Year-end Report

January-December 2018

BONG

„2018 was a challenging year for the envelope industry since we experienced one of the most drastic paper price increases in recent history. Overall we were relatively successful in passing on those price increases to our customers and to maintain our gross margins. However in some cases we had to accept time delays due to long term customer contracts which negatively affected our gross profit in 2018. In my opinion Bong managed this tough year operationally better than its competitors. Currently we see first signs of an easing on the supply side situation since paper prices seem to have stagnated recently. In envelopes Bong developed better than the market in general last year. In light packaging the positive trend continued during 2018 with a sales increase of paper carrier bags by 47%. With further focus from our dedicated organization I am very much looking forward to 2019 and the light packaging development, says Bong's new CEO Kai Steigleder."

October – December 2018

- Net sales increased to SEK 603 million (578)
- Operating profit before depreciation decreased to SEK 5 million (29)
- Operating profit decreased to SEK -85 million (17)
- Revaluation of goodwill amounts to SEK -76 million (0)
- Non-recurring items in operating profit amounted to SEK -82 million (-5)
- Earnings after tax amounted to SEK -123 million (8)
- Revaluation of deferred tax assets amounts to SEK -17 million (0)
- Earnings per share amounted to SEK -0.58 (0.03)
- Cash flow after investing activities amounted to SEK -6 million (27)
- The work to refinance Bong's bond has been finalized

January – December 2018

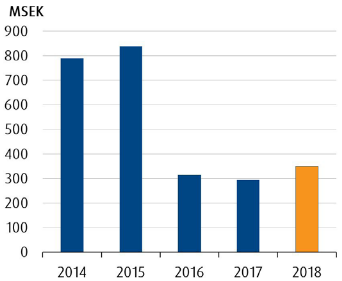
- Net sales increased to SEK 2,220 million (2,095)
- Operating profit before depreciation decreased to SEK 71 million (91)
- Operating profit decreased to SEK -52 million (45)
- Revaluation of goodwill amounts to SEK -76 million (0)
- Non-recurring items in operating profit amounted to SEK -77 million (-5)
- Non-recurring items in the finance net amounted to SEK -11 million (0)
- Earnings after tax amounted to SEK -148 million (-9)
- Revaluation of deferred tax assets amounts to SEK -17 million (0)
- Earnings per share amounted to SEK -0.71 (-0.06)
- Cash flow after investing activities amounted to SEK -65 million (40)

Key Ratios

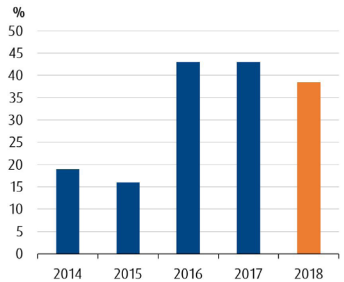
MSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	603	578	2,220	2,095
EBITDA	5	29	71	91
Non-recurring items	-6 [1]	-5 [2]	-1 [3]	-5 [2]
Adjusted EBITDA	12	35	72	97
Adjusted EBITDA - margin, %	1.9%	6.0%	3.3%	4.6%
EBIT	-85	17	-52	45
Non-recurring items	-76 [4]	-	-76 [4]	-
Adjusted EBIT	-3	22	25	50
Adjusted EBIT-margin, %	-0.5%	3,9%	1,1%	2,4%
Non-recurring items, financial net	-	-	-11 [5]	-
EBT	-98	6	-108	1
Earnings after tax	-123	8	-148	-9
Earning per share, SEK	-0.58	0.03	-0.71	-0.06
Cash flow after investing activities	-6	27	-65	40
Equity/asset ratio, %	38.5%	42.8%	38.5%	42.8%

1) Restructuring cost SEK -6 million
2) Restructuring cost SEK -5 million
3) Restructuring cost SEK -5 million , capital profit building/land SEK 4 million
4) Impairment goodwill SEK -76 million
5) Divestment Postac LLC SEK -11 million

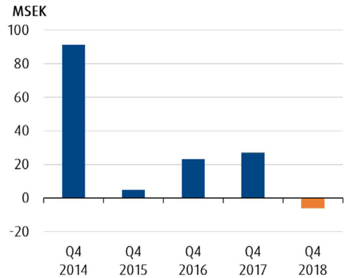
Net debt



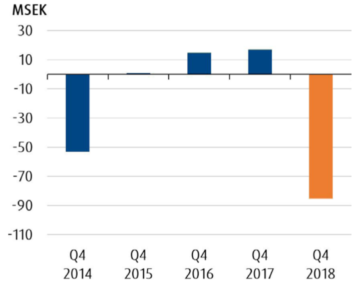
Equity ratio



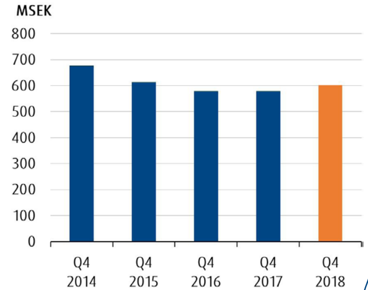
Cash flow after investing activities - Q4



