

Year-end Report

January-December
2021



Year-end Report Q4, January-December 2021

October - December 2021

- Net sales increased to SEK 507 million (505)
- Operating profit before depreciation increased to SEK 47 million (40)
- Operating profit before write-down of goodwill amounted to SEK 31 million (23)
- Operating profit increased to SEK 13 million (-8)
- Earnings after tax amounted to SEK 5 million (-19)
- Earnings per share amounted to SEK 0.03 (-0.09)
- Cash flow after investing activities amounted to SEK 58 million (12)

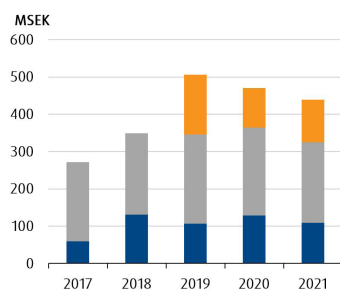
January - December 2021

- Net sales decreased to SEK 1,804 million (1,843)
- Operating profit before depreciation increased to SEK 128 million (97)
- Operating profit before write-down of goodwill amounted to SEK 64 million (16)
- Operating profit increased to SEK 46 million (-19)
- Earnings after tax amounted to SEK 3 million (-66)
- Earnings per share amounted to SEK 0.02 (-0.31)
- Cash flow after investing activities amounted to SEK 60 million (31)

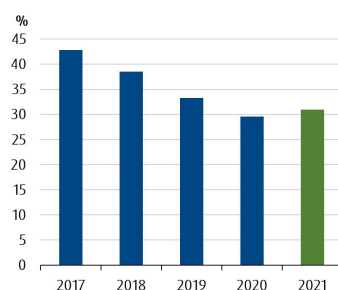
Key Ratios

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
MSEK				
Net sales	507	505	1,804	1,843
EBITDA	47	40	128	97
EBIT	13	-8	46	-19
Non-recurring items, goodwill	-18	-31	-18	-35
Adjusted EBIT	31	23	64	16
Earnings after tax	5	-19	3	-66
Earning per share, SEK	0.03	-0.09	0.02	-0.31
Cash flow after investing activities	58	12	60	31
Equity/asset ratio, %	30.5%	29.6%	30.5%	29.6%

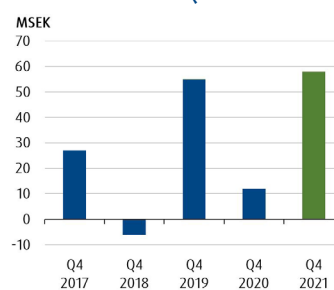
Net debt



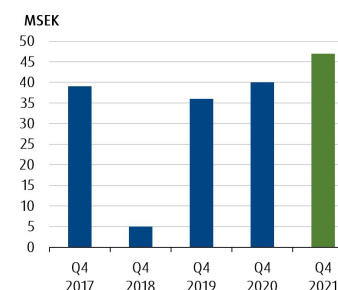
Equity ratio



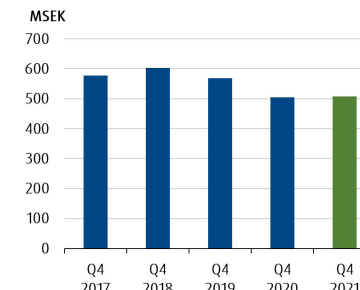
Cash flow after investing activities - Q4



Operating profit/loss - Q4



Net sales - Q4



- Adjusted net debt
- Pension liabilities
- IFRS 16

Bong is one of the leading providers of envelope products in Europe that also offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope market within Eastern Europe. The Group has annual sales of approximately SEK 1.8 billion and about 1,200 employees in 13 countries. Bong has strong market positions in most of the important markets in Europe and the Group sees interesting possibilities for continued development. Bong is a public limited company and its shares are listed on Nasdaq Stockholm (Small Cap).

This is Bong

Envelopes
and Light
Packaging

From the
forest to you
since 1737

The
customer is
our passion



1,200
Employees

Located in
13
countries



Double digit
growth in
Light
Packaging

Letter to the shareholders

” In a difficult business environment Bong continued its transformation into a larger Light Packaging company, and delivered a solid financial result, says Bong’s CEO Kai Steigleder. ”



MARKET AND INDUSTRY

Once again Covid-19-related restrictions were implemented towards the end of the quarter in most European markets. Additionally supply chains of raw material remain very tense and we have seen drastic price increases.

