

2019
2019
2019

CELL CELL CELL








Our vision is Surpassing Expectations.

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

Our 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.*


We are a company of global entrepreneurs where we generate ideas and welcome change.

*We **care** about the future welfare, health, and well-being of our people, our business partners, and the communities where we are present.*

*We **build** strong, agile teams of dedicated people with a results-oriented work ethic to align towards common goals. We develop long-lasting 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 guardrails to facilitate **sustainable growth**.*







2019 has been a challenging year from a market perspective. Many of our customers and suppliers have been suffering from declining markets, experiencing difficulty with the trade war between China and the United States, and other complications. Despite this, CellMark has managed to make continual financial progress and stay profitable. All this, thanks to our dedicated employees who know how to be agile and flexible when circumstances change unexpectedly. Once again we have proven that we know how to succeed, not only in good times, but also in times of difficulty.

During the year, we continued the previous year's strategy of growing our core business and concentrating our activities within our seven existing operating divisions. In line with this strategy, we completed the wind down of CellMark Medical. Despite a lot of effort spent trying to redirect the business, it turned out to take far longer than expected to develop a profitable project. We considered our investments to be better spent on our well-established activities.

Adding value to our core areas will help us to keep building upon the successful company foundation that, so far, has given us more than three decades of profitable business. Our focus going forward will be to reduce transaction costs to stay competitive and remain relevant for the future.

In 2019, we celebrated CellMark's 35th anniversary. Looking back over these years of profitability and development, we are utterly proud of our growth story and our strong global position as a world-class marketing and supply chain service company. We are also grateful to our partners and for their continued invaluable support.

By division, CellMark Paper started out 2019 strong by resuming profitability after a period of struggle in 2018. CellMark Packaging suffered from a tough market development but managed the circumstances satisfactorily. CellMark Pulp had a successful year. CellMark Recycling experienced a rapid downturn in market conditions while still delivering profits. Our Chemicals division suffered from direct as well as indirect effects of the trade war. CellMark Basic Chemicals had a very tough year. Our Metals Division continued its restructuring and rightsizing, and CellMark Energy entered into new promising engagements.

Moreover, we focused on providing more efficient technology platforms for our organization, as well as for our partners. We launched a new intranet, a new external website, and a new e-learning platform for our employees to use for improving their skills in different work areas. We made the decision to upgrade our Enterprise Resource Planning (ERP) from IFS 8 to IFS 10. A necessary improvement.

As a global company with people located worldwide, it is of high importance to provide common platforms and tools where we all can unite and communicate. This will not only facilitate our employees' daily work, but also ensure that we can bring more value to our customers and suppliers. Our vision will always be to Surpass Expectations.

Nonetheless, our vision also applies to the surrounding world and the communities in which we work and live. We demonstrate our principle, that we care, by continuing our support of the PaperSeed Foundation, a non-profit organization dedicated to strengthening educational opportunities for children and youth around the world. This year, we also published our first stand-alone Sustainability Report.

Worth mentioning, 2019 was my very first year as the CEO of CellMark. I entered my new role with a lot of enthusiasm, and I am closing the books on 2019 with that same feeling. I am proud and grateful for what we have accomplished together this year, and wish to thank all employees and business partners for their contribution and support.

Now, we are ready for a new decade.

Christer Simrén
President & CEO



We deliver products, services, and solutions to the world market

CellMark is a privately owned independent marketing and supply chain service company providing products, services, and solutions to customers and suppliers all over the world. We facilitate trade and business development across multiple industries using our vast network of local offices and professional expertise.

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, we have developed world-class marketing and supply chain service capabilities and expanded into new product areas. Today, we run seven successful international divisions in Pulp, Paper, Packaging, Recycling, Chemicals, Metals, and Basic Chemicals. We have also grown operations for plastics and biomass for energy.

Through a network of 70-plus offices in 30-plus countries, we provide a full suite of services and partner with clients to identify new business opportunities that add value to processes and products: sourcing, sales & marketing, exclusive representation, finance, logistics, regulatory compliance, and, in some areas, research & development and custom manufacturing.

With our vision, Surpassing Expectations, we commit to improve every day, supporting our clients in every action we take.

The CellMark Group consists of more than 800 professionals with in-depth product and market knowledge and extensive, long-term relationships in the industries we serve. The company is privately held and owned by its employees and an outside corner investor, Ernström & Co., who helps us achieve our strategic objectives. Our annual sales are approximately USD 3 billion, with volume of almost 7 million tons annually. CellMark takes pride in contributing to global sustainability efforts and is committed to strengthening educational opportunities in support of the PaperSeed Foundation.

For more information please go to www.cellmark.com.



The Pulp Division enjoyed a very successful 2019 despite the significant head winds in both the Pulp and Energy markets. I am very pleased with our progress on our Strategy Map goals and 2019 saw many of them reaching a successful conclusion.

The global pulp market was beset by a massive price correction in the first quarter of 2019 whereby excessive inventory (particularly in China) drove pricing to its lowest levels in many years. This caused a tremendous amount of uncertainty for both customers and producers alike as “price discovery” became the topic. Our Pulp team was able to navigate these choppy waters by providing our partners current and insightful updates on the rapidly changing sales environment. Our continued investment in local, on the ground offices means that we are closer to our customers than ever before.

Similarly, the energy and caustic markets saw similar macro price corrections in line with the global commodity price erosions. The Division’s ability to provide ongoing sales opportunities despite these massive changes was welcomed by our partners. The Energy group saw biomass pellet pricing slump in both the residential and industrial markets as warm winter weather and changing support mechanisms negatively influenced price expectations. Nonetheless, we continued to find commercial solutions to maintain continuity for both our producers and customers alike. The Energy and Caustic group had their best year ever.

The Pulp Division was pleased to participate in CellMark’s global 35th anniversary celebrations and individual commemorations took place on each continent. Since the Pulp Division was the genesis of the company’s founding it was a particularly proud moment. Pulp was also extremely focused on bringing in new team members in 2019 to support our growing business which took the form of several new agencies and the conclusion of two core long term agreements with our partners.

The focus for 2020 will be on the continued growth path for the Division. As the world becomes more complex and interconnected the need for professional, dedicated sales and supply chain specialists remains critical. I want to personally thank our customers and suppliers for their support in 2019 and give a special thanks to my team who performed magnificently.

Doug Smith
Pulp Division President



Despite a challenging marketplace, the Paper Division's 2019 results improved greatly when compared to the previous year. The unprecedented supply and demand challenges in 2018 certainly softened and, as a result, provided new opportunities. Stronger divisional returns were the product of improved performance within all regional offices and our continued focus on administrative cost controls, working capital management, and product mix expansion.

Our international business continued to expand, primarily in Southeast Asia. Many of the Asian markets are still in expansion mode as the countries modernize and demand for written material grows. Our LATAM business also increased in 2019 with particular emphasis on new markets and new specialty paper grades.

Our worldwide paper business continues to diversify outside of traditional printing and writing grades. The printing and writing paper segments remain a focal point within each region, but we have re-focused our team to include specialty paper grades for our future business planning.

Equally as important, we remain highly focused on ensuring that our paper business costs are aligned with our ever-evolving business. In 2019, we embarked on an ambitious path to restructure our business and create a more nimble platform that can adapt to our constantly changing marketplaces. These difficult decisions helped further reduce costs while improving overall performance. It remains one of our primary objectives; to continually analyze our overall divisional cost structure and remain a competitive low-cost service provider for our suppliers and clients. In addition, we work tirelessly around the globe strengthening our relationships with best-in-class suppliers. Our geographic footprint positions us to offer unique solutions to both our supply partners and customers around the world.