Operating profit/loss - Q4



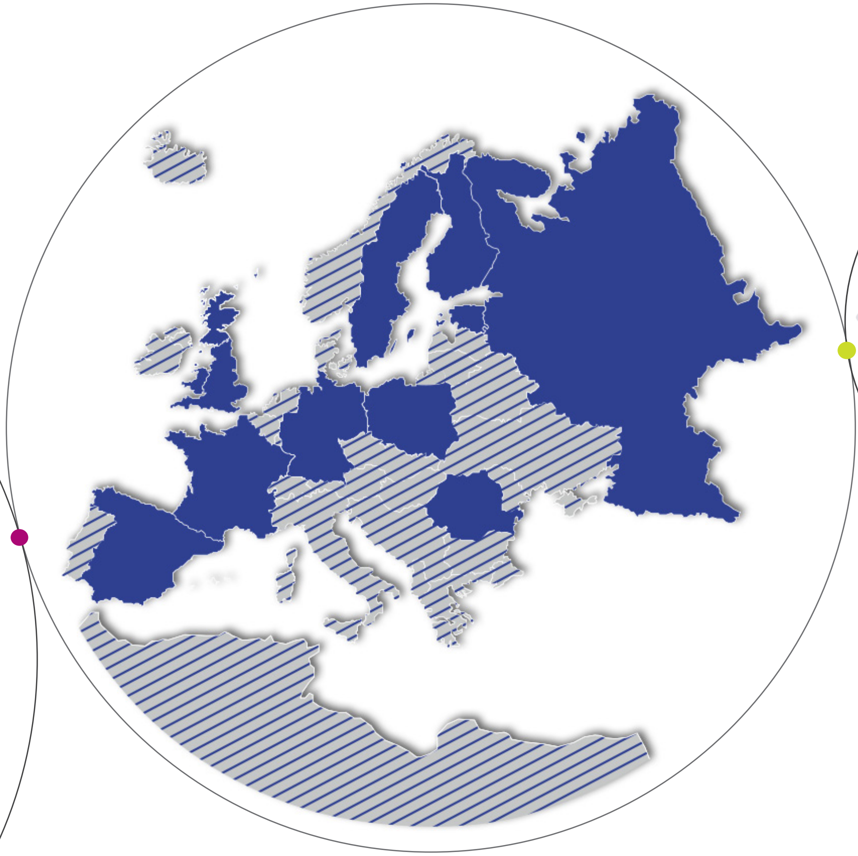
Net sales - Q4

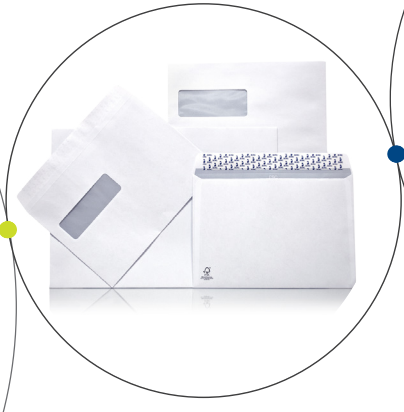


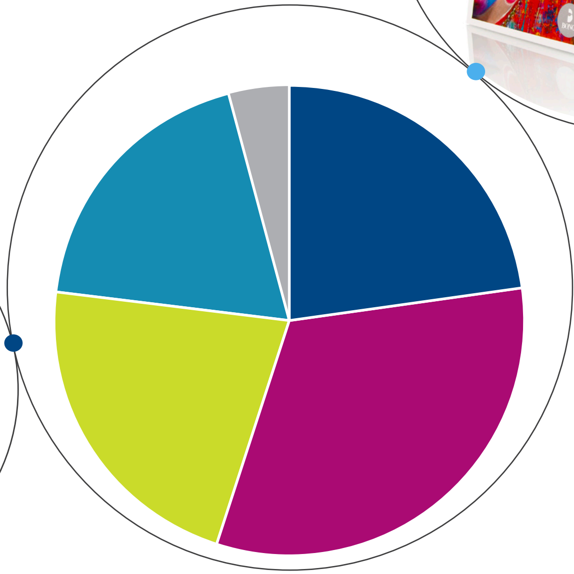
This is the Bong Group

Bong is one of the leading providers of envelope products in Europe and 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 2.2 billion and about 1,400 employees in 12 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).







Production and sales

Sales

Sales to geographical areas 2018

- Nordic/Baltics/Russia, 22%
- Central Europe, 36%
- France and Spain, 20%
- United Kingdom, 17%
- Others, 5%

Market and industry

Envelope

During the fourth quarter of 2018, FEPE statistics showed that the European envelope market volume had decreased by approximately 8% compared to the same period previous year. Bong's volumes decreased by 6% during the fourth quarter. The decline in the European envelope market during the full year 2018 was according to FEPE approximately 7%, while the volumes of Bong decreased by 3% compared to the previous year.

Raw material prices have increased continuously since 2016 as a direct result of the decreased capacity at the paper suppliers, and the price increase of pulp. Continued price increases by Bong into the market is therefore necessary, in order to compensate for the increase of raw material costs. Bong has been successful in compensating for these increases in the past.

