

Year-end Report

January-December
2017



” The fourth quarter developed positively for Bong. Stable envelope sales and growth in light packaging compared to previous year contributed to a continued improvement in earnings. The milestone of a positive result before tax for the full year was achieved. The cash flow was also strong and this allows for continued investments in light packaging to accelerate Bongs transformation, says Bong’s CEO Håkan Gunnarsson. ”

October – December 2017

- Net sales amounted to SEK 578 million (579)
- Operating profit before depreciation increased to SEK 29 million (28)
- Operating profit increased to SEK 17 million (15)
- Non-recurring items amounted to SEK -5 million (-11)
- Earnings after tax amounted to SEK 8 million (-1)
- Earnings per share amounted to SEK 0.03 (-0.01)
- Cash flow after investing activities amounted to SEK 27 million (23)

January – December 2017

- Net sales decreased with 2 percent to SEK 2,095 million (2,135)
- Operating profit before depreciation increased to SEK 91 million (61)
- Operating profit increased to SEK 45 million (9)
- Non-recurring items amounted to SEK -5 million (-18)
- Earnings after tax amounted to SEK -9 million (297)
- Earnings per share amounted to SEK -0.06 (1.42)
- Cash flow after investing activities amounted to SEK 43 million (30)

Key Ratios

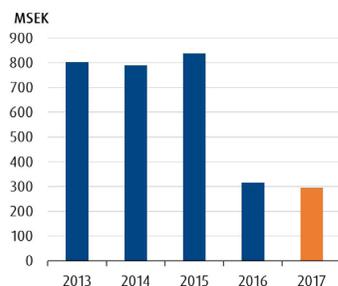
MSEK	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	578	579	2,095	2,135
EBITDA	29	28	91	61
Non-recurring items	-5 ³⁾	-11	-5 ³⁾	-18 ¹⁾
Adjusted EBITDA	34	39	96	79
Adjusted EBITDA - margin. %	5.9%	6.8%	4.6%	3.7%
EBIT	17	15	45	9
Non-recurring items, financial net	-	-	-	430 ²⁾
EBT	6	0	1	393
Earnings after tax	8	-1	-9	297
Earning per share, SEK	0.03	-0.01	-0.06	1.42
Cash flow after investing activities	27	23	43	30
Equity/ asset ratio. %	42.8%	43.3%	42.8%	43.3%

1) Restructuring cost SEK -18.2 million

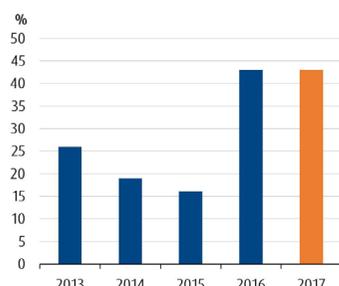
2) Refinancing transaction SEK 430 million

3) Restructuring cost SEK -5.2 million

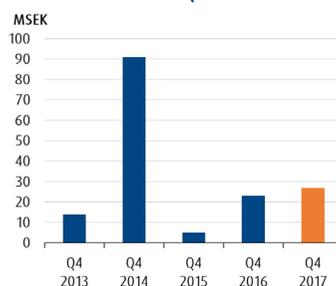
Net debt



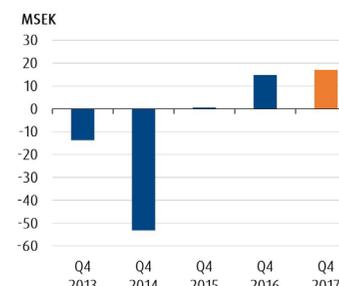
Equity ratio



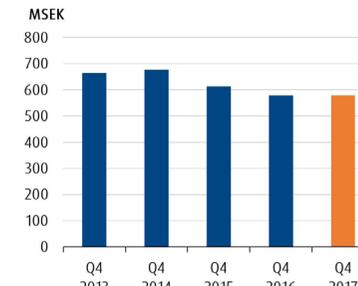
Cash flow after investing activities - Q4



