November and December as they traditionally do. Some attribute this to internet shopping, and the fundamental change that direct-to-consumer shipping is creating in the waste stream and subsequent collection of recyclables. Time will tell.

As we progress in 2017, it is our intention to stay the course, and be prepared for any opportunities or challenges that come our way.

Jimmy Derrico





CellMark Chemicals

CellMark's Chemicals Division had another successful year in 2016. Although units shipped and sales revenues were down slightly from 2015, we increased gross margins considerably, while controlling expenses. The aim of the Chemicals Division is not to become the biggest specialty chemicals distributor/manufacturer, but rather the most efficient in our class in terms of return on trade working capital. Last year, we progressed toward that goal by significantly improving our percentages and return on investment. These important steps lend credence to the operational controls we established, and to the dedication of our exceptional team.

2016 also marks the fifth full year that CellMark acquired the Chemicals Division – an important milestone in our group's rich history (part of which goes back more than a century). We are proud of our progress since joining the CellMark family, and look forward to further strengthening our ties with the other CellMark Divisions to bring greater stakeholder value. Some of our accomplishments include the successful alignment and integration of our global operations, leveraging our collective strengths. We also acquired an organization and forged a strategic joint-venture, two key strategic moves that solidified our positions in the highly profitable Health & Personal Care and Catalyst & Gas Processing segments.

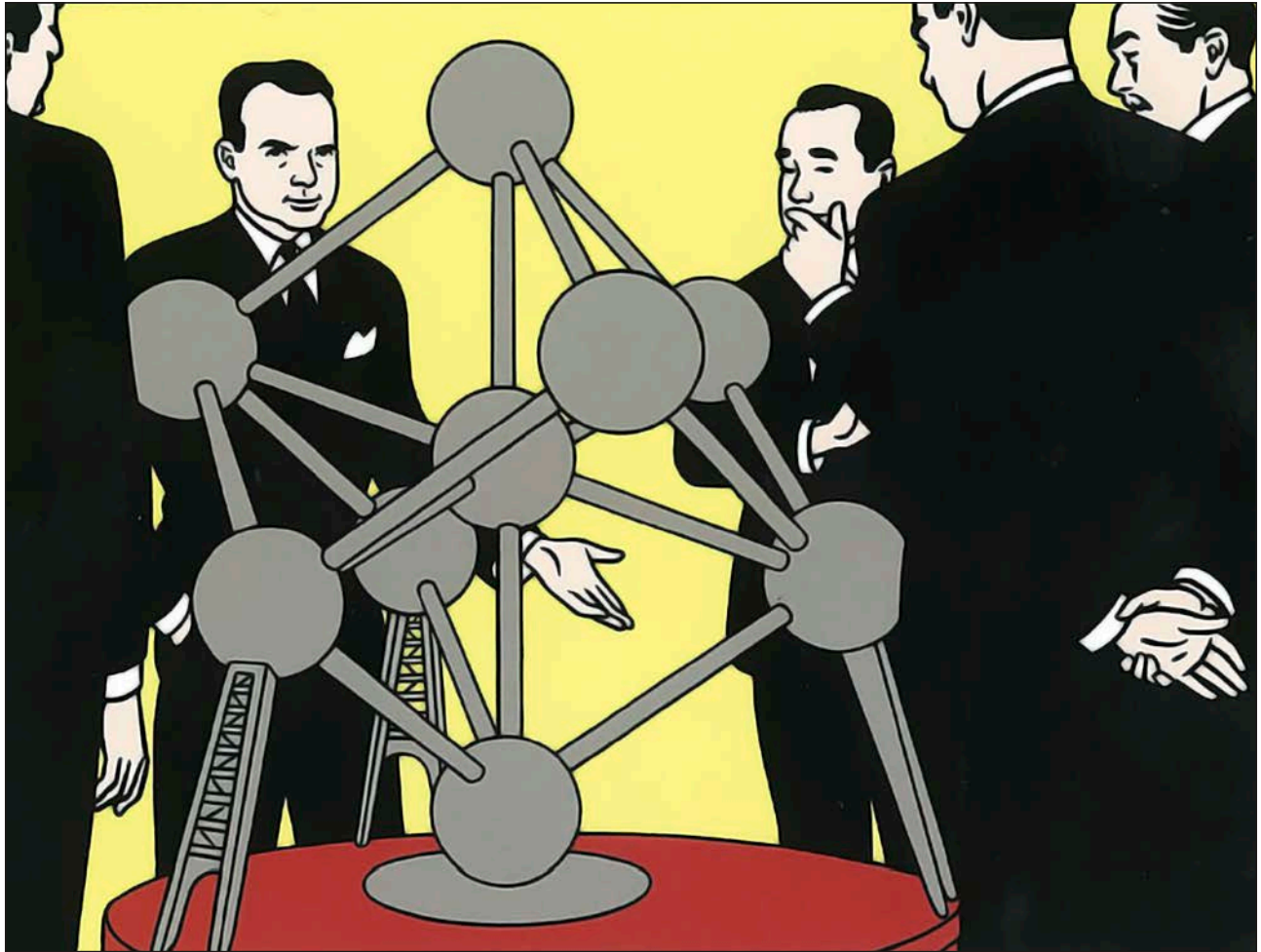
Our commitment to continuous improvement, along with our increasing ability to leverage CellMark's global resources, has made the Division a top performer, enhancing stakeholder value in each of our five years. The future is bright for the Chemicals Division, which has potential to reach even greater heights. To that end, several exciting projects initiated in 2016 illustrate

our plans to participate in markets demanding innovative ideas, products, and solutions. Examples include:

- A revolutionary organic food product that reduces the unpleasant aftertaste associated with low-calorie sweeteners, medicines, and lower quality alcohols.
- An innovative technology to develop a specialty dye – via an electromagnetic charge – for coloring glass bottles.
- An agreement to serve as an approved vendor to licensees of a leading engineering company that designs industrial operations within the ethylene supply chain. This company will now reference CellMark Chemicals as a qualified partner to supply new plants with their gas processing chemical needs at start up, and for continuing operations.

Our successes would not be possible without the hard work and continued support of our employees and our business partners. We are grateful to all of you and look forward to reaching new milestones as we strive to surpass expectations.

Hugo Galletta





CellMark Metals

In 2016 the trading result of CellMark Metals Division improved considerably compared to previous years. Due to increased industrial consumption of many of the commodities we are active in, several metals performed well.

During the year, the political map has changed in Europe and the US. The geopolitical situation is tense in other parts of the world and world trade is shrinking. We live and work in a continuously changing world, our business is global and we face constant challenges. As a modern trading organization, we must be flexible and fast moving. We must understand the needs of our business partners and how to best service each market where we are active.

CellMark Metals is organized in three product areas:

- Non-Ferrous Metals, Aluminium and other base metals, experienced a difficult market environment
- Ferrous Metals, conversely, had a very good year thanks to strong demand for Manganese and Chrome
- Foundry Products, performed in line with expectations

CellMark Metals' reorganization process and change of business model, from agencies to trading and distribution, has accelerated during the year. The Division centralized financing and risk control, bringing those functions from local offices to the head office in Sweden. Sales, trading and logistics will however remain local. The strategic aim is to limit risk, increase efficiency and obtain costs savings. The process will continue through 2017.