In particular exploding gas and electricity prices on top of machine shutdowns and strikes which reduce paper capacity and put massive pressure on paper prices. In addition there are higher prices for glue, window films, freight, packaging, and difficulties in hiring qualified workforce. An end of this development is currently not predictable.

During Q3 and Q4 2021, we already significantly increased sales prices to our customers and will continue to do so also in Q1 and Q2 2022. This is to fully recover our additional raw material cost burden.

Light Packaging

The overall currency adjusted year to date increase amounts to +8%.

The reason for a relatively small +1% increase in sales in Q4 2022 vs. Q4 2021 was high uncertainty about potential Covid-19- related restrictions affecting our customers in the retail business and their high stock levels at the beginning of Q4.

However, the increase of light packaging sales in December 2021 amounted to a good growth rate of almost +15%. Since we hope for a relieve of the Covid-19 crisis with an overall economic recovery and higher consumption in Europe we are targeting for even higher growth rates in 2022.

The very good development in Gussets triggered mainly through sales of our new e-Green range continued in Q4 with +49% growth but also other products of our own production such as Board Backs, Corrugated Board and All board envelopes contributed positively to the sales development and were offsetting the negative development of our Retail business in Q4.

Envelope

Bong’s Envelope sales in Q4 decreased currency adjusted by -1% compared to Q4 2020. The overall currency adjusted year to date Envelope sales decreased by -3% which is mainly negatively related to Q1 2021 as Q1 2020 was not affected heavily by Covid-19. On the other hand price increases towards our customer were having a positive impact.

The development of envelope sales is following the negative long-term trend.

OPERATING PROFIT

The Group’s currency-adjusted sales is on the same level compared with 2020. Bong’s gross margin has decreased compared to 2020 mainly because of drastically higher raw material prices and times lacks in increasing prices towards our customer due to fixed price contracts. Operating profit increased to SEK 46 million (-19) and the efforts to lower the breakeven point of the company are becoming increasingly visible. The operating profit in 2021 was affected negatively by restructuring cost of SEK 1 million (13) and by impairment of Goodwill of SEK 18 million (35).

IMPROVED CASH FLOW AND REDUCED ADJUSTED NET DEBT / ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 67 million (34). Adjusted net debt / adjusted EBITDA according to Bong’s Bond loan amounts to 1.27.

FOCUS AND STRATEGY

Over the last two years, we have successfully managed to safeguard our business from Covid-19 related impacts, various supply chain challenges and we have increased our light packaging production capacities and product portfolio. Currently we are also on track to mitigate current headwinds related to costs in 2022.

In this tight business environment of a severe raw material market with unseen price increases and supply shortages Bong demonstrated strong resilience, supplying its customers without larger delivery disruptions, maintaining tight control over its costs and delivering a solid financial performance.

But we will remain in a tough business environment. Therefore we continue to focus on sales price increases, improvement of efficiency and reduction of cost.

We will further increase our light packaging production capacities and product portfolio despite a difficult labor market in Europe.

Last but not least I am particularly thanking all our hard working and dedicated employees as well as our stakeholders and shareholders for their support.

Kai Steigleder
Chief Executive Officer

Financial overview

Sales and profit

January – December 2021

Consolidated sales for the period reached SEK 1,804 million (1,843). Exchange rate fluctuations had a negative impact on sales of SEK -45 million (-22) compared with 2020.

Operating profit increased to SEK 46 million (-19). The Group's gross margin was slightly lower than previous year. During the period operating profit was positively affected by a capital gain of SEK 10 million (10) attributable to sales of machinery. Operating profit was also affected negatively by restructuring costs of SEK -1 million (-15) and write-down of goodwill of SEK -18 million (-35). Exchange rate fluctuations for the period had a negative impact on operating profit of SEK -2 million (0).

Net financial items for the period amounted to SEK -36 million (-37).

Earnings before tax amounted to SEK 10 million (-56) and reported earnings after tax were SEK 3 million (-66).

Bong's total light packaging sales amounted to SEK 520 million (492). Currency fluctuations had a negative impact on light packaging sales of SEK -14 million (-6) compared with the corresponding period in 2020.

Bong's total envelope sales amounted to SEK 1,284 million (1,351). Currency fluctuations had a negative impact on envelope sales of SEK -31 million (-16) compared to same period 2020.

Sales and profit

October – December 2021

Consolidated sales for the period reached SEK 507 million (505). Exchange rate fluctuations had a negative impact on sales of SEK -13 million (-15) compared with 2020.

