

# Year-end Report

January-December  
2022



# Year-end Report Q4, January-December 2022

## October - December 2022

- Net sales increased to SEK 601 million (507)
- Operating profit before depreciation increased to SEK 60 million (47)
- Operating profit increased to SEK 43 million (13)
- Earnings after tax amounted to SEK 22 million (5)
- Earnings per share amounted to SEK 0.11 (0.03)
- Cash flow after investing activities amounted to SEK 66 million (58)

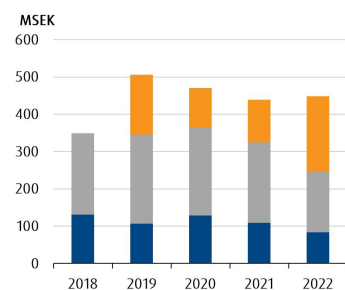
## January - December 2022

- Net sales increased to SEK 2,165 million (1,804)
- Operating profit before depreciation increased to SEK 165 million (128)
- Operating profit increased to SEK 98 million (46)
- Earnings after tax amounted to SEK 43 million (3)
- Earnings per share amounted to SEK 0.21 (0.02)
- Cash flow after investing activities amounted to SEK 72 million (60).

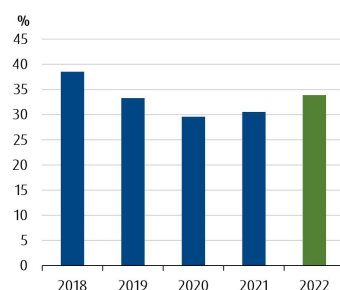
## Key Ratios

|                                      | Oct-Dec<br>2022 | Oct-Dec<br>2021 | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| MSEK                                 |                 |                 |                 |                 |
| Net sales                            | 601             | 507             | 2,165           | 1,804           |
| EBITDA                               | 60              | 47              | 165             | 128             |
| EBIT                                 | 43              | 13              | 98              | 46              |
| Non-recurring items, goodwill        | -               | -18             | -               | -18             |
| Adjusted EBIT                        | 43              | 31              | 98              | 64              |
| Earnings after tax                   | 22              | 5               | 43              | 3               |
| Earning per share, SEK               | 0.11            | 0.03            | 0.21            | 0.02            |
| Cash flow after investing activities | 66              | 58              | 72              | 60              |
| Equity/asset ratio, %                | 33.9%           | 30.5%           | 33.9%           | 30.5%           |

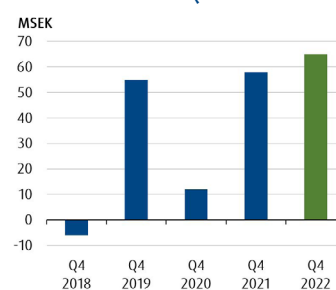
### Net debt



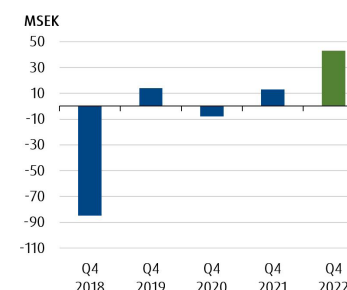
### Equity ratio



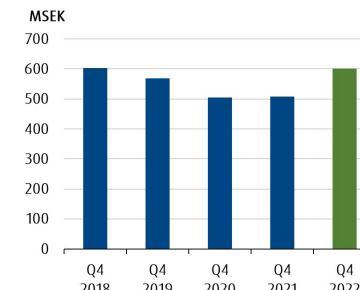
### Cash flow after investing activities - Q4



### 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 2.1 billion and about 1,100 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



1,100  
Employees

Located in  
13  
countries



Double digit  
growth in  
Light  
Packaging

# Letter to the shareholders

” In the 4th quarter Bong fully recovered its margins and improved profitability. This is the result of our team’s successful work during recent years. Our new products in Light Packaging are very promising for the future and support our ongoing change process, says Bong’s CEO Kai Steigleder. ”

## MARKET AND INDUSTRY

Paper prices stabilized on an all-time high level in Q4 2022. Due to scarce production capacity and soaring raw material prices in the first three quarters 2022 customers were overstocking their warehouses.

European businesses and consumers are now feeling the very high energy prices and are more reluctant on spending. In combination with weaker general consumer demand in Europe those factors resulted in a reduced order intake in the Q4 2022.

The economic outlook for the 1st quarter 2023 remains uncertain at least until Summer. A lot depends on the further development of the war in Ukraine. The double-digit inflation together with a scarcity in skilled labor in most European countries is resulting in a strong upward pressure on wages and salaries.

In Q4 our supply chains were stabilizing further but are still not on the short-term availability and service level we were used to before the current crisis started. Demand on transport capacity still exceeds supply and transportation costs remain high.