In addition, CellMark Metals employed two new traders during the year. New commodities – ores, minor and specialty metals and alloys – have been added to our portfolio. We have increased our presence in certain new markets by appointing agents or representatives. We constantly aim at finding niche products and niche markets to increase our trading margins and improve our service.

Claes Lundman





CellMark Basic Chemicals

CellMark Basic Chemicals had a challenging 2016, primarily due to highly volatile chemical commodity markets, low crude oil and downstream derivative prices, and depressed demand for key products.

In the first half of 2016, financial results were hurt by strong competition, local currency devaluations, and increased costs. These factors hindered progress, in countries where we have a strong presence (such as Turkey). They also limited our ability to react in the short term, and hurt margins. Consequently, our results were unsatisfactory, and far below those of 2015.

On the positive side, our strategy to focus growing the business with increased profitability and cost control is bearing fruit. Sales volumes grew, and revenues increased significantly compared to 2015. Additionally, the business performed very well in Q4. We expect this positive trend to continue as we bolster cost-savings and margin-enhancing initiatives.

In 2016, our business expanded to new geographies. We also grew our presence and increased sales in South America, where CellMark Basic Chemicals is a known entity. Last year, more than 50 customers approved our products in Colombia, Ecuador, Peru, Chile and Guatemala.

Additionally, our product development projects helped diversify the portfolio, which led to new product sources and markets for lignosulfonates and agrochemicals. In the near future, the Basic Chemicals Division will build a platform to market lignosulfonates – supported by the industry's largest independent supply sources – to global industrial customers.

CellMark Basic Chemicals also signed a long-term, exclusive supply agreement for side-stream chemicals with Bayer Hispania, which deals with products manufactured at Bayer's La Felguera facility in Spain. The agreement demonstrates the Division's strong position as a preferred partner in European acetyl and solvent markets.

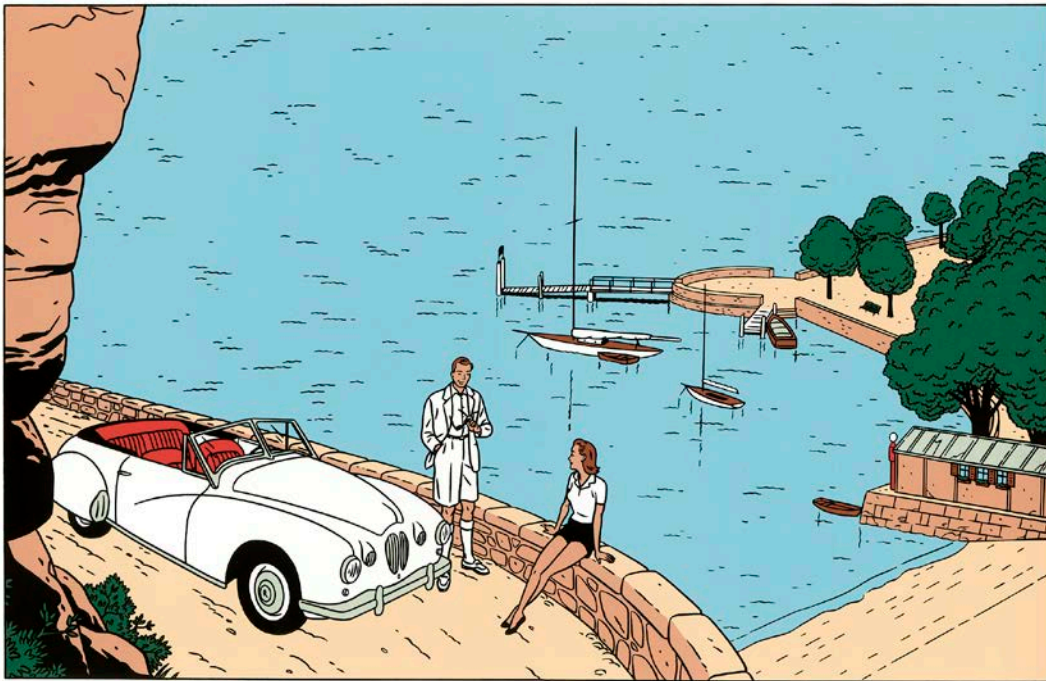
Last but not least, Basic Chemicals was proud to be acknowledged as a CellMark Division in 2016. This is great motivation for the team to improve and develop this business. Today, the Division delivers more than 40 chemical products and provides solutions and services to customers in 25 markets and 14 industrial sectors around the globe.

Moreover, we are confident about 2017. We will continue to advance our strategy to:

- Continuously review and improve our existing business and margins
- Expand our business in new geographies
- Further expand and diversify our product portfolio

Ersin Alkan





Summer

1984

Cellulose Marketing International AB is founded in Gothenburg with 21 employees. Five overseas sales offices are established. Later, in 1997, the company name is changed to CellMark AB.

1987

CellMark is now 100 % employee owned. We acquire Pacific Forest Resources Inc (PacFor), adding packaging paper and board and recovered paper to our existing base in market pulp and whitepaper.

1990

We reach the 1 million ton mark and sell our products in 36 markets. In 1991 we add chemicals to our products portfolio.

1996

The 2 million ton mark is realized. We become ISO-9000 certified and acquire our first Recycling plant.

1999

During the 1990s CellMark acquires American Paper Sales and Perkins Goodwin in the US and Unifibra in Europe. Singapore Pulp Private Ltd (SPPL) is established in Singapore.

2000

Group sales exceed one billion US dollars. We acquire Gothia Paper AB and Larsson Paper AB.

2001

Over 3 million tons of pulp and paper are sold to over 100 markets. Most subsidiaries are consolidated under the CellMark brand name.

2004

CellMark celebrates its 20th anniversary and reached a sales volume of over 4 million tons. In the early 2000s CellMark become FSC® and PEFC certified.

2009

CellMark celebrates its 25th anniversary and maintain the 5 million ton record reached in 2007. We acquire fibres International and CellMark Recycling now operates 10 recycling facilities in North America.

2011

With Alcan International Network onboard, CellMark operates 2 new divisions: CellMark Chemicals and CellMark Metals. In the early 2010s the company establishes NorCell Paper and acquires Axe Papier in France & Sicutec in Sweden, a supplier of second hand machinery and equipment for the paper industry.

2012

Several new business lines are established: Basic Chemicals and Waste-to-Energy. CellMark is established as leading supplier of Biomass to energy in France.

2014

CellMark celebrates its 30th anniversary. Together with Norske Skog we form NorCell Asia. The addition of Sonaco Trading, a Stockholm based metals trading company and AnMar a nutraceutical ingredient company, broadens our network as well as our products portfolio and services capabilities.

2016

CellMark has reached the 6 million mark. With the launch of a new business line, CellMark Medical, we will together with healthcare entrepreneurs offer products, services and solutions that will improve health and wellbeing globally.



Director's Report

The Board of Directors and the President hereby submit a brief version of the annual report and the consolidated financial statements for 2016. The statutory annual report, including the financials of the parent company and complete supplementary information, can be obtained from the company or the Swedish Registration Office, Bolagsverket.

Operations

CellMark AB, together with wholly-owned subsidiaries and associated companies, markets forest, chemical, metal and waste products. The net sales of the parent company and the group result from marketing of products and commission thereon.

Significant Events during the Financial Year

A provision equal to expected legal cost in CellMark China Group has been made due to a proposed proceeding threatened by an external part.