Operating profit/loss - Q4



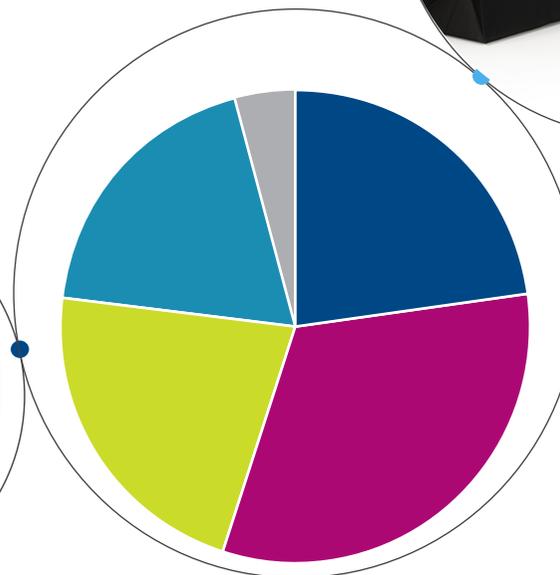
Net sales - Q4



This is the Bong Group

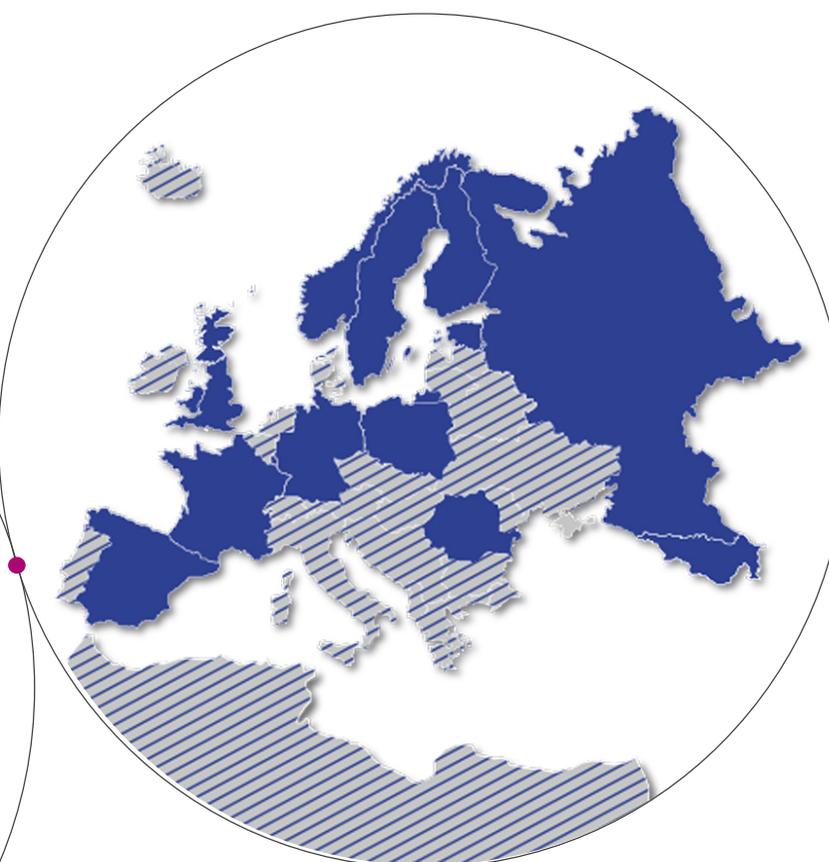
Bong is one of the leading providers of specialty packaging and envelope products in Europe and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope market within Eastern Europe. The Group has annual sales of approximately SEK 2.1 billion and about 1,400 employees in 14 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).



Sales to geographical areas 2017

- Nordic/Baltics/Russia, 22%
- Central Europe, 33%
- France and Spain, 24%
- United Kingdom, 17%
- Others, 4%



- Production and sales
- Sales

Market and industry

During the fourth quarter of 2017, FEPE statistics shows that the European envelope market volume have decreased by approximately 6% compared to same period previous year. The decline in the envelope market 2017 is according to FEPE approximately 5% compared to previous year.

Raw material prices have increased continuously during the year as a result of the decreased capacity with the paper suppliers and that pulp prices are increasing. In addition there is a further temporary capacity reduction due to a serious break-down on one of the envelope paper machines at one of our main paper suppliers. This machine is expected to produce at full capacity as of year-end. It is therefore necessary for Bong to increase the sales prices to the market in order to compensate for the increase in raw material prices.

