



Interim Report

January-September
2021



Interim Report Q3, January-September 2021

July - September 2021

- Net sales increased to SEK 430 million (421)
- Operating profit before depreciation increased to SEK 25 million (23)
- Operating profit increased to SEK 9 million (3)
- Earnings after tax amounted to SEK -3 million (-8)
- Earnings per share amounted to SEK -0.01 (-0.04)
- Cash flow after investing activities amounted to SEK -20 million (4)

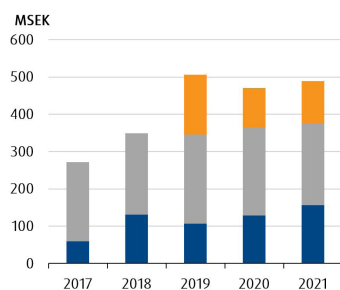
January - September 2021

- Net sales decreased to SEK 1,297 million (1,338)
- Operating profit before depreciation increased to SEK 80 million (57)
- Operating profit increased to SEK 33 million (-11)
- Earnings after tax amounted to SEK -2 million (-46)
- Earnings per share amounted to SEK -0.01 (-0.22)
- Cash flow after investing activities amounted to SEK 1 million (19)

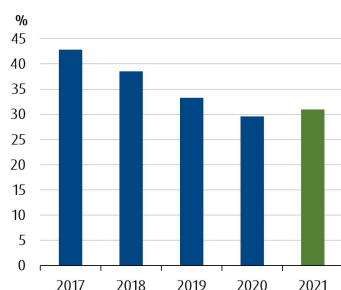
Key Ratios

MSEK	Jul-Sept 2021	Jul-Sept 2020	Jan-Sept 2021	Jan-Sept 2020	Oct 2020-Sept 2021	Jan-Dec 2020
Net sales	430	421	1,297	1,338	1,802	1,843
EBITDA	25	23	80	57	120	97
EBIT	9	3	33	-11	26	-19
Non-recurring items, goodwill	0	0	0	-4	-31	-35
Adjusted EBIT	9	3	33	-7	57	16
Earnings after tax	-3	-8	-2	-46	-22	-66
Earning per share, SEK	-0.01	-0.04	-0.01	-0.22	-0.10	-0.31
Cash flow after investing activities	-20	4	1	19	12	31
Equity/asset ratio, %	31.0%	31.0%	31.0%	31.0%	31.0%	29.6%

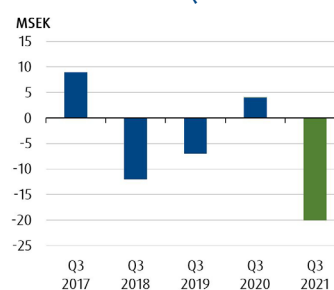
Net debt



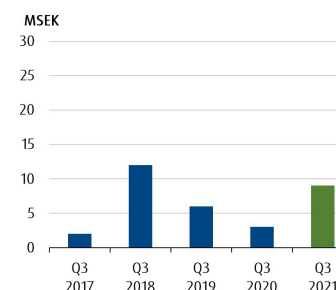
Equity ratio



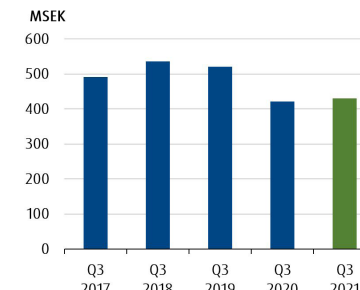
Cash flow after investing activities - Q3



Operating profit/loss - Q3



Net sales - Q3



- 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

” With the refinancing process finalized and an expected good last quarter ahead I’m optimistic about the further development of the group, says Bong’s CEO Kai Steigleder. ”

MARKET AND INDUSTRY

Even though the Covid-19 pandemic is still ongoing, the world is gradually opening up as an increasing number of people have been vaccinated and restrictions in most countries are being eased.

However, the overall economic environment is still fragile. Additionally, the supply situation on the raw material markets remains volatile. In particular on Bong’s raw material market we see a continuing trend of price increases combined with supply shortages.