The legal case from previous year has been settled and total cost is included in the result.

A merger between CellMark Holding AB and CellMark AB has been finalized. Sonaco Trading AB has changed names to CellMark Raw Material AB.

Group Identification

The Company is wholly-owned subsidiary of CellMark Investment AB, company reg no 556737-1959.

Foreign Branches

The Group has representative offices in Shanghai, Qingdao, Istanbul, Taiwan and Korea.

The Use of Financial Instruments

Hedge accounting is conducted in accordance with the group's financial manual and entails the hedging of open currency positions against the concerned company's local currency.

Other Risk Management

CellMark has defined the risks in its business model and has well-developed processes for the elimination of such risks. Price and product risks are covered as we only conclude back-to-back transactions with suppliers and customers. We sell counterpart and political risks in the insurance and banking markets, where we also cover our foreign exchange exposures.

Financial Highlights of the Group (MUSD*)

	2016	2015	2014	2013	2012
Operating Income	2 664	2 673	2 904	2 964	3 087
Profit after Financial Items	10.5	12.2	17.0	6.5	15.2
Total Assets	829	811	867	863	879
Equity Ratio (%)	18.6	18.8	18.0	18.8	18.2

*MUSD shall be read as Millions of US Dollars.

Comparative figures for the year 2012 have not been recalculated at adoption of BFNAR 2012:1 (K3).

Equity Ratio

Shareholders' equity as a percentage of total assets.

Changes in Equity (TSEK)

	Share Capital	Other Added Capital	Other Equity incl Profit for the Year	Minority Interest	Total
Balance brought forward as of 2015-12-31	9 015	40 295	1 224 050	1 112	1 274 472
Correction previous year: Adjustment of tax			-2 448		-2 448
Merger Effect			24 023		24 023
Actuarial loss Pension Liability			-5 469		-5 469
Translation Difference for the Year			95 732	123	95 855
Profit for the Year			20 718	164	20 882
Amount at Year-End	9 015	40 295	1 356 606	1 399	1 407 315

Accumulated translation difference amounts to TSEK 223 023.

The financial results as well as the operating and financial position of the Group and the Parent Company are presented in the following income statements and balance sheets, cash flow statements, related supplementary information and notes to the accounts.



LETTRE

Floc'H ~
35 Rue Victor-Massé
75009 - PARIS ~



CONSOLIDATED INCOME STATEMENT		2016		2015	
	Note	SEK (000)	USD (000)*	SEK (000)	USD (000)**
Operating Income					
Net Sales		22 867 906	2 661 937	22 556 761	2 670 166
Other Operating Income		19 790	2 304	21 785	2 579
Total Operating Income	1	22 887 696	2 664 241	22 578 546	2 672 745
Operating Expenses					
Cost of Goods Sold		-21 630 705	-2 517 921	-21 304 672	-2 521 949
Other External Costs	3,4	-394 953	-45 974	-392 046	-46 409
Personnel Costs	2	-676 579	-78 757	-697 658	-82 586
Depreciation of Fixed Assets	6,7,8,9	-47 950	-5 582	-53 905	-6 381
Result from Participations in Associated Companies	11	4 501	524	11 489	1 360
Total Operating Expenses		-22 745 686	-2 647 710	-22 436 792	-2 655 965
Operating Profit		142 010	16 531	141 754	16 780
Result from Financial Investments					
Interest Income		28 861	3 360	25 911	3 067
Interest Expenses		-80 593	-9 382	-64 964	-7 690
Total Result from Financial Investments		-51 732	-6 022	-39 053	-4 623
Profit after Financial Items		90 278	10 509	102 701	12 157
Group Contributions		-64 080	-7 459	-69 000	-8 168
Tax on Profit for the Year	5	-5 316	-619	-30 169	-3 571
Net Profit for the Year		20 882	2 431	3 532	418
Attributable to					
Shareholder of the Parent Company		20 718	2 412	4 347	514
Minority Shareholders		164	19	-815	-96

*Based on average exchange rate during the year 1 USD = SEK 8.5907

**Based on average exchange rate during the year 1 USD = SEK 8.4477



CONSOLIDATED BALANCE SHEET

Note

Dec 31, 2016

Dec 31, 2015

SEK (000) USD (000)*

SEK (000) USD (000)**

ASSETS

Fixed Assets

Intangible Fixed Assets

Goodwill	6	43 203	4 749	55 424	6 635
Computer Software	7	2 373	261	1 947	233
Other Intangible Fixed Assets	7	8 391	922	14 053	1 683
Total Intangible Fixed Assets		53 967	5 932	71 424	8 551

Tangible Fixed Assets

Land and Buildings	8	59 488	6 539	118 384	14 174
Equipment	9	91 221	10 027	71 954	8 615
Total Tangible Fixed Assets		150 709	16 566	190 338	22 789

Financial Assets

Participations in Associated Companies	11	43 243	4 753	36 043	4 315
Other Shares		598	66	567	68
Endowment Insurance		24 057	2 644	23 793	2 849
Other Long-Term Receivables		83 796	9 211	109 686	13 133
Deferred Tax Asset	13	115 701	12 719	107 402	12 859
Total Financial Assets		267 395	29 393	277 491	33 224

Total Fixed Assets

472 071 **51 891** 539 253 64 564

Current Assets

Inventory

1 819 555 **200 015** 1 862 348 222 972

Current Receivables

Accounts Receivable – Trade		4 054 901	445 736	3 488 257	417 634
Receivables from Parent Company		415 621	45 687	313 131	37 491
Receivables from Associated Companies		29 964	3 294	42 608	5 101
Income Tax Receivable		7 295	802	11 480	1 374
Other Receivables		372 739	40 973	212 780	25 475
Prepaid Expenses and Accrued Income		163 190	17 940	115 990	13 887
Total Current Receivables		5 043 710	554 432	4 184 246	500 962

Cash and Bank Balances

205 998 **22 644** 187 984 22 506

Total Current Assets

7 069 263 **777 091** 6 234 578 746 440

TOTAL ASSETS

7 541 334 **828 982** 6 773 831 811 004

*Based on closing day rate of exchange 1 USD = SEK 9.0971

**Based on closing day rate of exchange 1 USD = SEK 8.3524



CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

Equity

Share Capital 9 015 shares	
Other Added Capital	
Other Equity	
Profit for the Year	

Equity Attributable to Shareholder of the Parent Company

Minority Interest

Total Equity

Provisions

Deferred Taxes	
Provisions for Pension	

Total Provisions

Long-Term Liabilities

Liabilities to Credit Institutions	
Other Long-Term Liabilities	

Total Long-Term Liabilities

Current Liabilities

Liabilities to Credit Institutions	
Accounts Payable – Trade	
Due to Associated Companies	
Income Tax Liability	
Other Current Liabilities	
Accrued Expenses and Prepaid Income	

Total Current Liabilities

TOTAL EQUITY AND LIABILITIES

Note

Dec 31, 2016

SEK (000)

USD (000)*

Dec 31, 2015

SEK (000)