Our margins fully recovered and our profitability level improved in Q4. We will continue to work hard on keeping this profitable margin level.

## Light Packaging

Total development of our Light Packaging sales was positive with an overall currency adjusted increase of +14,2% ytd December 2022.

Main growth drivers were Paper Carrier Bags with ytd +44,9% mainly due to our new range of high end carrier bags targeted to the more value driven segment of the market.

Our e-Green range targeted to replace plastic packaging in e-commerce was ytd +37,7%.

In the first quarter 2023 we will introduce a new range of purely ecologically paper based padded e-commerce mailers called AirPro Green targeted to complement our existing AirPro range that is a combination of paper and plastic. Those products are very promising for Bong and support our change process.

## Envelope

Our price increases on envelopes were resulting in a +15,9% ytd 2022 currency adjusted growth in this segment. Volumes in 2022 were down following the long-term market trend which is replacing printed information by digital information.

Overstocking of distributors and wholesalers caused by fear of paper and envelop shortage enhanced the situation. But we achieved our target to regain profitability in the envelope segment. This helps us to finance future investments in Light Packaging.

## OPERATING PROFIT

The Group’s currency-adjusted sales increased by 15% compared with ytd Q4 2021 mainly because of price increases. Bong’s gross margin has stabilized and is slightly higher compared to 2021. Operating profit increased to SEK 98 million (46). The operating profit in 2022 was affected negatively by restructuring cost of SEK -2 million (-1). Impairment of Goodwill had no impact on the operating profit in 2022 (-18).



## IMPROVED CASH FLOW AND ADJUSTED NET DEBT / ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 111 million (67). Adjusted net debt / adjusted EBITDA according to Bong’s Bond loan amounts to 0.71 (1.27).

## FOCUS AND STRATEGY

Our main goals remain unchanged i.e. to keep profitability in envelopes and to grow in Light Packaging.

In order to keep track we need to further push a tough cost management and streamline our production sites.

Finally, I would like to thank our loyal and hardworking employees as well as our stakeholders and shareholders for their continuous support.

## Kai Steigleder

Chief Executive Officer

# Financial overview

## Sales and profit

### January – December 2022

Consolidated sales for the period reached SEK 2,165 million (1,804). Exchange rate fluctuations had a positive impact on sales of SEK 73 million (-45) compared with 2021.

Operating profit increased to SEK 98 million (46). The Group's gross margin has increased compared to last year. During the period operating profit was positively affected by capital gains of SEK 11 million (10) attributable to sales of machinery. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 3 million (-2).

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

Earnings before tax amounted to SEK 62 million (10) and reported earnings after tax were SEK 43 million (3).

Bong's total light packaging sales amounted to SEK 619 million (520). Currency fluctuations had a positive impact on light packaging sales of SEK 22 million (-14) compared with the corresponding period in 2021.

Bong's total envelope sales amounted to SEK 1,483 million (1,229). Currency fluctuations had a positive impact on envelope sales of SEK 51 million (-31) compared to same period 2021.

### October – December 2022

Consolidated sales for the period reached SEK 601 million (507). Exchange rate fluctuations had a positive impact on sales of SEK 35 million (-13) compared with 2021.

Operating profit increased to SEK 43 million (13). The Group's gross margin in Q4 has increased, bringing back the year to date margin to normal levels. During the period operating profit was positively affected by capital gains of SEK 3 million (8) attributable to sales of machinery. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 2 million (-1).

Net financial items for the period amounted to SEK -10 million (-7).

Earnings before tax amounted to SEK 33 million (6) and reported earnings after tax were SEK 22 million (5).

Bong's total light packaging sales amounted to SEK 183 million (155). Currency fluctuations had a positive impact on light packaging sales of SEK 11 million (-4) compared with the corresponding period in 2021.

Bong's total envelope sales amounted to SEK 399 million (327). Currency fluctuations had a positive impact on envelope sales of SEK 23 million (-9) compared with the corresponding period in 2021.

## Cash flow and investments

The cash flow after investing activities increased to SEK 72 million (60) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 111 million (79). Working capital had a positive impact on the cash flow of SEK 1 million (-12). Due to huge raw material price increases stock levels were increasing with a negative impact on our cash flow. In addition, we invested in further light packaging capacities.

Restructuring costs had a negative impact on the cash flow of SEK -1 million (-2). Net investments in the period had a negative impact amounting to SEK -39 million (-7).

## Financial position

Cash and cash equivalents at 31 December 2022 amounted to SEK 145 million (SEK 135 million at 31 December 2021). The Group had unutilized credit facilities of SEK 8 million on the same date. Total available cash and cash equivalents thus amounted to SEK 153 million (SEK 144 million at 31 December 2021). Consolidated equity at the end of December 2022 was SEK 572 million (SEK 440 million at 31 December 2021).