Operating profit increased to SEK 13 million (-8). The Group's gross margin is below the levels of the same period 2020. During the period operating profit was positively affected by a capital gain of SEK 8 million (8) attributable to sales of machinery. Operating profit was also affected negatively by restructuring costs of SEK -1 million (1) and write-down of goodwill of SEK -18 million (-31). Exchange rate fluctuations for the period had a negative impact on operating profit of SEK -1 million (0).

Net financial items for the period amounted to SEK -7 million (-9).

Earnings before tax amounted to SEK 6 million (-17) and reported earnings after tax were SEK 5 million (-19).

Bong's total light packaging sales amounted to SEK 156 million (156). Currency fluctuations had a negative impact on light packaging sales of SEK -4 million (-4) compared with the corresponding period in 2020.

Bong's total envelope sales amounted to SEK 351 million (349). Currency fluctuations had a negative impact on envelope sales of SEK -9 million (-11).

Cash flow and investments

The cash flow after investing activities increased to SEK 60 million (31) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 79 million (27). Working capital had a negative impact on the cash flow of SEK -12 million (7). Postponed payments due to Covid-19 for rent and VAT in the UK have been paid during the first 9 months of 2021 in the amount of SEK 18 million.

Restructuring programs had negative impact on the cash flow of SEK -2 million (-25). Net investments in the period had a negative impact amounting to SEK -7 million (-3).

Financial position

Cash and cash equivalents at 31 December 2021 amounted to SEK 135 million (SEK 110 million at 31 December 2020). The Group had unutilized credit facilities of SEK 9 million on the same date. Total available cash and cash equivalents thus amounted to SEK 144 million (SEK 122 million at 31 December 2020). Consolidated equity at the end of December 2021 was SEK 440 million (SEK 412 million at 31 December 2020).

Translation of the net asset value of foreign subsidiaries to Swedish Krona and changes in the fair value of pension debt and derivative instruments increased consolidated equity by SEK 27 million. The interest bearing net loan debt amounted to SEK 410 million, whereof pension debt amounts to SEK 215 million and IFRS 16 leasing contracts amount to SEK 115 million (SEK 471 million at 31 December 2020, whereof pension debt amounts to SEK 236 million and IFRS 16 Leasing contracts SEK 107 million).

Employees

The average number of employees during the period was 1,141 (1,195). The Group had 1,129 (1,155) employees at the end of December 2021. Bong has intensively worked on improving productivity and adjusting staff to meet current demand and the reduction is the result of the implemented restructuring measures.

Parent Company

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions. Sales were SEK 2.5 million (3.4) and earnings before tax for the period were SEK 1.3 million (-56.7).

Covid-19

A number of different measures have been taken at Bong to mitigate the short and long term effects of the corona virus, with health and safety for employees and customers as the highest priority. We follow the development carefully and adjust our measures according to local authorities' advice and regulations, while we strive to mitigate any disruptions to the Group's operations.

The contributions received from the governments shown as other operating income amount to SEK 1 million (16) for the Group. Other government fee reductions have reduced the social fees with SEK 0 million (2). Loan with guarantee from the government amounts to SEK 39 million. SEK 9 million is due within one year, and SEK 30 million within 5 years. Loan with guarantee from the government amounts to 8 MSEK with a duration of 10 years per terms at the issue date. The Group has no substantial losses on account receivables related to Covid-19.

Bong will monitor the development to assess any effects on the valuation of goodwill or on non-financial assets or financial assets. It is currently not possible to predict with sufficient reliability over what period and to what extent Bong will face further impacts during upcoming years including write-offs due to impairments of assets and goodwill.

Events after the end of the period

No material events have occurred after the end of the period.

Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. There has not been any change to significant risks and uncertain positions since Bong's annual report for 2020 was released. For further information, please refer to Bong's annual report and website bong.com.

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Application was consistent with the accounting principles outlined in the 2020 annual report and the interim report should be read along with those principles. The figures in this interim report have not been rounded off, which is why notes and tables may not total correct amounts. The purpose is that each sub-row should correspond to its source of origin and therefore rounding differences can occur on the total sum.

The board of directors' proposal for dividend

Bong's current priority continues to be to reduce the debt and improve profitability. Therefore, the board proposes that no dividend will be paid to the shareholders of the parent company for 2021. No dividend was paid for 2020.

Annual General Meeting

The annual general meeting will be held on 11 May 2022 at 4 p.m. in Malmö or digitally. The January-March 2022 interim report will be published in connection with the AGM. The annual report will be available no later than 30 April 2022.

Kristianstad 10 February 2022

Kai Steigleder

Chief Executive Officer

This report has not been subject to examination by the company's auditors.