During 2018 a significant restructuring of the envelope market has taken place. In the Nordic market InterMail has taken the decision to close its envelope production and enter into an agreement with Bong where Bong will help to continue to serve InterMail customers. GNE has left the UK market after being acquired by Encore. Pocheco in France are making 70 employees redundant as a result of the continued decrease in the market. Restructuring measures are also taken in Germany by Mayer Group as they are closing a factory in Düren. Bongs estimation is that the restructuring process and consolidation of the industry will continue.

Light Packaging

The light packaging market is a large and fragmented market which is growing. Light packaging represents approximately 20% of Bongs annual sales and during 2018 Bong's sales of light packaging products, adjusted for currency effects, has increased with 4% compared with the same period previous year. Within e-commerce Bong sales of air bubble bags and padded bags are increasing. The benefit of these products are that they can be sent directly to the recipient instead of being collected at the distribution centers. This reduces the shipping cost and at the same time increases the customer benefit. Bong is engaged in product development within e-commerce in order to develop additional product solutions that will satisfy the customer needs.

Within Retail (for example clothing- and cosmetic stores), Bong is mainly selling gift bags and paper carrier bags with exclusive and customer unique prints. Sales of paper carrier bags benefit from the EU-directive from 29 April 2015 aimed at reducing the use of plastic bags in Europe. Many customers are replacing their plastic bags with paper carrier bags and during 2018 sales increased with approximately 47%. In order to further expand its offer in paper carrier bags and gift bags, Bong has invested SEK 4 million in an embossing and hot foil machine that has been installed during the third quarter of 2018.

Sales and profit

January – December 2018

Consolidated sales for the period reached SEK 2,220 million (2,095). Exchange rate fluctuations had a positive impact on sales of SEK 106 million compared with 2017.

Operating profit decreased to SEK -52 million (45). The Group's gross margin is still affected negatively primarily by price increases on fine paper, where price increases towards customers have not yet been fully passed on. During the period operating profit was affected positively by a realized capital gain of SEK 4 million attributable to the sale of a warehouse in Kristianstad, restructuring cost of SEK -5 million as well as re-evalutation of goodwill SEK -76 million. During the same period 2017 operating profit was affected by a non-recurring profit of SEK 5 million attributable to renegotiated pension agreements in Norway. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 3 million.

The deal to take over Intermail's envelope customers have been finalized during the period and had a positive impact on sales of approximately SEK 70 million.

Net financial items for the period amounted to SEK -56 million (-44) and includes a non-recurring item of SEK -11 million attributable to the sale of Postac LLC in Russia.

Earnings before tax amounted to SEK -108 million (1) and reported earnings after tax were SEK -148 million (-9). Profit after tax was negatively affected by revaluation of deferred tax assets of SEK -17 million.

Bong's total light packaging sales amounted to SEK 453 million (415). Currency fluctuations had a positive impact on light packaging sales of SEK 21 million compared with the corresponding period in 2017.

Sales and profit

October – December 2018

Consolidated sales for the period reached SEK 603 million (578). Exchange rate fluctuations had a positive impact on sales of SEK 31 million compared with 2017.

Operating profit decreased to SEK -85 million (17). Gross margin is still affected negatively mainly by price increases on fine paper where price increases to customers have not taken full effect. Write-down of goodwill affected the operating profit negatively with SEK -76 million. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 1 million.

The deal to take over Intermail's envelope customers had a positive impact on sales of approximately SEK 18 million.

Net financial items for the period amounted to SEK -13 million (-11).

Earnings before tax amounted to SEK -98 million (6) and reported earnings after tax were SEK -123 million (8). Profit after tax was negatively affected by revaluation of deferred tax assets of SEK -17 million.

Bong's total light packaging sales amounted to SEK 138 million (135). Currency fluctuations had a positive impact on light packaging sales of SEK 7 million compared with the corresponding period in 2017.

Cash flow and investments

The cash flow after investing activities decreased to SEK -65 million (40) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK-10 million (37). Working capital had a negative impact on the cash flow of SEK -49 million (13). The largest negative impact is due to payments of SEK 35 million in January, which were attributable to 2017 and increased purchase prices.

Restructuring programs had negative impact on the cash flow of SEK -8 million (-20). Net investments in the period had a negative impact amounting to SEK -6 million (-10).

Financial position

Cash and cash equivalents at 31 December 2018 amounted to SEK 72 million (SEK 124 million at 31 December 2017, including the escrow account of SEK 21 million). In connection with divestment of a building in Kristianstad, part of the escrow account was terminated and SEK 20 million was transferred to another bank account. The Group had unutilized credit facilities of SEK 13 million on the same date. Total available cash and cash equivalents thus amounted to SEK 85 million (SEK 137 million at 31 December 2017, including the escrow account of SEK 21 million). Consolidated equity at the end of December 2018 was SEK 570 million (SEK 696 million at 31 December 2017).

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 24 million. The interest bearing net loan debt amounted to SEK 349 million, whereof pension debt amounts to SEK 217 million (SEK 294 million at 31 December 2017, whereof pension debt amounts to SEK 212 million).