We have recently entered into long-term strategic alliances with key suppliers and customers. These alliances will help ensure a more stable supply platform for them in the future. In 2019, CellMark Paper relied on our supply partners 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 are extraordinary partners. We look forward to continued cooperation and further building our relationships in 2020. In addition, we are very grateful to our committed, loyal, and hardworking employees – the lifeblood of our division.

In summary, CellMark Paper is adapting and evolving with our ever-changing global paper markets. We are managing our cost base and focusing on new paper segments within our business. We are confident in our strategy, suppliers, clients, and our team as we proceed into 2020 and beyond.

Joe Hoffman
Paper Division President



15 years ago, a trend of supplier consolidations started in the paper & board industry and converting sectors packaging companies. One anticipated result of this consolidation was that the historical swings of supply and demand would be tempered, and the industry might find more stability and balance, with less commodity pricing influences. Over the past two years we have been through a complete peak and trough cycle with many grades of packaging products so it seems the trend of aggressive market swings may continue.

Throughout 2019, we continued to be impacted by geopolitical issues that changed the flow of products within Asia and with North America. The reduction of wastepaper imports to China created more import demand of packaging papers and other fiber, but import tariffs caused some traditional supply points to be restricted. European packaging activity was stagnant. New supply and declining prices were a common theme in many market areas. E-commerce and substitution to paper packaging were the few areas of strength in global packaging markets during the year.

2019 saw pricing of some packaging grades reduced by 50 percent from peak pricing in 2018. Many customers took time to reduce heavy inventories built in 2018, which reduced demand for new product input. The swing to a buyer's market also caused us to be alert to payment issues so we took conservative positions in many regions. These impacts reduced our revenue and thus reduced our net profit significantly.

Our strategy continues to focus on geographic growth and adding more products to our supply mix. Value-added grades, with higher technical attributes, will become a larger part of our global sales. This will help increase our overall average price mix and give more stability in segments that are less volatile. We will start to see the results of this activity during 2020.

By year-end, it seemed that supply and demand had reached a balance point. Growth expectations are showing small improvements for 2020, which will improve demand for packaging grades. The next swing of the cycle begins.

Paul Busnardo
Packaging Division President



2019 was a stressful year for our group and the Recycling Industry as a whole. It seemed that when things could not get any worse, they did. Prices for recyclables (mainly paper and plastics) plummeted to levels not seen in over 30 years, and recycling became a worldwide crisis.

Exports of Recovered Paper from North America were down 12 percent from 2018, and U.S. domestic consumption was down almost 5 percent. The demand for recyclables was lacking and mills took market related downtime worldwide – something we had not seen in recent memory. Hardest hit was mixed paper with producers having to pay as much as USD 35 per ton just to move their material.

There was uncertainty throughout the year as governments followed China's lead in banning certain recyclables from their countries. India put a total ban on plastics, as China had the previous year. The Philippines shipped containers of plastics back to Canada, claiming they were full of rubbish, and threatened to declare war on them if they did not accept the returned containers.

Indonesia, whose purchases of U.S. wastepaper has almost tripled since China implemented its policy of gradually eliminating the import of recyclables, imposed strict, often excessive, regulations on the importation of recyclable commodities no less than three times. Costly and cumbersome inspection protocols were hastily rolled out. The stringent new quality specifications brought shipping in that market to a screeching halt upon each new release of the customs requirements.

In these turbulent markets, our group stayed true to our overall game plan of being diversified within the space. We continued to grow our U.S. trading group and significantly increased our European footprint. From a financial perspective, things could have been worse. Our year over year results were down 35 percent.

Looking to 2020, we are confronted with the coronavirus and associated problems being caused in the worldwide economy as a direct result of it. But this too shall pass. Goodbye 2019.

Jimmy Derrico
Recycling Division President



Global industry conditions in specialty chemicals were rather challenging throughout 2019. We have seen general slowdowns in many of the geographic areas where we are present. In the North America region, particularly in the United States, we have had to deal with the crippling effects of the tariffs that were imposed on Chinese goods. This has caused much angst among consumers, who have worked diligently at mitigating those cost increases as much as possible, and came mostly at the expense of the supply chain channels.

In Europe, we experienced a slowdown in the automobile and durable goods sectors, which had ripple effects on the infrastructure set up to support those markets. In Asia, we saw a slowdown in China's productivity, which now represents the largest economy in that region and acts as a bellwether for the health of many of the surrounding economies – both large and small – in northeast and southeast Asia.

The global slowdowns that occurred in 2019 have caused many specialty and commodity chemical companies to downgrade their forecasts throughout the year and CellMark Chemicals was no exception. Our full year earnings did not exactly measure up to our original projections, which on the surface is unfortunate but, at the same time, understandable given the macroeconomic conditions. Despite the down year, the Chemicals Division still managed to post a respectable profit that greatly helped towards the overall Group results. The diversification of our supplier and product portfolios, along with the resiliency of our dedicated employees, enabled us to produce decent results in what otherwise could be considered a down year for the global specialties industry.

Despite some of the challenges faced throughout 2019, we experienced several bright spots along the way. We made considerable progress in the construction of our new Food Ingredient Nutraceuticals facility, located in Naugatuck, USA. It will house our AnMar business unit, which is in the process of being rebranded as CellMark Ingredients. The new 5,000 square meter facility will have production, warehousing, and enhanced laboratory capabilities

to meet the growing needs of our customers in the dietary supplement market. We expect to complete construction and move-in in May or June 2020.

Throughout the year, we also added some new supplier relationships that have bolstered our presence in various sub-markets, particularly in the areas of flavor and fragrances, dietary supplements, pharmaceuticals, and paper chemicals. We continue to leverage against our own strengths and initiate cross-regional projects within the Chemicals Division, and between CellMark Divisions, thereby creating value for our suppliers who endeavor to grow outside of their home markets.

2019 brought new commercial opportunities in all areas of our business and we continue to grow in new geographies. In 2019, we expanded our footprint into the energy rich Gulf Coast Countries and have started delivering CellMark custom manufactured products that go into gas processing applications.

Even though 2019 proved to be a challenging year for the Chemicals Division, the fundamentals of our business remain strong and will allow for continued stability and earnings for years to come. We are grateful for the continued support and cooperation received from all our business partners and from the CellMark Management Team, the Board of Directors, and our employees who make it all possible.

Hugo Galletta
Chemicals Division President



2019 was a challenging year for the world economy. Times have become more uncertain with complex geopolitical situations including armed conflicts and trade protectionism. The markets for raw materials and natural resources have become more volatile. The behavior of financial markets, including currency exchange and interest rates, makes the understanding of international trade and the role and flows of commodities even more complex.

We at CellMark Metals aim to have an independent long-term role in the market. We are a small to medium-sized worldwide physical trader and distributor of metallurgical raw materials, mainly to the Steel and Aluminium Industry. Our business model and core strategy is to provide logistical services to producers and consumers of industrial raw materials, both as agents and proprietary position takers. Our business relies on managing global supply chains of the commodities we handle, in the most efficient and reliable manner, thereby mitigating risk and adding value.

To survive the challenges, our trading team must be committed, disciplined, and adaptable, with the objective to build and maintain a strong position in the global markets where we are active. We serve producers and consumers and participate in the transition to a greener economy by supplying Nickel, Copper Aluminium, and Manganese, which are essential in the production of electric batteries.

CellMark Metals is diversified and organized into four business units:

- Non-Ferrous Metals
- Ferrous Metals
- Foundry Products
- Light and Specialty Metals and Ores

During the second half of 2019, the restructuring of CellMark Metals continued by downsizing and closing some of our European and Asian offices. The intent is to centralize the commercial and operational activity to our Stockholm office. Our newly opened small satellite offices in Beijing and Seoul performed well. Despite the challenging environment, we achieved a good operational result for 2019.