During the year some restructuring of the envelope market has taken place. Among other things, Mayer Kuvert have closed one of their factories in Germany, BlessOF. In the Nordic market InterMail has taken the decision to close its envelope production, see events after the end of the period. Bongs estimation is that the restructuring process and consolidation of the industry will continue, but at a slower pace than the market decline. Large overcapacity will remain.

While the envelope market continues to decline the light packaging market, where Bong is present, is still growing and is a large and fragmented market. Light packaging represents approximately 20% of Bongs annual sales and during 2017 Bongs sales of light packaging products have increased with approximately 4% compared to previous year. The machines for production of paper carrier are still producing at high capacity and is a product that Bong see large opportunities for due to the EU-directive from 29 April 2015 aimed at reducing the use of plastic bags in Europe. The directive includes objectives that each member country may achieve as it deems appropriate. A ban has already been implemented in a number of European countries. Paper carrier bags in combination with gift packaging also means that Bong can offer a complete concept to its customers which is available in all possible designs.

Sales and profit

January – December 2017

Consolidated sales for the period reached SEK 2,095 million (2,135). Exchange rate fluctuations had a positive impact on sales of SEK 15 million compared with 2016. The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures.

Despite lower sales, operating profit amounted to SEK 45 million (9), due to the new lower cost structure after the restructuring programs. During the period operating profit was affected by a non-recurring profit of SEK 5 million attributable to renegotiated pension agreements in Norway. SEK 5

million attributable to an agreement with the property owner in Norway regarding the earlier completion of the lease contract had a negative impact on operating profit in the fourth quarter. The move of all the production from Tönsberg in Norway to Kristianstad in Sweden was finalized during the third quarter 2017. The annual saving of both these actions will be approximately SEK 14 million.

Net financial items for the period, excluding non-recurring items, amounted to SEK -44 million (-46). Non-recurring items, related to the refinancing transaction, amounted to SEK 430 million, note 1.

Earnings before tax were SEK 1 million (393) and reported earnings after tax were SEK -9 million (297).

Bong's total light packaging sales amounted to SEK 415 million (399). Currency fluctuations had a positive impact on light packaging sales of SEK 3 million compared with the corresponding period in 2016.

Sales and profit

October – December 2017

Consolidated sales for the period reached SEK 578 million (579). Exchange rate fluctuations had a positive impact on sales of SEK 9 million compared with 2016.

Operating profit amounted to SEK 17 million (15), due to the lower cost structure as a result of the previous restructuring programs.

Net financial items for the period, excluding non-recurring items, amounted to SEK -11 million (-15).

Earnings before tax were SEK 6 million (0) and reported earnings after tax were SEK 8 million (-1).

Bong's total light packaging sales amounted to SEK 135 million (124). Exchange rate fluctuations had an impact on sales of SEK 2 million compared with 2016.

Cash flow and investments

The cash flow after investing activities increased to SEK 43 million (30) compared to previous year. The improvement versus previous year of SEK 13 million is explained below:

- Improvement of operating activities +8 MSEK
- Increased payments of restructuring costs -7 MSEK
- Increased other working capital -2 MSEK
- Decreased net investments of assets +14 MSEK

Cash flow from operating activities before changes in working capital amounted to SEK 40 million (23). Working capital had a positive effect on the cash flow of SEK 13 million (31). Restructuring programs had negative impact on the cash flow of SEK -15 million (-8). Net investments in the period had a negative impact amounting to SEK -10 million (-24). Only minor asset sales were made in the period.

Financial position

Cash and cash equivalents at 31 December 2017 amounted to SEK 124 million, including the escrow account of SEK 21 million (SEK 90 million at 31 December 2016, including the escrow account of SEK 12 million). The Group had unutilized credit facilities of SEK 13 million on the same date. Total available cash and cash equivalents thus amounted to SEK 137 million (SEK 99 million). Consolidated equity at the end of December 2017 was SEK 696 million (SEK 697 million at 31 December 2016).

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 5 million. The interest bearing net loan debt amounted to SEK 294 million (SEK 315 million at 31 December 2016).

Employees

The average number of employees during the period was 1,462 (1,556). The Group had 1,437 (1,507) employees at the end of December 2017. Bong has intensively worked on improving productivity and adjusting staff to meet current demand and the reduction is the result of the implemented restructuring measures.