USD (000)**

12	9 015	991	9 015	1 079
	40 295	4 429	40 295	4 824
	1 335 888	146 848	1 217 255	145 738
	20 718	2 277	4 347	520
	1 405 916	154 545	1 270 912	152 161
	1 399	154	1 112	133
	1 407 315	154 699	1 272 024	152 294
13	1 144	126	2 557	306
	144 194	15 851	141 466	16 937
	145 338	15 977	144 023	17 243
14	6 368	700	36 594	4 381
	65 954	7 250	49 244	5 896
	72 322	7 950	85 838	10 277
15	3 202 811	352 069	3 197 249	382 794
	2 065 169	227 014	1 490 671	178 472
	10 948	1 203	10 173	1 218
	11 949	1 313	8 318	996
	273 906	30 109	247 288	29 607
	351 576	38 648	318 247	38 103
	5 916 359	650 356	5 271 946	631 190
	7 541 334	828 982	6 773 831	811 004

*Based on closing day rate of exchange 1 USD = SEK 9.0971

**Based on closing day rate of exchange 1 USD = SEK 8.3524



CONSOLIDATED CASH FLOW STATEMENT

	2016	2015
	SEK (000)	SEK (000)
Operating Activities		
Operating Profit	142 010	141 754
Adjustment for Items Excluded from Cash Flow Statement, etc.		
Depreciation	47 950	53 905
Other Adjustments	40 347	38 509
Currency Exchange Differences	11 553	-3 752
Capital Gain/Loss Fixed Assets	-33 028	-592
	208 832	229 824
Interest Received	28 861	25 914
Interest Paid	-80 593	-64 967
Income Taxes Paid	-1 874	-12 354
Cash Flow from Operating Activities before Changes in Working Capital	155 226	178 417
Cash Flow from Changes in Working Capital		
Change in Inventories	122 246	1 711
Change in Accounts Receivable	-430 740	232 353
Change in Receivables	-99 653	-83 367
Change in Accounts Payable	513 423	247 933
Change in Liabilities	-107 935	-62 077
Cash Flow from Operating Activities	152 567	514 970
Investing Activities		
Purchase of Intangible Fixed Assets	-2 165	-243
Purchase of Tangible Fixed Assets	-37 691	-20 979
Purchase of Financial Assets	0	-1 664
Sale of Fixed Assets	103 716	7 744
Sale of Financial Assets	0	123
Dividend Received	0	3 072
Change in Long Term Receivables	33 979	-6 935
Cash Flow from Investing Activities	97 839	-18 882
Financing Activities		
Change in Loan from Credit Institutions, etc.	-168 982	-421 847
Group Contribution	-64 080	-69 000
Cash Flow from Financing Activities	-233 062	-490 847
Net Change in Cash and Cash Equivalents	17 344	5 241
Cash and Cash Equivalents Beginning of the Year	187 984	184 983
Exchange Rate Difference in Cash and Cash Equivalents	670	-2 240
Cash and Cash Equivalents End of the Year	205 998	187 984

Supplementary Information

Accounting Principles

The annual report has been prepared according to the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3).

Consolidated Financial Statements

The consolidated income statement and balance sheet include all companies in which the parent company directly or indirectly holds more than 50% of the shares or voting rights, see note 10.

All acquisitions of companies have been recorded according to the purchase method. Untaxed reserves reported in the individual group companies are divided in the consolidated balance sheet as a capital part and a tax part. The capital part has been accounted for under equity. The tax part is accounted for as an allocation under deferred taxes.

Companies acquired during the year have been consolidated from acquisition date.

Participations in associated companies have been reported according to the equity method. Companies where CellMark holds between 20% and 50% of the voting rights are treated as associated companies. The equity method means that the acquisition cost for the shares, adding the change in the associated company's equity after the date of acquisition, is accounted for under the heading "Participations in Associated Companies" in the consolidated balance sheet.

The current method has been used in translating the income statements and balance sheets in foreign subsidiaries into Swedish kronor. All assets and liabilities in the foreign subsidiaries' balance sheets have been translated at year-end rate and all items in the income statements have been translated using the average rate of the year. Translation differences arising have been entered directly as equity.

Receivables and Liabilities in Foreign Currency

Receivables and liabilities in foreign currency have been translated at the rate of exchange at year-end. The difference between the acquisition value and the value at year-end has been accounted for as income/expense. Receivables and liabilities that have been sold forward have been valued at the forward exchange rate.

Income Recognition

Income is recorded at the fair value of the amount the company has received or expects to receive. This means that the company recognizes income at its nominal value (billed amount) if the company is remunerated with liquid assets directly in conjunction with delivery. Deductions are made for any discounts that are provided.

In the sales of goods, income is generally recognized when the significant benefits and risks associated with the ownership of the goods have been transferred from the company to the buyer.

Interest income is recorded as income in accordance with the effective rate method.

Recognition of Leases

Leases that means that the economic risks and benefits in its substantial has been transferred from the lessor to a Group Company classifies as finance lease. Assets that are leased via finance leases are accounted for as tangible fixed assets while future leasing fees are recorded as liabilities. When a lease is first recognized, the asset and the liability are recognized as the present value of the future minimum leasing fees and any residual value. When calculating the present value of the minimum leasing fees, the implicit interest rate of the agreement is used. Operating leases are recognized as a cost linearly over the period of the lease.

Remuneration to Employees Postemployment

The parent company and the group have both defined contribution and defined benefit pension plans. Pension plans classified as defined contribution plans are those where fixed fees are paid and there is no obligation to make any payments other than said fixed fees.

Defined benefit plans are accounted for in accordance with paragraphs 57-131 of the International Accounting Standard IAS 19 Employee Benefits. Fees for defined contribution plans are recognized as a cost for the period in which the employees render the services from which the obligation stems.

The parent company and the group have defined benefit plan obligations that are exclusively dependent on the value of the endowment insurance policies held by the company and the group. Endowment insurance policies are recorded as financial assets. In compliance with the exemption rule of BFNAR 2012:1, pension obligations are recognized as a provision of equal value to the book value of the concerned endowment insurance policy.

Income Tax

Current tax is income tax for the financial year and relates to the taxable profit for the year and the share of income tax for previous financial years that has not yet been recognized.

Deferred tax is income tax on taxable profit relating to future financials years as a result of past transactions or events.

Deferred tax is calculated on the basis of temporary differences. A temporary difference arises when the book value of an asset or a liability differs from its value for tax purposes. Temporary differences are not taken into account in the case of differences attributable to investments in subsidiaries, affiliated companies, associated companies, or joint ventures if the company can dictate the time of the reversal of the temporary difference and it is not evident that the temporary difference will be reversed within the foreseeable future. Difference attributable to the initial recognition of goodwill or the initial recognition of an asset or a liability – as long as the concerned transaction is not a business acquisition and does not affect tax or reported profit – do not comprise temporary differences. Deferred tax receivables relating to deficit deductions or other future deductibles for tax purposes are recognized to the



extent that it is probable that the deductions can be set off against future taxable surpluses.

Fixed Assets

Fixed assets are accounted for at the acquisition cost with deduction for depreciation according to plan. The acquisition value includes expenditure that is directly attributable to the acquisition of the asset.

When a component in a fixed asset is replaced, any remaining part of the old component will be disposed of and the new component is activated.

Additional expenditures related to assets that are not divided into components are added to the acquisition value to the extent that the asset's performance increases in proportion to the asset's value at the date of acquisition.

Expenditures for repairs and maintenance are expensed.