Additional information

Kai Steigleder, CEO- & Carsten Grimmer, CFO for Bong AB.
Tel +46 44-20 70 00 (switchboard)

Financial Calendar:

- Annual General Meeting, 11 May 2022, Malmö/Digital
- Interim Report January-March 2022, 11 May 2022
- Interim Report January-June 2022, July 2022
- Interim Report January-September 2022, November 2022
- Year-End Report 2022, February 2023

Income statements in summary

MSEK	Note	Oct-Dec 2021 3 month	Oct-Dec 2020 3 month	Jan-Dec 2021 12 month	Jan-Dec 2020 12 month
Revenue	1,2	507.0	505.1	1,804.0	1,843.1
Cost of goods sold		-421.9	-408.5	-1,498.4	-1,528.2
Gross profit		85.1	96.6	305.6	314.9
Selling expenses		-39.6	-46.4	-151.6	-177.3
Administrative expenses		-45.6 ¹⁾	-59.9 ²⁾	-122.0 ¹⁾	-148.7 ³⁾
Other operating income and expenses		12.8	2.1	13.9	-7.9
Operating profit		12.7	-7.6	45.9	-19.0
Net financial items		-7.1	-9.3	-35.8	-37.2
Result before tax		5.6	-16.9	10.1	-56.2
Income tax		-0.5	-2.4	-7.3	-9.4
Net result		5.1	-19.3	2.8	-65.6
1) Including non-recurring items of SEK -18 million					
2) Including non-recurring items of SEK -31 million					
3) Including non-recurring items of SEK -35 million					
Total comprehensive income attributable to:					
Shareholders in Parent Company		5.7	-19.2	4.4	-65.1
Non-controlling interests		-0.6	-0.1	-1.6	-0.5
Earnings per share		0.03	-0.09	0.02	-0.31
Earnings per share, excluding non recurring items		0.11	0.06	0.11	-0.14
Average number of shares		211,205,058	211,205,058	211,205,058	211,205,058
STATEMENT OF COMPREHENSIVE INCOME					
MSEK		Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net result		5.1	-19.3	2.8	-65.6
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial profit/loss on post employment benefit obligations		6.1	-8.4	17.5	-10.5
		6.1	-8.4	17.5	-10.5
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	3	0.3	0.0	0.3	-0.2
Impact of extended equity		-3.6	10.4	-4.4	9.8
Exchange rate differences		3.8	-46.9	14.0	-49.4
Income tax relating to components of other comprehensive income		-0.6	-1.0	-2.9	-0.5
		-0.2	-37.5	7.0	-40.3
Other comprehensive income for the period, net of tax		5.9	-45.9	24.6	-50.8
Total comprehensive income		11.0	-65.2	27.3	-116.4
Total comprehensive income attributable to:					
Shareholders in Parent Company		11.6	-65.1	28.9	-115.9
Non-controlling interests		-0.6	-0.1	-1.6	-0.5

Balance sheet in summary

MSEK	Note	31 Dec 2021	31 Dec 2020
Assets			
Intangible assets	4,5	455.9	468.1
Tangible assets		248.1	243.9
Financial assets	6	101.6	104.4
Inventories		210.8	181.5
Current receivables	7	292.9	285.5
Cash and cash equivalents	8	135.3	110.1
Total assets		1,444.6	1,393.5
Equity and liabilities			
Equity		440.0	411.9
Non-current liabilities	9	522.8	373.8
Current liabilities	10	481.8	607.8
Total equity and liabilities		1,444.6	1,393.5

CHANGES IN EQUITY

MSEK	Note	Jan-Dec 2021	Jan-Dec 2020
Opening balance for the period		411.9	528.7
Capital Increase, minorities		0.8	-
Non-controlling interests		-1.6	-0.5
Total comprehensive income		28.9	-116.4
Closing balance for the period		440.0	411.9