The work to refinance Bong's bond has been finalized.

Employees

The average number of employees during the period was 1,446 (1,459). The Group had 1,368 (1,507) employees at the end of December 2018. 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 4.5 million (2.6) and earnings before tax for the period were SEK -114 million (-546). During the period the result has been affected by a write-down of shares in subsidiaries of SEK -78 million (-526).

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 2017 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 2017 annual report and the interim report should be read along with those principles.

NEW ACCOUNTING STANDARDS THAT CAME INTO FORCE IN 2018

IFRS 9 Financial instruments

As of January 1, 2018, Bong applies IFRS 9. Bong applies the new standard and in accordance with the transitional rules of the standard, which means that Bong has chosen not to recalculate the comparative figures for 2017.

The principles in IFRS 9 for valuation of financial assets depends on how they are classified. Classification of financial assets is based on the Group's business model (purpose of the financial asset) and the financial asset's contractual cash flow. According to IFRS 9, categories of financial assets are as follows:

- Financial assets valued at accrued acquisition value
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at fair value through profit or loss

For Bong, there are no significant changes in the valuation of financial assets since the valuation is already accrued cost or fair value. Bong's financial assets consist largely of accounts receivable and liquid assets, which is already reported at accrued purchase value.

For financial liabilities, they are valued at accrued acquisition value or fair value through profit or loss. Bong's total liabilities are valued at accrued acquisition value.

Write-down of financial assets

IFRS 9 requires that a reservation be made for expected credit losses on financial assets valued at accrued acquisition value. At each balance sheet date, the loss reserve is valued at an amount corresponding to the expected credit losses for the remaining maturity. Bong's financial assets consist essentially of accounts receivable. According to IFRS 9, there is a simplified model applied by Bong, which means that the loss reserve is valued at an amount that takes into account remaining maturity. Valuation of expected credit losses is intended to take into account the risk of losses in non-accrued customer receivables. Bong mainly bases the calculation of expected loan losses on an individual assessment of the current claim together with information about historical losses for similar assets and counterparties as well as a forward adjustment.

IFRS 15 Income from agreements with customers

As of January 1, 2018, Bong applies IFRS 15. Bong has applied the new standard using a retroactive method. In accordance with this option, no adjustment of opening balances was made as at 1 January 2018, as the accounting of revenue according to the new requirements already complies with the Group's previous accounting principles. The implementation of IFRS 15 had no significant impact on the Group, therefore, no reconciliation of opening balances has taken place.

Bong applies the five-step model according to IFRS 15 for all agreements with customers. In Bong's agreement with customers, product sales are judged to be a performance commitment. The basic principle is that income should reflect expected compensation in connection with the performance of a contractual commitment to the customer and correspond to the compensation to which the Group is entitled upon the transfer of control to the products delivered to the counterparty. Previously, Bong reported revenues when risk and benefits have been passed to the customer, now it is based on control. Revenue is reported when performance has been met, ie at the time the control of the product has been passed on to the customer. Based on Bong's delivery model, the timing of when revenue is reported is not changed. In Bong there are variable remuneration to customers in the form of bonuses, which are allocated to performance commitments in the agreements and are in accordance with previous accounting principles.

IFRS 16 Leases

In January 2016, IASB issued a new lease standard that will replace IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized on the balance sheet.

According to the new standard the lessee must report the obligation to pay the leasing fees as a leasing debt in the balance sheet. The right to utilize the underlying asset during the lease term is reported as a right-of-use asset. Depreciation of the asset is recognized in profit or loss as well as an interest on the lease debt. Paid leasing fees are reported partly as interest payment and partly as amortization of the lease debt. The standard excludes leasing agreements with a lease term of less than 12 months (short-term lease agreements) and leasing agreements for assets that have a low value. The standard also allows for a relief rule regarding the separation of non-leasing components from leasing components.

Bong has chosen to adopt the below modified retrospective transition approach.

Short term lease agreements

A short-term lease is a lease agreement with a lease term that is shorter than 12 months from the start of the lease term. Bong has chosen to apply this exception rule .

Lease agreements with minor value

Lease agreements of minor value is a lease agreement where the underlying asset is of low value. The assessment is based on the value of the asset when it is new regardless of the value of the asset. Lease agreements of minor value are defined based on the value of the underlying asset. Bong has chosen to apply this exception rule.

Lease components and non-lease components

According to the main rule in IFRS 16, non-leasing components shall be reported separately from the leasing component and expensed in the income statement. However, the lessee may choose not to separate non-leasing components from the leasing component and this choice is made based on asset classes. Bong has chosen to apply this exception rule.

Bong will apply IFRS 16 from January 1, 2019 and will use the simplified transition method. Leases with a remaining maturity of less than 12 months at the time of transition to IFRS 16 are classified as short-term lease agreements in accordance with the exception rule and expensed.

Bong has assessed the lease term for the lease agreements and then taken into account any extension and or termination options in accordance with the provisions of IFRS 16. If it is reasonably certain that the option will be exercised, this has been taken into account in the determination of the lease term.