In order to compensate for the increased raw material costs Bong has successfully implemented sales price increases to customers but still needs to increase prices further as volatile raw material supply along with bottlenecks at high price levels are predictable and price increases have been already announced by several suppliers.

Light Packaging

The development of Bong’s Light packaging sales in Q3 was positive with an overall currency adjusted increase of 2% compared to Q3 2020. The overall currency adjusted year to date increase amounts to 12%.

The reason for the relatively small increase in sales in Q3 was high stock levels in our Retail business which led to a decline in Paper carrier and Retail gift bags. However, the order intake for Q4 is quite strong in the Retail business and we are expecting good sales numbers.

On the other hand all sales of E-Commerce related products such as Gussets (including our new e-Green product range) increased by 54 % but also other products of our own production like Board Backs, Corrugated Board and All board products contributed positively to the sales development and were offsetting the negative development in the Retail business in Q3.

Envelope

Bong’s Envelope sales in Q3 decreased currency adjusted by 1% compared to Q3 2020. The overall currency adjusted year to date Envelope sales decreased by 4% which is mainly related to Q1 2021 as Q1 2020 was not affected heavily by COVID-19.

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 Q3 2020. Bong’s gross margin during the first nine months has increased compared to the same period 2020 mainly because of better product mix and lower paper prices in Q1 2021. Operating profit increased to SEK 33 million (-11) and the efforts to lower the breakeven point of the company are becoming increasingly visible. The operating profit in Q3 2021 was only marginally affected negatively by restructuring cost (13) and it was not affected by impairment of Goodwill (4).

CASH FLOW AND REDUCED ADJUSTED NET DEBT / ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 7 million (33). Adjusted net debt / adjusted EBITDA according to Bong’s Bond loan amounts to 2.02.

FOCUS AND STRATEGY

The business environment remains very challenging but we are delivering on those aspects that are in our control. The continuing growth and the good perspectives in Light Packaging with our existing product range and further new products in the pipeline will make us even stronger.

Nevertheless is Bong acting with heightened caution, further adjusting to market circumstances in the short and medium term by focusing on price increases to offset raw material price increases, improving efficiency,

reducing costs and continuing to prioritize the stability of its financing structure.

Bong has successfully issued senior secured notes in the total amount of 110 MSEK on 14 October 2021 and received a loan from Commerzbank in the amount of 6,87 MEUR both with a tenor of 3 years, which will save us approximately 25% in interest cost. Bong will amortize 16 MSEK of the bank loan each year which is in-line with the earlier communicated strategy of reducing the debt position.

With the refinancing process finalized and an expected good last quarter ahead I’m optimistic about the further development of the group.

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 - September 2021

Consolidated sales for the period reached SEK 1,297 million (1,338). Exchange rate fluctuations had a negative impact on sales of SEK -42 million (0) compared with 2020.

Operating profit increased to SEK 33 million (-11). The Group's gross margin has stabilized and is at a higher level than previous year. During the period, operating profit was positively affected by a capital gain of SEK 2 million (7) attributable to sales of machinery. Effects on operating profit attributable to restructuring costs amounted to -0.3 (-16), while the previous year's effects regarding impairment of goodwill (-4) and accounts receivable (-5) amounted to SEK 0 million in the current period. Exchange rate fluctuations for the period had a negative impact on operating profit of SEK -2 million (-1).

Net financial items for the period amounted to SEK -29 million (-28).

Earnings before tax amounted to SEK 5 million (-39) and reported earnings after tax were SEK -2 million (-46).

Bong's total light packaging sales amounted to SEK 364 million (336). Currency fluctuations had a negative impact on light packaging sales of SEK -12 million (-1) compared with the corresponding period in 2020.

Bong's total envelope sales amounted to SEK 933 million (1,002). Currency fluctuations had a negative impact on envelope sales of SEK -30 million (0) compared to same period 2020.

Sales and profit

July - September 2021

Consolidated sales for the period reached SEK 430 million (421). Exchange rate fluctuations had a negative impact on sales of SEK -12 million (-8) compared with 2020.