Cash flow statement

MSEK	Note	Oct-Dec 2021 3 month	Oct-Dec 2020 3 month	Jan-Dec 2021 12 month	Jan-Dec 2020 12 month
Operating activities					
Operating profit/loss		12.7	-7.6	45.9	-19.0
Depreciation, amortisation, and impairment losses		34.4	47.2	81.6	115.6
Interest received		0.0	0.1	0.0	0.2
Interest paid		-6.9	-11.0	-27.4	-28.6
Financial expenses		-1.5	-0.4	-5.8	-1.2
Tax paid		-0.9	-0.3	-3.8	-1.4
Other items not affecting liquidity		-5.5	-11.7	-11.6	-38.7
Cash flow from operating activities before changes in working capital		32.3	16.3	78.9	26.9
Changes in working capital					
Inventories		4.8	13.0	-22.9	9.0
Current receivables		1.7	10.6	-7.0	8.7
Current operating liabilities		20.4	-38.5	17.7	-10.4
Cash flow from operating activities		59.2	1.4	66.7	34.2
Cash flow from investing activities					
Acquisition of intangible and tangible assets incl. advanced payments to suppliers		-11.7	-3.4	-21.5	-23.0
Disposal of intangible and tangible assets		10.7	14.0	14.5	19.7
Cash flow from investing activities		-1.0	10.6	-7.0	-3.3
Cash flow after investing activities		58.2	12.0	59.7	30.9
Cash flow from financing activities					
Change in other long-term debt		14.6	-8.4	2.3	33.5
IFRS-16 lease payment		-10.4	-9.7	-39.7	-48.8
Cash flow from financing activities		4.2	-18.1	-37.4	-15.3
Cash flow for the period		62.4	-6.1	22.3	15.6
Cash and cash equivalents at beginning of period		71.4	120.7	110.0	99.7
Exchange rate difference in cash and cash equivalents		1.5	-4.5	3.0	-5.2
Cash and cash equivalents at end of period		135.3	110.1	135.3	110.1

Notes

(MSEK)

Note 1 - Net sales and asset by geographical area

Net sales	Oct-Dec 2021			Oct-Dec 2020			Jan-Dec 2021			Jan-Dec 2020		
	Envelope	Light Packaging	IFRS Adjustments	Envelope	Light Packaging	IFRS Adjustments	Envelope	Light packaging	IFRS Adjustments	Envelope	Light packaging	IFRS Adjustments
Sweden	26	22	3	24	17	2	98	66	7	104	53	9
Nordic and Baltics	29	15	1	32	15	0	108	43	1	126	41	3
Central Europe	122	43	10	124	53	7	451	170	26	494	173	20
South Europe	83	44	9	83	42	5	306	121	15	307	131	9
UK	50	22	1	53	18	1	204	87	4	213	62	4
Other	17	9	1	18	10	1	65	30	2	64	27	3
Total	327	155	25	334	155	16	1,232	517	55	1 308	487	48

Note 1 - cont'd

Intangible and tangible assets	2021-12-31	2020-12-31
Sweden	119	127
Nordic and Baltics	3	4
Central Europe	344	321
South Europe	191	193
UK*	40	66
Other	7	1
Total	704	712

* Write-down of goodwill made of SEK 18 million in December 2021.

Note 2 - Segment information

OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reports presented to the chief operating decision maker. The chief operating decision maker is the

Net turnover and EBITDA before restructuring costs per segment

Segments	2021-12-31					2020-12-31				
	Revenue from external customers	IFRS Adjustments	Revenue from other segments	Total revenue	EBITDA	Revenue from external customers	IFRS Adjustments	Revenue from other segments	Total	EBITDA
Central Europe	651.9	22.6	80.6	755.1	63.5	678.2	16.6	75.4	770.2	71.7
South Europe and North Africa	531.0	15.0	35.5	581.5	29.6	547.2	11.9	37.0	596.1	20.7
Nordics	278.3	13.6	13.9	305.8	20.2	296.7	15.7	22.2	334.6	26.0
United Kingdom	287.7	3.9	0.8	292.4	8.2	272.9	3.9	3.4	280.2	-0.5
Group transactions and eliminations	0.0	0.0	-130.8	-130.8	7.2	0.0	0.0	-138.0	-138.0	-6.5
Total	1,748.9	55.1	0.0	1,804.0	128.7	1,795.0	48.1	0.0	1,843.1	111.4
Restructuring costs					-1.2					-15.3
Depreciations and amortisations					-81.6					-115.0
Financial income					0.0					1.1
Financial expenses					-35.8					-38.4
Result before tax					10.1					-56.2
Income tax					-7.3					-9.4
Net result for the year					2.8					-65.6

function responsible for the allocation of resources and the assessment of the operating segments' earnings. For the Group, this function has been identified as the CEO. Segment reporting for the business units areas comprises operating EBITDA before restructuring costs. The segment reporting was for the first time included in the annual report for year 2020.

SEGMENT INFORMATION

The definition of the segments are primarily related to geographical areas as disclosed below. In the segment South Europe and North Africa is included a unit of subordinate importance and have similar economic characteristics with respect to customer structure, products and distribution channels. Other income is internally reducing costs and are included in order to reconcile with the legal Total turnover. The segments apply the same accounting principles as the Group apart from the revenue recognition of sales of raw materials, sales of waste material and rental income. In the internal reporting these are reported as a reduction of cost while in the consolidated statements these are accounted for as revenue.