At CellMark Metals, we are spending a great deal of time developing a strong corporate culture, following CellMark Group's rules and recommendations on:

- Code of Conduct
- Guiding Principles
- Onboarding Rules
- Corporate Social Responsibility

The commodity business is transparent and very competitive. Despite the difficulties mentioned, our market sentiment for 2020 is positive. We continue to focus on building a sustainable business for now and for the future.

Claes Lundman
Metals Division President



An eventful 2019 has passed, featuring a global manufacturing downturn, major supply disruptions in chemicals and energy, government policy changes, and both escalation and de-escalation in the China–United States trade war. Prices of most basic chemicals have decreased, creating downward pressure on the sales revenues.

Geopolitical issues in various countries in MEA, LATAM, and Asia created an uncertain market environment and increased financial risks. Subsequently, we were forced to review and delay several running operations and new projects in those regions. Demand for most basic chemicals was stagnant, leading to an increased level of competition and lower margins.

Despite the challenging global markets, our division has managed to successfully navigate towards the growth targets outlined in our divisional strategy, further develop our global footprint, and invest in new sales markets such as North America and Asia.

As a result, our tonnage in 2019 increased by 9 percent as compared to 2018. The division has delivered 325 thousand tons of products and continuously served 14 industrial sectors in more than 40 countries over 5 continents. We are proud of having grown our position as a preferred and well recognized supplier in the global market.

We expect 2020 to be a pivotal year for the chemical sector. The overall manufacturing outlook remains challenging, but the emerging de-escalation of trade tensions is expected to boost confidence, trade flows, and investment.

In the new year, Basic Chemicals Division will be looking at:

- Harvesting good returns from the business development in both Asia and MEA.
- Focusing on our distribution businesses in Europe and Turkey, which traditionally contributes good returns.
- Further developing our position in North America as a lucrative market for basic chemicals.
- Capitalizing on our strengths as a global player with emphases on large bulk trades in the growing markets of Asia and MEA, and in the traditional markets of Europe, and the Mediterranean.

We are confident that the actions taken in 2019 will bring positive returns and will consolidate our business around our core competencies while keeping close control on cost.

As outlined in our divisional strategy, we will continue to follow our key growth drivers:

- Review and improve our existing business.
- Expand our business in new geographies.
- Expand and diversify our product portfolio.

We, as a proud team of 42 professionals located in different countries on 4 continents, would like to thank all our colleagues for their support and our business partners around the globe for choosing CellMark Basic Chemicals!

Ersin Alkan

Basic Chemicals Division President







Sustainability is integral to our core business

CellMark participates in initiatives to ensure global sustainability and ecological health; we are eager to join with our business partners to create a more just and sustainable world.

Recycling is a major part of the CellMark story. Each year, we increase the amount of waste diverted from landfill by cycling it back into global trade for a second life. We continually seek out opportunities for our core business areas to support sustainable practices and products, whether that be alternative energy, green chemistry, certified forestry products, or sustainable textiles.

Our Guiding Principles are the bedrock of all our actions. Integrity is the foundation of our relationships, with each other and with our business partners. Our Code of Conduct, anti-corruption, and whistle blower policies further exemplify our commitment to perform our services and business activities with a high degree of ethics.

We embrace the challenges involved in creating innovative solutions for our partners, and we take pride in contributing to global sustainability efforts.

To read CellMark's full Sustainability Report, please visit www.cellmark.com



CellMark works in support of the United Nations Sustainable Development Goals.



Quality Education

CellMark is a partner of the PaperSeed Foundation, underwriting all operations and administrative expenses, enabling 100 percent of all donations go directly to helping kids. During 2019, with CellMark's support, the PaperSeed Foundation worked to strengthen the education of 300,000 children in 9 countries.



Affordable and Clean Energy

CellMark Energy is a global leader in the production, trade and proliferation of biomass-based alternative fuels and waste-to-energy commodities. Further, in our lignosulphonate commodity trading, CellMark supports reduced energy usage in the production of ceramics and clay bricks, coal briquettes and recycled paper.



Sustainable Cities and Communities

Recycling is one of our core business areas. We strive to keep waste in the recycling stream and out of landfill. We operate four recycling plants in North America and three additional plants as joint ventures. Our commitment to sustainable cities can be seen in the 1,898,293 tons of recycled products we sourced and traded globally in 2019. Further, our recycling division supports a nonprofit recycling plant that helps rehabilitate people struggling with addiction return to their communities as productive members of society.



Life on Land

CellMark maintains a broad range of third-party certifications, including those from the Forest Stewardship Council® (FSC®), and the Program for the Endorsement of Forest Chain of Custody Standards (PEFC®). These certifications demonstrate our commitment to sustainable, intelligently managed forestry, which makes trees a renewable resource and keeps the world's woodlands healthy and productive.





1984
Cellulose Marketing International AB is founded in Gothenburg with 21 employees. Five overseas sales offices are established. In 1997, the company name is changed to CellMark.

1987
CellMark is now 100% employee owned. We acquire Pacific Forest Resources Inc. (PacFor), adding packaging paper & board and recovered paper to our existing base in market pulp and white-paper.

1990
We reach the 1 million ton mark and sell our products in 36 markets. In 1991 we add chemicals to our product portfolio.

1996
The 2 million ton mark is realized. We become ISO-9001 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 reaches a sales volume of more than 4 million tons.

2006
CellMark now has 37 offices around the world. We become FSC® and PEFC® certified.

2009
CellMark celebrates its 25th anniversary and maintains the 5-million-ton record reached in 2007. We acquire Fibres International and CellMark Recycling now operates 10 recycling facilities in North America.

HIGHLIGHTS

2010

CellMark Acquires Sicutec AB, a supplier of second-hand machinery and equipment to the pulp and paper industry.

2011

A significant acquisition is completed. With Alcan International Network onboard, CellMark operates two new divisions: CellMark Chemicals and CellMark Metals. Further, the company acquires NorCell in the USA and Axe Papier in France.

2012

Several new business lines are established: Basic Chemicals and Waste-to-Energy. CellMark is established as a 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 AB, a

Stockholm-based metals trading company and AnMar International Ltd, a nutraceutical ingredient company, broadens our network as well as our product portfolio and service capabilities.

2017

We acquire Semper Exeter in North America, a distributor and converter of paper, paperboard, plastics and films. A new long-term investor, Ernstström & Co, becomes