Operating profit increased to SEK 9 million (3). The Group's gross margin is below the levels of the same period 2020. Exchange rate fluctuations for the period had no impact on operating profit of (-1).

Net financial items for the period amounted to SEK -11 million (-9).

Earnings before tax amounted to SEK -2 million (-6) and reported earnings after tax were SEK -3 million (-8).

Bong's total light packaging sales amounted to SEK 122 million (122). Currency fluctuations had a negative impact on light packaging sales of SEK -3 million (-2) compared with the corresponding period in 2020.

Bong's total envelope sales amounted to SEK 308 million (299). Currency fluctuations had a negative impact on envelope sales of SEK -9 million (-6).

Cash flow and investments

The cash flow after investing activities decreased to SEK 1 million (19) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 47 million (11). Working capital had a negative impact on the cash flow of SEK -39 million (22). 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 (-24). Net investments in the period had a negative impact amounting to SEK -6 million (-14).

Financial position

Cash and cash equivalents at 30 September 2021 amounted to SEK 71 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 80 million (SEK 122 million at 31 December 2020). Consolidated equity at the end of September 2021 was SEK 428 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 20 million. The interest bearing net loan debt amounted to SEK 489 million, whereof pension debt amounts to SEK 221 million and IFRS 16 leasing contracts amount to SEK 112 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 1,145 (1,213). The Group had 1,131 (1,155) employees at the end of September 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 (2.6) and earnings before tax for the period were SEK -1.2 million (-4.3).

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 (15) for the Group. Other government fee reductions have reduced the social fees with SEK 0.4 million (1). Loan with guarantee from the government amounts to 43 MSEK with a duration of one year. Per the terms at the issue date, the Group may, at its discretion, prolong the duration of the loan between 1 and 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. All countries have experienced a deep recession in 2020 and are projected to be followed by a slow and gradual recovery in 2021.

Events after the end of the period

In connection with the due date of the Bonds on October 19th 2021, a new bond was issued in the amount of SEK 110 million in combination with a bank loan of EUR 7 million.

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.

Kristianstad 11 November 2021

Kai Steigleder

Chief Executive Officer

Additional information

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

Financial Calendar:

- Year-End Report 2021, 10 February 2022
- 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

Auditor's report

Introduction

We have reviewed the condensed interim financial information (interim report) of Bong Entity as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 11 november 2021