Bong's financial leasing agreements previously reported in accordance with IAS 17 Leasing agreements are reclassified, in accordance with IFRS 16, to the amounts they were reported to immediately before application of IFRS 16.

The accounting for lessors will in all material aspects be unchanged. The standard is effective for annual periods beginning on or after 1 January 2019.

Bong has finalized a mapping and analysis of the Group's existing leasing contracts as per 1 January 2019 and quantifed the effects of the implementation of IFRS 16 to SEK +1 million for result before tax and increase of fixed assets of SEK 162 million. Rental agreements regarding facilities constitute the majority of the groups leasing contracts.
No other IFRS standards or IFRIC interpretations which have not yet come into force are expected to have a material impact on the Group.

Change in corporate tax rate

On 14 June, the Swedish government has decided on new tax rules that will begin to apply from January 1, 2019. The decision includes a change in the corporate tax rate and it will be reduced in two steps. In the first step, a decrease is from 22% to 21.4% from January 1, 2019 and in the second step, a further reduction to 20.6% from January 1, 2021. The company's deferred tax assets and deferred tax liabilities should be valued according to the tax rate applicable for the period during which the underlying temporary difference is reversed or when tax loss carryforwards or tax deductions will be utilized. This means that, as of 30 June, the company analyzed and assessed the rates at which the temporary differences should be reversed or utilized. The effect of this amount was SEK -1 million.

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 2018. No dividend was paid for 2017.

Annual General Meeting

The annual general meeting will be held on 16 May 2019 at 4 p.m. in Malmö. The January- March 2019 interim report will be published in connection with the AGM. The annual report will be available no later than 30 April 2019.

Kristianstad 14 February 2019

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 2019, 16 May 2019, Malmö
- Interim Report January–March, 2019, 16 May 2019
- Interim Report January–June, 2019, 12 July 2019
- Interim Report January–September, 2019, 15 November 2019
- Year-end report 2019, February 2020

Income statement in summary

MSEK	Note	Oct-Dec 2018 3 month	Oct-Dec 2017 3 month	Jan-Dec 2018 12 month	Jan-Dec 2017 12 month
Revenue	1	603.2	578.0	2,220.4	2,095.3
Cost of goods sold		-504.0	-472.8	-1,853.5	-1,714.2
Gross profit		99.2	105.2	366.9	381.1
Selling expenses		-53.7	-49.6	-196.8	-181.5
Administrative expenses		-117.7	-33.9	-227.6	-146.4
Other operating income and expenses		-13.0	-4.6	5.8	-8.0
Operating profit		-85.2[1)]	17.1	-51.7[1)]	45.2
Net financial items		-12.8	-10.7	-56.6	-44.1
Result before tax		-98.0	6.4	-108.3	1.1
Income tax		-24.7	2.0	-39.3	-9.9
Net result		**-122.7**	**8.4**	**-147.6**	**-8.8**
1) Including non-recurring items of SEK -82 million					
Total comprehensive income attributable to:					
Share holders in Parent Company		-122.7	7.2	-149.1	-12.4
Non-controlling interests		0.0	1.2	1.5	3.6
Basic earnings per share		-0.58	0.03	-0.71	-0.06
Diluted earnings per share		-0.58	0.03	-0.71	-0.06
Basic earnings per share, excluding non recurring items		-0.14	0.03	-0.22	-0,06
Diluted earnings per share, excluding non recurring items		-0.14	0.03	-0.22	-0,06
Average number of shares, basic		211,205,058	211,205,058	211,205,058	211,205,058
Average number of shares, diluted		211,205,058	251,205,058	211,205,058	251,205,058

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net result for the year		-122.7	8.4	-147.6	-8.8
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		-2.4	1.1	-6.3	0.0
		-2.4	1.1	-6.3	0.0
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	-0.1	0.1	-0.1	0.2
Hedging of net investments		1.6	-3.1	-12.5	-8.4
Exchange rate differences		-7.1	17.2	38.9	20.1
Income tax relating to components of other comprehensive income		0.5	0.0	3.7	1.5
		-5.0	14.2	30.0	13.3
Other comprehensive income for the period. net of tax		-7.4	15.3	23.7	13.3
Total comprehensive income		**-130.2**	**23.7**	**-123.9**	**4.5**
Total comprehensive income attributable to:					
Share holders in Parent Company		-130.2	22.5	-125.4	0.9
Non-controlling interests		0.0	1.2	1.5	3.6

Balance sheet in summary

MSEK	Note	31 Dec 2018	31 Dec 2017
Assets			
Intangible assets	3,10	535.5	603.3
Tangible assets		179.2	208.8
Financial assets	4	111.2	146.1
Inventories		195.4	189.3
Current receivables	5	387.4	354.6
Cash and cash equivalents	6	72.4	124.1
Total assets		1,481.2	1,626.2
Equity and liabilities			
Equity		569.6	696.2
Non-current liabilities	7	450.3	437.3
Current liabilities	8	461.2	492.7
Total equity and liabilities		1,481.2	1,626.2