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 89 million. The interest bearing net loan debt amounted to SEK 448 million, whereof pension debt amounts to SEK 163 million and IFRS 16 leasing contracts amount to SEK 202 million (SEK 440 million at 31 December 2021, whereof pension debt amounts to SEK 215 million and IFRS 16 Leasing contracts SEK 115 million).

## Employees

The average number of employees during the period was 1,134 (1,141). The Group had 1,148 (1,129) employees at the end of December 2022. Bong has intensively worked on improving productivity and adjusting staff to meet current demand.

## Parent Company

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions. Sales were SEK 2.2 million (2.5) and earnings before tax for the period were SEK 28.5 million (1.3).

## 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 2021 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 2021 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 2022. No dividend was paid for 2021.

## Annual General Meeting

The annual general meeting will be held on 10 May 2023 at 4 p.m. in Malmö or digitally. The January-March 2023 interim report will be published in connection with the AGM. The annual report will be available no later than 19 April 2023.

## Kristianstad 9 February 2023

## 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, 10 May 2023, Malmö/Postal Voting
- Interim Report January-March 2023, 10 May 2023
- Interim Report January-June 2023, July 2023
- Interim Report January-September 2023, November 2023
- Year-End Report 2023, February 2024

# Income statements in summary

| MSEK                                                            | Note | Oct-Dec<br>2022<br>3 month | Oct-Dec<br>2021<br>3 month | Jan-Dec<br>2022<br>12 month | Jan-Dec<br>2021<br>12 month |
|-----------------------------------------------------------------|------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Revenue                                                         | 1,2  | 600.9                      | 507.0                      | 2,164.7                     | 1,804.0                     |
| Cost of goods sold                                              |      | -485.6                     | -421.9                     | -1,779.9                    | -1,498.4                    |
| Gross profit                                                    |      | 115.3                      | 85.1                       | 384.8                       | 305.6                       |
| Selling expenses                                                |      | -31.8                      | -39.6                      | -146.7                      | -151.6                      |
| Administrative expenses                                         |      | -39.1                      | -45.6 <sup>1)</sup>        | -121.5                      | -122.0 <sup>1)</sup>        |
| Other operating income and expenses                             |      | -1.5                       | 12.8                       | -18.3                       | 13.9                        |
| Operating profit                                                |      | 42.9                       | 12.7                       | 98.3                        | 45.9                        |
| Net financial items                                             |      | -9.8                       | -7.1                       | -36.5                       | -35.8                       |
| Result before tax                                               |      | 33.1                       | 5.6                        | 61.8                        | 10.1                        |
| Income tax                                                      |      | -11.3                      | -0.5                       | -19.1                       | -7.3                        |
| <b>Net result</b>                                               |      | <b>21.8</b>                | <b>5.1</b>                 | <b>42.7</b>                 | <b>2.8</b>                  |
| 1) Including non-recurring items of SEK -18 million             |      |                            |                            |                             |                             |
| <b>Total comprehensive income attributable to:</b>              |      |                            |                            |                             |                             |
| Shareholders in Parent Company                                  |      | 22.6                       | 5.7                        | 44.1                        | 4.4                         |
| Non-controlling interests                                       |      | -0.8                       | -0.6                       | -1.4                        | -1.6                        |
| Earnings per share                                              |      | 0.11                       | 0.03                       | 0.21                        | 0.02                        |
| Earnings per share, excluding non recurring items               |      | 0.11                       | 0.11                       | 0.21                        | 0.11                        |
| Average number of shares                                        |      | 211,205,058                | 211,205,058                | 211,205,058                 | 211,205,058                 |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>                        |      |                            |                            |                             |                             |
| MSEK                                                            |      | Oct-Dec<br>2022            | Oct-Dec<br>2021            | Jan-Dec<br>2022             | Jan-Dec<br>2021             |
| Net result                                                      |      | 21.8                       | 5.1                        | 42.7                        | 2.8                         |
| <b>Other comprehensive income</b>                               |      |                            |                            |                             |                             |
| Items that will not be reclassified to profit or loss:          |      |                            |                            |                             |                             |
| Actuarial profit/loss on post employment benefit obligations    |      | -5.5                       | 6.1                        | 51.0                        | 17.5                        |
|                                                                 |      | -5.5                       | 6.1                        | 51.0                        | 17.5                        |
| Items that may be reclassified subsequently to profit or loss:  |      |                            |                            |                             |                             |
| Cash flow hedges                                                | 3    | -0.1                       | 0.3                        | -0.1                        | 0.3                         |
| Translation differences                                         |      | 18.7                       | 0.2                        | 46.7                        | 9.6                         |
| Income tax relating to components of other comprehensive income |      | 2.4                        | -0.6                       | -8.5                        | -2.9                        |
|                                                                 |      | 21.0                       | -0.2                       | 38.1                        | 7.0                         |
| Other comprehensive income for the period, net of tax           |      | 15.5                       | 5.9                        | 89.1                        | 24.6                        |
| <b>Total comprehensive income</b>                               |      | <b>37.3</b>                | <b>11.0</b>                | <b>131.8</b>                | <b>27.3</b>                 |
| <b>Total comprehensive income attributable to:</b>              |      |                            |                            |                             |                             |
| Shareholders in Parent Company                                  |      | 38.1                       | 11.6                       | 133.2                       | 28.9                        |
| Non-controlling interests                                       |      | -0.8                       | -0.6                       | -1.4                        | -1.6                        |