PricewaterhouseCoopers AB

Lars Nilsson

Auditor in Charge
Authorized Public Accountant

Patrik Larsson

Authorized Public Accountant

Income statements in summary

MSEK	Note	Jul-Sept 2021 3 month	Jul-Sept 2020 3 month	Jan-Sept 2021 9 month	Jan-Sept 2020 9 month	Oct 2020- Sept 2021 12 month	Jan-Dec 2020 12 month
Revenue	1,2	429.9	420.9	1,297.0	1,338.0	1,802.1	1,843.1
Cost of goods sold		-362.9	-348.2	-1,076.6	-1,119.6	-1,485.1	-1,528.2
Gross profit		67.0	72.7	220.4	218.4	317.0	314.9
Selling expenses		-34.9	-37.4	-112.0	-131.0	-158.3	-177.3
Administrative expenses		-24.3	-23.6	-76.4	-88.7 ¹⁾	-136.4 ²⁾	-148.7 ³⁾
Other operating income and expenses		1.1	-8.7	1.2	-10.0	3.3	-7.9
Operating profit		8.9	3.0	33.2	-11.3	25.6	-19.0
Net financial items		-10.8	-9.4	-28.7	-27.9	-38.0	-37.2
Result before tax		-1.9	-6.4	4.5	-39.2	-12.4	-56.2
Income tax		-0.7	-1.4	-6.9	-7.0	-9.2	-9.4
Net result		-2.6	-7.8	-2.4	-46.2	-21.6	-65.6
1) Including non-recurring items of SEK -4 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		-2.2	-7.5	-1.4	-45.8	-20.5	-65.1
Non-controlling interests		-0.4	-0.3	-1.0	-0.4	-1.1	-0.5
Earnings per share		-0.01	-0.04	-0.01	-0.22	-0.10	-0.31
Earnings per share, excluding non recurring items		-0.01	-0.04	-0.01	-0.20	0.05	-0.14
Average number of shares		211,205,058	211,205,058	211,205,058	211,205,058	211,205,058	211,205,058
STATEMENT OF COMPREHENSIVE INCOME							
MSEK		Jul-Sept 2021	Jul-Sept 2020	Jan-Sept 2021	Jan-Sept 2020	Oct 2020- Sept 2021	Jan-Dec 2020
Net result		-2.6	-7.8	-2.4	-46.2	-21.6	-65.6
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Actuarial profit/loss on post employment benefit obligations		0.0	-7.7	11.4	-2.1	3.0	-10.5
		0.0	-7.7	11.4	-2.1	3.0	-10.5
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges	3	-0.2	-0.2	0.0	-0.2	0.0	-0.2
Impact of extended equity		1.6	-1.5	-0.7	-0.6	9.7	9.8
Exchange rate differences		3.1	3.8	10.0	-2.6	-36.7	-49.4
Income tax relating to components of other comprehensive income		0.2	1.9	-2.2	0.5	-3.2	-0.5
		4.7	4.0	7.1	-2.9	-30.2	-40.3
Other comprehensive income for the period, net of tax		4.7	-3.7	18.5	-5.0	-27.2	-50.8
Total comprehensive income		2.1	-11.5	16.1	-51.2	-48.8	-116.4
Total comprehensive income attributable to:							
Shareholders in Parent Company		2.5	-11.2	17.1	-50.8	-47.7	-115.9
Non-controlling interests		-0.4	-0.3	-1.0	-0.4	-1.1	-0.5

Balance sheet in summary

MSEK	Note	30 Sept 2021	30 Sept 2020	31 Dec 2020
Assets				
Intangible assets	4,5	471.6	529.1	468.1
Tangible assets		242.6	272.5	243.9
Financial assets	6	96.6	109.4	104.4
Inventories		213.1	202.9	181.5
Current receivables	7	287.1	302.8	285.5
Cash and cash equivalents	8	71.4	120.7	110.1
Total assets		1,382.4	1,537.4	1,393.5
Equity and liabilities				
Equity		428.0	477.2	411.9
Non-current liabilities	9	357.9	583.7	373.8
Current liabilities	10	596.5	476.5	607.8
Total equity and liabilities		1,382.4	1,537.4	1,393.5

CHANGES IN EQUITY

MSEK	Note	Jan-Sept 2021	Jan-Sept 2020	Jan-Dec 2020
Opening balance for the period		411.9	528.7	528.7
Non-controlling interests		-1.0	0.3	-0.5
Total comprehensive income		17.1	-51.2	-116.4
Closing balance for the period		428.0	477.2	411.9