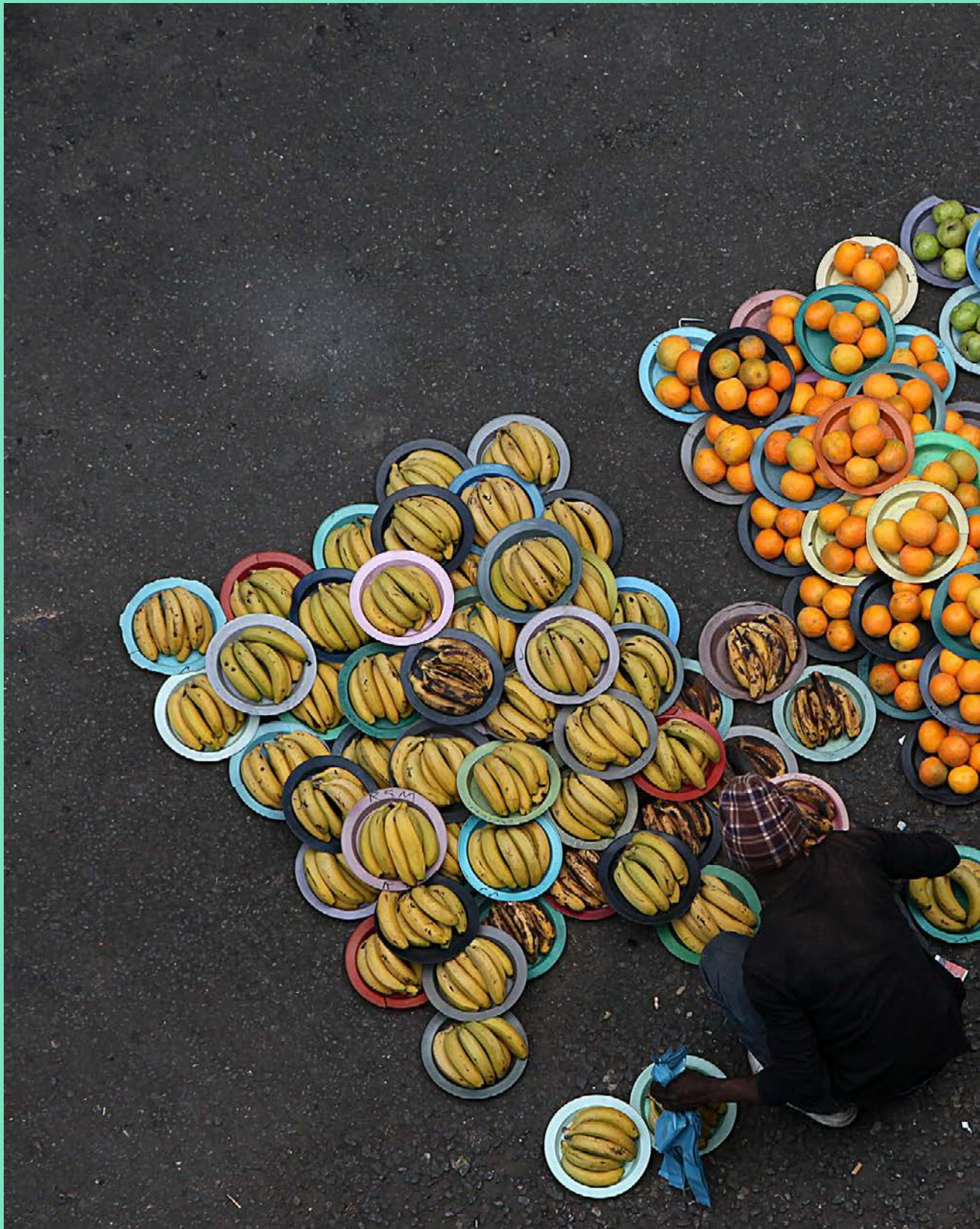
a shareholder in CellMark adding new skills and direction to the company.

2018

Volumes reach 7 million tons and CellMark begins reporting on its sustainability practices.

2019

CellMark celebrates its 35th anniversary and publish its first stand-alone Sustainability Report. The Energy and Caustic group had their best year ever.





Director's Report

The Board of Directors hereby submits a brief summary of the Group's consolidated financial statements and highlights for the financial year 2019. The statutory Annual Report, including the financials of the parent company and complete supplementary information, can be obtained from the company or the Swedish Company Registration Office ("Bolagsverket").

Operations

CellMark AB, together with subsidiaries and associated companies, markets paper, packaging, pulp, chemical, basic chemical, metal, and recycling products.

Significant Events during the Financial Year

At the beginning of 2019, Christer Simrén joined CellMark as the company's new CEO. Christer Simrén has extensive experience as a leader in large business organizations, with industry experience from the packaging, pulp, and forest industry. Christer Simrén is employed by the parent company CellMark AB.

During the year there have been two additions to the Group: CellMark Netherlands BV and CellMark Vietnam. The Group holds 100 percent of the shares in both companies.

The Group sold its shares in the Associated company Asia Pellets Co. Ltd. The Group subsidiaries CellMark Medicals LLC and Tri State Properties LP have been liquidated in 2019. There have been no additional significant events besides what has been stated.

Group Identification

CellMark AB is a subsidiary of CellMark Investment AB, company registration number: 556737-1959.

Foreign Branches

The Group has representative offices in Poland, Shanghai, Qingdao, 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 legal entity's local currency.

Risk Management

CellMark has defined the risks in its business model and has well-developed processes to reduce such risks. The Group has clear policies to handle credit and currency exposure, inventory and trading and for investment and acquisitions.

Price and product risks are covered as we conclude back-to-back transactions with suppliers and customers. CellMark sells counterpart and political risks in the insurance and banking markets, where CellMark also covers its foreign exchange expo-

sure. CellMark also have a Code of Conduct that all employees are obliged to follow.

Expected Future Development

The effect of the COVID-19 pandemic on the Group is still unclear. The pandemic has started to have an impact on supply chains and customer's and supplier's ability to send and receive goods. It is also an uncertain time for the world economy, and this could influence the Group's ability to generate sales over time. At the time of the Annual Report, it's difficult to estimate the long-term impact that the virus will have on our business. The Board and Management are closely monitoring the development and takes continuous measures to limit the adverse effects on the Group.

Sustainability Report

Information about the company's Sustainability Report can be obtained from the company's website www.cellmark.com.

Financial Highlights of the Group (MUSD*)

	2019	2018	2017	2016	2015
Operating Income	2 944	3 250	2 874	2 664	2 673
Profit after Financial Items	19.7	16.4	17.3	10.5	12.2
Total Assets	794	976	891	829	811
Equity Ratio (%)	21.8	17.1	18.9	18.6	18.8

*MUSD shall be read as Millions of US Dollars. For definitions see Note 1.

Changes in Equity (TSEK)

	Share Capital	Other Added Capital	Other Equity incl Profit for the Year	Minority Interest	Total
Opening Balance as of 2019-01-01	9 015	40 295	1 449 112	666	1 499 088
Actuarial loss Pension Liability			-4 559		-4 559
Translation Difference for the Year			34 138	-120	34 018
Dividend Paid			-38 000	-763	-38 763
Annual Result			118 104	-808	117 296
Amount at Year-End	9 015	40 295	1 558 795	-1 025	1 607 080

Accumulated translation difference amounts to TSEK 251.012 (216.874).

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



Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT	Note	2019		2018	
		SEK (000)	USD (000)*	SEK (000)	USD (000)**
Operating Income					
Net Sales		27 802 870	2 938 868	28 361 947	3 246 411
Capitalized Production Costs		260	27	0	0
Other Operating Income		45 573	4 817	35 682	4 084
Total Operating Income	2	27 848 702	2 943 712	28 397 629	3 250 495
Operating Expenses					
Cost of Goods Sold		-26 120 131	-2 760 996	-26 803 917	-3 068 073
Other External Costs	3,4	-455 122	-48 108	-434 697	-49 757
Personnel Costs	5	-936 372	-98 978	-866 770	-99 214
Depreciation of Fixed Assets	8, 9, 11, 12, 13	-46 724	-4 939	-44 925	-5 142
Result from Participations in Associated Companies	15	8 125	859	14 836	1 698
Total Operating Expenses		-27 550 224	-2 912 162	-28 135 473	-3 220 488
Operating Profit		298 478	31 550	262 156	30 007
Result from Financial Investments					
Interest Income		72 881	7 704	56 770	6 498
Interest Expenses		-185 118	-19 568	-175 413	-20 078
Total Result from Financial Investments		-112 237	-11 864	-118 643	-13 580
Profit after Financial Items		186 241	19 686	143 513	16 427
Appropriations	6	-3 100	-328	-22 200	-2 541
Tax on Profit for the Year	7	-65 845	-6 960	6 615	757
Net Result for the Year		117 296	12 398	127 928	14 643
Attributable to					
Shareholder of the Parent Company		118 104	12 484	127 653	14 612
Minority Shareholders		-808	-86	275	31