CHANGES IN EQUITY

MSEK	Note	Jan-Dec 2018	Jan-Dec 2017
Opening balance for the period		696.2	697.3
Write-down of share capital		-	-
Bond loan / Convertible loan		-3.2	-3.3
Dividend to owner without significant influence		-	-2.9
Issuance cost		-	-
Non-controlling interests		0.5	0.6
Total comprehensive income		-123.9	4.5
Closing balance for the period		569.6	696.2

Cash flow statement

MSEK	Note	Oct-Dec 2018 3 month	Oct-Dec 2017 3 month	Jan-Dec 2018 12 month	Jan-Dec 2017 12 month
Operating activities					
Operating profit/loss		-85.2	17.1	-51.7	45.2
Depreciation, amortisation, and impairment losses		90.4	12.2	123.1	46.2
Interest received		0.0	0.2	0.1	0.2
Interest paid		-6.6	-12.9	-17.5	-12.9
Financial income		-	-	-	1.3
Financial expenses		-8.7	-3.5	-10.9	-4.8
Tax paid		-1.9	-4.1	-11.2	-18.6
Other items not affecting liquidity	9	-1.3	31.1	-41.8	-19.1
Cash flow from operating activities before changes in working capital		-13.3	40.1	-9.9	37.3
Changes in working capital					
Inventories		24.9	24.1	-8.0	0.6
Current receivables		30.2	0.8	1.1	2.1
Current operating liabilities		-43.8	-34.2	-41.7	9.9
Cash flow from operating activities		-2.0	30.8	-58.4	49.9
Cash flow from investing activities					
Aquisition of intangible and tangible assets incl. advanced payments to suppliers		-4.9	-6.3	-19.7	-15.3
Disposal of intangible and tangible assets		1.0	2.8	13.5	5.3
Cash flow from investing activities		-3.9	-3.5	-6.2	-10.0
Cash flow after investing activities		-5.9	27.3	-64.7	39.9
Cash flow from financing activities					
Change in credit facilities		0.0	-3.0	0.2	-3.0
Change in other long-term debt		10.3	-1.4	10.0	-1.4
Dividend to non-controlling interest		-	-1.5	-	-2.9
Cash flow from financing activities		10.4	-5.9	10.2	-7.3
Cash flow for the period		4.4	21.4	-54.5	32.6
Cash and cash equivalents at beginning of period		68.3	101.3	124.1	89.9
Exchange rate difference in cash and cash equivalents		-0.3	1.4	2.8	1.6
Cash and cash equivalents at end of period		72.4	124.1	72.4	124.1

Notes
(MSEK)

Note 1 - Segment Information

	Oct-Dec 2018		Oct-Dec 2017		Jan-Dec 2018		Jan-Dec 2017	
Net sales	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	40	21	30	16	146	53	114	44
Nordic and Baltics	45	13	49	13	186	45	181	41
Central Europe	158	51	149	46	597	163	558	139
France and Spain	121	28	106	33	424	90	404	97
UK	82	21	74	18	324	78	298	65
Russia/East Europe	0	0	18	3	17	3	66	10
Other	20	4	17	6	73	21	60	19
Total	466	138	443	135	1,767	453	1,681	415

Note 1 - Segment Information, cont'd

Assets	Jan-Dec 2018	Jan-Dec 2017
Sweden	168	176
Nordic and Baltics	52	114
Central Europe	203	205
France and Spain	221	219
UK	73	81
Russia/East Europe	-	17
Other	1	-
Total	718	812

Note 2 - 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.

2018-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.1
Currency forwards - held for trading	0.0	0.0
Total	0.0	0.1

2017-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.0
Total	0.0	0.0

* For the above contracts. the following amounts are found in the hedge reserve under Total comprehensive income; interest rate swaps - cash flow hedges SEK 0 million. currency forwards - cash flow hedges SEK 0 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 3 - Intangible assets

	Jan-Dec 2018	Jan-Dec 2017
Goodwill	518.4	574.6
Other intangible assets	17.1	28.7
Total	535.5	603.3

Note 4 - Financial assets

	Jan-Dec 2018	Jan-Dec 2017
Deferred tax	110.1	143.9
Other financial assets	1.1	2.2
Total	111.2	146.1

Note 5 - Current assets

	Jan-Dec 2018	Jan-Dec 2017
Receivables	288.6	282.1
Other current assets	98.8	72.5
Total	387.4	354.6

Note 6 - Cash and cash equivalent

	Jan-Dec 2018	Jan-Dec 2017
Cash/Bank	71.0	102.8
Cash/Bank escrow account	1.4	21.3
Total	72.4	124.1

Note 7 - Non-current liabilities

	Jan-Dec 2018	Jan-Dec 2017
Interest-bearing loans	203.8	184.3
Pension debt	217.1	212.1
Deferred tax	14.0	21.9
Other liabilities	15.5	18.9
Total	450.3	437.3

In connection with the issuance 2016 of the bonds, the bondholders also were awarded shares and options without consideration with a total fair value of SEK 37.3 million. This is considered to be a bundled transaction in which the proceeds from the bond issue will be allocated on the relative fair value of the respective financial instrument that the bondholder received. The loan was replaced by a new bond loan during the fourth quarter 2018.