Cash flow statement

MSEK	Note	Jul-Sept 2021 3 month	Jul-Sept 2020 3 month	Jan-Sept 2021 9 month	Jan-Sept 2020 9 month	Oct 2020- Sept 2021 12 month	Jan-Dec 2020 12 month
Operating activities							
Operating profit/loss		8.9	3.0	33.2	-11.3	25.6	-19.0
Depreciation, amortisation, and impairment losses		15.9	19.6	47.2	67.8	94.4	115.6
Interest received		0.0	0.0	0.0	0.0	0.2	0.2
Interest paid		-6.7	-3.3	-20.6	-17.6	-31.6	-28.6
Financial expenses		-2.9	-0.5	-4.3	-0.8	-4.8	-1.2
Tax paid		-1.4	-0.9	-2.9	-1.0	-3.2	-1.4
Other items not affecting liquidity		-2.7	-6.9	-6.1	-26.6	-18.8	-38.7
Cash flow from operating activities before changes in working capital		11.1	11.0	46.5	10.5	61.8	26.9
Changes in working capital							
Inventories		-10.5	-4.1	-27.6	-4.0	-14.6	9.0
Current receivables		-15.1	-23.3	-8.7	-1.8	1.9	8.7
Current operating liabilities		-6.6	31.4	-2.8	28.1	-41.3	-10.4
Cash flow from operating activities		-21.1	15.0	7.4	32.8	7.8	34.2
Cash flow from investing activities							
Acquisition of intangible and tangible assets incl. advanced payments to suppliers		-1.8	-11.2	-9.9	-19.6	-13.3	-23.0
Disposal of intangible and tangible assets		2.9	0.2	3.9	5.7	17.9	19.7
Cash flow from investing activities		1.1	-11.0	-6.0	-13.9	4.6	-3.3
Cash flow after investing activities		-20.0	4.0	1.4	18.9	12.4	30.9
Cash flow from financing activities							
Change in other long-term debt		0.8	13.4	-12.2	42.0	-20.6	33.5
IFRS-16 lease payment		-10.0	-12.6	-29.3	-39.2	-39.0	-48.8
Cash flow from financing activities		-9.2	0.8	-41.5	2.8	-59.7	-15.3
Cash flow for the period		-29.2	4.8	-40.1	21.7	-47.3	15.6
Cash and cash equivalents at beginning of period		100.4	115.5	110.1	99.7	120.7	99.7
Exchange rate difference in cash and cash equivalents		0.2	0.4	1.4	-0.7	-2.0	-5.2
Cash and cash equivalents at end of period		71.4	120.7	71.4	120.7	71.4	110.1

Notes

(MSEK)

Note 1 - Net sales and asset by geographical area

Net sales	Jul-Sept 2021		Jul-Sept 2020		Jan-Sept 2021		Jan-Sept 2020		Oct 2020-Sept 2021		Jan-Dec 2020	
	Envelope	Light Packaging	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	22	19	24	14	74	43	86	37	101	61	112	54
Nordic and Baltics	23	11	28	9	79	29	97	26	111	44	129	41
Central Europe	113	39	115	42	346	127	383	120	477	180	514	173
South Europe	77	22	65	35	229	78	227	90	316	120	315	132
UK	56	24	49	15	157	64	163	44	211	84	217	62
Other	17	7	18	7	48	23	46	19	66	31	64	30
Total	308	122	299	122	933	364	1 002	336	1 282	520	1 351	492

Note 1 - cont'd

Assets	2021-09-30	2020-09-30	2020-12-31
Sweden	122	160	127
Nordic and Baltics	3	50	4
Central Europe	335	235	321
South Europe	96	237	193
UK	61	120	66
Other	97	0	1
Total	714	802	712

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 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 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.

Net turnover and EBITDA before restructuring costs per segment

Segments	2021-09-30					2020-09-30				
	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	475.5	16.5	61.4	553.4	52.3	502.4	12.3	55.0	569.7	58.0
South Europe and North Africa	367.3	9.7	27.2	404.2	11.5	378.7	8.5	27.2	414.4	2.2
Nordics	200.9	7.6	10.3	218.8	13.6	218.7	12.2	16.3	247.2	18.0
United Kingdom	216.6	2.9	0.8	220.3	7.1	202.0	3.2	3.0	208.2	-0.5
Group transactions and eliminations	0.0	0.0	-99.7	-99.7	-3.8	0.0	0.0	-101.5	-101.5	-5.0
Total	1,260.3	36.7	0.0	1,297.0	80.7	1,301.8	36.2	0.0	1,338.0	72.7
Restructuring costs					-0.3					-16.2
Depreciations and amortisations					-47.2					-67.8
Financial income					0.0					1.2
Financial expenses					-28.7					-29.1
Result before tax					4.5					-39.2
Income tax					-6.9					-7.0
Net result for the year					-2.4					-46.2

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.