## Balance sheet in summary

| MSEK                                | Note | 31 Dec<br>2022 | 31 Dec<br>2021 |
|-------------------------------------|------|----------------|----------------|
| <b>Assets</b>                       |      |                |                |
| Intangible assets                   | 4,5  | 489.7          | 455.9          |
| Tangible assets                     |      | 370.1          | 248.1          |
| Other non-current assets            | 6    | 91.1           | 101.6          |
| Inventories                         |      | 284.7          | 210.8          |
| Current receivables                 | 7    | 305.5          | 292.9          |
| Cash and cash equivalents           | 8    | 144.7          | 135.3          |
| <b>Total assets</b>                 |      | <b>1,685.8</b> | <b>1,444.6</b> |
| <b>Equity and liabilities</b>       |      |                |                |
| Equity                              |      | 571.8          | 440.0          |
| Non-current liabilities             | 9    | 536.1          | 522.8          |
| Current liabilities                 | 10   | 577.9          | 481.8          |
| <b>Total equity and liabilities</b> |      | <b>1,685.8</b> | <b>1,444.6</b> |

### CHANGES IN EQUITY

| MSEK                                  | Note | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|---------------------------------------|------|-----------------|-----------------|
| Opening balance for the period        |      | 440.0           | 411.9           |
| Capital Increase, minorities          |      | -               | 0.8             |
| Non-controlling interests             |      | -1.4            | -1.6            |
| Total comprehensive income            |      | 133.2           | 28.9            |
| <b>Closing balance for the period</b> |      | <b>571.8</b>    | <b>440.0</b>    |

## Cash flow statement

| MSEK                                                                               | Note | Oct-Dec<br>2022<br>3 month | Oct-Dec<br>2021<br>3 month | Jan-Dec<br>2022<br>12 month | Jan-Dec<br>2021<br>12 month |
|------------------------------------------------------------------------------------|------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>Operating activities</b>                                                        |      |                            |                            |                             |                             |
| Operating profit/loss                                                              |      | 42.9                       | 12.7                       | 98.3                        | 45.9                        |
| Depreciation, amortisation, and impairment losses                                  |      | 17.4                       | 34.4                       | 66.3                        | 81.6                        |
| Interest received                                                                  |      | 0.0                        | 0.0                        | 0.0                         | 0.0                         |
| Interest paid                                                                      |      | -7.0                       | -6.9                       | -24.5                       | -27.4                       |
| Financial expenses                                                                 |      | -2.4                       | -1.5                       | -7.7                        | -5.8                        |
| Tax paid                                                                           |      | -1.8                       | -0.9                       | -7.0                        | -3.8                        |
| Other items not affecting liquidity                                                |      | 1.5                        | -5.5                       | -14.7                       | -11.6                       |
| <b>Cash flow from operating activities before changes in working capital</b>       |      | <b>50.6</b>                | <b>32.3</b>                | <b>110.7</b>                | <b>78.9</b>                 |
| <b>Changes in working capital</b>                                                  |      |                            |                            |                             |                             |
| Inventories                                                                        |      | 30.5                       | 4.8                        | -57.8                       | -22.9                       |
| Current receivables                                                                |      | 29.9                       | 1.7                        | 1.1                         | -7.0                        |
| Current operating liabilities                                                      |      | -21.9                      | 20.4                       | 57.3                        | 17.7                        |
| <b>Cash flow from operating activities</b>                                         |      | <b>89.1</b>                | <b>59.2</b>                | <b>111.3</b>                | <b>66.7</b>                 |
| <b>Cash flow from investing activities</b>                                         |      |                            |                            |                             |                             |
| Acquisition of intangible and tangible assets incl. advanced payments to suppliers |      | -26.9                      | -11.7                      | -51.6                       | -21.5                       |
| Disposal of intangible and tangible assets                                         |      | 3.3                        | 10.7                       | 12.7                        | 14.5                        |
| <b>Cash flow from investing activities</b>                                         |      | <b>-23.6</b>               | <b>-1.0</b>                | <b>-38.9</b>                | <b>-7.0</b>                 |
| <b>Cash flow after investing activities</b>                                        |      | <b>65.5</b>                | <b>58.2</b>                | <b>72.4</b>                 | <b>59.7</b>                 |
| <b>Cash flow from financing activities</b>                                         |      |                            |                            |                             |                             |
| Change in other long-term debt                                                     |      | -8.1                       | 14.6                       | -26.3                       | 2.3                         |
| IFRS-16 lease payment                                                              |      | -14.3                      | -10.4                      | -46.6                       | -39.7                       |
| <b>Cash flow from financing activities</b>                                         |      | <b>-22.4</b>               | <b>4.2</b>                 | <b>-72.9</b>                | <b>-37.4</b>                |
| <b>Cash flow for the period</b>                                                    |      | <b>43.1</b>                | <b>62.4</b>                | <b>-0.5</b>                 | <b>22.3</b>                 |
| Cash and cash equivalents at beginning of period                                   |      | 96.6                       | 71.4                       | 135.3                       | 110.0                       |
| Exchange rate difference in cash and cash equivalents                              |      | 5.0                        | 1.5                        | 9.9                         | 3.0                         |
| <b>Cash and cash equivalents at end of period</b>                                  |      | <b>144.7</b>               | <b>135.3</b>               | <b>144.7</b>                | <b>135.3</b>                |