Depreciation according to plan is computed as follows:

Computer equipment	20%
Other equipment	20%
Buildings	2–4%
Goodwill	10–20%
Other intangible assets	10–20%

Financial Instruments

All financial instruments are measured and recognized based on acquisition cost in accordance with the rules of chapter 11, in BFNAR 2012:1. Financial instruments recognized in the balance sheet include accounts receivable and other receivables, accounts payable, loans and derivatives. The instruments are recognized in the balance sheet when the company becomes a part in the instrument's contractual terms.

Accounts receivable and other receivables

Receivables are recognized as current assets, except for receivables with due dates more than 12 months after balance sheet date which are classified as fixed assets. Receivables are recorded at the amount expected to be paid after deductions for individually assessed doubtful receivables.

Loan liability and accounts payable

Loan liability and accounts payables are recognized initially at acquisition value after deductions for transaction costs. If the reported amount differs from the amount expected to be repaid on the due date the difference is treated as interest expense over the term of the loan using the instrument's effective interest rate. Hereby on maturity date the reported amount will be consistent with the expected amount to be repaid.

Documented hedges of financial assets and liabilities in foreign currency (hedge)

CellMark utilizes foreign exchange forward contracts to manage the currency risk arising from the purchase and sales in foreign currency. For these transactions normally hedge accounting are applied. When the transaction is concluded, the relationship is documented between the hedging instruments and hedged items, as well as the Group's risk management objectives and risk management strategy for hedging.

Currency forward contracts protect against fluctuations in exchange rates as the contract determining the rate at which the asset or liability in foreign currency will be realized. When hedging of these transactions take place, hedging instrument is not revalued due to changed currency exchange rates and currency future contracts are not reported in the balance sheet. The entire effect of changes

in exchange rates adjust the value of the asset or liability hedging related. Difference between forward and spot in a contract over the contract period is reported as interest if the difference is essential.

Inventory

Inventories have been valued at the lower of cost or market, i.e. the lower of the acquisition value and the estimated net sales value. Net sales value refers to the goods estimated selling price less selling costs.

Provisions

Provisions are recognized when there is a legal or informed obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The time or the amount of the outflow may remain uncertain.

Cash Flow Statement

Cash and cash equivalents include bank balances and short-term investments.

Estimations and assumptions

The companies of the Group makes estimates and assumptions concerning the future. The estimates for accounting purposes, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of material adjustments to the values of assets and liabilities within the next year are outlined.

Inventory obsolescence is made based on individual assessment.

Bad Debt for accounts receivable is made based on individual assessment.

Provisions for disputes are made if the outcome is expected to be negative.

Supplementary Information in TSEK

Note 1 Operating Income

Group	2016	2015
Pulp	4 909 059	3 709 119
Paper	7 577 462	8 240 506
Packaging	3 188 642	3 573 031
Recycling	3 000 670	2 992 847
Chemicals	1 174 603	1 239 831
Metals	2 401 778	2 273 196
Basic Chemicals	627 771	539 071
Other	7 711	10 945
Total	22 887 696	22 578 546

Group	2016	2015
USA	10 901 862	11 336 506
Europe	7 201 160	6 553 362
Asia	3 727 689	3 821 594
Other	1 056 985	867 084
Total	22 887 696	22 578 546

Parent Company's Purchases and Sales from/to Group Companies

Purchases	2.94%	2.99%
Sales	4.07%	4.60%

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FRANCE



DUBUFFET

Supplementary Information in TSEK

Note 2

Number of Employees, Salaries and Emoluments, etc

	Group			
Average Number of Employees:	2016	Men	2015	Men
Sweden	110	42	102	42
USA	355	213	351	204
Other Countries	242	120	201	92
	707	375	654	338
Number of Board Members, Presidents and Managing Officers:	2016	Men	2015	Men
Board Members	31	28	31	28
Presidents and Managing Officers	23	20	23	20
Salaries, emoluments, social security expenses and pension expenses were paid as follows:				
Salaries and Emoluments	495 127	513 906		
Social Security Expenses	86 888	81 197		
Pension Expenses	55 429	57 648		
	637 444	652 751		
Pension Obligation to Board and President	0	0		

Note 3

Disclosure of Audit Fee and Cost Reimbursements

	Group	
	2016	2015
Moore Stephens		
Audit Assignment	4 061	4 467
Tax Assignment	738	1 408
Non-Audit Assignments	1 260	793
Other Auditors		
Audit Assignment	5 525	4 325
Tax Assignment	263	189
Non-Audit Assignments	4 896	5 745
Total	16 743	16 927

Note 4

Operational Leases

	Group	
	2016	2015
Future minimum lease payments for non-cancellable leases		
Falling due for payments as follows:		
Within 1 year	27 393	20 646
Between 2 and 5 years	51 687	48 185
Later than 5 years	10 823	19 610
Total	89 903	88 441

Note 5

Tax on Profit for the Year

	Group	
	2016	2015
Income Tax	-4 396	48 470
Deferred Tax	9 712	-18 301
	5 316	30 169

Reconciliation Effective Tax Rate

Profit Before Tax	26 198	33 701
Tax on profit in accordance with national tax rates applicable in each country:	15 071	11 120
Tax effects from:		
Other costs non-deductible	8 428	39 521
Income not taxable	-34 951	-2 053
Not booked deferred tax assets	6 848	-118
Change in deferred tax	9 712	0
Other temporary differences	0	-18 301
Other taxes	208	0
Tax	5 316	30 169



Supplementary Information in TSEK

Note 6

Acquisition Values and Depreciation, etc. for Goodwill

Group	Dec 31, 2016	Dec 31, 2015
Acquisition Value Brought Forward	145 452	135 730
Purchases	1 051	4 198
Exchange Rate Differences	19 704	5 524
Accumulated Acquisition Value Carried Forward	166 207	145 452
Depreciation Brought Forward	-90 028	-69 121
Exchange Rate Differences	-16 227	-3 003
Depreciation for the Period	-16 749	-17 904
Accumulated Depreciation Carried Forward	-123 004	-90 028
Book Value	43 203	55 424

Note 7

Acquisition Values and Depreciation, etc. for Computer Software

Group	Dec 31, 2016	Dec 31, 2015
Acquisition Value Brought Forward	28 476	28 853
Purchases	1 144	173
Sales/Disposals	0	-1 397
Reclassifications	101	0
Exchange Rate Differences	1 505	847
Accumulated Acquisition Value Carried Forward	31 226	28 476
Depreciation Brought Forward	-26 529	-26 263
Sales/Disposals	0	1 397
Exchange Rate Differences	-1 463	-697
Depreciation for the Period	-861	-966
Accumulated Depreciation Carried Forward	-28 853	-26 529
Book Value	2 373	1 947

Other Intangible Assets

Group	Dec 31, 2016	Dec 31, 2015
Acquisition Value Brought Forward	72 357	68 359
Purchases	10	65
Sales/Disposals	-27 902	0
Exchange Rate Differences	5 813	3 933
Accumulated Acquisition Value Carried Forward	50 278	72 357
Depreciation Brought Forward	-58 304	-47 603
Sales/Disposals	27 772	0
Exchange Rate Differences	-5 174	-2 804
Depreciation for the Period	-6 181	-7 897
Accumulated Depreciation Carried Forward	-41 887	-58 304
Book Value	8 391	14 053