Parent Company

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions. Sales were SEK 2.6 million (0.9) and earnings before tax for the period were SEK -546 million (310). During the period the result have been impacted with a write-down of shares in subsidiaries by SEK 526 million. Non-recurring items 2016, related to the refinancing transaction, amounted to SEK 229 million.

Events after the end of the period

As previously communicated by press release on January 2018 InterMail has taken the strategic decision to cease its envelope business in the Nordics and their envelope production. Bong has agreed to help InterMail in this transition. Bong will help to serve InterMail customers and to make sure to provide a good service also in the future, Bong will offer the majority of InterMail's sales representatives in Sweden, Denmark and Finland employment in Bong. The production of the envelopes will be done in Bong's existing factories. The agreement includes royalty payment from Bong to InterMail during the coming three years. Closing of the transaction is planned for March 2018 and is conditional upon the absence of any material adverse change in InterMail until the closing date.

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 2016 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 2016 annual report and the interim report should be read along with those principles. Please refer to Bong's 2016 annual report for a specification of the new amendments, interpretations and standards that took effect 1 January 2017.

IFRS 15 Revenue from contracts with customers

IFRS 15 is the new standard for revenue recognition. IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction contracts and accompanying SIC and IFRIC.

The effects of applying IFRS 15 have been analyzed during 2017 and the conclusion from this assessment is that IFRS 15 does not have an essential impact on the revenue recognition. The expanded disclosure requirements will be included in interim- and annual reports released after 1 January 2018.

The Group will apply IFRS 15 retrospectively in accordance with IAS 8.

IFRS 9 Financial instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. It replaces the guidance in IAS 39 that relate to the recognition, classification and measurement of financial instrument.

The new guidance of classification and measurement will not have any significant impact on The Group's financial position at the date of first application since there is no significant impact of the measurement of the financial assets held by the Group at the date of initial application.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses. For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The new impairment model will not have any significant impact on the Group's financial assets.

For hedge accounting and effectiveness testing the 80-125% threshold is removed and replaced by economic relationship between hedged item and hedging instrument, and hedging ratio shall be based on risk management. The Group assesses that current hedge relationships qualifies as continuing hedges upon the adoption of IFRS 9, and accordingly it will not have any significant impact on the accounting for its hedge relationships at the date of initial application.

The Group will apply IFRS 9 from 1 January 2018. Comparatives for 2017 will not be restated, as permitted by the standard.

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 2017. No dividend was paid for 2016.

Annual General Meeting

The annual general meeting will be held on 16 May 2018 at 4 p.m. in Malmö. The January- March 2018 interim report will be published in connection with the AGM. The annual report will be available no later than 30 April 2018.

Kristianstad 15 February 2018

Håkan Gunnarsson

Chief Executive Officer

Additional information

Håkan Gunnarsson, CEO for Bong AB. Tel +46 44-20 70 00 (switchboard)

Financial Calendar:

- Annual General Meeting, Malmö, 16 May 2018
- Interim Report January-March, 2018, 16 May 2018
- Interim Report January-June, 2018, 12 July 2018
- Interim Report January-September, 2018, 15 November 2018
- Year End Report 2018, 14 February 2019