*Based on average exchange rate during the year 1 USD = SEK 9.4604

**Based on average exchange rate during the year 1 USD = SEK 8.7364

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET		Dec 31, 2019		Dec 31, 2018	
	Note	SEK (000)	USD (000)*	SEK (000)	USD (000)**
ASSETS					
Fixed Assets					
Intangible Fixed Assets					
Goodwill	8	46 305	4 970	57 753	6 438
Computer Software	9	481	52	1 079	120
Prepayments regarding Intangible Assets	10	260	28	0	0
Other Intangible Fixed Assets	11	5 954	639	7 215	804
Total Intangible Fixed Assets		53 000	5 689	66 047	7 362
Tangible Fixed Assets					
Land and Buildings	12	87 441	9 385	86 225	9 612
Equipment	13	102 076	10 956	99 008	11 036
Total Tangible Fixed Assets		189 517	20 341	185 233	20 648
Financial Assets					
Participations in Associated Companies	15	47 946	5 146	56 200	6 265
Other Shares		179	19	177	20
Endowment Insurance		26 677	2 863	26 027	2 901
Other Long-Term Receivables		105 771	11 352	115 635	12 890
Deferred Tax Asset	17	107 329	11 520	127 136	14 172
Total Financial Assets		287 902	30 900	325 175	36 248
Total Fixed Assets		530 419	56 930	576 455	64 258
Current Assets					
Inventory		2 238 140	240 219	2 075 277	231 332
Current Receivables					
Accounts Receivable – Trade		3 557 532	381 828	5 001 409	557 509
Receivables from Parent Company		518 775	55 680	442 786	49 357
Receivables from Associated Companies		17 452	1 873	39 207	4 370
Income Tax Receivable		4 534	487	1 324	148
Other Receivables		205 884	22 097	272 861	30 416
Prepaid Expenses and Accrued Income		91 392	9 809	60 914	6 790
Total Current Receivables		4 395 569	471 774	5 818 501	648 590
Cash and Bank Balances		231 082	24 802	282 076	31 443
Total Current Assets		6 864 791	736 795	8 175 854	911 365
TOTAL ASSETS		7 395 210	793 725	8 752 309	975 623

*Based on closing day rate of exchange 1 USD=SEK 9.3171

**Based on closing day rate of exchange 1 USD=SEK 8.9710

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET	Note	Dec 31, 2019		Dec 31, 2018	
		SEK (000)	USD (000)*	SEK (000)	USD (000)**
EQUITY AND LIABILITIES					
Equity	16				
Share Capital		9 015	968	9 015	1 005
Other Added Capital		40 295	4 325	40 295	4 492
Other Equity		1 440 691	154 629	1 321 460	147 304
Profit for the Year		118 104	12 676	127 652	14 229
Equity Attributable to Shareholder of the Parent Company		1 608 105	172 598	1 498 422	167 030
Minority Interest		-1 025	-110	666	74
Total Equity		1 607 080	172 488	1 499 088	167 104
Provisions					
Deferred Taxes	17	5 850	628	799	89
Provisions for Pension and Similar Commitments		151 573	16 268	140 314	15 641
Total Provisions		165 483	17 761	141 113	15 730
Long-Term Liabilities	18				
Liabilities to Credit Institutions	19	17 652	1 895	36 635	4 084
Other Long-Term Liabilities		2 093	225	1 870	208
Total Long-Term Liabilities		19 745	2 120	38 505	4 292
Current Liabilities					
Liabilities to Credit Institutions	18, 19	3 495 453	375 165	3 952 394	440 575
Accounts Payable – Trade		1 307 453	140 328	2 264 731	252 450
Liabilities to Associated Companies		22 284	2 392	13 991	1 560
Income Tax Liability		35 111	3 768	35 389	3 945
Other Current Liabilities		208 268	22 353	192 353	21 441
Accrued Expenses and Prepaid Income		540 377	57 998	614 745	68 526
Total Current Liabilities		5 610 962	602 221	7 073 603	788 497
TOTAL EQUITY AND LIABILITIES		7 395 210	793 725	8 752 309	975 623

*Based on closing day rate of exchange 1 USD=SEK 9.3171

**Based on closing day rate of exchange 1 USD=SEK 8.9710

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT (TSEK)		Note	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Operating Activities	1			
Operating Profit			298 478	262 156
Adjustment for Items Excluded from Cash Flow Statement, etc.				
Depreciation			46 724	44 925
Other Adjustments			-1 425	-18 105
Currency Exchange Differences			-5 442	6 260
Capital Gain/Loss Fixed Assets			1 899	7 789
			340 234	303 025
Interest Received			72 881	61 853
Interest Paid			-185 118	-180 497
Income Taxes Paid			-35 265	-345
Cash Flow from Operating Activities before Changes in Working Capital			192 732	184 036
Cash Flow from Changes in Working Capital				
Change in Inventories			-115 352	-392 879
Change in Accounts Receivable			1 347 570	-602 173
Change in Receivables			-16 552	45 955
Change in Accounts Payable			-893 657	474 829
Change in Liabilities			-17 082	95 006
Cash Flow from Operating Activities			497 659	-195 226
Investing Activities				
Purchase of Intangible Fixed Assets			-3 093	-1 603
Purchase of Tangible Fixed Assets			-26 893	-52 794
Purchase of Financial Assets			-2 841	0
Purchase of Subsidiaries			1	36
Cost for Leasing			-2 428	0
Sale of Fixed Assets			0	1 618
Sale of Financial Assets			0	4 510
Dividend Received			19 276	4 852
Change in Long Term Receivables			9 864	20 101
Cash Flow from Investing Activities			-6 114	-23 281
Financing Activities				
Change in Loan from Credit Institutions etc			-487 605	397 973
Group Contribution			-22 200	-22 200
Dividend Paid			-38 763	-100 000
Cash Flow from Financing Activities			275 773	275 773
Net Change in Cash and Cash Equivalents			-57 023	57 267
Cash and Cash Equivalents Beginning of the Year			282 076	219 542
Exchange Rate Difference in Cash and Cash Equivalents			6 029	5 267
Cash and Cash Equivalents End of the Year	20		231 082	282 076
Cashflow from Purchase of Subsidiaries				
Purchase Price Paid			1 399	-754
Cash and Cash Equivalents in Purchased Companies			-1 398	790
Cashflow from Purchase of Subsidiaries			1	36





Accounting and Valuation Principles

Note 1

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

The accounting principles are unchanged compared to the prior year.

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 percent of the shares or voting rights, see note 14.

All acquisitions of subsidiaries 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 the acquisition date.

Participation in associated companies have been reported according to the equity method. Companies where CellMark holds between 20 and 50 percent 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 closing rate.

Income Recognition

Income is recorded at the fair value of the amount the Company has received or expects to receive. 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 a 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 Group records defines benefit obligations in compliance with the exemption rule of BFNAR 2012:1 28.22.

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 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 financial 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 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 a 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 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%

In cases where depreciation of goodwill is longer than 5 years, assessment has been made that the overvalue from acquisitions contains business relations and contracts that creates opportunities extending 6-10 years.

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 of 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 the 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 the 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 is 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 a foreign currency will be realized. When hedging of these transactions take place, hedging instrument is revalued due to changed currency exchange rates and currency future contracts are reported in the balance sheet. The entire effect of changes in exchange rates adjusts the value of the asset or liability hedging related.