Note 8

Acquisition Values and Depreciation, etc. for Land and Buildings

Group	Dec 31, 2016	Dec 31, 2015
Acquisition Value Brought Forward	138 612	144 562
Purchases	264	390
Sales/Disposals	-74 899	-15 006
Exchange Rate Differences	12 248	8 666
Accumulated Acquisition Value Carried Forward	76 225	138 612
Depreciation Brought Forward	-20 227	-26 576
Sales/Disposals	8 060	10 149
Reclassifications	0	239
Exchange Rate Differences	-1 859	-825
Depreciation for the Period	-2 711	-3 215
Accumulated Depreciation Carried Forward	-16 737	-20 228
Book Value	59 488	118 384
Book Value, Buildings	46 790	103 684
Book Value, Land	12 698	14 700
59 488	118 384	



Supplementary Information in TSEK

Note 9

Acquisition Values and Depreciation, etc. for Equipment

Group	Dec 31, 2016	Dec 31, 2015
Acquisition Value Brought Forward	232 931	218 719
Purchases	39 485	20 643
Sales/Disposals	-21 565	-18 271
Reclassifications	-101	-165
Exchange Rate Differences	18 246	12 005
Accumulated Acquisition Value Carried Forward	268 996	232 931
Depreciation Brought Forward	-160 977	-147 225
Sales/Disposals	18 003	17 143
Reclassifications	0	395
Exchange Rate Differences	-13 353	-7 367
Depreciation for the Period	-21 448	-23 923
Accumulated Depreciation Carried Forward	-177 775	-160 977
Book Value	91 221	71 954
Net value of Equipment under Capital Lease are included with	8 321	7 990

Note 10

Participating Interests in Group Companies

	Dec 31, 2016	Dec 31, 2015
Opening Balance	519 131	515 564
Sales	0	-1 894
Purchases	6 424	5 461
Book Value	525 555	519 131

CellMark AB's Participation in Group Companies

Company	Country/ Reg office	Share of Capital	Dec 31, 2016 Book Value	Dec 31, 2015 Book Value
CellMark Inc/par USD 49 000/	USA	100%	380 777	380 777
CellMark Asia Pte Ltd/par SGD 1 000 000/	Singapore	100%	3 385	3 385
Singapore Pulp Private Ltd/par SGD 100 000/	Singapore	100%	0	0
CellMark SA/par CHF 300 000/	Switzerland	100%	30 724	30 724
Hylte Converting AB, 556528-8924/par SEK 600 000/	Hyltebruk	100%	7 315	7 315
646325 B.C. Ltd/par CAD 1/	Canada	100%	0	0
CellMark Australia Pty Ltd /par AUD 250 000/	Australia	100%	1 638	0
Worldchem Scandinavia AB, 556418-0361/par SEK 670 000/	Gothenburg	100%	28 372	28 372
CellMark Paper SA de CV/par MXN 20 000/	Mexico	100%	2 302	2 302
CellMark Exports Inc/par USD 2 500/	USA	100%	67	67
BC Holdings Inc/par CAD 1/	Canada	100%	0	0
CellMark UK/par GBP 1/	UK	100%	14	14
CellMark Paper Peru SRL/par PEN 3 500/	Peru	100%	3 858	3 858
Sicutec AB, 556790-7216/par SEK 100 000/	Stockholm	100%	100	100
CellMark Papier SAS/par EUR 100 000/	France	100%	10 862	6 076
CellMark Istanbul Seluloz/par TRL 100 000/	Turkey	60%	224	224
Andorra Holding AB, 556865-1433/par SEK 50 000/	Gothenburg	100%	540	540
CellMark Kimya Tic AS/par TRL 50 000/	Turkey	100%	5 990	5 990
Jamaica Recycles Ltd /par USD 333/	Jamaica	51%	327	327
CellMark India Pvt Ltd/par INR 11 715 580/	India	99.9%	1 967	1 967
CellMark Raw Material AB, 556411-8809/par SEK 100 000/	Stockholm	100%	43 132	43 132
CellMark Iberica SLU /par EUR 60 200/	Spain	100%	3 961	3 961
CellMark Hong Kong Ltd /par USD 1/	Hong Kong	100%	0	0
Book Value			525 555	519 131



Supplementary Information in TSEK

Note 11

Participating Interests in Associated Companies

Group	Dec 31, 2016	Dec 31, 2015
Share of Capital, Opening Balance	36 043	31 725
Share of Profit for the Year at Associated Companies	4 501	11 489
Deduction for Dividends Received	-232	-561
Exchange Rate Differences	2 931	-6 610
Share of Capital at Year-End	43 243	36 043

Company	Country/ Reg office	Share of Capital	Dec 31, 2016 Book Value	Dec 31, 2015 Book Value
Intersales KB, 916840-3930 Participation Right	Gothenburg		2 060	1 561
Central Kentucky Fiber Resources LLC	USA	50%	3 714	4 158
Urban Impact Recycling Ltd/par CAD 1 501 580/ Bren-Mar Properties LLC	Canada	50%	20 817	16 635
Magna Silva	USA	50%	1 848	1 451
Green Pellets Sarawak/par MYR 25 000 000/ Sabela/par EUR 20 000/ CasCell Trading Group Inc /par CAD 50 000/ Book Value	Singapore	22.058%	-6	557
	Malaysia	30%	3 582	8 233
	France	50%	-3 586	-3 469
	Canada	50%	14 814	6 917
			43 243	36 043

Note 12

Share Capital

	No of shares	Par Value
No/Value Brought Forward as of 2015-12-31	9 015	1 000
No/Value at Year-End	9 015	1 000