The Bond loan 2018 is booked to amortised cost which means that the nominal value of the loan 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.

Note 8 - Current liabilities

	Jan-Dec 2018	Jan-Dec 2017
Interest-bearing loans	0.1	-
Payables	221.4	240.4
Other liabilities	239.7	252.3
Total	461.2	492.7

Note 9 - Financial- and other non-cash items

Adjustment of the cash flow statement has been made to clarify paid financial transactions.

Note 10 - Goodwill

	2018-12-31	2017-12-31
Opening costs	575	563
Purchase/acqusition	-	-
Write-down	-76	-
Exchange rate differences	19	11
Closing costs	518	575

Impairment testing of goodwill

For impairment testing purposes, the Group is regarded as a cash-generating unit (CGU), since the whole Group's operation is regarded as a single segment.

The recoverable amount for a CGU is determined based on a calculation of value in use. That calculation uses cash flow projections that are based on financial budgets for the business that are approved by management and cover a five-year period. Cash flow beyond the five-year period are extrapolated based on the assumption that the envelope market in Europe as a whole will have a limited development. The cash flows are based on previous years' outcomes and management's projections of the market trend. Management has established the budgeted cash flows based on previous years' results, planned and completed efficiency-improving measures and projections of the market trend.

In calculating value in use, a discount rate of 10.3 per cent after tax (13.2 per cent before tax) has been assumed, along with a negative growth rate during the three first years of on average -1.4 per cent. The two last years have been assumed to result in a similar growth rate. A sustained growth rate of 1 per cent has been adopted. Previous year, a discount rate of 10.3 per cent (13.2 per cent before tax) and a development adjacent to this year's calculation was adopted but with a growth rate of 1 per cent at the end of the five year period.

The discount rate used is given after tax and reflects the market interest rates, risks and tax rates that apply to the different units. The average growth rate used is based on industry forecasts. Positive sales growth is expected above all in the packaging sector.

The impairment test shows that an additional write-down of goodwill is not necessary.

QUARTERLY DATA. GROUP

MSEK	4/2018	3/2018	2/2018	1/2018	4/2017	3/2017	2/2017	1/2017	4/2016	3/2016	2/2016	1/2016	4/2015	3/2015	2/2015	1/2015
Net Revenue	603,2	536.0	543.0	538.1	578.0	491.4	480.7	545.2	579.0	489.0	499.8	566.7	612.8	560.2	532.7	639.3
Operating expenses	-689.5	-524.3	-533.2	-526.1	-560.9	-489.4	-473.3	-526.5	-564.2	-498.9	-507.3	-555.3	-612.3	-557.4	-539.0	-641.5
Operating profit	-86,3	11.7	9.8	12.0	17.1	2.0	7.4	18.6	14.8	-9.9	-7.5	11.4	0.6	2.9	-6.2	-2.2
Net financial items	-11,6	-10.4	-22.6	-10.9	-10.7	-10.3	-11.6	-11.5	-14.6	-12.1	-10.2	421.0	-15.8	-12.1	-13.5	-13.6
Profit before tax	-98,0	1.3	-12.8	1.1	6.4	-8.2	-4.2	7.2	0.2	-22.0	-17.7	432.4	-15.3	-9.2	-19.7	-15.8

KEY RATIOS

	Jan-Dec 2018	Jan-Dec 2017
Operating margin, %	-2.3	2.2
Return on equity, %*	neg	neg
Return on capital employed, %* 1)	neg	4.3
Equity/assets ratio, %*	38.5	42.8
Net debt/equity ratio times*	0.61	0.42
Net loan debt/EBITDA*	4.97	3.21
Capital employed, MSEK*	990.6	1,092.7
Interest-bearing net loan debt, MSEK*	349.2	293.7
1) Return on capital employed		
Earnings after financial revenues	-51.5	46.9
Average capital employed	1,041.6	1,091.3

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.

DATA PER SHARE

	Jan-Dec 2018	Jan-Dec 2017
Basic earnings per share, SEK	-0.71	-0.06
Diluted earnings per share, SEK 2)	-0.71	-0.06
Basic earnings per share, excluding non recurring items, SEK	-0.22	-0.06
Diluted earnings per share, excluding non recurring items, SEK	-0.22	-0.06
Basic equity per share, SEK	2.70	3.30
Diluted equity per share, SEK	2.70	3.30
Basic number of shares outstanding at end of period	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	211,205,308	251,205,058
Average number of shares, basic	211,205,058	211,205,058
Average number of shares, diluted	211,205,058	211,205,058

2) The number of options amounted to maximum 40,000,000. Each option gave the right to subscribe for one share in Bong. All options were used before 29 February 2016. Subscription for shares based on the options should take place latest 6 December 2018. Upon subscription, the price per share is 1.15 SEK. Bongs average share price during the year is below 1.15 SEK which is why no dilution effect is taken into consideration.