Income statement in summary

MSEK	Note	Oct-Dec 2017 3 month	Oct-Dec 2016 3 month	Jan-Dec 2017 12 month	Jan-Dec 2016 12 month
Revenue		578.0	579.0	2,095.3	2,134.5
Cost of goods sold		-472.8	-462.2	-1,714.2	-1,761.7
Gross profit		105.2	116.8	381.1	372.9
Selling expenses		-49.6	-53.5	-181.5	-191.4
Administrative expenses		-33.9	-38.0	-146.4	-155.2
Other operating income and expenses		-4.6	-10.5	-8.0	-17.4
Operating profit		17.1	14.8	45.2	8.8
Net financial items		-10.7	-14.6	-44.1	-45.8
Non-recurring items, financial net	1	-	-	-	429.9
Result before tax		6.4	0.2	1.1	392.9
Income tax		2.0	-0.9	-9.9	-95.8
Net result		8.4	-0.7	-8.8	297.1
Total comprehensive income attributable to:					
Share holders in Parent Company		7.2	-1.7	-12.4	295.2
Non-controlling interests		1.2	0.9	3.6	1.9
Basic earnings per share		0.03	-0.01	-0.06	1.42
Diluted earnings per share		0.03	-0.01	-0.06	1.42
Basic earnings per share, excluding non-recurring items		-	-	-	-0.64
Diluted earnings per share, excluding non-recurring items		-	-	-	-0.64
Average number of shares, basic		211,205,058	211,205,058	211,205,058	207,417,179
Average number of shares, diluted		251,205,058	251,205,058	251,205,058	246,533,341
STATEMENT OF COMPREHENSIVE INCOME					
MSEK		Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net result for the year		8.4	-0.7	-8.8	297.1
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		1.1	7.9	0.0	-19.2
		1.1	7.9	0.0	-19.2
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	0.1	0.0	0.2	-0.9
Hedging of net investments		-3.1	0.7	-8.4	-11.3
Exchange rate differences		17.2	-4.6	20.0	15.9
Income tax relating to components of other comprehensive income		0.0	-3.1	1.5	6.4
		14.2	-7.0	13.3	10.1
Other comprehensive income for the period, net of tax		15.3	0.9	13.3	-9.1
Total comprehensive income		23.7	0.2	4.5	288.0
Total comprehensive income attributable to:					
Share holders in Parent Company		22.5	-0.8	0.9	286.1
Non-controlling interests		1.2	1.0	3.6	1.9

Balance sheet in summary

MSEK	Note	31 Dec 2017	31 Dec 2016
Assets			
Intangible assets	3	603.3	600.7
Tangible assets		208.8	228.8
Financial assets	4	146.1	147.1
Inventories		189.3	186.5
Current receivables		354.6	356.2
Cash and cash equivalents	5	124.1	89.9
Total assets		1,626.2	1,609.2
Equity and liabilities			
Equity	6	696.2	697.3
Non-current liabilities	7	437.3	430.1
Current liabilities	8	492.7	481.8
Total equity and liabilities		1,626.2	1,609.2

CHANGES IN EQUITY

MSEK	Note	Jan-Dec 2017	Jan-Dec 2016
Opening balance for the period		697.3	317.1
Write-down of share capital		-	-
New share issue		-	99.1
Bond loan / Convertible loan		-3.3	6.6
Dividend to owner without significant influence		-2.9	-1.5
Transaction cost		-	-12.0
Non-controlling interests		0.6	0.0
Total comprehensive income		4.5	288.0
Closing balance for the period	9	696.2	697.3

Cash flow statement

MSEK	Note	Oct-Dec 2017 3 month	Oct-Dec 2016 3 month	Jan-Dec 2017 12 month	Jan-Dec 2016 12 month
Operating activities					
Operating profit		17.1	14.8	45.2	8.8
Depreciation amortisation and impairment		12.2	13.2	46.2	51.8
Financial items	10	17.1	-14.6	-16.2	-28.1
Tax paid		-4.1	-2.1	-18.6	-5.4
Other non-cash items	10	-2.1	7.9	-16.2	-4.0
Cash flow from operating activities before changes in working capital		40.1	19.2	40.4	23.2
Changes in working capital					
Inventories		24.1	20.8	0.6	28.5
Current receivables		0.8	-6.5	2.1	16.4
Current operating liabilities		-34.2	-1.1	9.9	-14.0
Cash flow from operating activities		30.8	32.6	53.0	54.2
Cash flow from investing activities					
Aquisition of intangible and tangible assets incl. advanced payments to suppliers		-6.3	-10.8	-15.3	-27.7
Disposal of intangible and tangible assets		2.8	0.8	5.3	3.4
Cash flow from investing activities		-3.5	-10.0	-10.0	-24.3
Cash flow after investing activities		27.3	22.5	43.0	29.9
Cash flow from financing activities					
Proceeds from borrowings		-4.4	-2.1	-7.3	10.3
Amortization of loans		-	-	-	-195.0
Dividend*		-1.4	-0.7	-2.9	-1.5
Cash flow from financing activities		-5.9	-2.8	-10.2	-186.2
Cash flow for the period		21.4	19.7	32.8	-156.3
Cash and cash equivalents at beginning of period		101.3	67.1	89.9	244.3
Exchange rate difference in cash and cash equivalents		1.4	3.0	1.4	1.9
Cash and cash equivalents at end of period		124.1	89.9	124.1	89.9

*Dividend to owner without significant influence

Notes

(MSEK)

Note 1 - Non recurring items

During the period 2016 Bong completed the acquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 429.9 million affect the financial income and SEK 85 million have been expensed as a tax expense related to deferred tax assets on loss carried forward.