Central Europe

This segment includes the companies in Germany, Poland, Belgium, Romania and Switzerland.

South Europe and North Africa

This segment includes the companies in France, Belgium, Italy, Spain and Tunisia.

Nordics

This segment includes the companies in Sweden, Norway, Denmark and Finland.

United Kingdom

This segment includes the companies in United Kingdom.

IFRS adjustments

IFRS adjustments contains revenue recognition of sales of raw materials, sales of waste material and rental income. In the internal reporting these are reported as a reduction of cost while in the consolidated statements these are accounted for as revenue.

Note 3 - Financial assets and liabilities

The table below shows the Group's financial assets and liabilities in the form of derivatives measured at fair value. All financial derivatives measured at fair value are in Category 2. These include interest rate swaps and foreign exchange contracts and the valuation is based on the forward interest rates derived from observable yield curves.

2021-12-31	Assets	Liabilities
Currency forwards - cash flow hedges	0.2	0.1
Total	0.2	0.1

2020-12-31	Assets	Liabilities
Currency forwards - cash flow hedges	0.2	0.4
Total	0.2	0.4

* For the above contracts, the following amounts are found in the hedge reserve under Total comprehensive income; currency forwards - cash flow hedges SEK -0.3 million.

Other financial assets and liabilities

Fair value of the following financial assets and liabilities is estimated to be equal to book value:

- Trade receivables and other receivables
- Other current receivables
- Cash and cash equivalents
- Long-term and short-term loans
- Trade payables and other liabilities
- Other financial assets and liabilities

Information about netting of financial assets and liabilities

The Group does not apply net recognition for any of its other significant assets and liabilities and has no netting agreements with financial counterparties.

Note 4 - Intangible assets	2021-12-31	2020-12-31
Goodwill	454.5	463.2
Other intangible assets	1.4	4.9
Total	455.9	468.1

Note 5 - Goodwill	2021-12-31	2020-12-31
Opening costs	463.2	529.9
Purchase/acquisition	-	-
Write-down	-17.9	-35.1
Exchange rate differences	9.8	-31.6
Closing costs	454.5	463.2

Note 6 - Financial assets	2021-12-31	2020-12-31
Deferred tax	100.8	103.4
Other financial assets	0.8	1.0
Total	101.6	104.4

Note 7 - Current receivables	2021-12-31	2020-12-31
Receivables	214.2	207.4
Other current assets	78.7	78.1
Total	292.9	285.5

Note 8 - Cash and cash equivalent	2021-12-31	2020-12-31
Cash/Bank	135.2	110.0
Cash/Bank escrow account	0.1	0.1
Total	135.3	110.1

Note 9 - Non-current liabilities	2021-12-31	2020-12-31
Interest-bearing loans	215.1	51.7
Leasing contracts - IFRS 16	73.5	69.7
Pension debt	215.0	236.3
Deferred tax	8.6	8.3
Other liabilities	10.6	7.8
Total	522.8	373.8

Note 10 - Current liabilities	2021-12-31	2020-12-31
Interest-bearing loans	29.5	186.6
Leasing contracts - IFRS 16	41.6	36.6
Payables	181.4	175.5
Other liabilities	229.3	209.1
Total	481.8	607.8

The Bond loan 2021 is booked to amortised cost which means that the nominal value of the loan SEK 110 million has been reduced for related accrued expenses which will adjust the booked value of the loan at each end of the reporting period till the due date of the loan year 2024 when the booked value will be the same as the nominal value.

Note 11 - Adjusted interest bearing net loan debt/Adjusted EBITDA

Adjusted interest bearing net loan debt	2021-12-31	2020-12-31
Interest bearing loans, non-current liabilities	503.6	357.7
Interest bearing loans, current liabilities	71.1	223.2
Cash and cash equivalent	-135.3	-110.1
Net Debt	439.4	470.8
Pension debt	-215.0	-236.3
Leasing contracts - IFRS 16	-115.1	-106.3
Adjusted net debt	109.3	128.2

Adjusted EBITDA 12 month rolling	2021-12-31	2020-12-31
Profit	2.8	-65.6
Financial charges	34.1	36.2
Tax	7.3	9.4
Depreciations	81.6	115.6
Restructuring cost	1.2	5.7
Transaction cost	1.7	1.0
Minority result	1.6	0.5
IFRS 16, lease payments	-44.0	-55.3
Adjusted EBITDA	86.4	47.5