Five-year summary

Key ratios	2018	2017	2016	2015	2014
Net sales, MSEK	2,220	2,095	2,135	2,345	2,533
Operating profit/loss, MSEK	-52	45	9	-5	-123
Extraordinary items, financial net. MSEK	-11	-	430	-	-
Profit/loss after tax, MSEK	-147	-9	297	-64	-150
Cash flow after investing activities, MSEK	-65	40	30	-75	94
Operating margin, %	-2.3	2.2	0.4	-0.2	-4.8
Capital turnover rate, times	1.4	1.3	1.3	1.2	1.3
Return on equity, %	neg	neg	neg	neg	neg
Average capital employed, MSEK	991	1,095	1,159	1,343	1,375
Return on capital employed, %	-4.6	0.2	1.8	neg	neg
Equity ratio, %	38.5	43	43	16	19
Net loan debt, MSEK	349	294	315	837	790
Net loan debt/equity, times	0.61	0.42	0.45	2.64	2.09
Net debt/EBITDA, times	4.9	3.2	5.2	11.9	neg
Average number of employees	1,446	1,459	1,556	1,763	1,873
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	156,659,604	156,659,604
Diluted number of shares outstanding at end of period	211,205,308	251,205,058	251,205,058	183,932,331	183,932,331
Average basic number of shares	211,205,058	211,205,058	207,417,179	156,659,604	156,659,604
Average diluted number of shares	211,205,058	251,205,058	246,533,341	183,932,331	183,932,331
Earnings per share					
Before dilution, SEK	-0.71	-0.06	1.42	-0.41	-0.96
After dilution, SEK	-0.71	-0.06	1.42	-0.41	-0.96
Earnings per share. before dilution, excluding non-recurring items	-0.22	-0.06	-0.64	-.	-
Earnings per share. after dilution, excluding non-recurring items	-0.22	-0.06	-0.64	-	-
Equity per share					
Before dilution, SEK	2.70	3.30	3.30	2.02	2.41
After dilution, SEK	2.70	3.30	3.30	1.95	2.27
Cash flow from operating activities per share					
Before dilution, SEK	-0.28	0.25	0.26	-0.95	0.62
After dilution, SEK	-0.28	0.25	0.26	-0.81	0.53
Other data per share					
Dividend, SEK 1)	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date, SEK	1.0	0.95	0.9	1.3	1.1
P/E-ratio, times	-1.64	neg	0.61	neg	neg
Adjusted P/E-ratio, times	neg	neg	neg	-	-
Price/Equity before dilution, %	35	29	27	62	46
Price/Equity after dilution, %	35	29	27	65	49

1) Proposal by the board

For definitions see page 13

Definitions

This Report includes both financial ratios based on concepts defined in IFRS, APMs (Alternative Performance Measures) according to ESMA's definition and other company-specific ratios. The ratios are defined below.

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

ADJUSTED EARNINGS PER SHARE BEFORE AND AFTER DILUTION
Profit after tax, excluding extraordinary net financial item divided by average number of shares before and after dilution.

AVERAGE CAPITAL EMPLOYED
Capital employed at 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.

ADJUSTED P/E RATIO, TIMES
Share price divided by adjusted earnings per share.

AVERAGE TOTAL ASSETS
Total assets at beginning of 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 Asset turnover is a measure of how effectively the Group uses its assets.

EARNINGS PER SHARE BEFORE AND AFTER DILUTION
Profit after tax divided by the average number of shares before and after dilution.

EQUITY TO ASSETS RATIO, PER CENT
Shareholders' equity divided by total assets. Equity to assets ratio is a measure of the Group's financial strength.

EBITDA
Operating income before depreciation and amortization.

ESMA
The European Securities and Markets Authority. ESMA is the Euro¬pean Union's body for monitoring the financial markets.

EXTRAORDINARY NET FINANCIAL ITEM
Net total gain from the refinancing transactions in 2016.

IFRS
International Financial Reporting Standards. An International accounting standard that Bong applies.

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. Net debt to equity 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 shows the return of the Group's total balance sheet, excluding non-interest-bearing debt. It is a profitability measure independent of the Group's indebtedness. It complements the measure return on equity.

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

SHARE PRICE/EQUITY, PER CENT
Price per share divided by equity per share.

Parent company

INCOME STATEMENT IN SUMMARY MSEK	Jan-Dec 2018	Jan-Dec 2017
Revenue	4.5	2.6
Gross profit	4.5	2.6
Administrative expenses	-19.6	-14.6
Operating profit/loss	-14.5	-12.0
Non-recurring items finance net	-	-
Net financial items	-99.7	-534.2
Result	-114.2	-546.2
Income tax	-0.2	-
Net result	-114.4	-546.2

STATEMENT OF COMPREHENSIVE INCOME MSEK	Jan-Dec 2018	Jan-Dec 2017
Net Result for the year	-114.4	-546.2
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	-114.4	-546.2

BALANCE SHEET IN SUMMARY MSEK	31 Dec 2018	31 Dec 2017
Assets		
Financial assets	968.7	1,036.5
Current receivables	4.6	0.7
Cash and cash equivalents	1.4	31.5
Total Assets	974.7	1,068.7
Equity and liabilities		
Equity	544.7	662.4
Non-current liabilities	203.4	184.4
Current liabilities	226.6	221.9
Total equity and liabilities	974.7	1,068.7