	No of shares	Par Value
A Shares	15	1 000
B Shares	9 000	1 000

Note 13

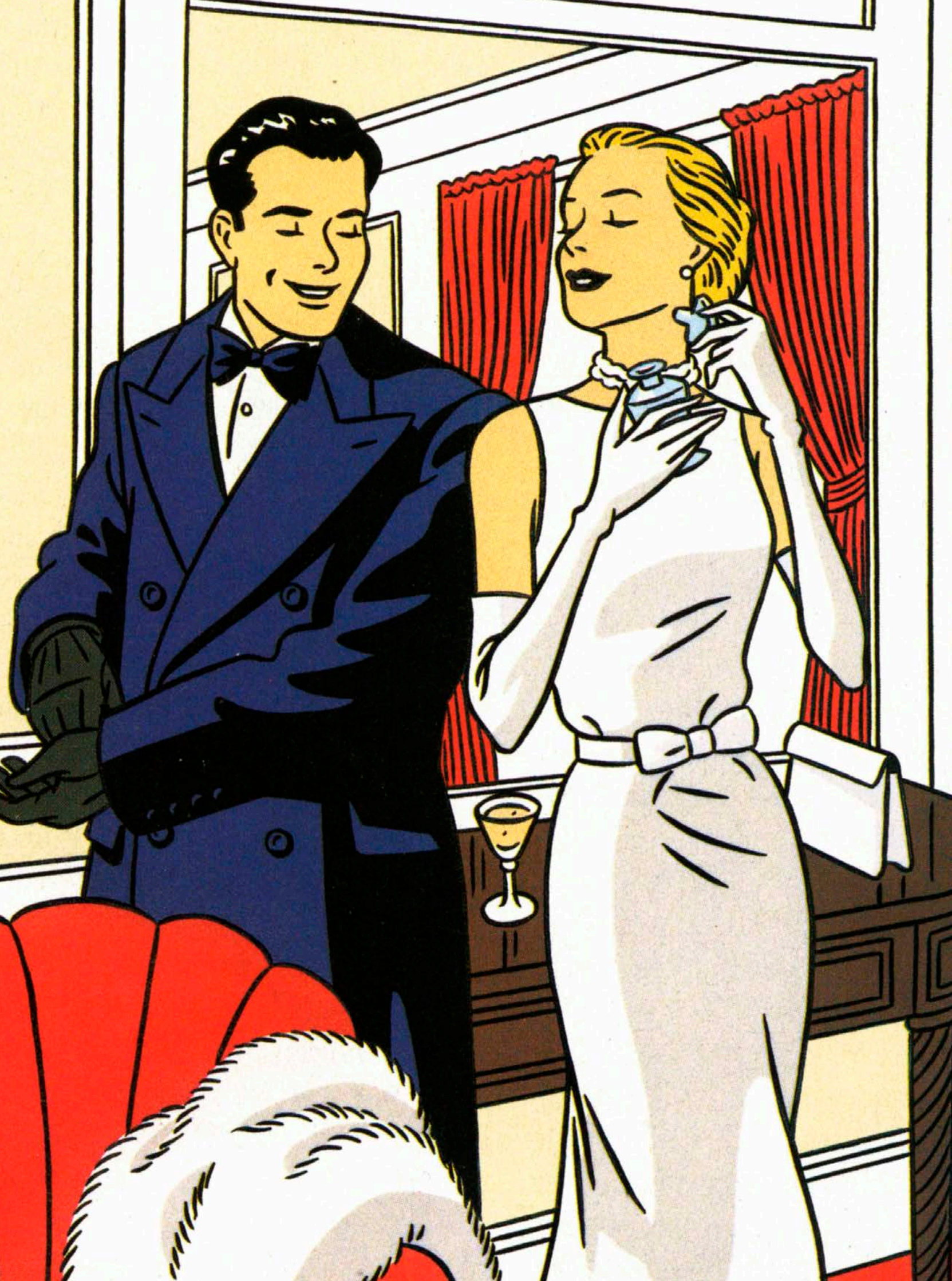
Deferred Taxes

Group	Dec 31, 2016	Dec 31, 2015
Deferred Tax Asset		
Tax losses carry-forward	27 363	23 028
Depreciation Goodwill	31 728	29 385
Provisions	13 031	14 015
Allowance Bad Debt	31 837	26 125
Other temporary differences	11 742	14 849
Total	115 701	107 402
Deferred Tax Liability		
Untaxed reserves	635	2 191
Other temporary differences	509	366
Total	1 144	2 557

Note 14

Long-Term Liabilities

Group	Dec 31, 2016	Dec 31, 2015
Liabilities to Credit Institutions		
Amortization within 2-5 year	6 368	36 594
Amortization after 5 year	0	0
Total	6 368	36 594
Other Long-Term Liabilities		
Amortization within 2-5 year	65 954	49 244
Amortization after 5 year	0	0
Total	65 954	49 244



Supplementary Information in TSEK

Note 15

Liabilities to Credit Institutions

Group	Dec 31, 2016	Dec 31, 2015
Overdraft facilities	1 913 000	1 423 821

Note 16

Pledged Assets

Group	Dec 31, 2016	Dec 31, 2015
Pledged Assets for Liabilities to Credit Institutions		
Floating Charge	41 000	41 000
Inventories	839 685	946 227
Accounts Receivable	2 235 348	1 896 090
Bank Balances	1 649	302
Pledged Assets for Provisions		
Endowment Insurance	24 057	23 793
Total Pledged Assets	3 141 739	2 907 412

Note 17

Contingent Liabilities

Group	Dec 31, 2016	Dec 31, 2015
Contingent Liabilities		
Sureties/Guarantees	37 155	49 021
Pension Obligation	27 974	27 344
Other Contingent Liabilities	88 798	61 544
Total Contingent Liabilities	153 927	137 909

Note 18

There are no significant events to be noted after the end of the financial year.

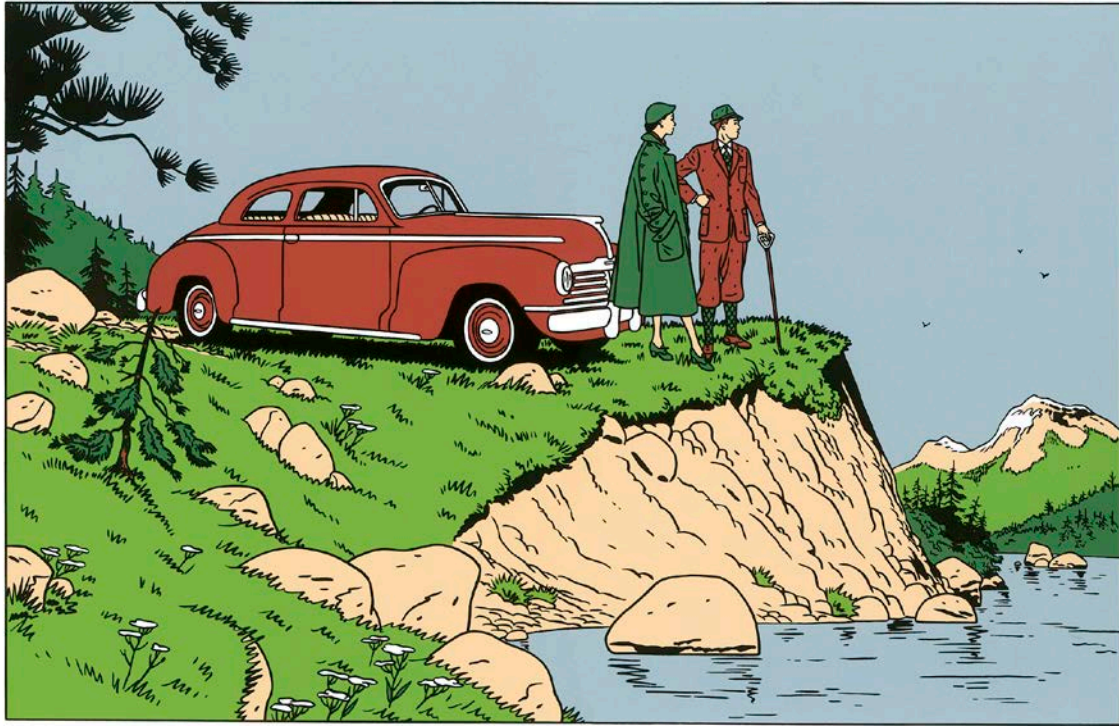


Gothenburg, May 15, 2017

Mr Fredrik Anderson	President
Mr Thomas Hedberg	Chairman
Mr Victor E Rice	Executive Director
Sir Adrian Montague CBE	Non-Executive Director
Mr Jay Hambro	Non-Executive Director
Mr Pär Östberg	Non-Executive Director

Our Audit Report was submitted on May 15, 2017

Carl Magnus Kollberg	Authorized Public Accountant
Ulf Lindesson	Authorized Public Accountant



Autumn



- 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 and consolidated 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 and the group'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 and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of CellMark AB for the year 2016 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.

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 the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors 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 and the group's type of operations, size and risks place on the size of the parent company's and the group'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 and the group'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 meas-

ures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

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 whether the proposal is in accordance with the Companies Act.