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.

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

2016-12-31	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	0.3
Total	0.0	0.3

* 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	2017	2016
Goodwill	574.6	563.3
Other intangible assets	28.7	37.5
Total	603.3	600.7

Note 4 - Financial assets	2017	2016
Deferred tax	143.9	144.2
Other financial assets	2.2	2.9
Total	146.1	147.1

Note 5 - Cash and cash equivalent	2017	2016
Cash/Bank	102.8	77.9
Cash/Bank escrow account	21.3	12.0
Total	124.1	89.9

Note 6 - Equity	2017	2016
Non-controlling interests	11.0	10.5

Note 7 - Non-current liabilities	2017	2016
Interest-bearing loans	396.4	389.8
Deferred tax	21.9	24.5
Other liabilities	19.0	15.8
Total	437.3	430.1

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. Thus, a total of about SEK 37.3 million of the total proceeds was allocated to shares and options, which are recognized in equity and a corresponding amount is reduced the value of the loan. The difference, compared to the principal amount of the loan at the time of issue is accrued as an additional financial expense debit the income statement respectively the equity.

Note 8 - Current liabilities	2017	2016
Interest-bearing	0.0	2.9
Other current liabilities	492.7	478.8
Total	492.7	481.8

Note 9 - Changes in equity

The number of shares at the end of the period was 211.205.058 with a quotient value of approximately SEK 1.12. The share capital amounts to approximately SEK 236.549.664.32.

Bong completed in 2016 the acquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 95.2 million affected the equity.

Note 10 - Financial- and other non-cash items

In order to clarify the actual cash flow statement related to received financial income an adjustment has been made 2016. Financial income received has due to that reason been adjusted with SEK -432.5 million. other non-cash items has been adjusted with SEK +432.5 million.

Furthermore, adjustments of the cash flow analysis has been made to clarify paid financial costs. Paid financial costs have therefore been adjusted with SEK +28 million, other non-cash affecting items have been adjusted with SEK -9 million, other current liabilities have been adjusted with SEK -19 million.

QUARTERLY DATA. GROUP

MSEK	4/2017	3/2017	2/2017	1/2017	4/2016	3/2016	2/2016	1/2016	4/2015	3/2015	2/2015	1/2015	4/2014	3/2014	2/2014	1/2014
Net Revenue	578.0	491.4	480.7	545.2	579.0	489.0	499.8	566.7	612.8	560.2	532.7	639.3	676.7	600.6	593.6	662.0
Operating expenses	-560.9	-489.4	-473.3	-526.5	-564.2	-498.9	-507.3	-555.3	-612.3	-557.4	-539.0	-641.5	-729.8	-610.0	-610.2	-705.7
Operating profit	17.1	2.0	7.4	18.6	14.8	-9.9	-7.5	11.4	0.6	2.9	-6.2	-2.2	-53.1	-9.4	-16.6	-43.7
Net financial items	-10.7	-10.3	-11.6	-11.5	-14.6	-12.1	-10.2	421.0	-15.8	-12.1	-13.5	-13.6	-13.4	-13.3	-13.0	-15.8
Profit before tax	6.4	-8.2	-4.2	7.2	0.2	-22.0	-17.7	432.4	-15.3	-9.2	-19.7	-15.8	-66.5	-22.6	-29.6	-59.5

KEY RATIOS

	Jan-Dec 2017	Jan-Dec 2016
Operating margin, %	2.2	0.4
Return on equity, %*	neg	neg
Return on capital employed, %* 1)	4.3	0.5
Equity/assets ratio, %*	42.8	43.3
Net debt/equity ratio times*	0.42	0.45
Net loan debt/EBITDA*	3.21	5.20
Capital employed, SEK M*	1,092.7	1,188.4
Interest-bearing net loan debt, SEK M*	293.7	314.8

1) Return on capital employed

Earnings after financial revenues	46.9	6.2
Average capital employed	1,091.3	1,188.4

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 11.