# Notes

(MSEK)

## Note 1 - Net sales and non-current asset by geographical area

| Net sales          | Oct-Dec 2022 |             |           | Oct-Dec 2021 |             |           | Jan-Dec 2022 |             |           | Jan-Dec 2021 |             |           |
|--------------------|--------------|-------------|-----------|--------------|-------------|-----------|--------------|-------------|-----------|--------------|-------------|-----------|
|                    | Envelope     | Light Pack. | IFRS Adj. | Envelope     | Light Pack. | IFRS Adj. | Envelope     | Light Pack. | IFRS Adj. | Envelope     | Light Pack. | IFRS Adj. |
| Sweden             | 26           | 18          | 2         | 26           | 22          | 3         | 114          | 65          | 6         | 98           | 66          | 7         |
| Nordic and Baltics | 30           | 15          | 0         | 29           | 15          | 1         | 116          | 46          | 0         | 108          | 43          | 1         |
| Central Europe     | 157          | 75          | 7         | 122          | 43          | 10        | 581          | 240         | 29        | 451          | 170         | 26        |
| South Europe       | 102          | 30          | 9         | 83           | 44          | 9         | 349          | 112         | 23        | 306          | 121         | 15        |
| UK                 | 64           | 27          | 1         | 50           | 22          | 1         | 256          | 101         | 5         | 204          | 87          | 4         |
| Other              | 20           | 18          | 0         | 17           | 9           | 1         | 67           | 55          | 0         | 65           | 30          | 2         |
| <b>Total</b>       | <b>399</b>   | <b>183</b>  | <b>19</b> | <b>327</b>   | <b>155</b>  | <b>25</b> | <b>1,483</b> | <b>619</b>  | <b>63</b> | <b>1,229</b> | <b>520</b>  | <b>55</b> |

## Note 1 - cont'd

| Intangible and tangible assets | 2022-12-31 | 2021-12-31 |
|--------------------------------|------------|------------|
| Sweden                         | 118        | 119        |
| Nordic and Baltics             | 3          | 3          |
| Central Europe                 | 438        | 344        |
| South Europe                   | 257        | 191        |
| UK                             | 43         | 40         |
| Other                          | 1          | 7          |
| <b>Total</b>                   | <b>860</b> | <b>704</b> |

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.

### SEGMENT INFORMATION

The definition of the segments are primarily related to geographical areas as disclosed below.