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

The cash flow statement has been prepared in accordance with the indirect method. The reported cash flow only includes transactions that have resulted in payments made or received. Besides cash, the company classifies the following as liquid funds: available balances at the bank and other credit institutions as well as short-term liquid investments listed on a major exchange that have

a shorter maturity than 3 months from the date of acquisition. Restricted funds are not classified as cash. Changes in restricted funds are reported in investing activities.

Estimates and assessments

When preparing financial statements and applying accounting principles, management is often required to make assessments, estimates and assumptions that are deemed as being reasonable at the time. Estimates and assessments are based on prior experience and several other factors, which, given the circumstances, are deemed as being reasonable. The results of this are used to assess the carrying amounts of assets and liabilities, when the exact amounts are not possible to obtain from other sources. The actual outcome could differ from these estimates and assessments. 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 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.

Estimates and assumptions are regularly reviewed.

Definition of key ratios

Operating Income

Main revenue from operations, invoiced expenses, incidental revenue and corrections to revenue.

Profit after Financial Items

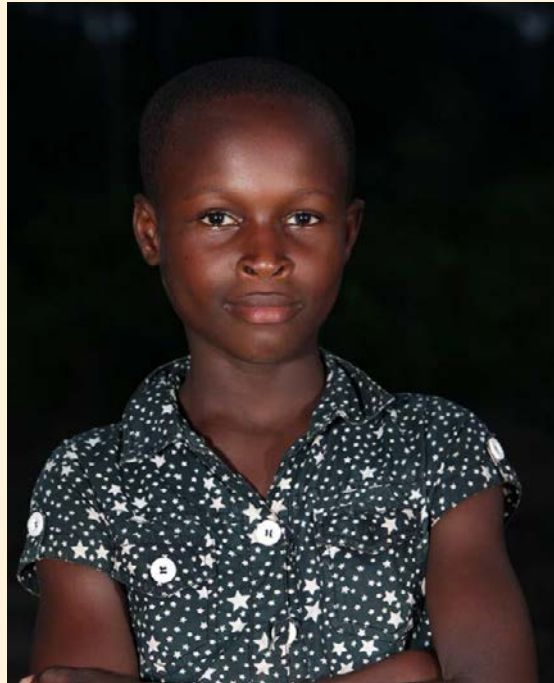
Profit after financial income and expenses, but before extraordinary income and expenses.

Total Assets

The company's total assets.

Equity Ratio (%)

Shareholder's equity as a percentage of total assets.





Supplementary Information in TSEK

Note 2

Operating Income per Division

Group	2019	2018
Pulp	8 606 436	8 289 456
Paper	5 860 939	6 260 590
Packaging	2 860 211	3 795 581
Recycling	4 998 913	5 233 445
Chemicals	1 226 452	1 247 407
Metals	1 961 474	1 984 128
Basic Chemicals	1 275 990	1 324 380
Other	1 058 287	262 642
Total	27 848 702	28 397 629

Note 3

Disclosure of Audit Fee and Cost Reimbursements

Group	2019	2018
	KPMG	Moore Stephens
Audit Assignment	945	4 278
Tax Assignment	0	828
Non-Audit Assignments	100	570
	Other Auditors	Other Auditors
Audit Assignment	8 379	5 445
Tax Assignment	3 885	1 553
Non-Audit Assignments	6 089	5 533
Total	19 398	18 207

Note 4

Operational Leases

Group	2019	2018
Future minimum lease payments for non-cancellable leases		
Falling due for payments as follows:		
Within 1 year	52 035	39 115
Between 2 and 5 years	98 397	106 144
Later than 5 years	4 701	0
Total	155 133	145 259

Note 5

Number of Employees, Salaries and Emoluments, etc

Group	2019	Men	2018	Men
Average Number of Employees:				
Sweden	90	29	92	27
USA	433	257	387	223
Other Countries	280	140	276	136
	803	426	755	386
	2019	Men	2018	Men
Board Members	7	5	5	5
Managing Director and Management Team	7	5	5	5



Supplementary Information in TSEK

Salaries, emoluments, social security expenses and pension expenses were paid as follows:

	2019		2018	
Sweden	Board and Presidents	Other Employees	Board and Presidents	Other Employees
Salaries and Emoluments	3 101	58 468	1 889	57 054
Bonus	4 808	33 609	2 946	31 228
Social Security Expenses	1 936	20 469	1 921	19 508
Pension Expenses	3 279	9 545	4 856	8 900
	13 124	122 091	11 612	116 690
USA				
Salaries and Emoluments	7 613	349 439	7 097	317 972
Bonus	3 165	50 749	3 123	57 814
Social Security Expenses	1 234	59 980	1 052	59 382
Pension Expenses	1 589	49 118	1 442	43 942
	13 601	509 286	12 714	479 110
Other countries				
Salaries and Emoluments	13 886	137 129	12 632	126 634
Bonus	2 324	33 403	1 966	18 402
Social Security Expenses	2 033	20 988	1 848	17 752
Pension Expenses	1 050	12 814	930	12 905
	19 293	204 334	17 376	175 693
Total				
Salaries and Emoluments	24 600	545 036	21 618	501 660
Bonus	10 297	117 761	8 035	107 444
Social Security Expenses	5 203	101 437	4 821	96 642
Pension Expenses	5 918	71 477	7 228	65 747
	46 018	835 711	41 702	771 493
Total Board, Presidents and Others		881 729		813 195
Pension Obligation to Board and Presidents	0		0	

Note 6 Appropriations

Group	2019	2018
Appropriations		
Group Contributions	-3 100	-22 200
Total Appropriations	-3 100	-22 200

Note 7 Tax on Profit for the Year

Group	2019	2018
Income Tax	82 199	17 733
Deferred Tax	-16 354	-24 348
	65 845	-6 615



Supplementary Information in TSEK

Reconciliation Effective Tax Rate	2019	2018
Profit Before Tax	183 141	121 313
Tax on profit in accordance with Swedish Tax Rate, 21.4% (22.0%):	-39 192	-26 689
Tax effects from:		
Different nation tax rates	-7 249	806
Other costs non-deductable	-24 719	-82 763
Income not taxable	607	91 285
Not recorded losses carry-forward	1 820	0
Change in deferred tax	0	24 348
Tax from previous years	1 198	0
Result from participation in Associated Companies	1 706	0
Other	-14	-372
Tax	-65 845	6 615

Note 8 Goodwill

Group	Dec 31, 2019	Dec 31, 2018
Acquisition Value Brought Forward	209 858	185 168
Purchases	1 316	0
Exchange Rate Differences	12 121	24 690
Accumulated Acquisition Value Carried Forward	223 295	209 858
Depreciation Brought Forward	-152 105	-117 845
Exchange Rate Differences	-9 693	-19 238
Depreciation for the Period	-15 192	-15 022
Accumulated Depreciation Carried Forward	-176 990	-152 105
Book Value	46 305	57 753

Note 9 Computer Software

Group	Dec 31, 2019	Dec 31, 2018
Acquisition Value Brought Forward	31 462	29 899
Purchases	279	69
Sales/Disposals	-341	0
Exchange Rate Differences	711	1 494
Accumulated Acquisition Value Carried Forward	32 111	31 462
Depreciation Brought Forward	-30 383	-28 048
Sales/Disposals	339	0
Exchange Rate Differences	-691	-1 440
Depreciation for the Period	-895	-895
Accumulated Depreciation Carried Forward	-31 630	-30 383
Book Value	481	1 079

Note 10 Prepayments regarding Intangible Assets

Group	Dec 31, 2019	Dec 31, 2018
Acquisition Value Brought Forward	0	0
Purchases	260	0
Accumulated Acquisition Value Carried Forward	260	0
Book Value	260	0