Adjusted interest bearing net loan debt/Adjusted EBITDA	1.27	2.70
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QUARTERLY DATA. GROUP

MSEK	4/2021	3/2021	2/2021	1/2021	4/2020	3/2020	2/2020	1/2020	4/2019	3/2019	2/2019	1/2019	4/2018	3/2018	2/2018	1/2018
Net Revenue	507.0	429.9	407.3	459.7	505.1	420.9	398.8	518.3	567.9	519.8	507.1	571.0	603.2	536.0	543.0	538.1
Operating expenses	-494.3	-421.0	-405.0	-437.5	-512.7	-417.9	-418.5	-513.0	-554.2	-513.3	-510.6	-555.7	-689.5	-524.3	-533.2	-526.1
Operating profit	12.7	8.9	2.3	22.2	-7.6	3.0	-19.7	5.3	13.7	6.5	-3.5	15.3	-86.3	11.7	9.8	12.0
Net financial items	-7.1	-10.8	-9.4	-8.5	-9.3	-9.4	-10.2	-8.4	-7.8	-12.3	-11.2	-10.6	-11.6	-10.4	-22.6	-10.9
Profit before tax	5.6	-1.9	-7.1	13.7	-16.9	-6.4	-30.0	-3.1	5.9	-5.8	-14.7	4.7	-97.9	1.3	-12.8	1.1

KEY RATIOS

	Note	Jan-Dec 2021	Jan-Dec 2020
Operating margin, %		2.5	-1.0
Return on equity, %*		5.23	neg
Return on capital employed, %* 1)		6.36	neg
Equity/assets ratio, %*		30.5	29.6
Net debt/equity ratio times*		1.00	1.14
Net loan debt/EBITDA*		3.45	4.87
Adjusted interest bearing net loan debt/adjusted EBITDA*	11	1.27	2.70
Capital employed, MSEK*		1,014.7	992.7
Interest-bearing net loan debt, MSEK*		439.4	470.8
1) Return on capital employed			
Earnings after financial revenues		46.4	-19.3
Average capital employed		1,003.7	1,063.7

DATA PER SHARE

	Jan-Dec 2021	Jan-Dec 2020
Earnings per share, SEK	0.02	-0.31
Earnings per share, excluding non recurring items, SEK	0.11	-0.14
Basic equity per share, SEK	2.08	1.95
Diluted equity per share, SEK		
Number of shares outstanding at end of period	211,205,058	211,205,058
Number of shares, basic	211,205,058	211,205,058

For the key figures above, are those marked * considered to be APM (Alternative Performance Measures) and not follow IFRS. They are judged however by management to be important to show shareholders the Group's underlying performance, profitability and financial position. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. For definitions see page 13.

Five-year summary

Key ratios	2021	2020	2019	2018	2017
Net sales, MSEK	1,804	1,843	2,166	2,220	2,095
Operating profit/loss, MSEK	46	-19	32	-52	45
Extraordinary items, MSEK	-18	-35	-	-103	-
Profit/loss after tax, MSEK	3	-66	-24	-148	-9
Cash flow after investing activities, MSEK	60	31	78	-65	40
Operating margin, %	2.5	-1.0	1.5	-2.3	2.2
Capital turnover rate, times	1.3	1.2	1.4	1.4	1.3
Return on equity, %	5.2	neg	neg	neg	neg
Average capital employed, MSEK	1,004	1,064	983	991	1,095
Return on capital employed, %	6.4	neg	3.2	neg	0.2
Equity ratio, %	31	30	33	38	43
Net loan debt, MSEK	439	471	506	349	294
Net loan debt/equity, times	1.00	1.14	0.91	0.61	0.42
Net debt/EBITDA, times	3.4	4.9	4.2	5.0	3.2
Average number of employees	1,141	1,195	1,334	1,446	1,459
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058	251,205,058
Average basic number of shares	211,205,058	211,205,058	211,205,058	211,205,058	211,205,058
Average diluted number of shares	211,205,058	211,205,058	211,205,058	211,205,058	251,205,058
Earnings per share					
Before dilution, SEK	0.02	-0.31	-0.11	-0.71	-0.06
After dilution, SEK	0.02	-0.31	-0.11	-0.71	-0.06
Earnings per share, before dilution, excluding non-recurring items	0.11	-0.14	-0.11	-0.22	-0.06
Earnings per share, after dilution, excluding non-recurring items	0.11	-0.14	-0.11	-0.22	-0.06
Equity per share					
Before dilution, SEK	2.08	1.95	2.50	2.70	3.30
After dilution, SEK	2.08	1.95	2.50	2.70	3.30
Cash flow from operating activities per share					
Before dilution, SEK	0.32	0.16	0.48	-0.28	0.25
After dilution, SEK	0.32	0.16	0.48	-0.28	0.25
Other data per share					
Dividend, SEK	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date, SEK	0.85	0.6	0.7	1.0	1.0
P/E-ratio, times	41.3	neg	neg	neg	neg
Adjusted P/E-ratio, times	8.06	neg	neg	neg	neg
Price/Equity before dilution, %	41	30	29	35	29
Price/Equity after dilution, %	41	30	29	35	29