2021-09-30	Assets	Liabilities
Currency forwards - cash flow hedges	0.1	0.3
Total	0.1	0.3

2020-09-30	Assets	Liabilities
Currency forwards - cash flow hedges	0.3	0.5
Total	0.3	0.5

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 -0.2 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	2021-09-30	2020-09-30	2020-12-31
Goodwill	469.2	525.4	463.2
Other intangible assets	2.4	3.7	4.9
Total	471.6	529.1	468.1

Note 5 - Goodwill	2021-09-30	2020-09-30	2020-12-31
Opening costs	463.2	529.9	529.9
Purchase/acquisition	-	-	-
Write-down	-	-3.7	-35.1
Exchange rate differences	6.0	-0.8	-31.6
Closing costs	469.2	525.4	463.2

Since the group follows estimated values in the impairment test for 2020 no further impairment is required.

Note 6 - Financial assets	2021-09-30	2020-09-30	2020-12-31
Deferred tax	95.7	108.1	103.4
Other financial assets	0.9	1.3	1.0
Total	96.6	109.4	104.4

Note 7 - Current receivables	2021-09-30	2020-09-30	2020-12-31
Receivables	207.6	203.2	207.4
Other current assets	79.5	99.6	78.1
Total	287.1	302.8	285.5

Note 8 - Cash and cash equivalent	2021-09-30	2020-09-30	2020-12-31
Cash/Bank	71.3	120.6	110.0
Cash/Bank escrow account	0.1	0.1	0.1
Total	71.4	120.7	110.1

Note 9 - Non-current liabilities	2021-09-30	2020-09-30	2020-12-31
Interest-bearing loans	51.2	249.1	51.7
Leasing contracts - IFRS 16	71.3	79.7	69.7
Pension debt	221.2	237.2	236.3
Deferred tax	8.7	8.0	8.3
Other liabilities	5.5	9.7	7.8
Total	357.9	583.7	373.8

Note 10 - Current liabilities	2021-09-30	2020-09-30	2020-12-31
Interest-bearing loans	175.2	-	186.6
Leasing contracts - IFRS 16	40.2	38.6	36.6
Payables	157.1	156.8	175.5
Other liabilities	224.0	281.1	209.1
Total	596.5	476.5	607.8

The Bond loan 2018 is booked to amortised cost which means that the nominal value of the loan SEK 210 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 2021 when the booked value will be the same as the nominal value. Repurchase of Bonds was made during the first half of the year to the nominal value of SEK 13 million. In total, SEK 34.75 million has been repurchased.

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

Adjusted interest bearing net loan debt	2021-09-30	2020-12-31
Interest bearing loans, non-current liabilities	343,7	357,7
Interest bearing loans, current liabilities	216,2	223,2
Cash and cash equivalent	-71,4	-110,1
Net Debt	488,5	470,8
Pension debt	-221,2	-236,3
Leasing contracts - IFRS 16	-111,5	-106,3
Adjusted net debt	155,8	128,2

Adjusted EBITDA 12 month rolling	2021-09-30	2020-12-31
Profit	-21,6	-65,6
Financial charges	36,4	36,2
Tax	9,3	9,4
Depreciations	95,0	115,6
Restructuring cost	-0,6	5,7
Transaction cost	1,6	1,0
Minority result	1,1	0,5
IFRS 16, lease payments	-44,1	-55,3
Adjusted EBITDA	77,1	47,5

Adjusted interest bearing net loan debt/Adjusted EBITDA	2.02	2.70
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QUARTERLY DATA. GROUP

MSEK	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	4/2017
Net Revenue	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	578.0
Operating expenses	-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	-560.9
Operating profit	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	17.1
Net financial items	-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	-10.7
Profit before tax	-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	6.4

KEY RATIOS

Note	Jan-Sept 2021	Jan-Sept 2020	Oct 2020- Sept 2021	Jan-Dec 2020
Operating margin, %	2.6	-0.8	1.4	-1.0
Return on equity, %*	-	-	2.3	neg
Return on capital employed, %* 1)	5.44	0.53	5.44	neg
Equity/assets ratio, %*	31.0	31.0	31.0	29.6
Net debt/equity ratio times*	1.14	0.77	1.14	1.14
Net loan debt/EBITDA*	4.07	4.90	4.07	4.87
Adjusted interest bearing net loan debt/adjusted EBITDA*	11		2.02	2.70
Capital employed, MSEK*	987.9	963.5	987.9	992.7
Interest-bearing net loan debt, MSEK*	488.5	483.9	488.5	470.8
1) Return on capital employed				
Earnings after financial revenues			25.4	-19.3
Average capital employed			1,034.8	1,063.7