Supplementary Information in TSEK

Note 11

Other Intangible Assets

Group	Dec 31, 2019	Dec 31, 2018
Acquisition Value Brought Forward	52 175	47 105
Purchases	1 238	1 515
Sales/Disposals	-1 284	0
Exchange Rate Differences	1 705	3 555
Accumulated Acquisition Value Carried Forward	53 834	52 175
Depreciation Brought Forward	-44 960	-39 308
Sales/Disposals	1 284	0
Exchange Rate Differences	-1 483	-3 148
Depreciation for the Period	-2 721	-2 504
Accumulated Depreciation Carried Forward	-47 880	-44 960
Book Value	5 954	7 215

Note 12

Land and Buildings

Group	Dec 31, 2019	Dec 31, 2018
Acquisition Value Brought Forward	106 025	73 353
Purchases	95	26 222
Sales/Disposals	-45	0
Exchange Rate Differences	4 021	6 450
Accumulated Acquisition Value Carried Forward	110 096	106 025
Depreciation Brought Forward	-19 800	-16 871
Exchange Rate Differences	-664	-1 391
Depreciation for the Period	-2 191	-1 538
Accumulated Depreciation Carried Forward	-22 655	-19 800
Book Value	87 441	86 225
Book Value, Buildings	69 059	68 526
Book Value, Land	18 382	17 699
	87 441	86 225

Note 13

Equipment

Group	Dec 31, 2019	Dec 31, 2018
Acquisition Value Brought Forward	302 267	260 466
Purchases	26 798	27 645
Sales/Disposals	-27 205	-7 149
Exchange Rate Differences	10 981	21 305
Accumulated Acquisition Value Carried Forward	312 841	302 267
Depreciation Brought Forward	-203 259	-170 285
Sales/Disposals	25 353	6 274
Reclassifications	0	-37
Exchange Rate Differences	-7 134	-14 245
Depreciation for the Period	-25 725	-24 966
Accumulated Depreciation Carried Forward	-210 765	-203 259
Book Value	102 076	99 008
Net value of Equipment under Capital lease arrangements are included with	4 892	7 320



Supplementary Information in TSEK

Note 14

Participating Interests in Group Companies in CellMark AB

	Dec 31, 2019	Dec 31, 2018
Opening Balance	622 293	525 462
Sales	-131	0
Purchases	1 398	127 431
Impairment Losses	-29 850	-30 600
Book Value	593 710	622 293

CellMark AB's Participation in Group Companies	Country/ Reg office	Share of Capital	Dec 31, 2019 Book Value	Dec 31, 2018 Book Value
Company				
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%	4 258	4 315
CellMark Australia Pty Ltd /par AUD 250 000/	Australia	100%	1 638	1 638
Worldchem Scandinavia AB, 556418-0361/par SEK 670 000/	Gothenburg	100%	763	772
CellMark Paper SA de CV/par MXN 20 000/	Mexico	99%	0	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	0% (100%)	0	14
CellMark Paper Peru SRL/par PEN 3 500/	Peru	99.8%	0	3 858
CellMark Ltd Taiwan Branch/TWD 500 000	Taiwan	0% (100%)	0	131
Sicutec AB, 556790-7216/par SEK 100 000/	Stockholm	100%	100	100
CellMark Papier SAS/par EUR 100 000/	France	100%	8 580	10 862
Andorra Holding AB, 556865-1433/par SEK 50 000/	Gothenburg	100%	540	540
CellMark Kimya Tic AS/par TRL 50 000/	Turkey	100%	0	5 990
Jamaica Recycles Ltd /par USD 333/	Jamaica	51%	0	327
CellMark India Pvt Ltd/par INR 11 715 580/	India	99.9%	696	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
CellMark Deutschland GmbH/nom EUR 1 100 000/	Germany	100%	31 466	44 466
CellMark Italy Srl/nom EUR 10 000/	Italy	100%	9 641	9 641
CellMark Chemicals Ltd/nom GBP 1 000/	UK	100%	5 697	5 683
CellMark Belgium NV/nom EUR 248 000/	Belgium	100%	6 328	6 328
CellMark Hellas SA/nom EUR 326 830/	Greece	100%	7 107	7 107
CellMark Japan/nom JPY 600 000 000/	Japan	100%	53 452	53 452
CellMark Korea Co Ltd/nom KRW 100 000 000 /	Korea	100%	0	754
CellMark Pty Ltd/par 4 320 ZAR/	South Africa	100%	0	0
CellMark Netherlands BV/par EUR 100/	Netherlands	100% (0%)	1	0
CellMark Vietnam/par VND 3 471 000 000/	Vietnam	100% (0%)	1 397	0
Book Value			593 710	622 293



Supplementary Information in TSEK

Note 15

Participating Interests in Associated Companies

Group	Dec 31, 2019	Dec 31, 2018
Share of Capital, Opening Balance	56 200	52 554
Sales/Disposals	-601	-3 906
Purchases	1 479	0
Share of Profit for the Year at Associated Companies	8 125	14 836
Deduction for Dividends Received	-19 276	-4 852
Exchange Rate Differences	2 019	-2 432
Share of Capital at Year-End	47 946	56 200

Company	Country/ Reg office	Share of Capital	Dec 31, 2019 Book Value	Dec 31, 2018 Book Value
Intersales KB, 916840-3930 Participation Right	Gothenburg		3 192	2 876
Central Kentucky Fiber Resources LLC	USA	50%	6 764	6 381
Urban Impact Recycling Ltd/par CAD 1 501 580/ Bren-Mar Properties LLC	Canada	50%	28 675	23 698
Magna Silva/nom SGD 93 750/	USA	50%	1 893	1 706
	Singapore	22%	-6	-6
Green Pellets Sarawak/par MYR 25 000 000/	Malaysia	30%	-12 370	-5 846
Sabela Sarl/par EUR 20 000/	France	50%	-2 974	-3 051
CasCell Trading Group Inc /par CAD 50 000/	Canada	50%	19 005	27 627
Asia Pellets Co Ltd/ VND 22 360 000 000	Vietnam	0% (50%)	0	0
Granite Environmentals LLC/ USD 100 000	USA	66% (50%)	3 767	3 416
CellMark Siam Company Ltd/ THB 2 500 000	Thailand	49%	0	-601
Book Value			47 946	56 200

Note 16

Share Capital

	No of shares	Par Value
No/Value Brought Forward	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



Supplementary Information in TSEK

Note 17

Deferred Taxes

Group	Dec 31, 2019	Dec 31, 2018
Deferred Tax Assets		
Opening Balance	127 136	102 695
Added during the Year	709	26 415
Departed during the Year	-18 662	-8 688
Exchange Rate Differences	4 192	6 715
Netting towards Deferred Tax Liabilities	-6 047	0
Booked Value	107 329	127 136
Specification for Deferred Tax Assets		
Tax losses carry-forward	64 762	62 248
Depreciation Goodwill	14 552	14 026
Provisions	1 548	7 513
Allowance Bad Debt	13 994	18 400
Other temporary differences	18 520	24 949
Netting towards Deferred Tax Liabilities	-6 047	0
Total	107 329	127 136
Deferred Tax Liabilities	Dec 31, 2019	Dec 31, 2018
Opening Balance	799	706
Added during the Year	8 470	0
Departed during the Year	2 661	179
Exchange Rate Differences	-33	-86
Netting from Deferred Tax Assets	-6 047	0
Total	5 850	799
Specifications for Deferred Tax Liabilities		
Untaxed reserves	11 829	254
Other temporary differences	68	545
Netting from Deferred Tax Assets	-6 047	0
Total	5 850	799

Note 18

Long-Term Liabilities

Group	Dec 31, 2019	Dec 31, 2018
Liabilities to Credit Institutions		
Amortization within 2-5 year	17 652	36 635
Amortization after 5 year	0	0
Total	17 652	36 635
Other Long-Term Liabilities		
Amortization within 2-5 year	2 093	1 870
Amortization after 5 year	0	0
Total	2 093	1 870



Supplementary Information in TSEK

Note 19

Overdraft Facilities

Group	Dec 31, 2019	Dec 31, 2018
Granted overdraft facilities	1 494 164	1 981 309
Utilized overdrafts	1 148 980	1 499 589
Unused overdrafts	345 184	481 720

Parts of the above granted amount are based on the underlying subsidiaries' financial position and may therefore be variable through the financial year.