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

### Net turnover and EBITDA before restructuring costs per segment

| Segments                            | 2022-12-31                      |                  |                             |                |              | 2021-12-31                      |                  |                             |                |              |
|-------------------------------------|---------------------------------|------------------|-----------------------------|----------------|--------------|---------------------------------|------------------|-----------------------------|----------------|--------------|
|                                     | 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                      | 848.3                           | 24.9             | 95.6                        | 968.8          | 94.4         | 651.9                           | 22.6             | 80.6                        | 755.1          | 63.5         |
| South Europe and North Africa       | 605.5                           | 14.6             | 35.4                        | 655.5          | 38.3         | 531.0                           | 15.0             | 35.5                        | 581.5          | 29.6         |
| Nordics                             | 296.6                           | 18.3             | 13.6                        | 328.5          | 17.8         | 278.3                           | 13.6             | 13.9                        | 305.8          | 20.2         |
| United Kingdom                      | 352.1                           | 4.4              | 0.6                         | 357.1          | 12.5         | 287.7                           | 3.9              | 0.8                         | 292.4          | 8.2          |
| Group transactions and eliminations | 0.0                             | 0.0              | -145.2                      | -145.2         | 3.1          | 0.0                             | 0.0              | -130.8                      | -130.8         | 7.2          |
| <b>Total</b>                        | <b>2,102.5</b>                  | <b>62.2</b>      | <b>0.0</b>                  | <b>2,164.7</b> | <b>166.1</b> | <b>1,748.9</b>                  | <b>55.1</b>      | <b>0.0</b>                  | <b>1,804.0</b> | <b>128.7</b> |
| Restructuring costs                 |                                 |                  |                             |                | -1.6         |                                 |                  |                             |                | -1.2         |
| Depreciations and amortisations     |                                 |                  |                             |                | -66.3        |                                 |                  |                             |                | -81.6        |
| Financial income                    |                                 |                  |                             |                | 0.9          |                                 |                  |                             |                | 0.0          |
| Financial expenses                  |                                 |                  |                             |                | -37.3        |                                 |                  |                             |                | -35.8        |
| Result before tax                   |                                 |                  |                             |                | 61.8         |                                 |                  |                             |                | 10.1         |
| Income tax                          |                                 |                  |                             |                | -19.1        |                                 |                  |                             |                | -7.3         |
| <b>Net result for the year</b>      |                                 |                  |                             |                | <b>42.7</b>  |                                 |                  |                             |                | <b>2.8</b>   |

### 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.

| 2022-12-31                           | Assets     | Liabilities |
|--------------------------------------|------------|-------------|
| Currency forwards - cash flow hedges | 0.0        | 0.0         |
| <b>Total</b>                         | <b>0.0</b> | <b>0.0</b>  |

| 2021-12-31                           | Assets     | Liabilities |
|--------------------------------------|------------|-------------|
| Currency forwards - cash flow hedges | 0.2        | 0.1         |
| <b>Total</b>                         | <b>0.2</b> | <b>0.1</b>  |

For the above contracts the following amounts are found in the hedge reserve under Total comprehensive income; currency forwards - cash flow hedges SEK -0.1 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 | 2022-12-31   | 2021-12-31   |
|----------------------------|--------------|--------------|
| Goodwill                   | 488.0        | 454.5        |
| Other intangible assets    | 1.7          | 1.4          |
| <b>Total</b>               | <b>489.7</b> | <b>455.9</b> |

| Note 5 - Goodwill         | 2022-12-31 | 2021-12-31 |
|---------------------------|------------|------------|
| Opening costs             | 454.5      | 463.2      |
| Purchase/acquisition      | -          | -          |
| Write-down                | -          | -17.9      |
| Exchange rate differences | 33.5       | 9.2        |
| Closing costs             | 488.0      | 454.5      |

| Note 6 - Other non-current assets | 2022-12-31  | 2021-12-31   |
|-----------------------------------|-------------|--------------|
| Deferred tax assets               | 90.3        | 100.8        |
| Other non-current receivables     | 0.8         | 0.8          |
| <b>Total</b>                      | <b>91.1</b> | <b>101.6</b> |

| Note 7 - Current receivables | 2021-12-31   | 2021-12-31   |
|------------------------------|--------------|--------------|
| Receivables                  | 192.2        | 208.3        |
| Other current assets         | 113.3        | 84.6         |
| <b>Total</b>                 | <b>305.5</b> | <b>292.9</b> |

| Note 8 - Cash and cash equivalent | 2022-12-31   | 2021-12-31   |
|-----------------------------------|--------------|--------------|
| Cash/Bank                         | 144.6        | 135.2        |
| Cash/Bank escrow account          | 0.1          | 0.1          |
| <b>Total</b>                      | <b>144.7</b> | <b>135.3</b> |

| Note 9 - Non-current liabilities | 2022-12-31   | 2021-12-31   |
|----------------------------------|--------------|--------------|
| Interest-bearing loans           | 196.9        | 215.1        |
| Leasing contracts - IFRS 16      | 154.5        | 73.5         |
| Pension debt                     | 163.2        | 215.0        |
| Deferred tax                     | 11.0         | 8.6          |
| Other liabilities                | 10.5         | 10.6         |
| <b>Total</b>                     | <b>536.1</b> | <b>522.8</b> |

| Note 10 - Current liabilities | 2022-12-31   | 2021-12-31   |
|-------------------------------|--------------|--------------|
| Interest-bearing loans        | 31.3         | 29.5         |
| Leasing contracts - IFRS 16   | 47.0         | 41.6         |
| Payables                      | 196.6        | 181.4        |
| Other liabilities             | 303.0        | 229.3        |
| <b>Total</b>                  | <b>577.9</b> | <b>481.8</b> |