Definitions

This Report includes financial key data and ratios based on concepts defined in International Financial Reporting Standards (IFRS), Alternative Performance Measurements and company-specific ratios. Definitions are found below.

For historical values:

<http://www.bong.com/en/investors/reports/historical-values>

ADJUSTED EARNINGS PER SHARE

Profit after tax, excluding items affecting comparability, divided by the average number of shares before and after dilution.

ADJUSTED P/E RATIO, TIMES

Share price divided by adjusted earnings per share before and after dilution.

AVERAGE CAPITAL EMPLOYED

Capital employed at the beginning of year plus capital employed at year-end divided by two.

AVERAGE EQUITY

Shareholders' equity at beginning of year plus equity at year-end divided by two.

AVERAGE TOTAL ASSETS

Total assets at beginning of the year plus total assets at year-end divided by two.

CAPITAL EMPLOYED

Equity plus interest-bearing liabilities.

CAPITAL TURNOVER, TIMES

Net sales by average total assets. Capital turnover is a measure of how effectively the Group uses its assets.

EARNINGS PER SHARE

Profit after tax, divided by the average number of shares, before and after dilution.

EBITDA

Operating income before depreciation and amortization.

EQUITY TO ASSETS RATIO, PER CENT

Shareholders' equity divided by total assets. This ratio is a measure of the Group's financial strength.

ITEMS AFFECTING COMPARABILITY

Items of infrequent nature with significant effects, which are relevant for understanding the financial performance when comparing the current period with previous periods. Such items may include but are not limited to results from divestments of property, charges attributable to close-down or restructuring of major units or activities, significant write-downs of tangible and intangible assets and other major non-recurring costs or income.

NET DEBT

Interest-bearing liabilities and provisions less liquid funds and interest-bearing receivables.

NET DEBT/EBITDA, TIMES

Net debt divided by EBITDA. Net debt/EBITDA is a measure of the Group's financial strength.

NET DEBT TO EQUITY, TIMES

Net debt divided by equity. This ratio is a measure of the Group's financial strength.

OPERATING MARGIN, PER CENT

Operating profit divided by net sales. Operating margin is a measure of profitability. It measures how much of revenues remains after operating expenses.

P/E RATIO, TIMES

Share price divided by earnings per share.

RETURN ON CAPITAL EMPLOYED, PER CENT

Earnings after financial income divided by average capital employed. For 2016 the extraordinary net financial item has been excluded. This measure of profitability shows the return of the Group's total balance sheet, less non interest-bearing debt. It is a measure independent of indebtedness. It complements the measure return on equity.

RETURN ON EQUITY, PER CENT

Earnings after tax divided by average equity. For 2016 the extraordinary net financial item has been excluded. This measure measures the return on shareholders' funds for the year and is useful in comparisons of other investments with the same risk profile.

SHARE PRICE/EQUITY, PER CENT

Price per share divided by equity per share.

Parent company

INCOME STATEMENT IN SUMMARY

MSEK	Jan-Dec 2021	Jan-Dec 2020
Revenue	2.5	3.5
Gross profit	2.5	3.5
Administrative expenses	-9.5	-11.2
Operating profit/loss	-7.0	-7.7
Net financial items	8.3	-49.0
Result	1.3	-56.7
Income tax	0	0
Net result	1.3	-56.7

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Dec 2021	Jan-Dec 2020
Net Result for the year	1.3	-56.7
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	-	-
Income tax relating to components of other comprehensive income	-	-
Net result, Other comprehensive income	-	-
Total comprehensive income	1.3	-56.7

BALANCE SHEET IN SUMMARY

MSEK	31 Dec 2021	31 Dec 2020
Assets		
Financial assets	630.3	795.2
Current receivables	3.0	1.5
Cash and cash equivalents	0.1	0.2
Total Assets	633.4	796.9
Equity and liabilities		
Equity	363.1	361.8
Non-current liabilities	109.5	-
Current liabilities	160.8	435.1
Total equity and liabilities	633.4	796.9