Note 20

Cash and Cash Equivalents

Group	Dec 31, 2019	Dec 31, 2018
Cash and Cash Equivalents consists of the following components:		
Cash and Bank Balances	231 082	282 076
Total	231 082	282 076

Note 21

Pledged Assets

Group	Dec 31, 2019	Dec 31, 2018
Pledged Assets for Liabilities to Credit Institutions		
Floating Charge	30 000	30 000
Inventories	579 880	424 695
Accounts Receivable	1 453 043	1 080 875
Bank Balances	191 730	33 824
Import Letter of Credit	66 724	87 495
Net Assets in Subsidiaries	0	4 024
Pledged Assets for Provisions		
Endowment Insurance	26 277	26 027
Total Pledged Assets	2 347 654	1 686 940

Note 22

Contingent Liabilities

Group	Dec 31, 2019	Dec 31, 2018
Contingent Liabilities		
Sureties/Guarantees	46 059	50 830
Pension Obligation	0	2 628
Other Contingent Liabilities	53 760	51 083
Total Contingent Liabilities	99 819	104 541

Note 23

Significant events after the end of the financial year

During 2020 the COVID-19 pandemic has affected large parts of the society. Based on the industry in which the Group operates and the products that the Group provides, no significant effects on order intake have been noted. Furthermore, it cannot be ruled out that continued similar development can have consequences on market prices for the Group's products, the Group's order intake and the opportunity to obtain and deliver goods.

Göteborg, April 14, 2020

Mr Thomas Hedberg
Chairman of the Board

Mr Henrik Forsberg Schoultz

Mr Staffan Ingeborn

Mr Victor E Rice

Mrs Anna Borg Sæther

Ms Sara Murray

Mr Christer Simrén
Managing Director

The Audit Report was submitted April 27, 2020

Mr Johan Pauli
Authorized Public Accountant

Mr Filip Larsson
Authorized Public Accountant





The financial information provided on pages 38–66 is translated and retrieved from parts of CellMark AB's Annual Accounts which the Board of Directors has submitted for the financial year 2019. The Auditor's Report below is a translation of the Auditor's Report that KPMG has submitted regarding the complete Annual Accounts for 2019. This translation does not constitute the Auditor's Report submitted by KPMG, which for example means that it is not signed.

Auditor's Report

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of CellMark AB for the year 2019.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of 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.

Other Matter

The audit of the annual accounts for year 2018 was performed by another auditor who submitted an auditor's report dated 6 May 2019, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Other Information than the Financial Summary 2019 and consolidated accounts
The Board of Directors and the Managing

Director are responsible for the other information. The other information comprises "Financial Summary 2019" (but does not include the annual accounts and consolidated accounts and our auditor's report thereon) that we expect to be provided with after the signing of this auditors report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is

however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related dis-

To the General Meeting of the Shareholders of CellMark AB

Corporate identity number 556244-2433

closures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts 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 2019 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 measures 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

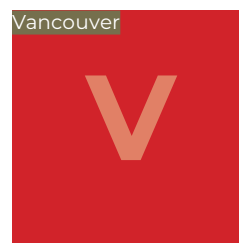
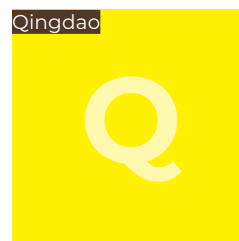
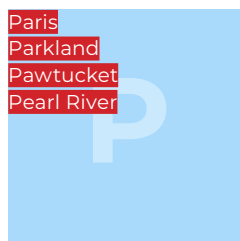
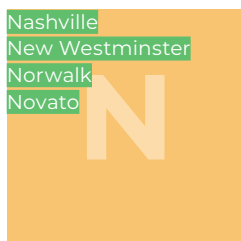
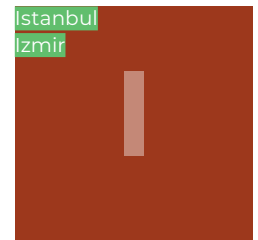
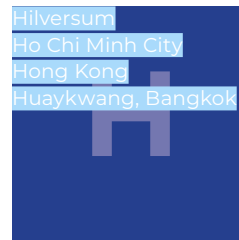
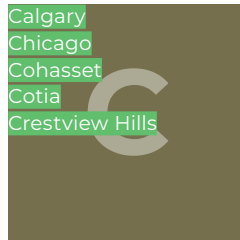
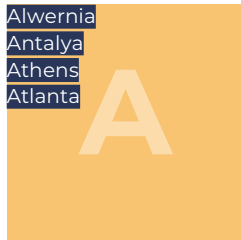
Gothenburg, April 27, 2020

Johan Pauli
Authorized Public Accountant

Filip Larsson
Authorized Public Accountant



Here we are





Education breaks the cycle of poverty

Education is a pathway to opportunity, a means of empowerment, and the only thing you can give to children that can never be taken away. The PaperSeed Foundation is honored to continue our partnership with CellMark and together we are on track to surpass 1 million children with life-changing education projects in 2020.

2019: The year in numbers

PaperSeed supported the work of 16 NGO and social enterprise partners and directly impacted the lives of over 296,960 children.

We are proud to recognize volunteer support from employees in CellMark offices spanning 12 countries: China, Hong Kong, Malaysia, Mexico, Japan, Singapore, Sweden, South Korea, Taiwan, Thailand, the United States, and Vietnam.

Our work would not be possible without our supportive business partners: Brian McClay & Associates, Bridge View Paper Company, CellMark, CMPC, Domtar, Hawkins Wright, NorCell, Nordea, Rottneros, Sappi, and SEB Bank.

Join us and make a difference

In partnership with PaperSeed, your company can make profound change in the world through our Corporate Social Responsibility Services. We select a portfolio that fits your organization's unique worldview and values, in regions where you work directly. And, because PaperSeed is underwritten by CellMark, 100 percent of your company's contribution will go directly to helping kids.

www.paperseed.org



Nigeria, with over 500 native languages, has the largest population in Africa. A land whose culture is comprised of some of the most important archeological finds in the world (an 8000 year old boat, the second oldest known world wide) to “Africa’s biggest street party” – The Calabar Carnival.

George Osodi, a freelance photographer, was born in 1974 in Lagos where he is now based. He has taken it upon himself to showcase all aspects of this rich culture, honing in on projects that tell important stories, crucial insights into Nigeria’s past and its current social climate. One of Osodi’s ongoing themes is a photographic chronical depicting contemporary Nigerian monarchs portrayed in their extravagant, stately regalia. A reminder of a glorious past.

Osodi has received international attention, winning awards and exhibiting worldwide. He was awarded the Fuji African Photojournalist of the year in 2004 and shortlisted for the Sony World Photography Award in 2009. He has exhibited at Documenta 12, Kassel, Germany (2007); National Museum of Contemporary Art, Oslo, Norway (2009); Stedelijk Museum, Amsterdam, The Netherlands (2010); The Photographers’ Gallery, London, UK (2012); Newark Museum, New Jersey, USA (2015); Liverpool Biennial (2018).





MARK
MARK
MARK