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         | 2022-12-31  | 2021-12-31   |
|-------------------------------------------------|-------------|--------------|
| Interest bearing loans, non-current liabilities | 514.6       | 503.6        |
| Interest bearing loans, current liabilities     | 78.4        | 71.1         |
| Cash and cash equivalent                        | -144.7      | -135.3       |
| Net Debt                                        | 448.3       | 439.4        |
| Pension debt                                    | -163.2      | -215.0       |
| Leasing contracts - IFRS 16                     | -201.6      | -115.1       |
| <b>Adjusted net debt</b>                        | <b>83.5</b> | <b>109.3</b> |

| Adjusted EBITDA 12 month rolling | 2022-12-31   | 2021-12-31  |
|----------------------------------|--------------|-------------|
| Profit                           | 42.7         | 2.8         |
| Financial charges                | 36.3         | 34.1        |
| Tax                              | 19.1         | 7.3         |
| Depreciations                    | 66.3         | 81.6        |
| Restructuring cost               | 1.6          | 1.2         |
| Transaction cost                 | 0.2          | 1.7         |
| Minority result                  | 0.8          | 1.6         |
| IFRS 16, lease payments          | -49.2        | -44.0       |
| <b>Adjusted EBITDA</b>           | <b>117.8</b> | <b>86.4</b> |

| Adjusted interest bearing net loan debt/Adjusted EBITDA | 0.71 | 1.27 |
|---------------------------------------------------------|------|------|
|---------------------------------------------------------|------|------|

## QUARTERLY DATA. GROUP

| MSEK                     | 4/2022      | 3/2022      | 2/2022      | 1/2022      | 4/2021     | 3/2021      | 2/2021      | 1/2021      | 4/2020       | 3/2020      | 2/2020       | 1/2020      | 4/2019     | 3/2019      | 2/2019       | 1/2019     |
|--------------------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|------------|-------------|--------------|------------|
| Net Revenue              | 600.9       | 526.8       | 517.1       | 519.9       | 507.0      | 429.9       | 407.3       | 459.7       | 505.1        | 420.9       | 398.8        | 518.3       | 567.9      | 519.8       | 507.1        | 571.0      |
| Operating expenses       | -558.0      | -496.3      | -497.8      | -514.4      | -494.3     | -421.0      | -405.0      | -437.5      | -512.7       | -417.9      | -418.5       | -513.0      | -554.2     | -513.3      | -510.6       | -555.7     |
| Operating profit         | 42.9        | 30.5        | 19.3        | 5.5         | 12.7       | 8.9         | 2.3         | 22.2        | -7.6         | 3.0         | -19.7        | 5.3         | 13.7       | 6.5         | -3.5         | 15.3       |
| Net financial items      | -9.8        | -10.4       | -8.0        | -8.3        | -7.1       | -10.8       | -9.4        | -8.5        | -9.3         | -9.4        | -10.2        | -8.4        | -7.8       | -12.3       | -11.2        | -10.6      |
| <b>Profit before tax</b> | <b>33.1</b> | <b>20.1</b> | <b>11.3</b> | <b>-2.8</b> | <b>5.6</b> | <b>-1.9</b> | <b>-7.1</b> | <b>13.7</b> | <b>-16.9</b> | <b>-6.4</b> | <b>-30.0</b> | <b>-3.1</b> | <b>5.9</b> | <b>-5.8</b> | <b>-14.7</b> | <b>4.7</b> |

## KEY RATIOS

| Note                                                     | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|----------------------------------------------------------|-----------------|-----------------|
| Operating margin, %                                      | 4.5             | 2.5             |
| Return on equity, %*                                     | 8.71            | 5.23            |
| Return on capital employed, %*                           | 9.10            | 6.36            |
| Equity/assets ratio, %*                                  | 33.9            | 30.5            |
| Net debt/equity ratio times*                             | 0.78            | 1.00            |
| Net loan debt/EBITDA*                                    | 2.72            | 3.45            |
| Adjusted interest bearing net loan debt/adjusted EBITDA* | 0.71            | 1.27            |
| Capital employed, MSEK*                                  | 1,164.8         | 1,014.7         |
| Interest-bearing net loan debt, MSEK*                    | 448.3           | 439.4           |
| Average capital employed, MSEK                           | 1,089.7         | 1,003.7         |