DATA PER SHARE

	Jan-Dec 2017	Jan-Dec 2016
Basic earnings per share, SEK	-0.06	1.42
Diluted earnings per share, SEK 2)	-0.06	1.42
Basic earnings per share, excluding non-recurring items	-	-0.64
Diluted earnings per share, excluding non-recurring items	-	-0.64
Basic equity per share, SEK	3.30	3.30
Diluted equity per share, SEK	3.30	2.96
Basic number of shares outstanding at end of period	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	251,205,058	251,205,058
Average number of shares basic	211,205,058	207,417,179
Average number of shares diluted	251,205,058	246,533,341

2) The number of options amounts to maximum 40,000,000. Each option gives the right to subscribe for one share in Bong. All options were used before 29 February 2016. Subscription for shares based on the options shall take place by 1 February 2019. 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	2017	2016	2015	2014	2013
Net sales. MSEK	2,095	2,135	2,345	2,533	2,564
Operating profit/loss. MSEK	45	9	-5	-123	-109
Extraordinary items. financial net. MSEK	-	430			
Profit/loss after tax. MSEK	-9	297	-64	-150	-141
Cash flow after investing activities. MSEK	43	30	-75	94	-91
Operating margin. %	2.2	0.4	-0.2	-4.8	-4.3
Capital turnover rate. times	1.3	1.2	1.2	1.3	1.2
Return on equity. %	neg	neg	neg	neg	neg
Average capital employed. MSEK	1,091	1,188	1,343	1,375	1,586
Return on capital employed. %	0.2	neg	neg	neg	neg
Equity ratio. %	43	43	16	19	26
Net loan debt. MSEK	294	315	837	790	802
Net loan debt/equity. times	0.42	0.45	2.64	2.09	1.54
Net debt/EBITDA. times	3.2	5.2	11.9	neg	neg
Average number of employees	1,462	1,556	1,763	1,873	2,051
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	156,659,604	156,659,604	156,659,604
Diluted number of shares outstanding at end of period	251,205,058	251,205,058	183,932,331	183,932,331	183,932,331
Average basic number of shares	211,205,058	207,417,179	156,659,604	156,659,604	63,873,865
Average diluted number of shares	251,205,058	246,533,341	183,932,331	183,932,331	73,796,014
Earnings per share					
Before dilution. SEK	-0.06	1.42	-0.41	-0.96	-2.20
After dilution. SEK	-0.06	1.42	-0.41	-0.96	-2.20
Earnings per share. before dilution. excluding non-recurring items	-	-0.64	-	-	-
Earnings per share. after dilution. excluding non-recurring items	-	-0.64	-	-	-
Equity per share					
Before dilution. SEK	3.30	3.30	2.02	2.41	3.33
After dilution. SEK	3.30	3.30	1.95	2.27	3.06
Cash flow from operating activities per share					
Before dilution. SEK	0.25	0.26	-0.95	0.62	-0.40
After dilution. SEK	0.25	0.26	-0.81	0.53	-0.34
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	0.95	0.9	1.3	1.1	1.5
P/E-ratio. times	neg	0.61	neg	neg	neg
Adjusted P/E-ratio. times	-	neg	-	-	-
Price/Equity before dilution. %	29	27	62	46	45
Price/Equity after dilution. %	29	27	65	49	49

1) Proposal by the board
For definitions see page 11

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 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 comple-ments 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 2017	Jan-Dec 2016
Revenue	2.6	0.9
Gross profit	2.6	0.9
Administrative expenses	-14.6	-8.0
Operating profit/loss	-12.0	-7.1
Non-recurring items finance net	-	228.5
Net financial items	-534.2	88.6
Result	-546.2	310.0
Income tax	0.0	-15.9
Net result	-546.2	294.1

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Dec 2017	Jan-Dec 2016
Net Result for the year	-546.2	294.1
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	0.0	0.0
Income tax relating to components of other comprehensive income	0.0	0.0
Net result, Other comprehensive income	0.0	0.0
Total comprehensive income	-546.2	294.1

BALANCE SHEET IN SUMMARY

MSEK	31 Dec 2017	31 Dec 2016
Assets		
Financial assets	1,036.5	1,564.0
Current receivables	0.7	20.5
Cash and cash equivalents	31.5	0.0
Total Assets	1,068.7	1,584.5
Equity and liabilities		
Equity	662.4	1,211.9
Non-current liabilities	184.4	175.5
Current liabilities	221.9	197.1
Total equity and liabilities	1,068.7	1,584.5