DATA PER SHARE

	Jan-Sept 2021	Jan-Sept 2020	Oct 2020- Sept 2021	Jan-Dec 2020
Earnings per share, SEK	-0.01	-0.22	-0.10	-0.31
Earnings per share, excluding non recurring items, SEK	-0.01	-0.20	0.05	-0.14
Basic equity per share, SEK	2.03	2.26	2.03	1.95
Diluted equity per share, SEK				
Number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058
Number of shares, basic	211,205,058	211,205,058	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	2020	2019	2018	2017	2016
Net sales, MSEK	1,843	2,166	2,220	2,095	2,135
Operating profit/loss, MSEK	-19	32	-52	45	9
Extraordinary items, MSEK	-35	-	-103	-	430
Profit/loss after tax, MSEK	-66	-24	-148	-9	297
Cash flow after investing activities, MSEK	31	78	-65	40	30
Operating margin, %	-1.0	1.5	-2.3	2.2	0.4
Capital turnover rate, times	1.2	1.4	1.4	1.3	1.3
Return on equity, %	neg	neg	neg	neg	neg
Average capital employed, MSEK	1,064	983	991	1,095	1,159
Return on capital employed, %	neg	3.2	neg	0.2	1.8
Equity ratio, %	29.6	33.3	38.0	43.0	43.0
Net loan debt, MSEK	471	506	349	294	315
Net loan debt/equity, times	1.14	0.91	0.61	0.42	0.45
Net debt/EBITDA, times	4.9	4.2	5.0	3.2	5.2
Average number of employees	1,195	1,334	1,446	1,459	1,556
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	251,205,058	251,205,058
Average basic number of shares	211,205,058	211,205,058	211,205,058	211,205,058	207,417,179
Average diluted number of shares	211,205,058	211,205,058	211,205,058	251,205,058	246,533,341
Earnings per share					
Before dilution, SEK	-0.31	-0.11	-0.71	-0.06	1.42
After dilution, SEK	-0.31	-0.11	-0.71	-0.06	1.42
Earnings per share, before dilution, excluding non-recurring items	-0.14	-0.11	-0.22	-0.06	-0.64
Earnings per share, after dilution, excluding non-recurring items	-0.14	-0.11	-0.22	-0.06	-0.64
Equity per share					
Before dilution, SEK	1.95	2.50	2.70	3.30	3.30
After dilution, SEK	1.95	2.50	2.70	3.30	3.30
Cash flow from operating activities per share					
Before dilution, SEK	0.16	0.48	-0.28	0.25	0.26
After dilution, SEK	0.16	0.48	-0.28	0.25	0.26
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	0.6	0.7	1.0	1.0	0.9
P/E-ratio, times	neg	neg	neg	neg	0.6
Adjusted P/E-ratio, times	neg	neg	neg	neg	neg
Price/Equity before dilution, %	30.3	29	35	29	27
Price/Equity after dilution, %	30.3	29	35	29	27

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-Sept 2021	Jan-Sept 2020
Revenue	2.5	2.6
Gross profit	2.5	2.6
Administrative expenses	-6.6	-8.7
Operating profit/loss	-4.1	-6.1
Net financial items	2.9	1.8
Result	-1.2	-4.3
Income tax	0	0
Net result	-1.2	-4.3

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Sept 2021	Jan-Sept 2020
Net Result for the year	-1.2	-4.3
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	-1.2	-4.3

BALANCE SHEET IN SUMMARY

MSEK	30 Sept 2021	31 Dec 2020
Assets		
Financial assets	795.2	795.2
Current receivables	3.0	1.5
Cash and cash equivalents	0.1	0.2
Total Assets	798.3	796.9
Equity and liabilities		
Equity	360.6	361.8
Non-current liabilities	-	-
Current liabilities	437.7	435.1
Total equity and liabilities	798.3	796.9