## DATA PER SHARE

|                                                        | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|--------------------------------------------------------|-----------------|-----------------|
| Earnings per share, SEK                                | 0.21            | 0.02            |
| Earnings per share, excluding non recurring items, SEK | 0.21            | 0.11            |
| Basic equity per share, SEK                            | 2.71            | 2.08            |
| 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                                                              | 2022        | 2021        | 2020        | 2019        | 2018        |
|-------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Net sales, MSEK                                                         | 2,165       | 1,804       | 1,843       | 2,166       | 2,220       |
| Operating profit/loss, MSEK                                             | 98          | 46          | -19         | 32          | -52         |
| Extraordinary items, MSEK                                               | -           | -18         | -35         | -           | -103        |
| Profit/loss after tax, MSEK                                             | 43          | 3           | -66         | -24         | -148        |
| Cash flow after investing activities, MSEK                              | 72          | 60          | 31          | 78          | -65         |
| Operating margin, %                                                     | 4.5         | 2.5         | -1.0        | 1.5         | -2.3        |
| Return on equity, %                                                     | 8.7         | 5.2         | neg         | neg         | neg         |
| Average capital employed, MSEK                                          | 1,090       | 1,004       | 1,064       | 983         | 991         |
| Return on capital employed, %                                           | 9.1         | 6.4         | neg         | 3.2         | neg         |
| Equity ratio, %                                                         | 33.9        | 31          | 30          | 33          | 38          |
| Net loan debt, MSEK                                                     | 448         | 439         | 471         | 506         | 349         |
| Net loan debt/equity, times                                             | 0.73        | 1.00        | 1.14        | 0.91        | 0.61        |
| Net debt/EBITDA, times                                                  | 2.5         | 3.4         | 4.9         | 4.2         | 5.0         |
| Average number of employees                                             | 1,134       | 1,141       | 1,195       | 1,334       | 1,446       |
| <b>Number of shares</b>                                                 |             |             |             |             |             |
| 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 | 211,205,058 |
| 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 | 211,205,058 |
| <b>Earnings per share</b>                                               |             |             |             |             |             |
| Before dilution, SEK                                                    | 0.21        | 0.02        | -0.31       | -0.11       | -0.71       |
| After dilution, SEK                                                     | 0.21        | 0.02        | -0.31       | -0.11       | -0.71       |
| Earnings per share, before dilution, excluding non-recurring items, SEK | 0.21        | 0.11        | -0.14       | -0.11       | -0.22       |
| Earnings per share, after dilution, excluding non-recurring items, SEK  | 0.21        | 0.11        | -0.14       | -0.11       | -0.22       |
| <b>Equity per share</b>                                                 |             |             |             |             |             |
| Before dilution, SEK                                                    | 2.71        | 2.08        | 1.95        | 2.50        | 2.70        |
| After dilution, SEK                                                     | 2.71        | 2.08        | 1.95        | 2.50        | 2.70        |
| <b>Cash flow from operating activities per share</b>                    |             |             |             |             |             |
| Before dilution, SEK                                                    | 0.53        | 0.32        | 0.16        | 0.48        | -0.28       |
| After dilution, SEK                                                     | 0.53        | 0.32        | 0.16        | 0.48        | -0.28       |
| <b>Other data per share</b>                                             |             |             |             |             |             |
| Dividend, SEK                                                           | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        |
| Quoted market price on the balance sheet date, SEK                      | 1.1         | 0.85        | 0.6         | 0.7         | 1.0         |
| P/E-ratio, times                                                        | 5.4         | 41.3        | neg         | neg         | neg         |
| Adjusted P/E-ratio, times                                               | 0.0         | 8.06        | neg         | neg         | neg         |
| Price/Equity before dilution, %                                         | 41          | 41          | 30          | 29          | 35          |
| Price/Equity after dilution, %                                          | 41          | 41          | 30          | 29          | 35          |

# 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.

## 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. 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. 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<br>2022 | Jan-Dec<br>2021 |
|-------------------------|-----------------|-----------------|
| Revenue                 | 2.2             | 2,5             |
| Gross profit            | 2.2             | 2,5             |
| Administrative expenses | -6.6            | -9,5            |
| Operating profit/loss   | -4.4            | -7,0            |
| Net financial items     | 24.1            | 8.3             |
| Result                  | 19.7            | 1.3             |
| Income tax              | 8.8             | 0               |
| <b>Net result</b>       | <b>28.5</b>     | <b>1.3</b>      |

## STATEMENT OF COMPREHENSIVE INCOME

| MSEK                                                            | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|-----------------------------------------------------------------|-----------------|-----------------|
| Net Result for the year                                         | 28.5            | 1.3             |
| 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                          | -               | -               |
| <b>Total comprehensive income</b>                               | <b>28.5</b>     | <b>1.3</b>      |

## BALANCE SHEET IN SUMMARY

| MSEK                                | 31 Dec<br>2022 | 31 Dec<br>2021 |
|-------------------------------------|----------------|----------------|
| Assets                              |                |                |
| Financial assets                    | 646.5          | 603.7          |
| Current receivables                 | 4.0            | 3.0            |
| Cash and cash equivalents           | 0.1            | 0.1            |
| <b>Total Assets</b>                 | <b>650.6</b>   | <b>606.8</b>   |
| Equity and liabilities              |                |                |
| Equity                              | 391.6          | 363.1          |
| Non-current liabilities             | 180.0          | 174.3          |
| Current liabilities                 | 79.0           | 69.4           |
| <b>Total equity and liabilities</b> | <b>650.6</b>   | <b>606.8</b>   |