Gothenburg, May 15, 2017

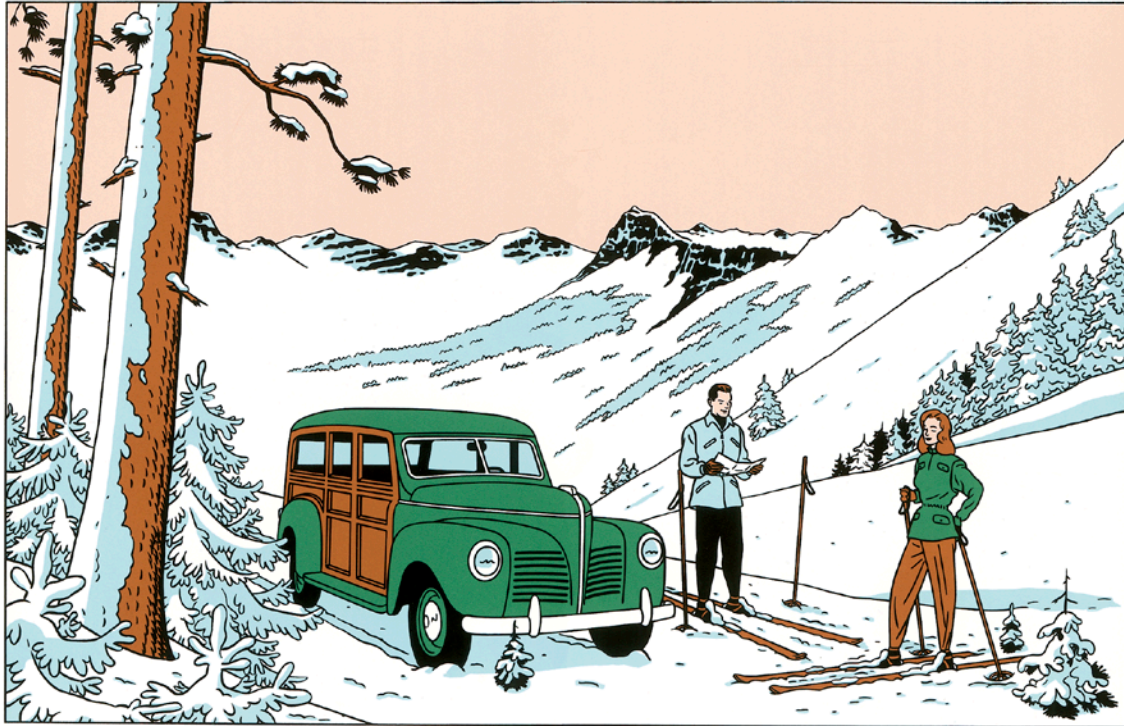
Carl Magnus Kollberg
Authorized Public Accountant

Ulf Lindesson
Authorized Public Accountant



Here we are

A	Athens, Atlanta, Auckland	M	Mexico City, Miami, Milano Mississauga, Mount Laurel, Mumbai
B	Bangkok, Barcelona, Birmingham, Blaine, Bodrum, Bogota, Boca Raton, Bridgeport	N	New Westminster, New York, North Charleston, Norwalk
C	Calgary, Chicago, Cohasset	O	Oslo
D	Doylestown, Dubai, Dublin, Düsseldorf	P	Paris, Parkland, Pearl River
E	Everett	Q	Quingdao
F	Florens	R	Richmond
G	Geldrop, Geneva, Ghent, Gothenburg	S	San Rafael, Sao Paulo, Seattle, Seoul, Shanghai, Shelton, Singapore, Slough, Stockholm, Suffern, Surrey, Sydney
H	Hethersett, Ho Chi Minh City, Hong Kong, Huntington Beach	T	Taipei, Tokyo, Toronto
I	Istanbul, Izmir	U	Utrecht
J	Jakarta	V	Vancouver
K	Katowice, Kikinda, Krakow	W	Washington DC, Winnipeg
L	Lake Oswego, Leeds, Lexington Lima, Little Falls	!	For the complete CellMark office network, please refer to www.cellmark.com



Winter



This year's artist

***“We are all here on this earth to do something,
and it's up to one to discover what one's true role is.
Me, I am on earth to be Floc'h. My job is to be Floc'h.”***

In the role of Floc'h, he has, since 1975, created more than 30 books, numerous comic books and hundreds of commercial illustrations, all in the typical style known as *ligne claire*, (clear line) the old and wide-spread tradition in France and Belgium most often associated with Tintin's creator Hergé. Today Floc'h is one of the style's most prominent practitioners with recurrent illustration assignments for The New Yorker, Monsieur and many other magazines, movie posters for directors such as Woody Allen, Mike Leigh and Alain Resnais and a large number of book covers.

**But he would never call himself an artist.
It would probably be both trite and pretentious, misleading.**

*“I do hate the idea of work. I never work but I always have something to do.
Therefore, I don't like being on holiday, it takes far too much time from more
sensible things. I always do exactly what I want to do for the moment, and
the illustrations don't always win.”*

Floc'h is a true aesthete.

He has neither computer, mobile phone, driving license or car and claims he has never owned a TV. *“Life is short and you have to choose. I only put things I like into my brain. I find it quite puzzling when people spend 2–3 hours a day watching TV. You can do so much in a day if you don't waste time.”*





PaperSeed Foundation

Our Mission

The PaperSeed Foundation is a non-profit organization dedicated to strengthening educational opportunities for children and young people in underserved and resource-lacking communities around the world.

2016: The Year in Numbers

PaperSeed supported **12** organizations whose programs have benefitted over **184,000** children across **5** countries: China, India, Kenya, the Philippines and the United States.

CellMark employees supported the foundation and/or volunteered their time in **15** offices spanning **10** countries: Belgium, Canada, China (both mainland and Hong Kong), Greece, India, Japan, Singapore, Sweden, Turkey and the United States.

16 businesses partnered with PaperSeed: *Brian McClay & Associates, CellMark, East Africa Packaging Industries, flambeau River Paper, Grassi & Co., Fr. Meyer's Sohn, Hawkins Wright, Marin Sanitary Service, Megasoft, Mill Valley Refuse Service, Norcell, Penn Warehouse & Distribution, Inc., SEB Bank, Stamford Ford, TFA Graphics, and Zero Waste Marin.*

PaperSeed has supported the work of **12** NGO and social enterprise in-country partners: ArtCorps, Corazon Roxas Foundation, Fairfax-San Anselmo Children's Center, the Family Resource Center, Generation Guiders, Girl Rising India, Going to School, Keep California Beautiful, The Kilgoris Project, Project Music, the Shanghai Youth Development Foundation, and ZanaAfrica.

About Us

The PaperSeed Foundation works with community-based organizations and leaders to create locally defined and culturally appropriate solutions. By harnessing global networks, PaperSeed creates coalitions between employees, local communities, NGOs and businesses that are committed to strengthening education.

CellMark provides financial support for all foundation administrative and operating expenses. As such, 100 percent of donations directly benefit educational projects.

PaperSeed is pleased to offer our expertise in the form of Corporate Social Responsibility Services to help any company achieve success in their social and charitable goals without taking on unnecessary administrative burden. We work with numerous businesses to choose deserving projects within the communities where your business has a presence to make an impact that reflects your company's unique worldview and values.

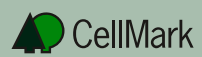
Please visit www.paperseed.org to learn more about our work and impact.



PaperSeed Foundation







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